

# QUALITIUM FOHF USD CLASS P

2018-11

## INVESTMENT STRATEGY

## ALTERNATIVE OPPORTUNITIES

The fund attempts to achieve net returns of 10% p.a. by investing its assets in a concentrated portfolio of carefully selected hedge funds. The concentrated portfolio is expected to result in a higher volatility compared to typical fund of hedge funds, while an active management should enable above average returns. Correlation to equity markets is expected to be low.

## TABLE OF MONTHLY NET RETURNS

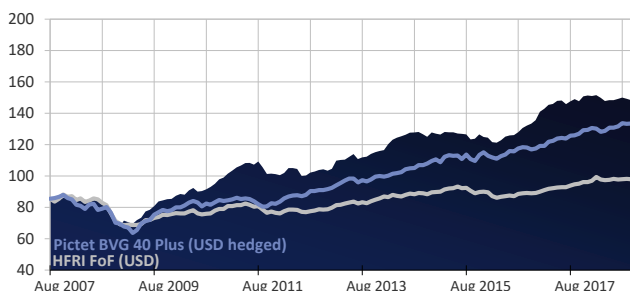
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2007</b>							0.00%	-0.31%	-0.31%	1.18%	-0.79%	-0.79%	<b>-0.36%</b>
<b>2008</b>	-0.28%	0.60%	-2.40%	1.35%	0.63%	0.35%	-2.02%	-2.03%	-4.01%	-10.60%	-3.65%	5.51%	<b>-16.10%</b>
<b>2009</b>	-1.35%	-1.60%	3.62%	2.13%	5.30%	1.47%	2.93%	3.66%	0.77%	1.03%	0.23%	2.23%	<b>22.16%</b>
<b>2010</b>	1.37%	-0.51%	3.03%	1.69%	-2.44%	0.39%	1.21%	1.69%	2.16%	2.97%	1.13%	2.58%	<b>16.23%</b>
<b>2011</b>	1.75%	2.07%	1.15%	1.46%	0.04%	-0.99%	1.87%	-3.30%	-4.06%	0.17%	-0.27%	-0.63%	<b>-0.97%</b>
<b>2012</b>	1.33%	3.12%	-0.06%	-0.50%	-4.32%	0.32%	1.85%	0.68%	0.92%	0.49%	-0.88%	1.19%	<b>4.03%</b>
<b>2013</b>	4.96%	0.32%	0.27%	1.53%	1.61%	-2.81%	1.03%	0.38%	1.50%	0.96%	0.72%	0.46%	<b>11.33%</b>
<b>2014</b>	3.34%	2.26%	1.06%	0.75%	0.80%	0.99%	0.10%	0.23%	-1.08%	-1.33%	2.25%	-0.65%	<b>8.96%</b>
<b>2015</b>	-0.38%	1.25%	-0.12%	-0.01%	-0.63%	-0.14%	-0.33%	-2.52%	0.40%	2.23%	-1.31%	-0.37%	<b>-1.99%</b>
<b>2016</b>	-2.26%	-0.26%	1.25%	1.86%	0.59%	0.21%	1.46%	2.09%	1.19%	0.86%	1.65%	4.04%	<b>13.32%</b>
<b>2017</b>	1.27%	1.83%	0.39%	1.29%	0.21%	-1.56%	1.18%	0.96%	-0.85%	2.04%	0.38%	-0.26%	<b>7.04%</b>
<b>2018</b>	0.40%	-1.08%	-1.38%	0.32%	0.01%	0.54%	0.59%	-0.53%	-0.57%	-1.24%	-4.06%		<b>-6.87%</b>

Returns until the launch of the USD P class (May 31, 2012) reflect actual returns of the USD class adjusted for fee differentials. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RETURNS.

## KEY FIGURES

NAV per share at month-end	<b>USD 140.54</b>
Compound annual rate of return	<b>4.47%</b>
Annualised standard deviation	<b>6.94%</b>
Sharpe Ratio (risk free rate of 0.68%)	<b>0.55</b>
Calmar Ratio	<b>0.21</b>
Positive monthly returns	<b>64.71%</b>
Largest positive monthly return	<b>5.51%</b>
Largest negative monthly return	<b>-10.60%</b>
Maximum Drawdown	<b>-21.20%</b>
Correlation to Pictet BVG 40 Plus (USD hedged)	<b>0.56</b>
Correlation to HFRI FoF (USD)	<b>0.70</b>

## COMPARISON VS MAJOR INDICES



## PORTFOLIO SNAPSHOT

WEIGHT	STYLE	STRATEGY	MONTHLY ATTRIBUTION	TRACK RECORD
39.90%	Multi strategy	Listed vehicles (27)	-2.83%	N/A
6.00%	Multi strategy	Liquidating share class of private equity certificate	0.04%	226 mth
4.70%	Multi strategy	Global multi strategy (Secondary HF's)	-0.09%	68 mth
3.60%	Event driven	Distressed opportunities	-0.26%	183 mth
3.40%	Equity L/S	Co-investment in listed equity	0.24%	15 mth
3.00%	Managed futures	Systematic trend following	-0.11%	188 mth
2.90%	Credit related	Legacy non-agency RMBS	-0.02%	22 mth
2.70%	Credit related	CLO's	-0.01%	44 mth
2.10%	Event driven	Merger Arbitrage	-0.03%	36 mth
2.00%	Global macro	Discretionary macro	0.01%	66 mth
1.90%	Managed futures	Managed futures, systematic non-trend following	0.02%	14 mth
1.80%	Event driven	Litigation investment	-0.80%	19 mth
1.70%	Managed futures	Managed futures, systematic trend following	-0.05%	1 mth
1.60%	Managed futures	Syst. commodities, non trend, backw./contango	0.05%	136 mth
1.40%	Event driven	Co-investment in litigation	-0.08%	12 mth
1.40%	Credit related	European opportunistic credit investments	-0.02%	106 mth
1.40%	Credit related	High yield bonds and leveraged loans	-0.04%	68 mth
1.40%	Event driven	Co-investments in loans	-0.09%	55 mth
1.30%	Event driven	Co-investment in special situation	0.04%	11 mth
4.20%	Cash	Cash returns, fees, costs, FX hedge	0.00%	

## MONTHLY COMMENTARY

Qualitium (USD I) lost 3.98% vs a decrease of 0.68% for the HFRI Fund of Funds. Ytd the fund is down 6.35% vs down 2.56% for the benchmark. By far the biggest negative contribution (-2.72%) came from our investment in CATCO, which is a London listed closed-end fund investing in reinsurance contracts. There are two share classes, the ordinary shares (CAT) and the C share class (CATC) issued in Nov 2017. Our exposure is roughly split 50/50. We invested in CATCO after the 2017 hurricanes and the wildfire in California when CATCO increased premiums by 50%. In hindsight we were too opportunistic. Had there been no wildfires this year, the CATC NAV would have gone up roughly 11% (after losses from Typhoon Jebi, Hurricane Michael and some other smaller losses). But the California Camp fire and the Woolsey Fire will have a substantial impact on the NAV, somewhere in the range of 20 to 40%. This largely depends on the loss from the second fire. Current loss estimates are ca USD 4 bn. Above USD 5 bn the impact will be closer to the upper band. As the reinsurers have not yet received the loss reports, CATCO does not yet know. Because of that and an obvious general disappointment both share classes' trade now at a substantial discount. We have not traded in them in the last couple of months.

The other big negative contribution (-0.80%) came from a life insurance litigation fund. Clearly the fund made mistakes with the cost structure in the ramping up phase. The manager has a substantial alignment and still expects a positive outcome given the fact that he is able to purchase insurance policies at around 25% of expected recovery values. The time frame for these litigation recovery values is between 1 and 3 years. This Luxembourg fund is valued according to Lux GAAP which is substantially more conservative than US GAAP.

This November result is a big disappointment for all of us; we are fully aligned with substantial investments in the fund and will work hard for the recovery.

December is expected to be negative.

## FUND FACTS

Inv. Manager	Progressive Capital Partners Ltd	Valor	18.305.357	Liquidity	Monthly (45 days notice)
Administrator	CAIAC Fund Management AG	Bloomberg	QUFDHPU LE	Management Fee	1.5%
Custodian	Volksbank AG, Vaduz	ISIN	LI0183053573	Performance Fee	10% (High Waterm.)
Auditor	Deloitte (Liechtenstein) AG	Fund Assets	USD 203.3m	Min. Investment	Hard Closed

Any returns, statistics, charts and general information in this document have been prepared by Progressive Capital Partners Ltd ("Progressive"); information contained herein has been obtained from sources believed to be reliable but Progressive does not guarantee its accuracy or completeness. The purchase of shares in the Fund is only suitable for investors who can understand and evaluate associated risks. For additional and more detailed information concerning restrictions and risks of the Fund, please consult its Offering Memorandum. This document is not intended as an invitation or recommendation to buy or sell any investment(s). Fund shares are not targeted at retail investors as the Fund is not registered in any jurisdiction for public distribution.