

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

May 2020

INVESTCORP-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 with clear tail hedge characteristics

## PERFORMANCE SUMMARY

	MAY	YTD
Tages Paladin UCITS Fund B (USD)	-2.99%	6.35%
S&P 500	4.53%	-5.77%
Bloomberg Barclays US Agg Bond	0.47%	5.47%

## FUND PERFORMANCE NET OF FEES

Class B	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2020	1.16	5.17	4.41	-1.31	-2.99								6.35
2019	-1.14	-1.41	1.94	-1.77	2.36	1.38	-0.03	2.95	-1.12	-1.05	-0.39	-1.21	0.36
2018								-0.21	-0.45	-2.79	0.95	0.50	-2.02

Source: Northern Trust, Bloomberg as of 29<sup>th</sup> May 2020

## TOP 3 CONTRIBUTORS

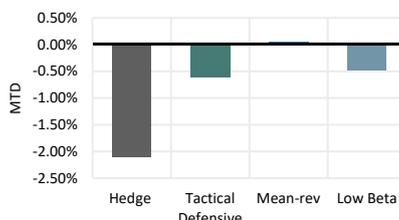
	MTD
Global Equity Mean Reversion	0.04%
G4 Fixed Income Trend	0.04%
US Relative Value Net Long Vega	-0.01%

## BOTTOM 3 CONTRIBUTORS

	MTD
US Equity Tactical	-0.52%
S&P 500 Intraday Momentum	-0.41%
EU Equity Downside protection	-0.29%

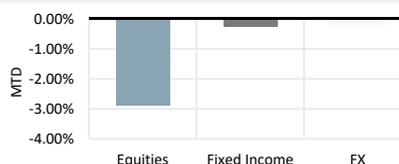
## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
Hedge	-2.11%	9.04%	56.16%	89.61%
Tactical Defensive	-0.60%	5.83%	20.70%	33.03%
Mean-rev	0.05%	-4.72%	4.83%	7.71%
Low Beta	-0.47%	-5.55%	18.31%	29.22%
Leverage				159.58%



## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
Equities	-2.89%	-2.74%	66.97%
Fixed Income	-0.24%	7.33%	33.03%
FX	0.00%	0.00%	0.00%



Source: Tages Capital LLP. \*Estimated return contributions of the underlying strategies/asset class, excl. fund fees, expenses, & other miscellaneous factors.

## COMMENTARY

Equity markets posted another strong month in May - spurred by positive sentiment as more countries softened their lock-down measures, signalling lower new COVID-19 infection numbers and a shift towards what is considered to be the new normal. The European Union came closer to finalising details of a €750 billion stimulus package as it increased its daily purchase of sovereign and corporate debt. The S&P 500 rallied +4.53%, Euro Stoxx 50 +4.18%, and the Nikkei 225 an impressive +8.34%, pushing the VIX down more than -6.5 basis points to 27.5. US Treasuries were more or less unchanged and European government yields finished the month up +0.14%.

As we would have expected, this was not a supportive backdrop for the Tages Paladin UCITS fund which lost -2.99% in May, predominantly driven by the move in equity indices. Hedging strategies were down -2.11%, tactical strategies -0.60% and low beta strategies -0.47%. We reduced put replication, the most expensive defensive strategy in the portfolio by one-third in the month, and are now positioned to benefit from any downside in risk assets with reduced negative carry in the case of a continued rally.

## INVESTMENT MANAGER

Tages Capital LLP

## FUND MANAGER

Berouz Fatemi  
Sébastien Krol

## STRATEGY

Tail Hedge

## VEHICLE

ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$104.57 (Class B)

## FUND SIZE

\$38.9m

## 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

## SHARE CLASSES

Class A JPY: IE00BFLVD48  
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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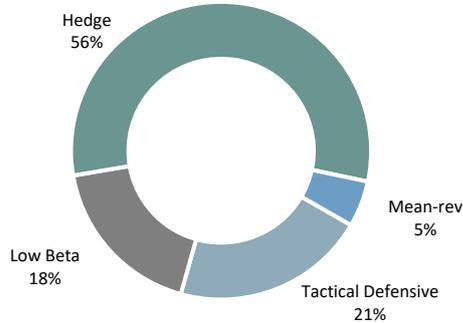
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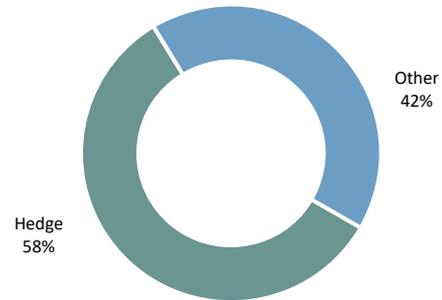
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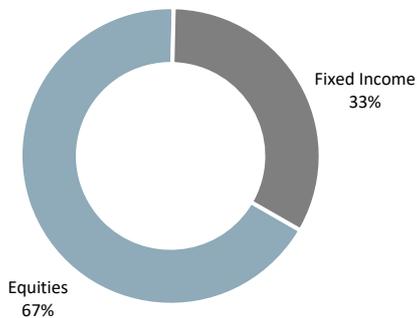
## NOTIONAL BREAKDOWN BY STRATEGY



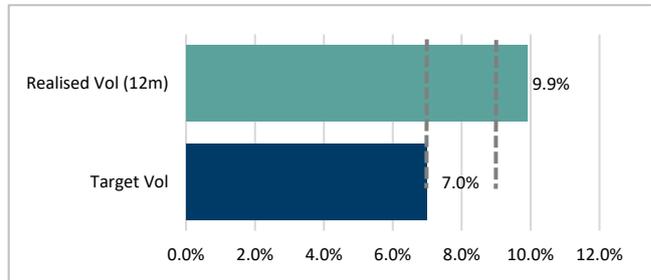
## RISK ALLOCATION BY STRATEGY



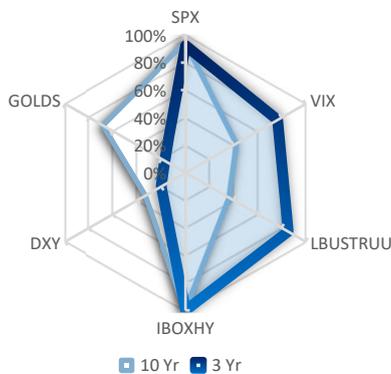
## NOTIONAL BREAKDOWN BY ASSET CLASS



## VOLATILITY

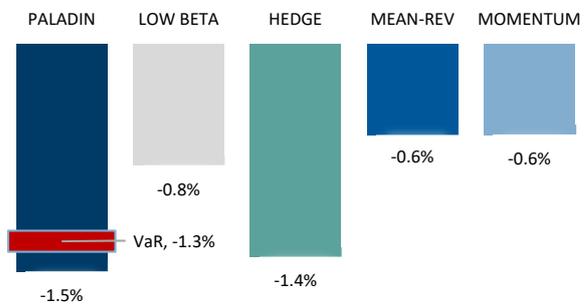


## TAIL HEDGE SCORE\*



\*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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The Company is an umbrella open-ended Irish collective asset-management vehicle with segregated liability between sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS regulations. The registered office of the ICAV is located 32 Molesworth Street, Dublin 2, Ireland.

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