

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

AUGUST 2018

## PERFORMANCE SUMMARY

	AUGUST 2018	LTD
Tages Paladin UCITS Fund B (USD)	-0.21%	-0.21%
S&P 500	1.53%	1.53%
Bloomberg Barclays US Agg Bond	0.62%	0.62%

Sources: Northern Trust.

## NET MONTHLY RETURNS (%)

Class B	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2018								-0.21					-0.21

Source: Northern Trust

## TOP 3 CONTRIBUTORS

	MTD
US Fixed Income Tail Hedge	0.18%
US Equities Carry	0.17%
US Equities Tail Hedge	0.08%

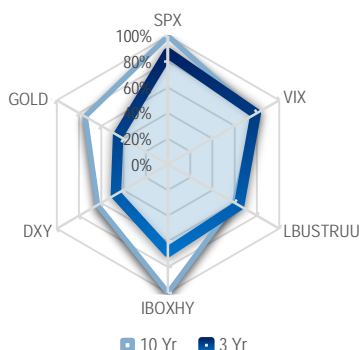
## BOTTOM 3 CONTRIBUTORS

	MTD
VIX Strategy	-0.34%
Rates Momentum	-0.12%
Fixed Income Momentum	-0.07%

Source: Tages Capital LLP

\*The Tail Hedge Score ranks the current portfolio's recovery rate against a number of market factors, based on historical data

## TAIL HEDGE SCORE\*



## MANAGER COMMENTARY

We are pleased to have been able to launch the Tages Paladin Fund as we continue to believe risks to stability of financial markets are on the rise.

Some of the most important data points have now reached stretched levels and are beginning to attract significant attention from market participants. Amongst those, one cannot ignore the extent and deterioration in the US twin deficits. The US budget shortfall is forecast to hit 6% of GDP in 2019. This is an extraordinary figure for such a late stage in the cycle with the unemployment rate at a paltry 4%, and likely to push the gross government debt ratio to 110% of GDP. The external deficit, meanwhile, is forecast at 2.8% of GDP this year and more than 3% in 2019. As a result, net external debt is at well over 40% of GDP, a figure far above those of other major economies. An overdue adjustment would involve violent exchange rate corrections and potentially significant broader financial market volatility.

On a more immediate basis, downside risks to markets have increased given oil prices, rising trade tensions and tighter monetary policy biases. The return from holidays might be more volatile than the summer suggests.

Our Class B USD share class suffered a loss of 21 bps during the first month. A false alarm on VIX on the 15th of the month cost the fund another 50 bps with the VIX contract jumping to 16.80 during the session before finishing the day almost unchanged. On a positive note, the Fund is now fully invested, in compliance with our objectives, risk policy and UCITS rules.

## OBJECTIVE

The Fund aims to provide investors with protection from a broad range of adverse market conditions without the typical burden of carry associated with tail hedge strategies in upward trending markets.

## STRATEGY

The strategy uses a combination of systematic long volatility and 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.

## INVESTMENT MANAGER

Tages Capital LLP

## STRATEGY

Tail Hedge

## VEHICLE

Irish ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$99.79 (Class B)

## MANAGEMENT FEE

Class B 0.85%

## MINIMUM INVESTMENT

Class B USD 1,000,000  
Class R USD 10,000

## DEALING

Daily dealing with 3 business day's notice

## SHARE CLASSES

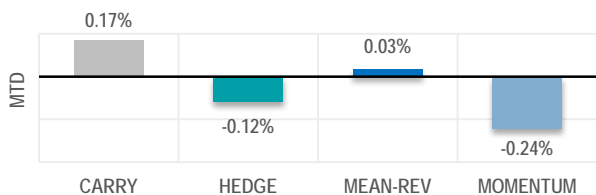
Class A JPY: IE00BFLVDR48  
Class A USD: IE00BDGT2T45  
Class B GBP: IE00BDGT2V66  
Class B EUR: IE00BFLVDS54  
Class B USD: IE00BFLVDT61  
Class R GBP: IE00BDGT2W73  
Class R EUR: IE00BFLVDV83  
Class R USD: IE00BFLVDW90

## ADMINISTRATOR / DEPOSITARY

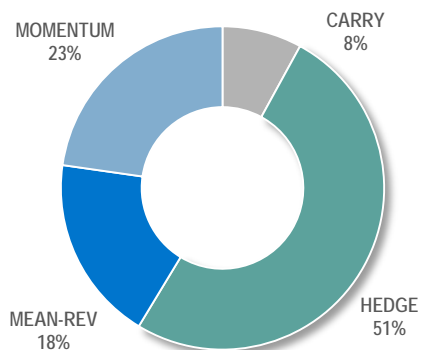
Northern Trust International Fund Administration Services (Ireland) Limited

## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
CARRY	0.17%	0.17%	7.97%	19.87%
HEDGE	-0.12%	-0.12%	50.69%	126.34%
MEAN-REV	0.03%	0.03%	18.60%	46.35%
MOMENTUM	-0.24%	-0.24%	22.74%	56.67%
			Leverage	249.23%



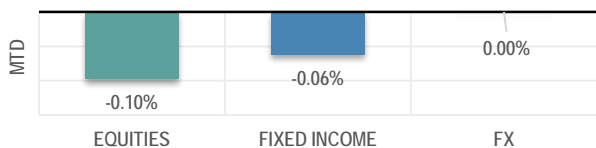
## BREAKDOWN BY STRATEGY\*\*



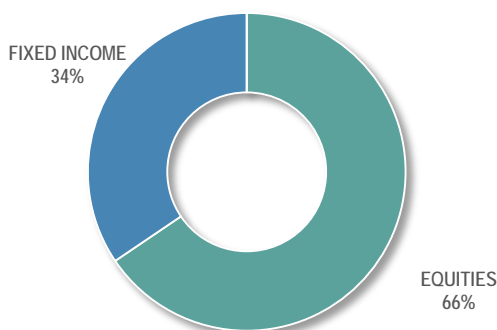
\*\*Based on notional exposure

## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
EQUITIES	-0.10%	-0.10%	60.53%
FIXED INCOME	-0.06%	-0.06%	34.47%
FX	0.00%	0.00%	0.00%



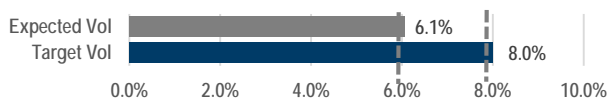
## ASSET CLASS EXPOSURE\*\*



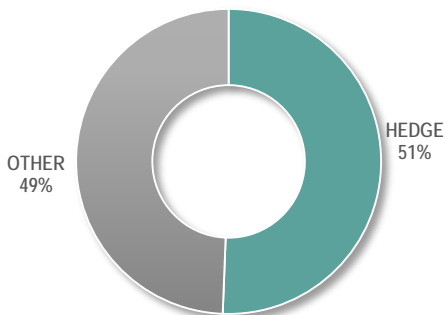
\*\*Based on notional exposure

## RISK EXPOSURE

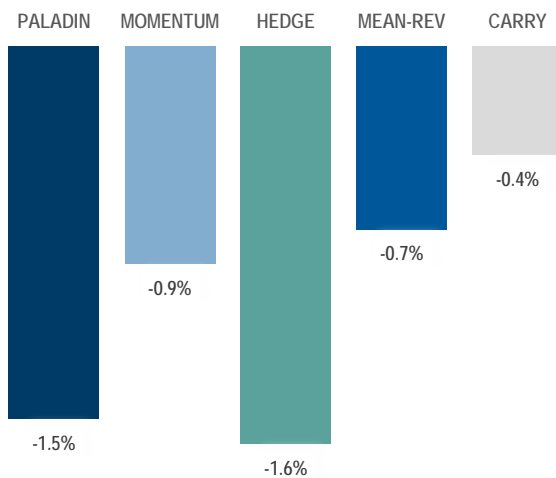
### VOLATILITY



### STRATEGY RISK ALLOCATION



### MONTHLY EXPECTED SHORTFALL (5% cVaR)



Source: Tages Capital LLP

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

## CONTACT

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