

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

November 2019

## 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

	NOV	YTD
Tages Paladin UCITS Fund B (USD)*	-0.39%	1.59%
S&P 500	3.40%	25.30%
Bloomberg Barclays US Agg Bond	-0.05%	8.79%

\*Source: Northern Trust, Bloomberg as of 29<sup>th</sup> November 2019

## 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	-1.77	2.36	1.38	-0.03	2.95	-1.12	-1.05	-0.39		1.59
2018								-0.21	-0.45	-2.79	0.95	0.50	-2.02

Source: Northern Trust

## TOP 3 CONTRIBUTORS

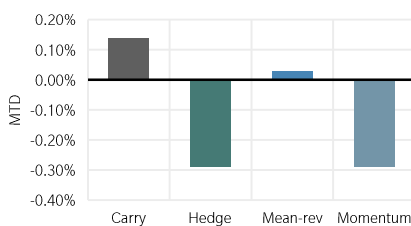
	MTD
EU Dividend Carry	0.14%
US Fixed Income Volatility	0.10%
Equity Low Beta Carry	0.06%

## BOTTOM 3 CONTRIBUTORS

	MTD
Equity Dispersion Long Vega	-0.15%
USEquity Mom/M Reversion	-0.13%
G4 Rates/Credit Momentum	-0.10%

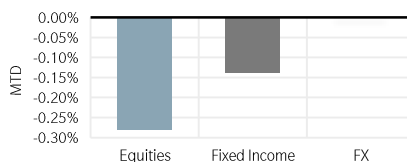
## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
Carry	0.14%	0.07%	15.42%	38.87%
Hedge	-0.29%	-2.38%	44.16%	111.32%
Mean-rev	0.03%	0.04%	15.89%	40.05%
Momentum	-0.29%	3.69%	24.54%	61.87%
Leverage				252.11%



## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
Equities	-0.28%	-4.09%	69.37%
Fixed Income	-0.14%	5.51%	30.63%
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

Claims of progress on the US-China trade front helped global equity markets with the S&P 500 & Nasdaq hitting all-time highs in November. The strong performance occurred amid a particularly calm market with S&P 500 realised volatility the lowest since August 2018, putting significant pressure on implied volatility. Against this backdrop, our net long volatility and market-timing strategies experienced moderate losses. Overall, our equity book was down -0.28% during the month.

That said, the strategy declined only -0.39%, helped by the decent gains made from our long fixed-income volatility and carry strategies. In fixed income, Treasury yields continued to trade higher with only a minor impact as momentum faded and, more importantly, volatility traded higher towards the end of the month.

We increased the Fund's leverage from 2.1 to 2.5 in November as our historical volatility has trended lower. We would like to remind investors that lower volatility of returns in our case does not imply lower downside protection or potency. Like a put option, Paladin strives to realise lower volatility in calm markets and higher volatility in times of crisis. That is the nature of the strategies in which we invest and the Fund as a whole.

## INVESTMENT MANAGER

Tages Capital LLP

## FUND MANAGER

Berouz Fatemi

## STRATEGY

Tail Hedge

## VEHICLE

ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$99.54 (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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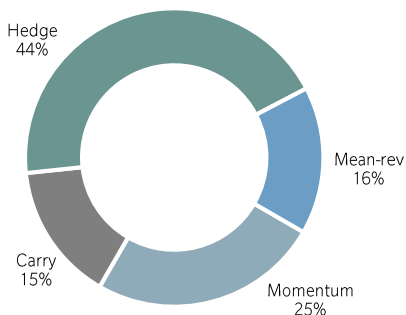


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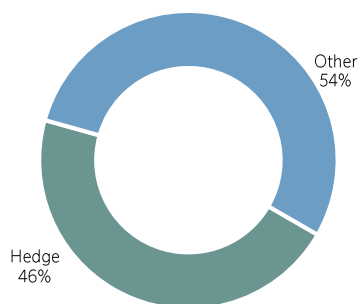
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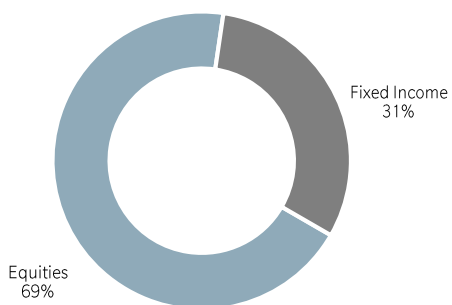
## NOTIONAL BREAKDOWN BY STRATEGY



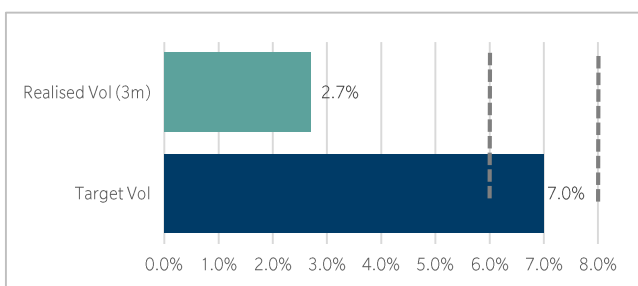
## RISK ALLOCATION BY STRATEGY



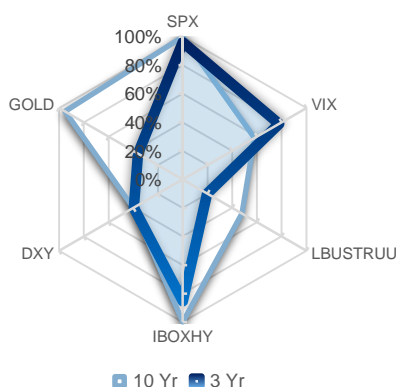
## NOTIONAL BREAKDOWN BY ASSET CLASS



## VOLATILITY

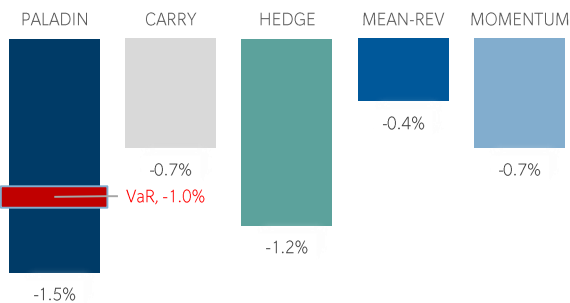


## TAIL HEDGE SCORE\*



\*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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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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