

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

March 2019

Tages

## FIRM DESCRIPTION

Tages Capital is a specialist, alternative asset management firm with approximately US\$2 billion run on behalf of global institutional investors and family offices. Tages manages a range of innovative, alternative investment products and solutions, including multi-manager portfolios, single manager UCITS and dedicated seeding funds. The firm is a market-leader in providing early stage capital to world-class emerging asset managers. We offer a fully independent UCITS platform, hosting multiple single-strategy, alternative UCITS funds with the aim of bringing best in breed strategies to market.

## STRATEGY DESCRIPTION

The Fund aims to provide investors with protection from sharp dislocations in global equity and bond markets without the typical burden of carry associated with tail hedge strategies. The Fund uses a combination of systematic long volatility, convexity, momentum and mean reversion strategies together with low beta carry strategies designed to compensate for time decay. The PM uses a proprietary combination of quantitative and qualitative techniques to evaluate and select a portfolio of investable trading strategies and alternative risk premia with clear tail hedge characteristics.

## PERFORMANCE SUMMARY

	MARCH	YTD
Tages Paladin UCITS Fund B (USD)*	1.94%	-0.65%
S&P 500	1.79%	13.07%
Bloomberg Barclays US Agg Bond	1.92%	2.94%

\*Source: Northern Trust

## FUND PERFORMANCE NET OF FEES

Class B	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2019	-1.14	-1.41	1.94										-0.65
2018								-0.21	-0.45	-2.79	0.95	0.50	-2.02

Source: Northern Trust

## TOP 3 CONTRIBUTORS

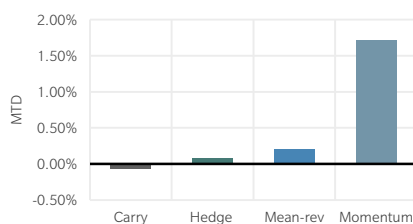
	MTD
G4 F Income Momentum	0.98%
Break-out Momentum	0.81%
G4 Rates/Credit Momentum	0.47%

## BOTTOM 3 CONTRIBUTORS

	MTD
US Equity Intraday Vol	-0.16%
VIX Intraday Momentum	-0.14%
US F Income Volatility	-0.11%

## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
Carry	-0.07%	-0.10%	10.71%	29.15%
Hedge	0.08%	-2.41%	55.52%	151.12%
Mean-rev	0.20%	0.14%	9.05%	24.63%
Momentum	1.71%	1.76%	24.72%	67.29%
Leverage				272.19%



## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
Equities	0.29%	-1.68%	69.91%
Fixed Income	1.63%	1.09%	30.09%
FX	0.00%	0.00%	0.00%



Source: Tages Capital LLP.

\*Estimated return contributions of the underlying strategies or asset class, excluding fund fees, expenses, and other miscellaneous factors.

## COMMENTARY

Equities managed to hold their exceptional gains from earlier in the quarter even as a rally in government bonds started sending alarm bells. US 10-year yields fell below those of three month T-bills, and German 10-year yields entered negative territory for the first time since 2016. The sharp fall in yields might not foreshadow a recession but it is becoming more clear that the economic outlook is gloomy and growth will remain weaker than consensus expectations, particularly in the US.

We are pleased with the performance of the Paladin fund this quarter, down only -0.65% year-to-date against a significant equity rally with the S&P up +13.07% over the same time period. The Fund has demonstrated a negative correlation of -48% vs the S&P 500 this quarter. Our hedging strategies suffered during the sharp equity rallies but recovered during the rates tail event in March. The Fund also benefitted from a number of sharp daily sell-offs in stocks in March. Momentum strategies softened the fall in P&L in January and February, and nicely caught the bond rally in March.

The fund was up +1.94% in March, mostly driven by fixed income Momentum and Hedging strategies.

## INVESTMENT MANAGER

Tages Capital LLP

## FUND MANAGER

Berouz Fatemi

## STRATEGY

Tail Hedge

## VEHICLE

ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$97.35 (Class B)

## MANAGEMENT FEE

Class B 0.85%

## PERFORMANCE FEE

Class B 0%

## MINIMUM INVESTMENT

Class A JPY 1,000,000,000

Class A USD 1,000,000

Class B USD, EUR, GBP 1,000,000

Class R USD, EUR, GBP 10,000

## DEALING

Daily dealing with 3 business day's notice

## SHARE CLASSES

Class A JPY: IE00BFLVDR48

Class A USD: IE00BDGT2T45

Class B GBP: IE00BDGT2V66

Class B EUR: IE00BFLVDS54

Class B USD: IE00BFLVDT61

Class R GBP: IE00BDGT2W73

Class R EUR: IE00BFLVDV83

Class R USD: IE00BFLVDW90

## ADMINISTRATOR / DEPOSITARY

Northern Trust International Fund

Administration Services (Ireland) Limited

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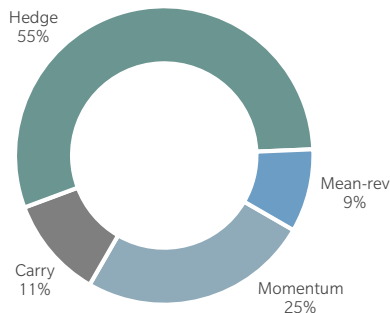


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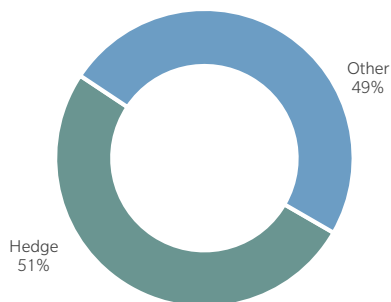
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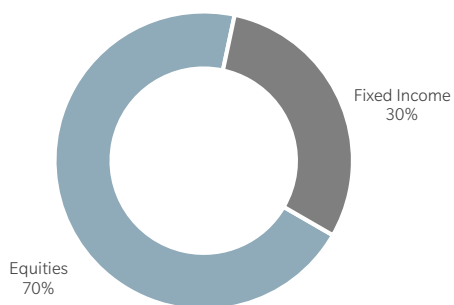
## NOTIONAL BREAKDOWN BY STRATEGY



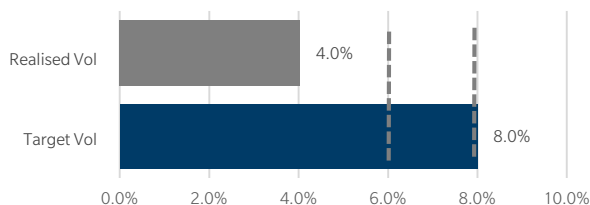
## RISK ALLOCATION BY STRATEGY



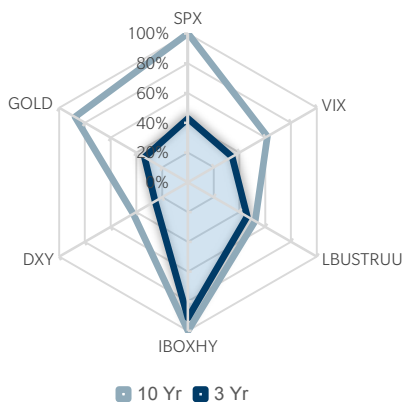
## NOTIONAL BREAKDOWN BY ASSET CLASS



## VOLATILITY

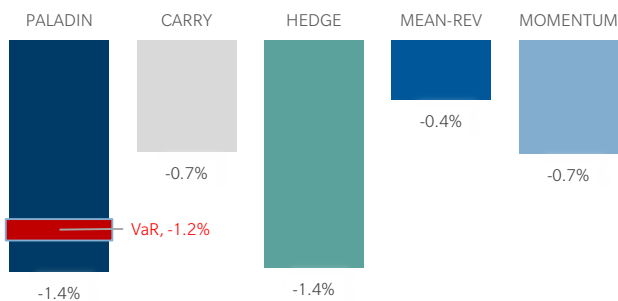


## TAIL HEDGE SCORE\*



\*The tail hedge score is a metric which estimates the expected recovery rate of the Paladin Fund for each risk factor. It is based on historical monthly returns over the last three and ten years.

## MONTHLY EXPECTED SHORTFALL (95% cVaR)



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