

Rodex Purchasing Power Index 2.0, January 2018

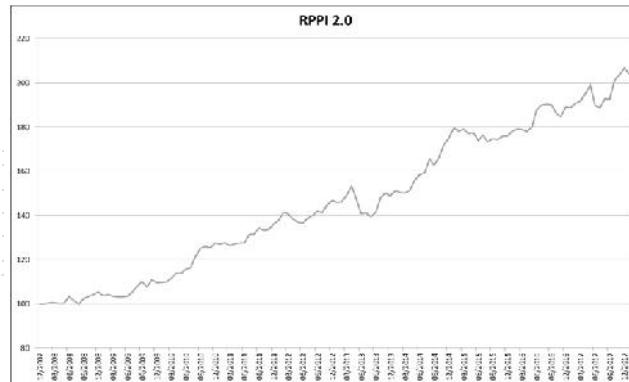
Reporting January 2018

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 January 2018

Inspired by the S&P500 global equity markets continued to rally in January: the US bellwether added +5.6%, followed by CAC40 [+3.3%] and the DAX [+2.1%]. Yields rose globally, for example, German Bund 10Y yields climbed 20 bp to 0.67%. The Rodex Purchasing Power Index 2.0 continued to be positioned according to the Sweet Spot of Inflation in January. Accordingly, it was long in different equity markets from which it realised a positive performance contribution. Long positions in futures on government bonds contributed negatively. Commodities were not part of the RPPI in January. The Rodex Purchasing Power Index 2.0 retreated -1.4%.

Index Statistics

	RPPI 2.0
Return since 2007 [annualised]	7.3%
Return since 2012 [annualised]	6.2%
Volatility p.a. [since 2012]	6.2%
Max. Monthly Gain [since 2007]	4.9%
Max. Monthly Loss [since 2007]	-4.8%

Asset Allocation in January

	RPPI 2.0
Bonds	100%
Equities	16%
Commodities	0%

Facts

Index Manager	Rodex Risk Advisers
Email	info@rodexrisk.com
Telephone	+41 43 539 76 22
Inception Date	01/10/2014
Currency	CHF
Liquidity	Daily
Lock Up Period	None

Performance History

	RPPI 2.0						
	2012	2013	2014	2015	2016	2017	2018
January	1.3%	-0.6%	1.5%	2.6%	1.3%	-0.2%	-1.4%
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%	1.8%	
YTD	7.8%	1.4%	16.0%	1.4%	5.2%	8.3%	-1.4%

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

Index	Purpose
RPPI 2.0	Protection against inflation AND Deflation

Contact: Rodex Risk Advisers LLC
Breitenstrasse 15
8852 Altendorf SZ
Switzerland
Phone +41 43 539 76 22
E-Mail info@rodexrisk.com