

### Quadrige Igneo UCITS Update

30 Nov 2018

Quadrige 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. Quadrige 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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### Quadrige Igneo UCITS Update

Monthly Update

During November we saw quite volatile equity markets, rebounding from October losses during first week only to collapse during the rest to end up losing 1-1,5% range in Europe, gaining 2% for US and 4% for emerging markets. For the second month in a row we saw credit, both IG and HY underperforming core government bonds, EUR HY losing 3% relative to EUR core Govts. Remarkable drop in oil, losing 22% during November for a total 33% drop from the highs seen in October. Several factors are affecting global markets, from European fight between EU and Italian government on the Budget, to the exhausting daily headlines and tweets from US and China on the trade war.

After a first week of the month of precious metals outperformance, the selling pressure resumed, especially in silver, and left the market on a very tight range for the rest of the month. Although some cut in shorts happened at the beginning of the month, both gold and silver positioning keeps being short, especially in silver and is close to the shortest positioning in the last 3 years. It is true that the USD index has remained unchanged after the big rally seen since April, and this is acting as headwind for precious metals, but the US treasury yields have stopped their rally, and it should give some support to Gold and Silver.

### Quadrige Igneo UCITS

Rebalancing Update

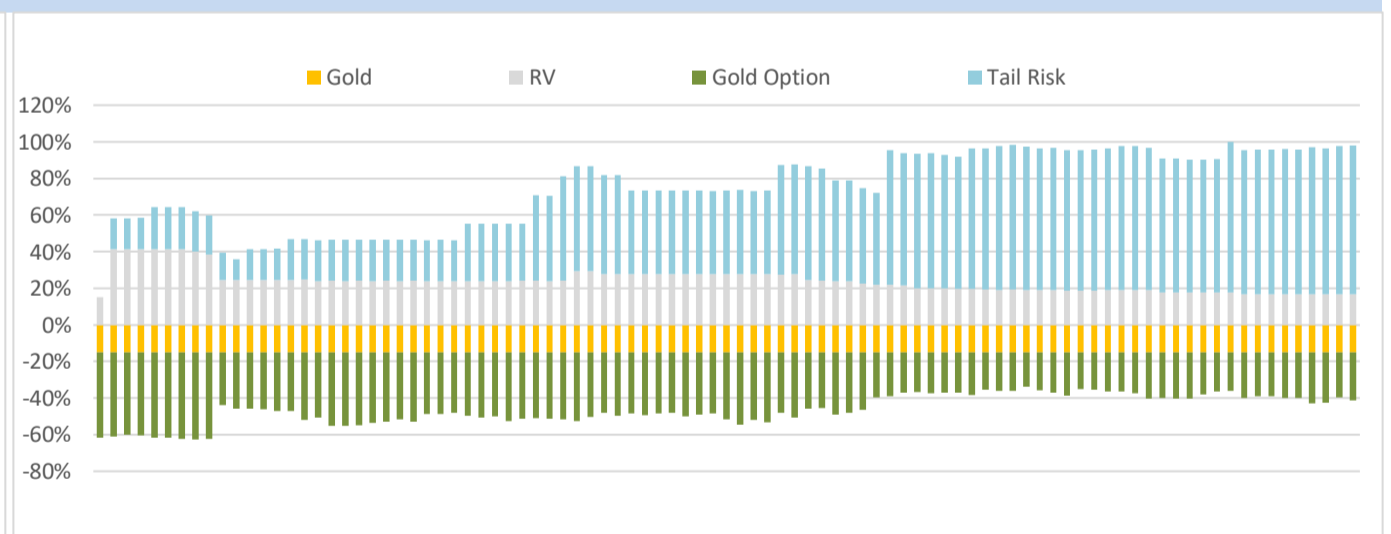
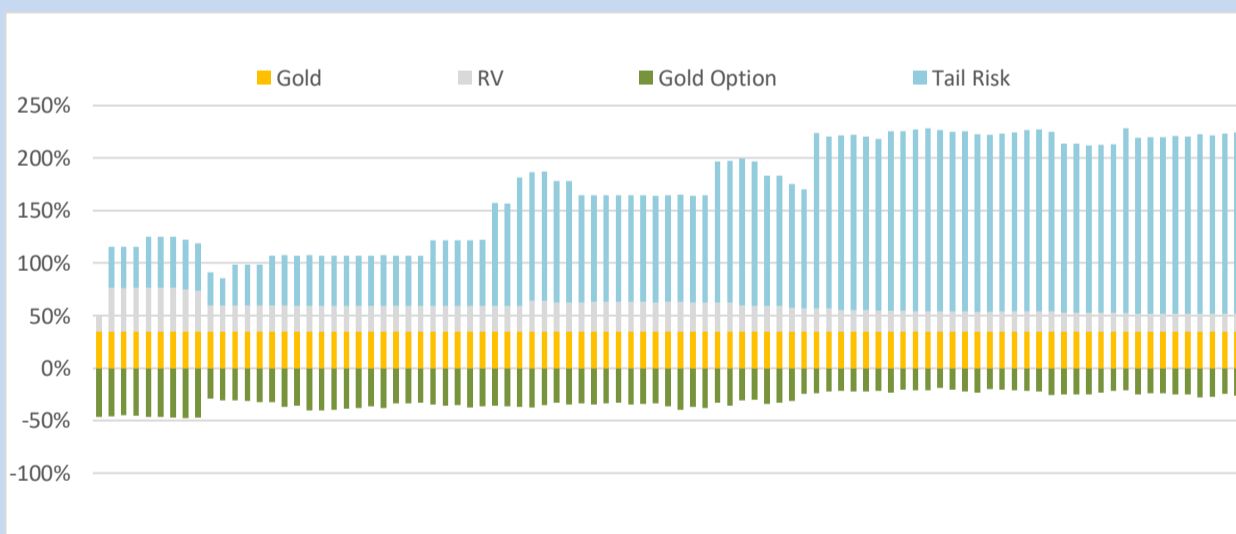
Quadrige Igneo UCITS remains well positioned to monetize a pick-up in both realized and implied volatility. The long portfolio as of end of November is composed primarily by +35% gold, +15% silver and 40% US Treasuries. After more positive tone in headlines related to trade war during G20, we decided to cut the vanilla option on USDCHN, and kept the 3m and 6m digitals. We keep having gold puts for March 19. After the big drop in precious metals since June, positioning remains quite short. We think global markets are facing several important issues, from marked slowdown in Europe and EMs, to trade war between US and China, to clash over budget in Italy. We still see the complacency hiding risk across markets, and the Smart Gold strategy to be a good way to profit from higher volatility.

Reference	Gold ETF
<b>Total</b>	<b>100%</b>
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
<b>Total</b>		<b>100%</b>		<b>212%</b>
Gold ETC		35%	1.00	35%
Silver ETC		15%	1.50	23%
Platinum		-	0.70	-
Palladium		-	0.60	-
Gold Miners ETF		2.5%	1.50	4%
US Treasuries		40%		
Options ST		-	-	-
Options LT		50%	-0.52	(26%)
Tail Risk		226%	0.17	37%
Tail Risk		596%	0.23	137%
US T-Bills		40%	0.05	2%

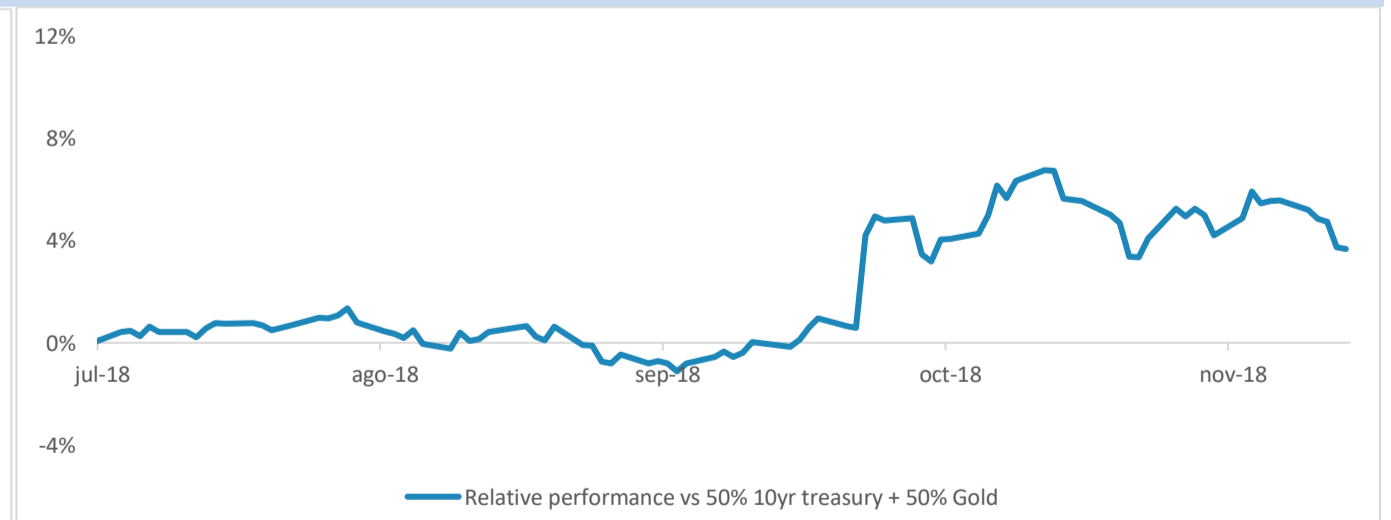
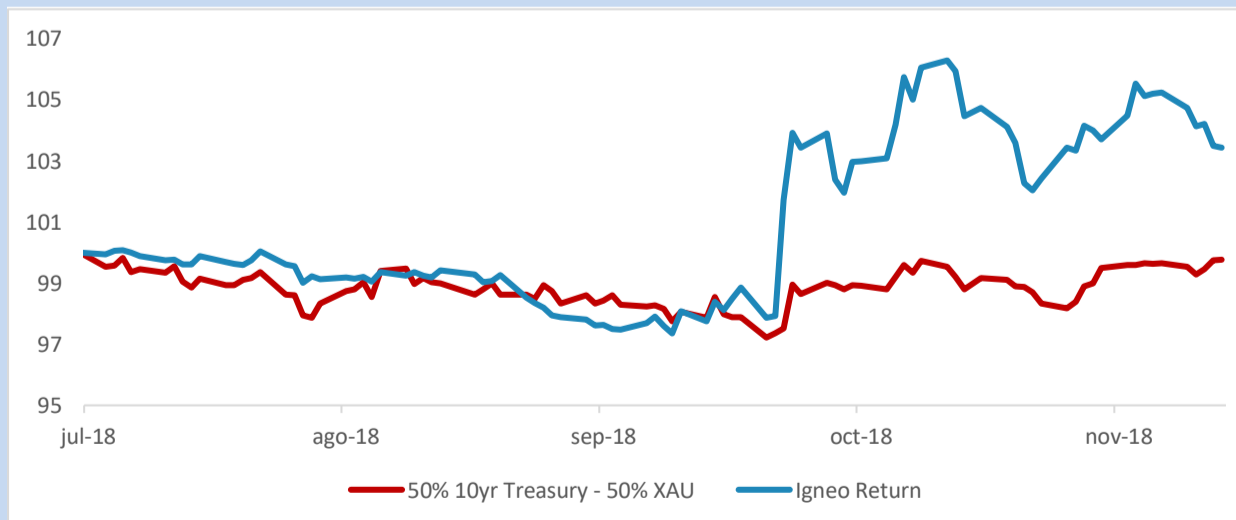
### Absolute Allocations (% Live Delta)

### Relative Allocations (% Live Delta)



### Absolute Performance (%)

### Relative Performance (%)



2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2018
Quadrige Igneo UCITS*							-0.2%	-0.4%	-1.3%	6.5%	-1.0%		3.4%

\*Gross returns

**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.