Macro-discretionary hedge fund defined by ambition in returns and discipline in risk - a philosophy that drives our pursuit of **asymmetric opportunities** while ensuring capital remains protected across all market conditions. Our investment approach is built on a rigorous risk framework, enabling us to express conviction with precision and navigate uncertainty without compromising **protection**.

Our investment process combines a top-down macro framework with opportunistic, high-conviction bottom-up ideas. This hybrid approach allows us to remain flexible and responsive to market dynamics, while maintaining a clear structure that supports repeatability and accountability.

A core distinction of our philosophy is our **strategy-based allocation**, in contrast to traditional asset-class frameworks. We allocate capital across distinct, thematically driven substrategies - each defined by unique macro drivers, liquidity profiles, and risk-return characteristics. This targeted structure allows us to achieve meaningful diversification and manage risk with greater granularity, enhancing our ability to adapt to shifting macro regimes and focus capital where the asymmetry is most compelling.

Demonstrating strong alignment, **the team** — along with partners and family - **collectively represent 50% of the fund's current AUM.**

November 2025 (Nov 26th NAV: 147.14)

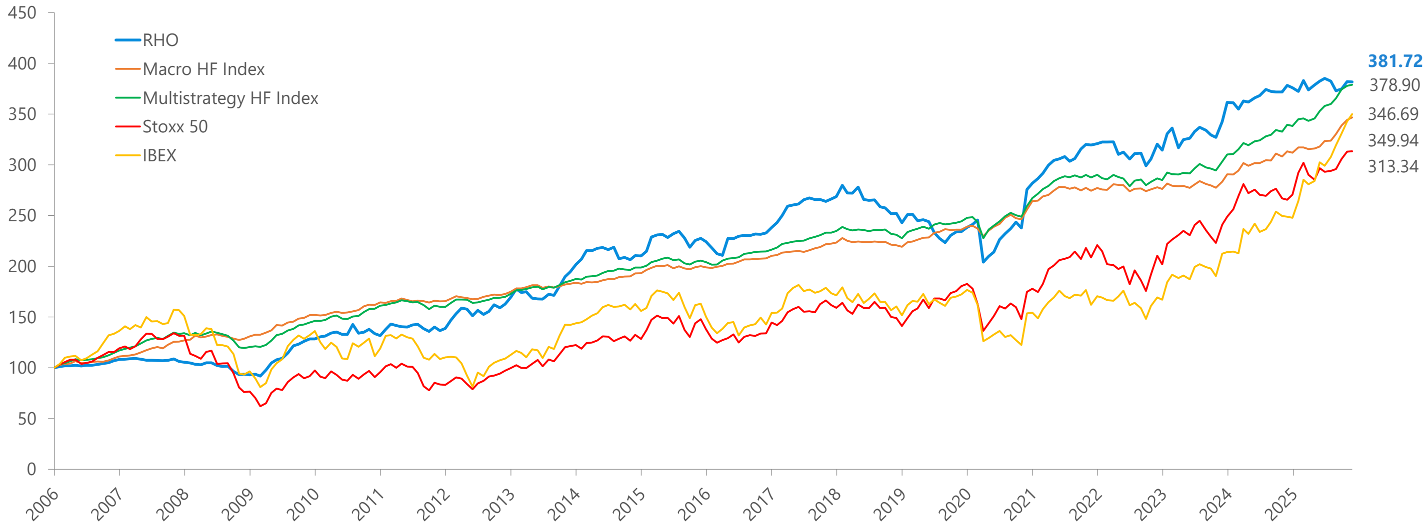
Fund Details

Structure	SIF	Management Fee	1%
Domicile	Luxembourg	Performance Fee	20% with HWM
AuM	c.€145M	Min. Investment	500,000€
NAV Currency	EUR	ISIN	LU1610886332
Liquidity	Weekly	Bloomberg Ticker	RHOSIFA LX

Team

Rodrigo Hernando	CEO	Jorge Peñalba	Sr. Analyst
José Mosquera	CIO	Alberto Espelosín	Analyst
Catalina Augustin	IR	Alejandro Pérez de Tudela	Analyst

NAV Historical Evolution vs Indexes (1)(2)



Historic Monthly Returns (% Net) (2)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	1.2%	0.7%	0.0%	0.4%	-0.6%	0.6%	0.1%	0.8%	0.8%	0.9%	1.8%	1.2%	8.2%
2007	0.3%	0.3%	0.3%	-0.6%	-1.0%	0.1%	-0.3%	-0.2%	0.4%	1.3%	-2.2%	-0.7%	-2.4%
2008	-0.8%	-1.3%	-0.4%	1.8%	0.1%	-2.6%	-1.0%	0.5%	-5.1%	-3.3%	0.4%	-0.5%	-11.8%
2009	0.7%	-2.0%	6.5%	7.1%	3.0%	1.4%	4.7%	6.2%	1.4%	2.2%	1.9%	0.0%	38.0%
2010	1.6%	0.5%	2.3%	0.8%	-1.8%	0.0%	7.4%	-6.0%	0.7%	2.1%	-3.1%	-1.4%	2.5%
2011	4.7%	3.8%	-1.0%	-0.9%	-0.2%	1.4%	0.5%	-3.1%	-1.9%	3.1%	-2.5%	1.7%	5.4%
2012	5.9%	4.2%	3.6%	-0.7%	-4.1%	3.5%	-2.6%	1.9%	4.2%	-1.8%	2.3%	4.1%	22.1%
2013	4.8%	-1.9%	0.4%	-3.6%	-0.4%	-0.2%	2.9%	-0.7%	5.3%	5.2%	2.5%	3.7%	19.0%
2014	2.6%	4.0%	0.0%	1.1%	0.3%	-0.9%	1.1%	-5.1%	0.6%	-1.1%	1.9%	-0.1%	4.2%
2015	2.2%	6.5%	0.9%	0.2%	-1.3%	1.6%	1.1%	-2.8%	-4.0%	3.0%	0.9%	-1.4%	6.7%
2016	-2.7%	-2.6%	-0.8%	7.9%	-0.1%	1.1%	0.4%	-0.1%	0.6%	-0.2%	0.6%	2.3%	6.2%
2017	2.1%	2.9%	3.7%	0.4%	0.4%	1.6%	0.6%	-0.6%	0.0%	-0.7%	0.9%	0.9%	12.8%
2018	4.1%	-2.7%	-0.1%	2.2%	-4.4%	-0.4%	0.2%	-2.6%	-0.4%	-2.3%	0.2%	-4.0%	-9.9%
2019	4.5%	0.1%	-2.5%	0.3%	-0.8%	-4.4%	-2.5%	-1.8%	3.2%	1.5%	0.1%	1.8%	-0.7%
2020	1.2%	1.8%	-16.9%	2.9%	2.0%	5.7%	2.5%	2.2%	2.7%	-2.4%	16.0%	2.3%	18.3%
2021	1.6%	1.8%	2.7%	1.6%	0.4%	0.7%	-1.5%	0.9%	3.1%	1.4%	-0.2%	0.4%	13.8%
2022	0.5%	0.0%	0.0%	-3.8%	0.7%	-2.2%	1.7%	0.1%	-4.0%	2.2%	4.8%	-1.9%	-2.0%
2023	5.2%	1.7%	-5.7%	2.5%	0.4%	2.1%	1.2%	-0.9%	-1.4%	-0.7%	4.7%	5.5%	15.0%
2024	-0.1%	-1.8%	2.3%	-0.3%	1.2%	0.6%	1.7%	-0.5%	-0.1%	0.0%	1.8%	-0.6%	4.0%
2025	-0.9%	2.9%	-2.4%	1.3%	1.0%	0.7%	-0.7%	-2.5%	0.5%	1.9%	-0.1%		1.6%

(1) Ibex and Stoxx 50 total return (including dividends).
(2) Since inception until June 2017 - Rho SIL; June 2017 onwards - Rho SIF A Class.

For any inquiries please contact catalina@rho-investments.com

Comparative Risk / Return

	RETURNS (CAGR)(1)(2)			VOLATILITY (1)(2)			Sharpe / Sortino	
	RHO	Stoxx 50	Ibex	RHO	Stoxx 50	Ibex	RHO	
1 year	0.92%	17.98%	40.62%	5.61%	10.50%	10.69%	0.16	0.30
3 years	6.01%	14.19%	27.37%	7.92%	12.84%	13.84%	0.76	1.55
5 years	6.73%	12.38%	17.90%	9.97%	16.15%	17.96%	0.67	1.72
Inception	6.96%	5.91%	6.49%	9.85%	17.00%	19.29%	0.71	1.26

Risk Concentration and Distribution Metrics (I)

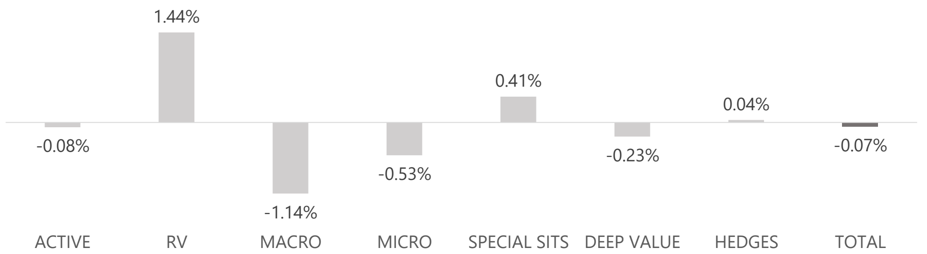
Top 5 Long Positions
(Delta exposure as % of NAV / Market VaR as % of NAV)

German BUXL Futures	32.3% / 32.3%
EU Bond 3 ⅜ 10/05/54	24.4% / 24.4%
Italian Gvt Bond 4.3 10/01/54	11.3% / 11.3%
BNP Dec 2026 Strike 80 Call	9.5% / 2.0%
EU Bond 2 ½ 10/04/52	7.6% / 7.6%

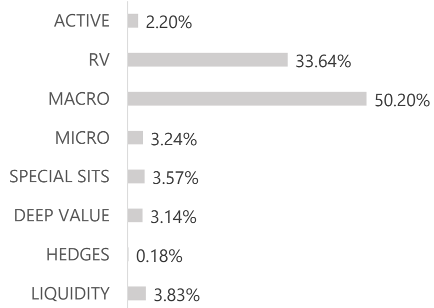
Top 5 Short Positions
(Delta exposure as % of NAV / Market VaR as % of NAV)

Itrax Sub Fins 5y CDS Index	-65.6% / -3.0%
Ibex Index Futures	-7.6% / -7.6%
Soc. Generale Common Stocks	-6.5% / -6.5%
BPER Banca Common Stocks	-4.8% /-4.8%
Bankinter Common Stocks	-4.2% / -4.2%

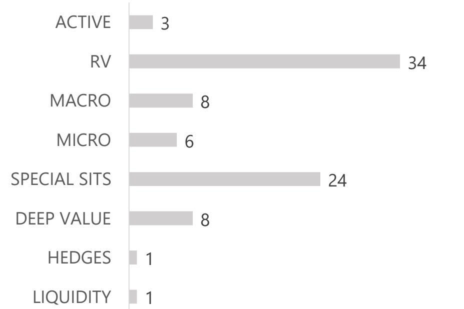
Performance attribution across strategies (% Gross)



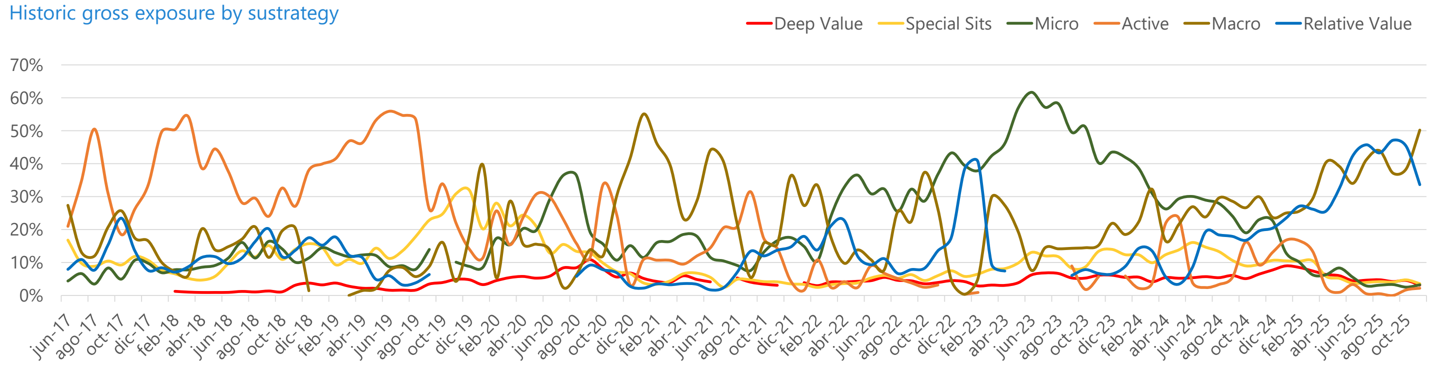
Exposure by strategy (% Gross)



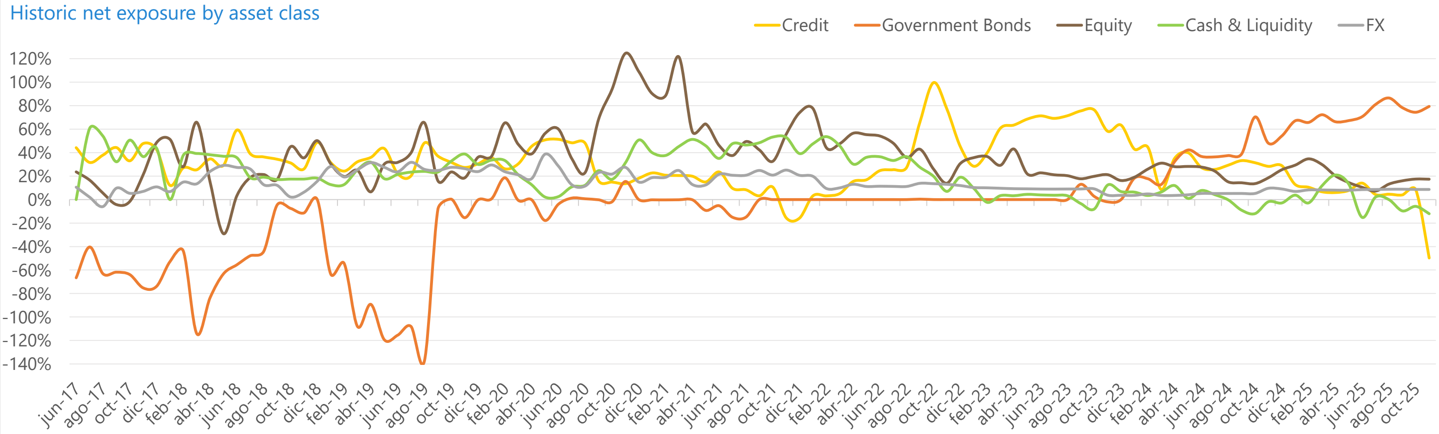
Number of positions per strategy



Historic gross exposure by sustrategy



Historic net exposure by asset class



(1) Ibex and Stoxx 50 total return (including dividends).
(2) Since inception until June 2017 - Rho SIL; June 2017 onwards - Rho SIF A Class.

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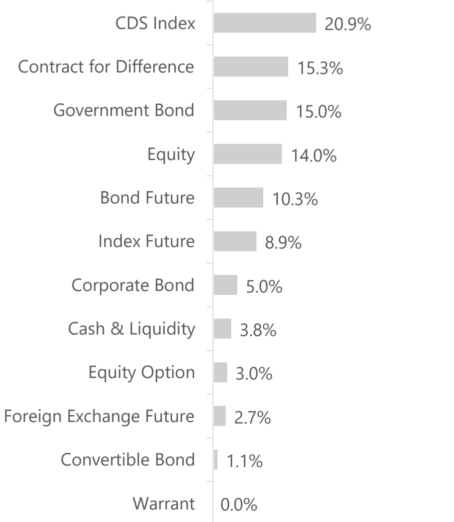
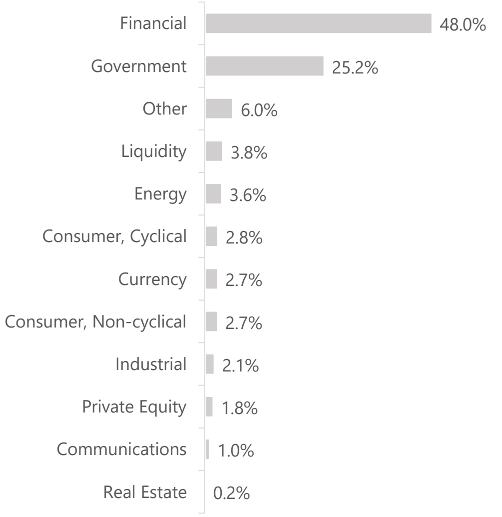
Risk Concentration and Distribution Metrics (II)

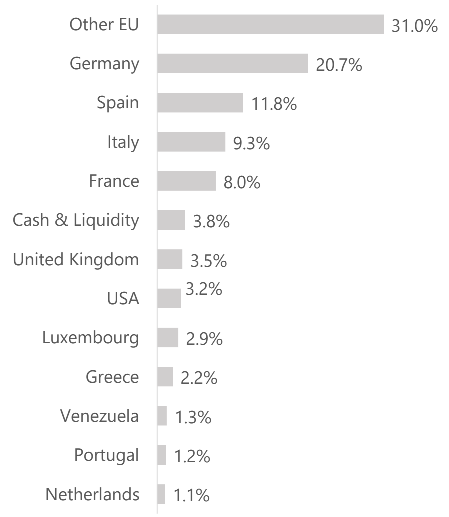
Gross notional exposure by asset class



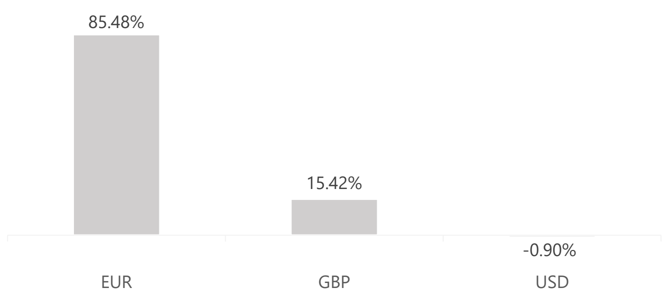
Gross notional exposure by sector



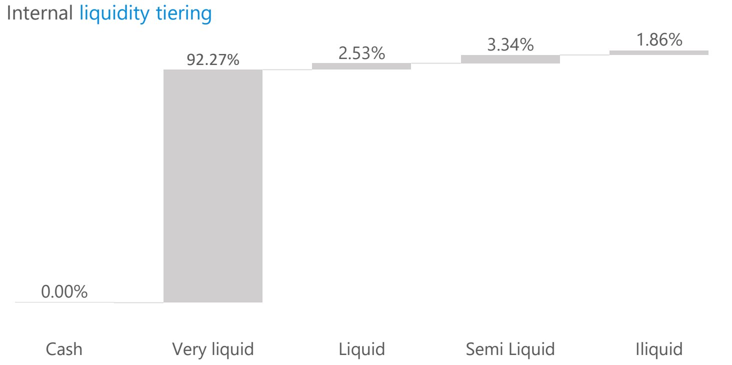
Net exposure by country



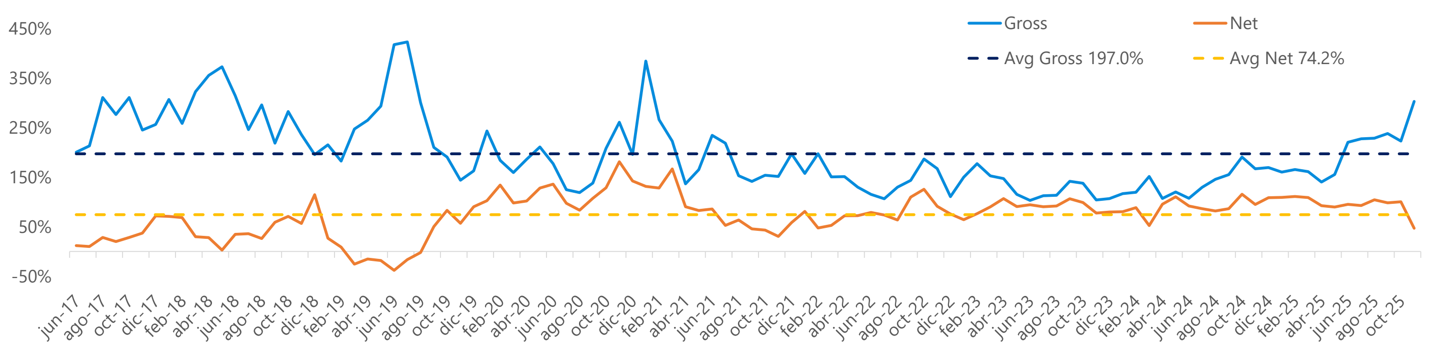
Net exposure per currency (%)



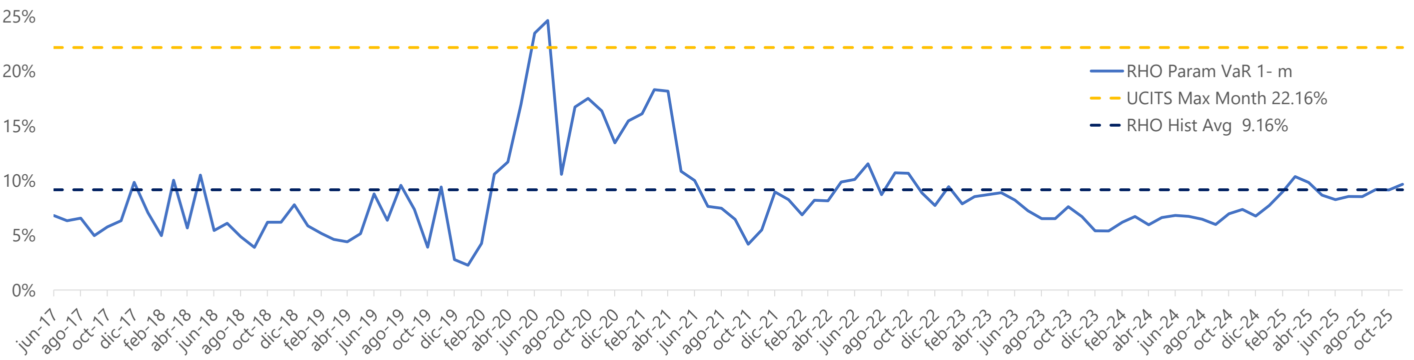
Internal liquidity tiering



Gross Leverage (%)



VaR 1 month (99.5% confidence)



foreshock [n.]
A minor earthquake preceding a greater one and originating at or near the same place.

Seismology has far more robust and developed models than our beloved field of finance. And yet, Yet, despite resting on firmer ground than what Richard Feynman famously called “a science which is not science” when referring to social sciences, it still suffers from the same lack of predictive tools as economics.

There are no reliable or consistent warning signals to predict earthquakes before they happen for earthquakes do not behave like storms with stable precursors. And although foreshocks have been studied as potential indicators of major quakes, most small tremors are not followed by a large one: “foreshocks” can only be identified after the big event has already happened.

Similarly, **in finance, the appearance of cracks in the system does not always lead to its collapse**. Yet, when examining the aftermath, those cracks stand out as blissfully ignored warning signs of impending disaster—much like how, by 2009, CDO-squared structures and highly leveraged subprime ABS were recognized as clear signs of financial excess rather than sophisticated tools for enhancing yield.

We have already discussed in previous newsletters the troubling parallels between past periods of financial excess and the financial landscape of 2025. Now, cracks are starting to appear in the foundations: cockroaches crawling through the opaque world of private credit, a wild capex spree fueled by blind faith in the supposed magical compounding power of AI, and more. However, the mere fact that the word “bubble” is frequently quoted by pundits in the financial press turns the black swan into a grey one, and by definition major left-tail meltdowns are only triggered by, in the words of the late Donald Rumsfeld, “unknown unknowns.”

So, chances are that much positioning (including ours) that has turned defensive amid retail investor-driven euphoria is unnecessarily cautious, because market meltdowns essentially require the presence of a marginal forced seller of risk. At this stage, it is not clear who that seller might be or what the catalyst for restoring sanity will be. However, when framed in terms of probability and hazard rates, we believe that a low-probability but high-severity event warrants caution, particularly when the net carry involved dangerously resembles picking up pennies on railroad tracks.

Allow me to pose this question: if, during your stay in Tokyo, you feel a tremor, what is the downside of temporarily seeking shelter under a sturdy table compared to the alternative of continuing your daily routine with a confident smile that conveys your belief that most tremors do not turn out to be foreshocks? **At the risk of appearing overly cautious, and for a relatively small opportunity cost, we at Rho Investments would prefer to remain under the table for the next few months.**

In November, a period when early concerns about AI valuations began to dominate market narratives, the fund delivered a return of -0.07%, outperforming most risky assets. By comparison, the Eurostoxx 50 posted a total return of -0.63%, while the Ibex 35—laden with banks and utilities and representing the old economy—stood out as a beacon of safety, returning +1.98%. Meanwhile, the S&P 500 and Nasdaq 100 declined by -1.01% and -3.30%, respectively (in USD terms). Cash credit also delivered a lackluster performance, with the iBoxx EUR Corporates Overall Total Return Index falling -0.32% and the iBoxx EUR Liquid HY Total Return Index edging up +0.03%. Spread returns outperformed, as the iTraxx 5-year Main CDS Index and the iTraxx 5-year Crossover CDS Index returned +0.17% and +0.36%, respectively.

From a performance attribution standpoint, two out of the six underlying strategies delivered positive returns in November.

- **Relative Value strategies (+1.4%)** remain the primary focus for capital allocation within the fund, given our concerns about overall valuation levels and our objective to minimize directional exposure to risky assets. Within this category, the main performance drivers across all delta-neutral long-short equity positions were: long BMPS vs short Banco BPM (+0.31%), long ABN vs short Commerzbank (+16bps), long Stoxx 600 Healthcare Index vs short Eurostoxx 50 (+15bps), and long BNP vs short Société Générale (+26bps). This month, we converted the long leg in BNP/SG from delta-one into an option exposure to enhance the risk-reward profile and capitalize on a potential spike in volatility.

- **Micro strategies (-0.5%).** As we have highlighted in previous newsletters, risk allocation to this bucket remains well below historical averages, reflecting a scarcity of compelling fundamental value opportunities in still-overpriced equity and credit markets, as well as a macro-driven environment that fails to adequately reward idiosyncratic exposures. Exposure remains concentrated around a few highly idiosyncratic investments characterized by highly depressed valuations vs our most conservative model assumptions where current cheap levels provide abundant cushion in the event of a significant systematic market correction. The main driver of performance in the month was our long exposure to shares of Spanish traveltech company HBX (-0.28%).

- **Macro Strategies (-1.1%).** Positioning within this bucket continues to reflect our view that European growth will decelerate more sharply than currently priced by markets, alongside themes of compression in rates term premia and asymmetric growth dynamics across Europe. Within this framework, we have introduced a new position based on our conviction that systemic risk premia will inevitably rise as second-order exposures from the private credit and private equity bubble begin to surface within the financial system. For a more detailed discussion of the risk transfer thesis underpinning our purchase of protection on the iTraxx Sub Financials 5-year CDS Index, we refer readers to our October newsletter, where we explored the evolving nature of bank risk in the aftermath of the 2008 Global Financial Crisis. Performance within the strategy was primarily impacted by losses in German Buxl futures (-0.58%), a long position that we shifted into an options-based structure in early December in order to mitigate the impact of short-term spikes in interest rate volatility.

- **Active Strategies (-8bps).** With primary credit markets offering very little to no concession vs secondaries, opportunities from new issue premia were very scarce in the month.

- **Special Situations (+0.4%).** This strategy remains concentrated in a limited number of positions — primarily Thames Water and Venezuela/PDVSA restructuring stories — as broader M&A activity (excluding financials, which we continue to express through relative value trades) remains subdued. Meanwhile, the abundance of private debt refinancing at questionable valuations continues to delay the onset of a full distressed debt cycle. The bucket benefited from a rally in PDVSA/Venezuela defaulted debt, as the Trump administration maintains its military rhetoric aimed at provoking regime change in Caracas. Our current holdings represent a total market value of +1.35% of NAV across various maturities, with a particular focus on high past-due interest bonds to maximize the value of our claims.

- **Deep Value strategies (-0.2%+)** saw no significant activity during the month and remain focused on a thematic, long-term position in the growth potential of the U.S. telehealth sector, which we believe will, over the medium term, be further supported by the increasing role of AI as a structural growth driver.

Finally, **from a risk metrics perspective**, net market exposure decreased significantly from 100% at the end of October to 43% by the end of November, largely due to our purchase of a long protection position in the iTraxx Sub Fins 5-year CDS Index. While this position represents 66% of NAV in percentage terms, its maximum potential loss is relatively modest at 3% of NAV. Gross exposure increased notably as a result of this trade, rising from 223% to 314%. From a statistical standpoint—using 1-day parametric Value at Risk at a 99.5% confidence level—the fund closed the month with a VaR of 2.06% (versus 1.88% at the end of October). In terms of the average daily VaR during the month, risk increased by 11bps month-on-month to 2.06%.

About the company

Quadriga Asset Managers SGIIC, an independent investment firm managing over €1.5 billion in assets. Backed by a team of more than 50 professionals, the firm is built on independence, alignment of interests, and transparency. Headquartered in Madrid, Quadriga serves a global client base of HNWIs, family offices, and institutional investors across Europe, the US, and LATAM. Its platform spans two core business lines: **Wealth Management** and **Asset Management** - with RHO as its flagship fund.

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