

**Quadrigo Igneo UCITS**

28 Feb 2019

Quadrigo Igneo Ucits is a liquid absolute return strategy with a long bias to the Precious Metals sector and US treasuries, a long bias to implied volatility, and long-only tail risk insurance. Quadrigo Igneo Ucits follows a proprietary multifactor investment process that combines both fundamental and quantitative inputs, including top-down macro, geopolitics, bottom-ups micro, technical analysis, and flow analysis, within a disciplined framework for portfolio construction and risk management.



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**Quadrigo Igneo UCITS Update**

February saw a continuation of risk on sentiment, led by europe equities (4,20%), S&P 500 (+3,21%) and China Hang Seng (+2,71%). Equally the High yield indices joined the rally with +1,21% in USD and +1,71% in EUR. Everything seems to be supported by a possible deal in USA-China trade, a possible delay in Brexit, and more especially in global central Banks either promising to be where they are for longer, or even speculating with new measures, like a new TLTRO in Europe. Meanwhile, macroeconomic numbers keep deteriorating with manufacturing PMIs lower in Europe with the first -50 numbers since 2013 and industrial productions on quite negative numbers year over year. Meanwhile in US still maintain a healthy 3,8% YoY number while China sees the lowest readings in the last 30 years, similar to those at the Helm of the crisis in 2008 or 2015. But the market seems to be expecting a rebound driven by looser policy in US and China, and the risk assets rally has been followed by higher yields in US treasuries and some losses in precious metals, in what seems to be a more upbeat macro Outlook going forward. In our opinion risks are building on financial assets, the more risk assets rise without a macro rebound the riskier they get.

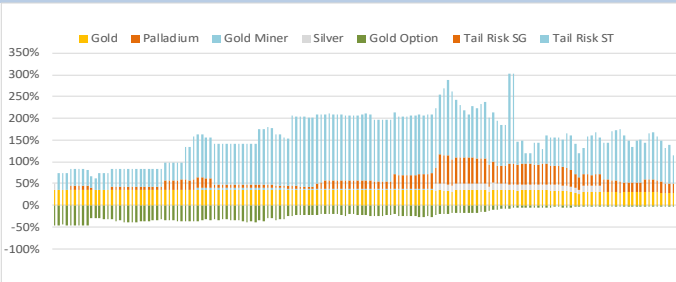
**Quadrigo Igneo UCITS**

The IGNEO's portfolio is positioned for a pick-up in both realized and implied volatility. During February we have increased our nominal exposure to treasuries and credit, both have seen a significant downward path in volatility. On the equity side we have maintained our exposure but we are actively moving up our strikes as the equity markets rise. We have transformed our vanilla puts into put spreads and added a new exotic option which compensates the theta. On the precious metals tail, we keep having long term gold exotic options and will increase as inflows grow fund's assets. The fund lost -1,68% in February, led by tail in equities and credit and some losses in the long precious metals. Lower volatility across assets is taking a role in this month performance, but also present a great opportunity going forward. The portfolio is well positioned to gain from a distressed market situation.

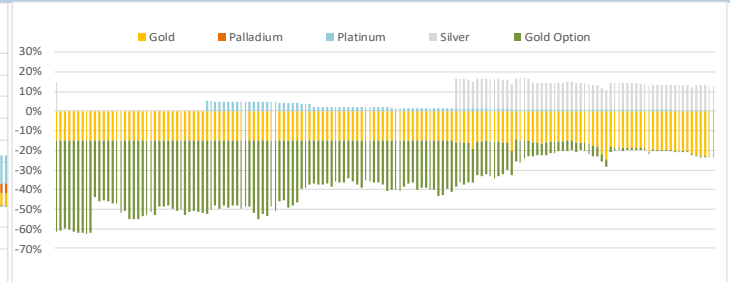
Reference	Gold ETF
<b>Total</b>	<b>100%</b>
Gold	50%
Silver	-
Platinum	-
Palladium	-
Gold Miners	-
Options ST	-
Options LT	-
Tail Risk SG	-
Tail Risk ST	-
US Treasuries	-

Smart Gold	Funded	Notional	Beta	Delta
<b>Total</b>		<b>100%</b>		<b>139%</b>
Gold ETC		27%	1.00	27%
Silver ETC		12%	1.50	18%
Platinum		-	0.70	-
Palladium		-	0.60	-
Gold Miners ETF		1.3%	1.50	2%
Options ST		-	-	-
Options LT		38%	-0.02	(1%)
Tail Risk SG		202%	0.12	24%
Tail Risk ST		481%	0.14	66%
US T-Bills		35%	0.05	2%

**Absolute Allocations (% Live Delta)**



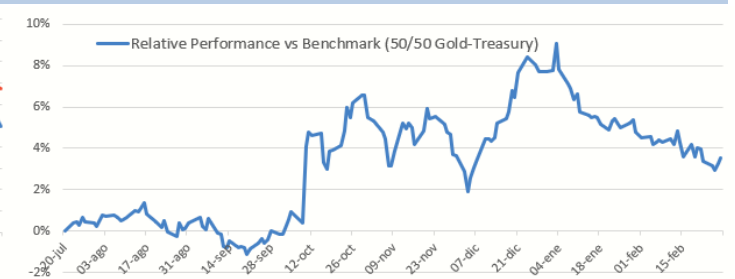
**Relative Allocations (% Live Delta)**



**Absolute Performance (%)**



**Relative Performance (%)**



<b>2018</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	<b>FY 2018</b>
<b>Quadrigo Igneo UCITS</b>							-0.1%	-0.9%	-1.3%	6.3%	-1.2%	7.3%	<b>9.9%</b>
<b>2019</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	<b>FY 2019</b>
<b>Quadrigo Igneo UCITS</b>	-1.3%	-1.7%											<b>-3.0%</b>

**DISCLAIMER.** This fact sheet is not a sales prospectus. The materials are intended solely for general information about the Strategy. Past performance is no guarantee of future results. Realized performance may differ from Target Performance, and can be positive or negative. Calculations do not include any fees.