

Quadrigo Igneo UCITS Update

31 Dec 2018

Quadrigo Igneo UCITS is a liquid absolute return strategy with a long directional 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 multi-factor investment process that combines both fundamental and quantitative inputs, including top-down macro, geopolitics, bottom-ups micro, technical analysis, positioning analysis, and flow analysis, within a disciplined framework for portfolio construction and risk management.



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Class A (1.5%,0%)
ISIN: LU1844121522
Daily liquidity
Bloomberg Code: QUAIGNA LX

Class B (0%,20%)
ISIN: LU1844121795
Daily liquidity
Bloomberg Code: QUAIGNB LX

Quadrigo Igneo UCITS Update

Quite a volatile month of December, with stocks dropping led by S&P 500 -9,81% drop, while Eurostoxx 600 dropped -5,84% and EM equities -3%. While investment grade bonds and governments rised, led by 10Y us treasury (+2,52%) and US corporates IG (+1,37%), the USD High Yield bonds dropped by -2,16%, in a typical flight to quality month. The drop in USD yields and the losses in the USD vs EUR and in the basket, helped Gold (+5%) and silver (+9,5%) recover some of the losses accumulated since june. Althogher we saw kind of distressed markets after the 2600 support break in the S&P 500, before that the correction seemed like a natural correction of an over extended, over optimistic market. Now the global slowdown seems more remarkable, and although the FED reduced the expected path of rate hikes for next year, it didnt help risk assets as stops hit the markets. We still think risks are there in several fronts, from Brexit, to EU-Italian break through, to chinese slowdown, over extended credit markets etc. We keep having Igneo portfolio well prepared to profit from distressed markets and preserve capital in normal markets. Both underlying strategies (Smart gold and Smart treasuries) worked during December as expected, we have taken profits in some of the tail risk strategies and put new ones, including precious metals, treasuries, credit and equities.

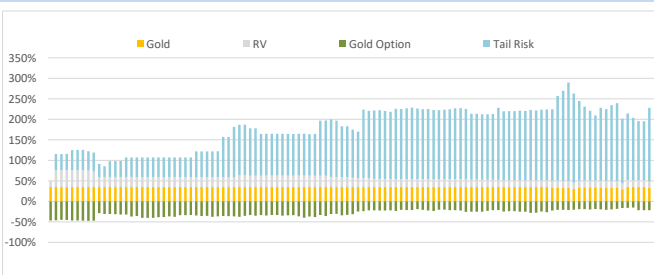
Quadrigo Igneo UCITS

The IGNEO's portfolio is positioned for a pick-up in both realized and implied volatility. We maintain our treasury tail risk strategy and the HY. During the month of December we took profits in the equity tail risk part, and opened new positions with longer maturities. We keep having some tail risk strategy short CNH via digital options, and we have increased our exposure to Gold via exotics long term options. The portfolio is well positioned to gain in a distress market situation, and assures capital preservation, functioning as a good hedge for equity or credit investments. We keep having Igneo portfolio well prepared to profit from distressed markets and preserve capital in normal markets. Both underlying strategies (Smart gold and Smart treasuries) worked during December as expected, we have taken profits in some of the tail risk strategies and put new ones, including precious metals, treasuries, credit and equities. We still think risks are there in several fronts, from Brexit, to EU-Italian break through, to chinese slowdown, over extended credit markets etc.

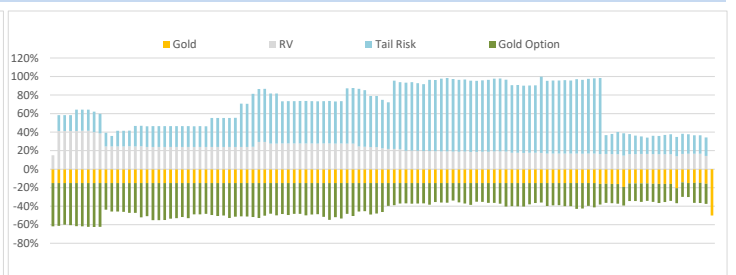
Reference	Gold ETF
Total	100%
Gold	50%
Silver	-
Platinum	-
Palladium	-
Gold Miners ETF	-
US Treasuries	50%
Options ST	-
Options LT	-
Tail Risk SG	-
Tail Risk ST	-
US Treasuries	-

Smart Gold	Funded	Notional	Beta	Delta
Total		100%		214%
Gold ETC		34%	1.00	34%
Silver ETC		13%	1.50	20%
Platinum		-	0.70	-
Palladium		-	0.60	-
Gold Miners ETF		1.3%	1.50	2%
US Treasuries		40%		
Options ST		-	-	-
Options LT		50%	0.20	10%
Tail Risk		260%	0.19	49%
Tail Risk		325%	0.30	98%
US T-Bills		40%	0.05	2%

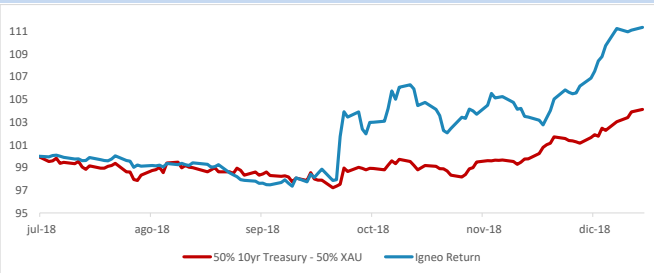
Absolute Allocations (% Live Delta)



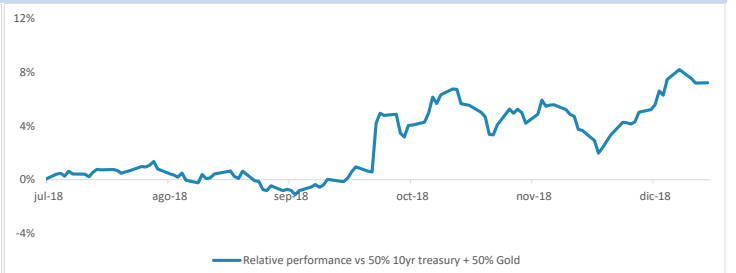
Relative Allocations (% Live Delta)



Absolute Performance (%)



Relative Performance (%)



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

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.