

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

October 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

	OCT	YTD
Tages Paladin UCITS Fund B (USD)*	-1.05%	1.98%
S&P 500	2.04%	21.17%
Bloomberg Barclays US Agg Bond	0.30%	8.85%

\*Source: Northern Trust, Bloomberg as of 31<sup>st</sup> October 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			1.98
2018								-0.21	-0.45	-2.79	0.95	0.50	-2.02

Source: Northern Trust

## TOP 3 CONTRIBUTORS

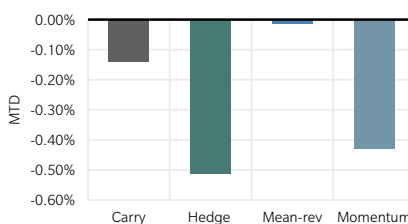
	MTD
VIX Intraday Momentum	0.07%
US/EU Rates Momentum	0.02%
US/EU Equity Mean Reversion	0.00%

## BOTTOM 3 CONTRIBUTORS

	MTD
G4 Rates/Credit Momentum	-0.20%
USEquity Mom/M Reversion	-0.17%
US Fixed Income Volatility	-0.15%

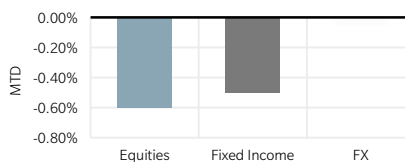
## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
Carry	-0.14%	-0.07%	17.96%	38.13%
Hedge	-0.51%	-2.05%	50.05%	106.28%
Mean-rev	-0.02%	0.01%	7.65%	16.23%
Momentum	-0.43%	3.94%	24.35%	51.70%
Leverage				212.35%



## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
Equities	-0.60%	-3.75%	68.60%
Fixed Income	-0.50%	5.58%	31.40%
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

The Federal Reserve did not disappoint markets and cut interest rates for the third time this year to help sustain U.S. growth, but signalled there would be no further reductions unless the economy takes a turn for the worse. In Europe, annual real GDP growth slowed to just over 1% in Q3, the weakest rate of expansion since 2013. The sustained emphasis of major central banks on lower rates pushed fixed income implied volatility levels down once again. Equity implied volatility also dropped, with the CBOE Volatility index 3 points lower in October, finishing the month at 13.22 with the S&P 500 index rising +2.04% and EuroStoxx 50 up +0.98%.

Against this backdrop, Paladin's hedging strategies lost -0.51% in October. Trend and mean reversion strategies suffered due to the sell-off in bonds and the surprise reactions to the China-US trade deal news. Together, these strategies detracted -0.45% from performance. Losses were almost equally shared between equity and fixed income strategies.

## INVESTMENT MANAGER

Tages Capital LLP

## FUND MANAGER

Berouz Fatemi

## STRATEGY

Tail Hedge

## VEHICLE

ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$99.92 (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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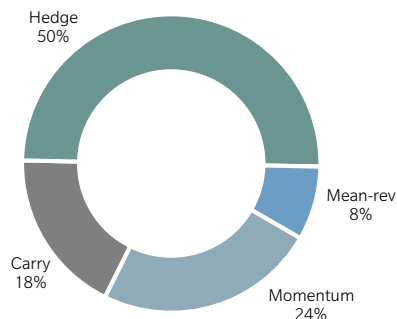


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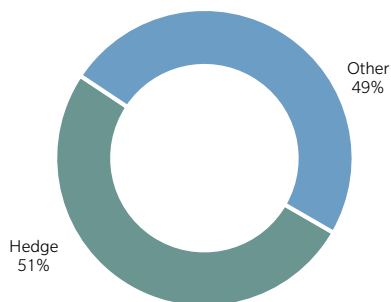
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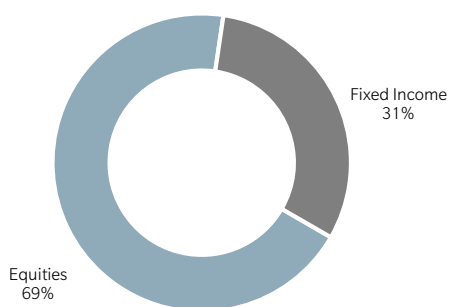
## NOTIONAL BREAKDOWN BY STRATEGY



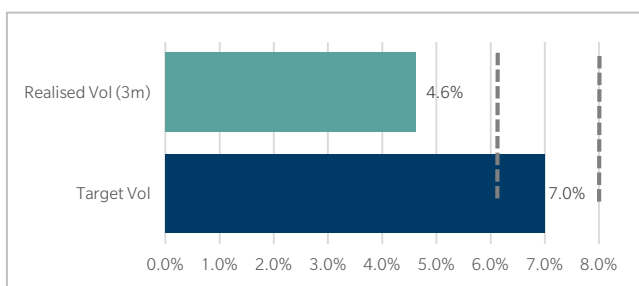
## RISK ALLOCATION BY STRATEGY



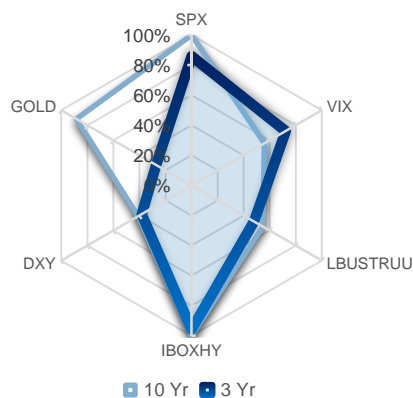
## NOTIONAL BREAKDOWN BY ASSET CLASS



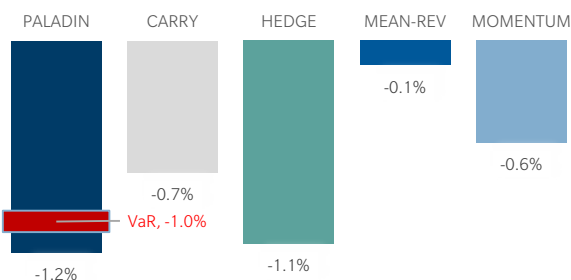
## VOLATILITY



## TAIL HEDGE SCORE\*



## MONTHLY EXPECTED SHORTFALL (95% cVaR)



\*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.

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