

# Rodex Purchasing Power Index 2.0, December 2018

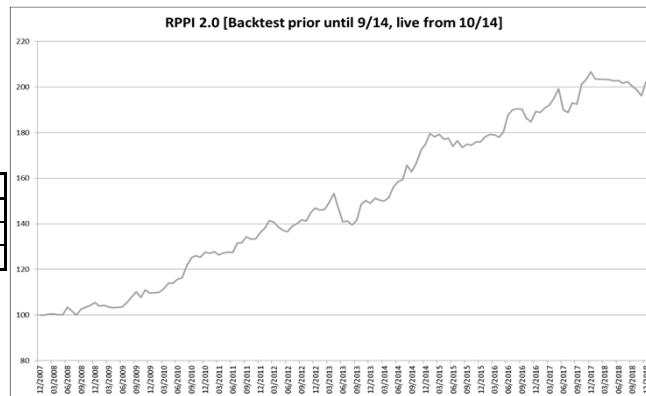
## Reporting December 2018

### 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 December 2018

December brought another month of steep losses for equity markets. For example, the S&P500 retreated -9.3% and the Nikkei -10.9%. In December, the RPPI was allocated almost entirely to the deflation basket. This resulted in long positions in government bonds and short positions in equities and commodities. All positions contributed positively in December, when the Rodex Purchasing Power Index 2.0 gained +3.0%.

### Index Statistics

	RPPI 2.0
Return since 2007 [annualised]	6.8%
Return since 2012 [annualised]	6.0%
Volatility p.a. [since 2012]	6.2%
Max. Monthly Gain [since 2007]	4.9%
Max. Monthly Loss [since 2007]	-4.8%

### Asset Allocation in December

	RPPI 2.0
Bonds	110%
Equities	-16%
Commodities	-15%

### 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%	-1.1%
March	-0.5%	2.1%	-0.2%	1.0%	-0.1%	0.5%	-0.1%
April	-1.7%	2.6%	0.9%	-1.2%	-0.6%	1.7%	-0.2%
May	-1.0%	-3.9%	2.9%	0.2%	1.2%	2.1%	-0.4%
June	-0.3%	-4.4%	1.4%	-1.9%	2.6%	-4.8%	0.3%
July	1.8%	0.2%	0.5%	1.7%	1.0%	-0.2%	-0.5%
August	0.8%	-1.2%	3.7%	-1.7%	-0.2%	1.9%	0.6%
September	1.3%	1.5%	-1.8%	0.8%	0.0%	-0.5%	-1.1%
October	-0.4%	4.9%	2.0%	-0.2%	-2.5%	3.7%	-1.0%
November	2.7%	1.1%	3.4%	0.7%	-0.6%	1.3%	-0.9%
December	1.3%	-0.8%	1.4%	0.3%	2.6%	1.8%	3.0%
YTD	7.8%	1.4%	16.0%	1.4%	5.2%	8.3%	-2.7%

Returns prior to strategy inception in October 2014 are based on backtested data. All returns include transaction costs, but no management fee.

Index	Purpose
RPPI 2.0	Protection against inflation AND Deflation

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