

Quadrige Igneo UCITS

30 APRIL 2019

Quadrige 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. Quadrige 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.



Diego Parrilla

Chief Investment Officer
diego.parrilla@quadrigafunds.es

Alfonso Torres

Senior Portfolio Manager
alfonso.torres@quadrigafunds.es

Quadrige Igneo UCITS Update

The aggressive Central Banks actions of 1Q19 (significant M2 expansion around the developed world and China) have created a slight improvement in short term macroeconomic data, but still point to sluggish growth in Europe and China. The recent data was however sufficient to construct a rally in risk assets, with equities rallying across the board between 3,8% and 5% in developed markets, whilst EM and China were 2%. USD remains largely unchanged against main currencies with the exception of the CHF, which underperformed G7 currencies (-2,4%) on expectation of "lower for longer" rates, following the ECB, and less demand for safe heavens assets as markets are once again dominated by complacency. There seems to be a clear disconnect between macroeconomic numbers and risk assets, while lower growth projections across the board, but equities and credit seems to be primarily driven by monetary and fiscal drivers. Should economic forecasts for a decelerating economy prove correct, we expect equity valuations to correct lower. Yet, Equity markets reversed all 2018 Q4 losses and have made SPX reached new all-time highs in April. We continue to see risks mounting across different assets, leverage, correlations and global complacency reflected in artificially low volatility.

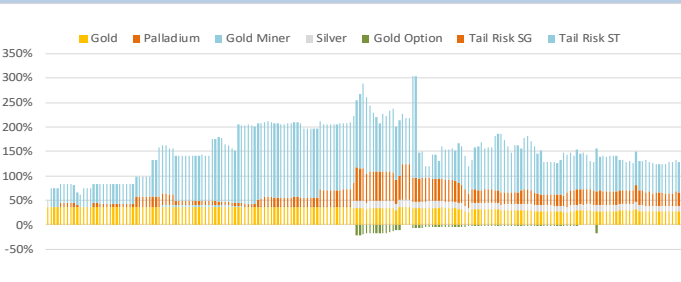
Quadrige Igneo UCITS

During April we saw US treasuries (-0,50%), precious metals (gold - 0,95%, silver -1,65%) and volatility falling (VIX down to 12%), mirroring the two months risk assets rally. Igneo continues its disciplined approach and restructured its insurance to higher strikes, and added to existing positions as inflows continue. The fund lost 1,6% in April due to mark-to-market losses in the insurance portfolios (-1,73%), while precious metals lost -0,43% and gold tail risk made 0,32%, helped by the underperformance of CHF. We continue to have some exposure short on CNH via options on the tail strategy. Volatility in historic lows across assets, especially in currencies, bonds and precious metals. We continue to see the current environment for Igneo's mandate and objectives.

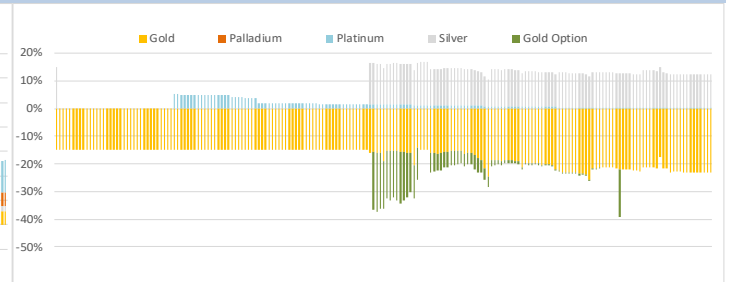
Reference	Gold ETF
Total	100%
Gold	50%
Silver	-
Platinum	-
Palladium	-
Gold Miners	-
Options ST	-
Options LT	-
Tail Risk SG	-
Tail Risk ST	-
US Treasuries	-

IGNEO	Funded	Notional	Beta	Delta
Total	100%			142%
Gold ETC	28%	1.00	28%	
Silver ETC	12%	1.50	18%	
Platinum	-	0.70	-	
Palladium	-	0.60	-	
Gold Miners ETF	0.4%	1.50	1%	
Options ST	-	-	-	
Options LT	-	0.00	-	
Tail Risk SG	246%	0.11	28%	
Tail Risk ST	406%	0.16	66%	
US T-Bills	38%	0.05	2%	

Absolute Allocations (% Live Delta)



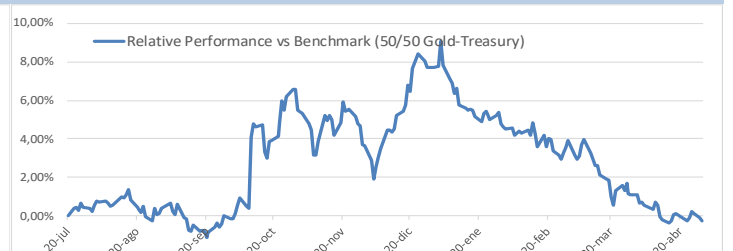
Relative Allocations (% Live Delta)



Absolute Performance (%)



Relative Performance (%)



2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadrige Igneo UCITS							-0.1%	-0.9%	-1.3%	6.3%	-1.2%	7.3%	9.9%
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2019
Quadrige Igneo UCITS	-1.3%	-1.7%	-1.9%	-1.9%									-6.7%

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.