

Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

OCTOBER 2018

PERFORMANCE SUMMARY

	OCTOBER 2018	ITD
Tages Paladin UCITS Fund B (USD)	-2.79%	-3.43%
S&P 500	-6.49%	-5.11%
Bloomberg Barclays US Agg Bond	-0.79%	-0.82%

Sources: Northern Trust.

NET MONTHLY RETURNS (%)

Class B	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2018								-0.21	-0.45	-2.79			-3.43

Source: Northern Trust

TOP 3 CONTRIBUTORS

	MTD
US Fixed Income TailHedge	0.23%
US Equities TailHedge	0.10%
Developed Markets Fixed Income Rates	0.07%

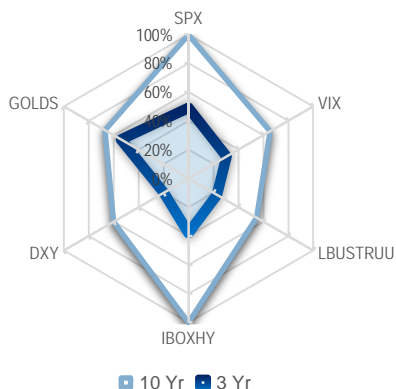
BOTTOM 3 CONTRIBUTORS

	MTD
US Equity Intraday Momentum	-1.83%
US Equity RV	-0.67%
EU & USA Equities Reversion	-0.22%

Source: Tages Capital LLP

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

TAIL HEDGE SCORE*



MANAGER COMMENTARY

Paladin experienced a challenging month recording a drawdown despite global equity markets' sell-off due to concerns over higher interest rates and the US-China trade headwinds.

At the beginning of the sell-off, mean-reversion strategies were hit as expected. Paladin was invested in short-term volatility strategies based mostly around VIX futures and options which failed to deliver the substantial gains at the early stage of the sell-off. All other strategies behaved as expected. Our single low-beta Carry strategy recovered before the month end as did Mean-reversion strategies benefiting from a higher volatility regime. Trend strategies did well by staying flat over the month.

Despite lingering worries regarding higher rates expectations, no significant volatility spike was triggered. The volatility response was relatively muted compared with what was experienced during previous corrections. This could be explained by the fact that the flow of VIX ETPs is currently no longer a major source of upside momentum following the explosive price action of VIX last February. Furthermore the sell-off was not marked by extreme daily returns and in particular we witnessed significant reversions towards the close. This resulted in losses in our VIX strategies specially in intraday ones which unwind long positions at the close.

We still believe that our strategy is well-positioned for a tail event. Our hedge book is now more diverse as far as implementation is concerned. We took the opportunity of our November rebalancing to introduce S&P, ESTOXX and Nikkei downside protection strategies and we diversified the implementation of our put strategies in general. At the end of the month, market practitioners were still in risk-on mode suggesting that a more significant correction is yet to come.

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

\$96.57 (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

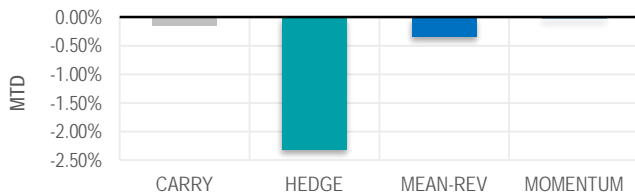
Class R USD: IE00BFLVDW90

ADMINISTRATOR / DEPOSITARY

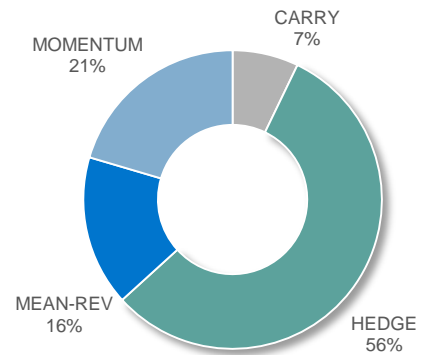
Northern Trust International Fund Administration Services (Ireland) Limited

PERFORMANCE BY STRATEGY*

	MTD	YTD	WEIGHT	NOTIONAL
CARRY	-0.16%	0.00%	7.16%	20.96%
HEDGE	-2.31%	-2.60%	56.10%	164.32%
MEAN-REV	-0.34%	-0.49%	16.31%	47.77%
MOMENTUM	-0.02%	-0.07%	20.44%	59.86%
			Leverage:	292.91%

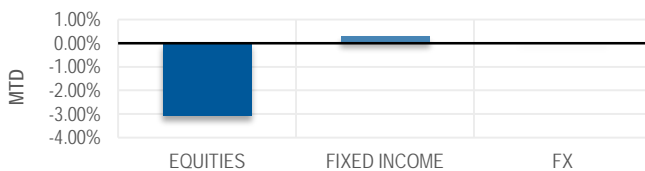


BREAKDOWN BY STRATEGY**

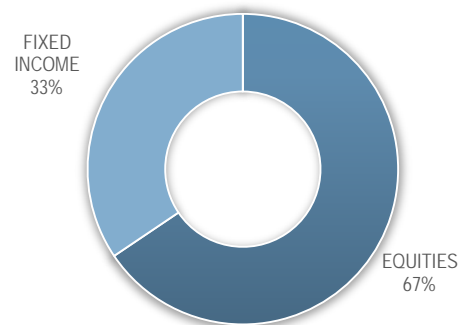


PERFORMANCE BY ASSET CLASS*

	MTD	YTD	WEIGHT
EQUITIES	-3.10%	-3.18%	67.22%
FIXED INCOME	0.28%	0.02%	32.78%
FX	0.00%	0.00%	0.00%

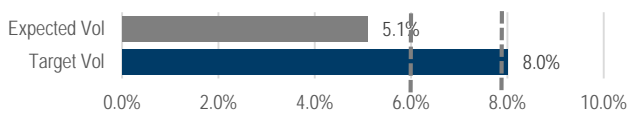


ASSET CLASS EXPOSURE**

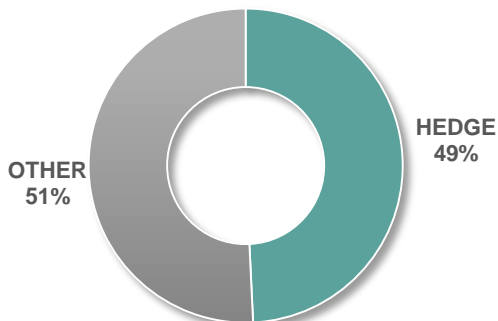


RISK EXPOSURE

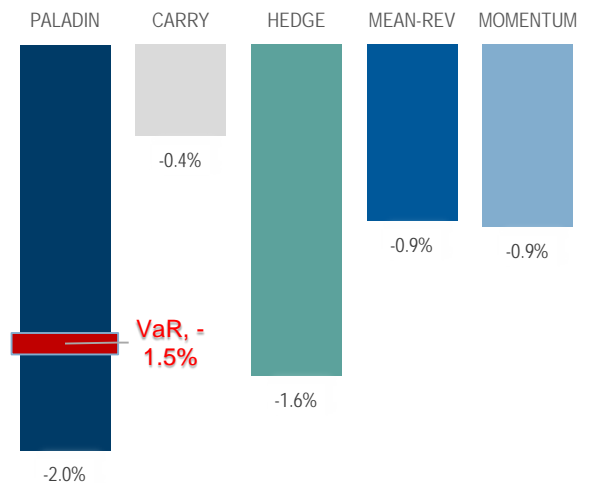
VOLATILITY



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

Tages Capital LLP, 39 St James's Street, London SW1A 1JD
Tel: +44 (0)203 036 6051
Email: clientservices@tagescapital.com

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