

**Quadrigo Igneo UCITS**

**31 OCT 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.



**Quadrigo IGNEO Update**

Quadrigo Igneo UCITS was +0.1% in Oct, bringing cumulative net absolute gains since inception to +16.4% (+12.8% p.a.) with high asymmetric risk-adjusted returns, as per +2.3 Sortino (realized return per unit of “bad volatility”), and strong negative correlation during hostile markets, as per the enclosed graph of Igneo UCITS vs S&P 500 equity index.

Looking back, October was yet another relentless month of risk-on sentiment driven by positive developments on Brexit, US-China Trade Wars, and the third “insurance rate cut” by the Federal Reserve, which brought the SPX to new all-time highs, shrugging-off weak macro-economic data and ignoring the extraordinary developments in the US repo markets that led to the restart of the “non QE” program by the Federal Reserve. The strong rally in equities was mirrored by the steady sell-off in the VIX (back to 12%), implied volatility across asset classes, the USD, US Treasuries, Precious metals, and European Government Bonds, which saw a noteworthy reversal from deep negative yields.

**Diego Parrilla**

Chief Investment Officer  
diego.parrilla@quadrigafunds.es

**Alfonso Torres**

Senior Portfolio Manager  
alfonso.torres@quadrigafunds.es

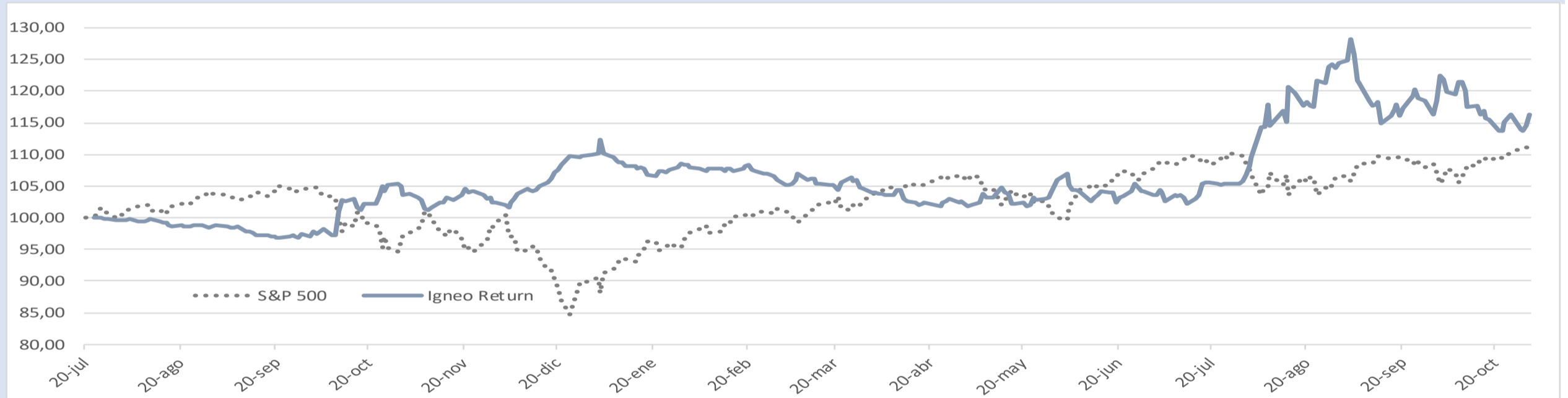
**Quadrigo IGNEO**

Precious Metals	Notional	g-Beta	g-Delta
Gold	29.2%	100%	29%
Silver	11.3%	150%	17%
Platinum	6.7%	70%	5%
Palladium	-	60%	-
Gold Miners	0.1%	150%	0.1%
Put Options	-	-	-
<b>Total Precious</b>			

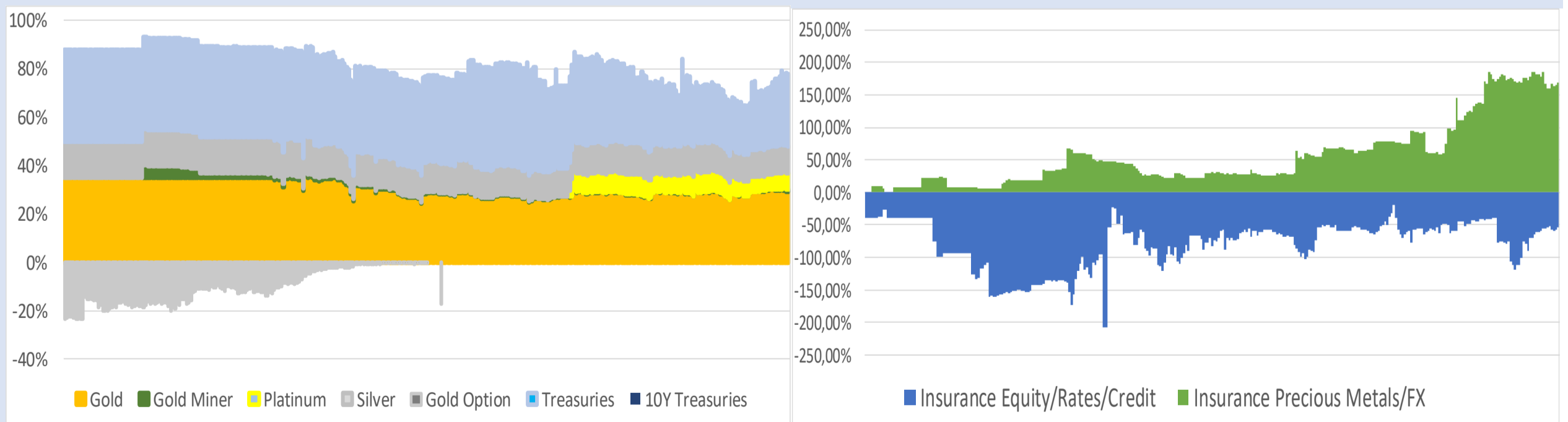
US Treasurie	Notional	Duration
US T-Bills	-	1.0
UST 5 year	-	4.8
UST 10 year	-	8.7
UST 20 year	-	15.7
UST 30 year	30.1%	19.0
Put Options	-	-
<b>Total UST</b>		

Long Insurance	Notional	Exposure	Vega
Call Precious Metals	251%	88%	0.31%
Call Treasuries & Rates	140%	9%	-
Call USD vs DM FX	394%	51%	1.33%
Call USD vs EM FX	339%	31%	0.48%
Put Credit & High Yield	131%	(23%)	0.13%
Put Public Equities	251%	(38%)	0.21%

**Absolute Allocations (% Live Delta)**



**Absolute Performance (%)**



2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadrigo Igneo UCITS							-0.10%	-0.90%	-1.30%	6.30%	-1.20%	7.30%	<b>9.9%</b>
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2019
Quadrigo Igneo UCITS	-1.3%	-1.7%	-1.9%	-1.9%	3.3%	-1.7%	2.5%	16.5%	-6.53%	0.13%			<b>5.9%</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.