

Rodex Purchasing Power Index 2.0, November 2017

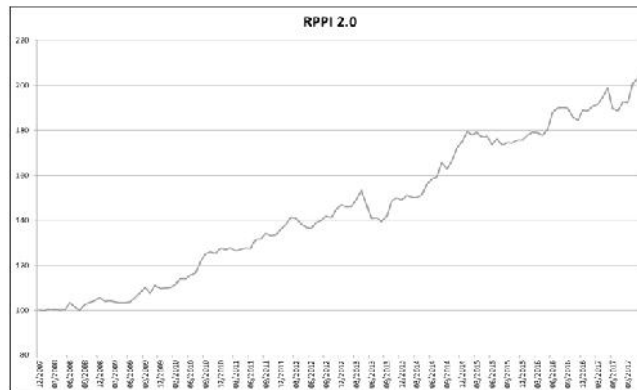
Reporting November 2017

Investment Target & Key Points

The Rodex Purchasing Power Index 2.0 distinguishes 3 different phases of price changes: 1) High Inflation [CPI change >5%], 2) Deflation [<0%], 3) Sweet Spot [0-5%]. Depending on the phase, the 3 asset classes bonds, equities and commodities perform differently:

	CPI change	Bonds	Equities	Commodities
Inflation	>5%	-	-	+
Sweet Spot	0%<dCPI<5%	+	+	0
Deflation	<0%	+	-	-

Depending on the inflationary environment, the Rodex Purchasing Power Index 2.0 holds long or short positions in futures on bonds, equities, and commodities. For example, in an inflationary environment, the Rodex Purchasing Power Index 2.0 would be positioned short in bonds, short in equities, and long in commodities. The Rodex Purchasing Power Index 2.0 offers leveraged exposure to changes in inflation / deflation: A small allocation can help to protect a larger part of a client's portfolio. The index is based on a quantitative risk allocation model.



Returns prior to strategy inception in October 2014 are based on backtested data.

Performance Comment for November 2017

November was a mixed month for equities. The Nikkei gained +3.7% and the S&P500 +2.9%, while the DAX retreated -1.3%. The Rodex Purchasing Power Index 2.0 continued to be positioned according to the Sweet Spot of Inflation in November. Accordingly, it was long in different equity markets from which it realised a positive contribution. The sweet spot of inflation also means holding long positions in futures on government bonds. US yields climbed, those of Germany and the UK remained virtually unchanged, and Canada's fell. Yield curves flattened globally. Overall, the long positions in futures on government bonds provided a slight positive performance contribution. Commodities were not part of the RPPI in November. The Rodex Purchasing Power Index 2.0 gained +1.3%.

Index Statistics

	RPPI 2.0
Return since 2007 [annualised]	7.0%
Return since 2012 [annualised]	7.1%
Volatility p.a. [since 2012]	6.2%
Max. Monthly Gain [since 2007]	4.9%
Max. Monthly Loss [since 2007]	-4.8%

Asset Allocation in November

	RPPI 2.0
Bonds	100%
Equities	106%
Commodities	0%

Facts

Index Manager	Rodex Risk Advisers
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Inception Date	01/10/2014
Currency	CHF
Liquidity	Daily
Lock Up Period	None

Performance History

	RPPI 2.0					
	2012	2013	2014	2015	2016	2017
January	1.3%	-0.6%	1.5%	2.6%	1.3%	-0.2%
February	2.5%	0.1%	-0.6%	-0.7%	0.6%	0.8%
March	-0.5%	2.1%	-0.2%	1.0%	-0.1%	0.5%
April	-1.7%	2.6%	0.9%	-1.2%	-0.6%	1.7%
May	-1.0%	-3.9%	2.9%	0.2%	1.2%	2.1%
June	-0.3%	-4.4%	1.4%	-1.9%	2.6%	-4.8%
July	1.8%	0.2%	0.5%	1.7%	1.0%	-0.2%
August	0.8%	-1.2%	3.7%	-1.7%	-0.2%	1.9%
September	1.3%	1.5%	-1.8%	0.8%	0.0%	-0.5%
October	-0.4%	4.9%	2.0%	-0.2%	-2.5%	3.7%
November	2.7%	1.1%	3.4%	0.7%	-0.6%	1.3%
December	1.3%	-0.8%	1.4%	0.3%	2.6%	
YTD	7.8%	1.4%	16.0%	1.4%	5.2%	6.3%

Returns prior to strategy inception in October 2014 are based on backtested data.

Index	Purpose
RPPI 2.0	Protection against inflation AND Deflation

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