

# Tages Paladin UCITS Fund

(sub fund of Tages International Funds ICAV)

November 2020

INVESTCORP-TAGES

## FIRM DESCRIPTION

Investcorp-Tages is a global multi-manager investment firm that was launched in May 2020 through a 50/50 joint venture between Investcorp and Tages Group. With offices based in London, New York and Milan, Investcorp-Tages focuses on providing bespoke solutions and manages alternative assets for institutional investors worldwide. Their product range includes multi-manager portfolios across hedge fund strategies, private debt and impact investments, seeding and acceleration partnerships, thematic special opportunity portfolios, risk-premia and cross-asset strategies, and alternative UCITS.

## 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

	NOV	YTD
Tages Paladin UCITS Fund B (USD)	-1.37%	7.58%
S&P 500	10.75%	12.10%
Bloomberg Barclays US Agg Bond	0.98%	7.36%

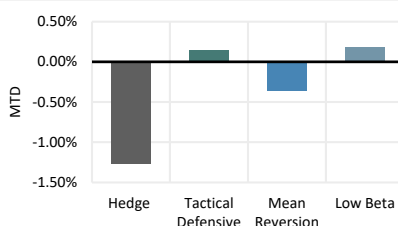
## FUND PERFORMANCE NET OF FEES

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	2.71	-0.39	0.10	-0.47	0.62	-1.37		7.58
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 30<sup>th</sup> November 2020

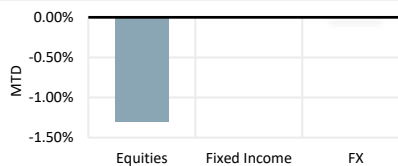
## PERFORMANCE BY STRATEGY\*

	MTD	YTD	WEIGHT	NOTIONAL
Hedge	-1.26%	8.64%	53.21%	79.83%
Tactical Defensive	0.14%	6.10%	17.35%	26.02%
Mean Reversion	-0.36%	-5.66%	4.20%	6.31%
Low Beta	0.18%	-2.08%	25.23%	37.85%
Leverage			150.01%	



## PERFORMANCE BY ASSET CLASS\*

	MTD	YTD	WEIGHT
Equities	-1.31%	-0.22%	68.71%
Fixed Income	0.00%	7.21%	31.29%
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 saw through the sad show of “democracy” in Washington and rallied to a record high in the US and a nine month high in Europe where value stocks had an astonishing performance. Obviously the initial rally received a boost by the positive news of an effective Pfizer vaccine and by others a few days later. The S&P 500’s astounding +10.75% rally was surpassed by the +18.06% rally in Euro Stoxx 50 as lockdowns were most severe in Europe, and +15.04% in Nikkei. Implied volatility in bonds and equities fell strongly with the VIX index finishing the month -17.45 lower at 20.57. Other risk off instruments were down too. Gold was down for the fourth consecutive month, losing -5.40%, and the US Dollar index -2.31%.

The Tages Paladin UCITS Fund lost -1.37% as hedging strategies suffered losses of -1.26%. Put replication in equities was the main culprit, down -0.51%. Elsewhere, mean reversion was down -0.36% whereas tactical strategies could only add +0.14%, and low beta +0.18% in November. Equity strategies were responsible for the entire performance as fixed income was barely unchanged. While this month is not so ideal, we are not too unhappy about our November results as our peer group suffered losses of c. -7% on average. As markets have normalised and volatility has declined, we have increased our leverage slightly to 150%.

## INVESTMENT MANAGER

Tages Capital LLP

## FUND MANAGER

Berouz Fatemi

## STRATEGY

Tail Hedge

## VEHICLE

ICAV

## LAUNCH DATE

8 August 2018

## BASE CURRENCY

USD

## NAV

\$105.79 (Class B)

## FUND SIZE

\$47.5m

## MANAGEMENT FEE

Class B 0.85%

## PERFORMANCE FEE

None

## 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 (1 Business Day 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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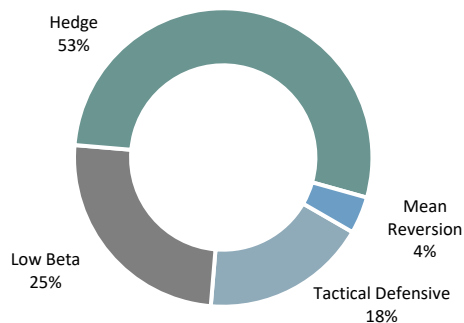
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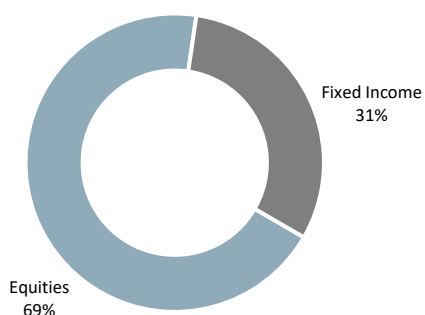
## NOTIONAL BREAKDOWN BY STRATEGY



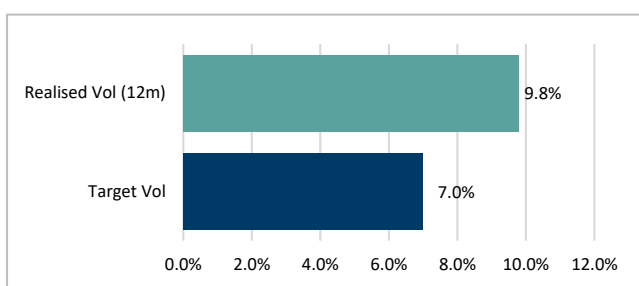
## RISK ALLOCATION BY STRATEGY



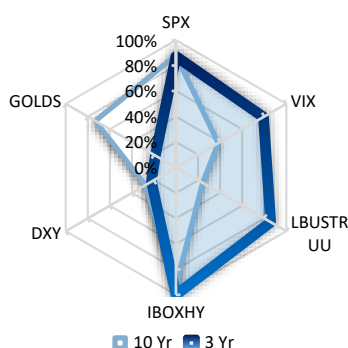
## NOTIONAL BREAKDOWN BY ASSET CLASS



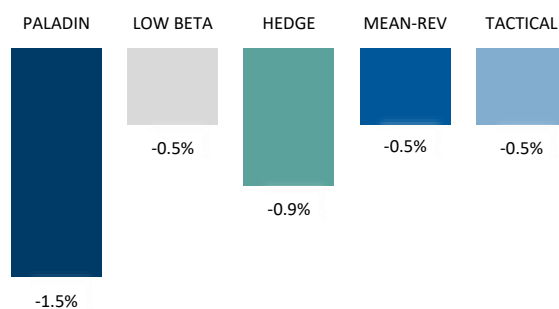
## VOLATILITY



## 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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