

Item 1. *Cover Page*

# Grantia Capital SGIIC, S.A.

## Firm Brochure

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*This brochure provides information about the qualifications and business practices of Grantia Capital SGIIC, S.A. If you have any questions about the contents of this brochure, please contact us at +34 91 438 9223 and/or [www.grantiacapital.com](http://www.grantiacapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Registration as an investment adviser does not imply a certain level of skill or training.*

*Additional information about Grantia Capital also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**Item 2. *Material Changes***

This is the initial brochure of Grantia Capital SGIIC, S.A., a newly registered investment adviser. There are no material changes to report in this brochure.

**Item 3.**

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#### **Item 4. Advisory Business**

##### **A. Description of Grantia**

Grantia Capital SGIIC, S.A. (“Grantia”) is a Spanish asset manager that is specialized in alternative management of currencies and securities. It was formed in 2017 and is registered at No. 259 with the Comisión Nacional del Mercado de Valores, the Spanish National Securities Market Commission (“CNMV”), as well as in the Mercantile Registry of Madrid. Grantia is regulated as an investment manager in Spain by the CNMV. It is also registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser and expects to become registered with the United States Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor in the near future.

Grantia is a closely held corporation that is owned by four private Spanish companies. Its sole principal owner is Golf in One SL, which is organized as a *sociedad limitada* in Spain. Golf in One SL owns 60% of the outstanding ownership interests in Grantia. Grantia currently has no subsidiaries or other offices.

##### **B. Description of Advisory Services**

Grantia provides alternative investment management services to its clients in connection with their investments in currencies and securities. It invests its clients’ assets using mathematical and statistical models given its specialty in quantitative and algorithmic management.

Grantia provides advice about investing in currencies -- particularly, euros, pounds sterling, yen, Swiss francs, US dollars, Canadian dollars, Australian dollars, and New Zealand dollars. Its fundamental strategy is based on statistical arbitrage of currencies of developed countries using the main currency pairs. The objective of its strategy is to obtain positive returns in any market environment with a volatility of less than 5% per year and with a daily value at risk (VaR) of less than 2% with 99% confidence through the combination of four un-correlated strategies. Substantially all of these investments involve foreign exchange (“forex”) spot transactions. Grantia occasionally may engage on behalf of its clients in transactions in off-exchange retail forex forward contracts on a non-deliverable basis.

Grantia also provides advice about investing in public or private fixed income securities, including particularly securities that are issued by the following entities: (1) countries that are members of the Organization for Economic Cooperation and Development (the “OECD”), (2) member states of the European Union, (3) autonomous communities of Spain (such as Catalonia, Galicia, or Basque Country), (4) local entities in Spain (such as a municipality), (5) international organizations of which Spain is a member, and (6) States of Spain. Grantia may invest up to 20% of the assets in a client’s portfolio in low credit quality issues (i.e., issues rated BBB- or lower by Standard & Poor’s) or

issues that have no rating, and up to 35% in securities issued or guaranteed by a member state of the European Union, an autonomous community of Spain, a local entity in Spain, an international organizations of which Spain is a member, and States (of Spain) with solvency not less than that of Spain.

### C. Management of Clients' Assets

For its fund clients, such as Grantia Anphora, a sub-fund of Quadriga Investors, a Luxembourg UCITS (Undertakings for the Collective Investment in Transferable Securities) fund, and Grantia Eagle FI, a Spanish investment fund that is sponsored by Grantia, Grantia discloses in the offering document the investment objective and investment strategies of the particular fund but does not otherwise permit investors in the fund to determine whether or not to participate in particular investments the fund makes. By deciding to invest in the fund, an investor agrees to confer full discretionary authority to Grantia to make investments in accordance with the disclosed investment objective and investment strategies of the fund, as authorized by the particular fund's board of directors and subject at all times to the requirements of applicable law.

Grantia currently does not provide investment management services, or market its services, to any United States person ("U.S. person"), as defined in Rule 203(m)-1(d)(8) under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") or to any fund in which a U.S. person is an investor, although Grantia currently serves as sub-adviser to one non-U.S. fund that has U.S. investors. Grantia provides only currency advice to this fund.

Grantia, however, intends in the foreseeable future to serve as investment adviser to one or more U.S. persons or to a fund in which a U.S. person holds an ownership interest. Before undertaking investment management services for any fund which Grantia sponsors and in which a U.S. person is an investor, Grantia will establish measures to ensure that it has a reasonable belief that any U.S. person that invests in this fund is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act").

Alternatively, Grantia may establish measures to verify that any such U.S. person that may invest in such a fund is an "accredited investor." Grantia may also establish measures to ensure that it has a reasonable belief that any such U.S. person is a "qualified purchaser," as that term is defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules promulgated thereunder, or is otherwise exempted.

For any of its non-fund clients, Grantia will negotiate the terms and conditions under which it will provide investment management services to each of these clients, as set forth fully in an investment management agreement between Grantia and this client. In the course of such negotiation, Grantia will obtain information sufficient to determine the financial sophistication and risk tolerance of each client, as well as information on any particular investment restrictions that the client may wish to establish. At all times, Grantia will operate within its overarching investment objective to

invest clients' assets in currencies and securities consistent with its alternative investment management business, as described above and in more detail below.

#### **D. Size of Assets Under Management**

As of December 31, 2019, Grantia had approximately \$97.2 million of assets under management on a discretionary basis, and \$0 of assets under management on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

For providing investment management services to Grantia Anphora, a sub-fund of Quadriga Investors, Grantia receives the following fees: (1) a fixed asset management fee equal to €2,000 per month, (2) a variable investment management fee equal to a maximum of 1.75% per annum of the value of assets under management for investors in Class A shares of this fund, 2.00% per annum for investors in Class B shares of this fund, and 2.25% per annum for investors in Class C shares of this fund; and (3) a performance fee equal to 30% per annum for investors in Class A and Class C shares of the fund, and 0.20% for investors in Class B shares of the fund. In addition, investors in Grantia Anphora pay other fees and expenses as more fully set forth in the offering document distributed to each of these investors at time of investing in the fund and in periodic reports that are sent to these investors.

All fees payable to Grantia for providing investment management services to Grantia Anphora are paid quarterly in arrears by Quadriga Asset Managers SGIIC, S.A. ("QAM"), a Spanish management company which serves as the investment manager of Quadriga Investors.

For providing investment management services to Grantia Eagle FI, a Spanish investment fund, Grantia receives an asset management fee equal to a maximum of 1.35% per annum of the value of assets under management and a performance fee equal to 9% per annum. Investors in this fund pay other fees and expenses, including a fee payable to Banco Inversis, S.A., a Spanish regulated bank which provides custody services to this fund, equal to 0.08% per annum of the value of assets under management. These various fees are payable quarterly in arrears. The total operating expenses for Grantia Eagle FI for the fiscal year ended December 31, 2019 was approximately [1.50%].

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

Grantia receives a performance fee equal to a maximum of 30% for providing investment management services to Grantia Anphora and 9% for providing investment management services to Grantia Eagle FI.

In general, the performance fee is a variable management fee that is linked to the absolute performance of the relevant class of shares. The performance fee refers to the percentage per

annum of the amount by which the net assets attributable to the relevant class of shares exceeds the high watermark, which is the higher of (i) the initial issue price per share of the relevant class of securities, and (ii) the highest net asset value per share of the relevant class in respect of which the last performance fee was paid. The net assets are calculated after deducting all expenses and management fee (except the performance fee) and adapted to take into account the subscriptions and redemptions.

The performance fee is accrued on each valuation day, as defined in the offering document, and is payable annually.

If the net asset value per share decreases during the calculation period, the accruals made in respect of the performance fee will be reduced accordingly. If these accruals fall to zero, no performance fee will be payable.

There is no cap on the performance fee. The independent accountant for each of Grantia Anphora and Grantia Eagle FI verifies the performance fee to be paid by each fund, if applicable, on an annual basis.

#### ***Item 7. Types of Clients***

Grantia is authorized to provide investment management services to various types of clients, including separately managed accounts of individuals and institutions and clients that are collective investment vehicles. It is authorized to provide both discretionary and non-discretionary investment management services to its clients.

Grantia currently has two clients for which it provides securities advice: (1) Grantia Anphora, a sub-fund of Quadriga Investors, a Luxembourg UCITs fund, for which Grantia serves as sub-investment adviser, and Grantia Eagle FI, a Spanish investment fund.

#### ***Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss***

##### **A. Investment Objective and Policies - Grantia Anphora**

Grantia seeks to provide its clients with absolute return through investing primarily in the major world foreign exchange ("forex" or "FX") pairs of currencies. On an ancillary basis, Grantia also invests in listed equities and fixed income securities denominated in major world currencies.

Grantia seeks to implement a directional long short strategy on the asset classes or indices thereof in which its clients may invest. It achieves short exposure for its clients through the use of derivative instruments. It seeks to ensure that its clients' long positions are sufficiently liquid at all times to cover its clients' obligations arising from their short positions.

Grantia's fixed income securities investments comprise, among others, investments in (i) securities issued by OECD Member States and Non-Member States, including their sub-divisions, agencies, or instrumentalities, and (ii) corporate debt securities and corporate commercial paper. Fixed-income securities in which Grantia invests may have fixed, variable, or floating rates of interest, and may vary inversely with respect to a reference rate.

Grantia generally does not invest the assets of its fund clients in shares of other funds, UCITS and/or other UCIs (investment vehicles that invest in asset classes that are unable to satisfy the UK's Financial Service Authority's rules on matters such as liquidity, leverage, or cash reserves), although it may invest up to 10% of the net assets of Grantia Anphora in these funds.

Subject to certain investment restrictions that apply to its fund clients, Grantia may invest on an ancillary basis the assets of its fund clients in cash, cash equivalents, and/or deposits. In exceptional circumstances, Grantia may invest up to 100% of the net assets of its fund clients in cash or cash equivalents and other money market instruments.

Grantia may invest its clients' assets in non-Euro denominated securities and non-Euro denominated currency positions. Therefore, movements in both non-Euro denominated securities and non-Euro denominated currencies may influence the returns on a client's investments. Grantia may implement positions for hedging and trading purposes using spot and forward foreign exchange contracts and currency futures, options, or swaps.

Grantia may take positions for its clients in financial derivative instruments, either listed or OTC, such as, but not limited to, futures and contracts for differences, for both investment and hedging purposes. To achieve its clients' investment objectives, Grantia may also enter into efficient portfolio positions such as repurchase and reverse repurchase agreements.

## B. Investment Objective and Policies - Grantia Eagle F1

Grantia may invest up to 100% of the net assets of Grantia Eagle F1 ("Eagle F1") in public or private fixed income securities (including deposits or money market instruments, quoted or not, and liquid) issued by countries that are members of the Organization for Economic Cooperation and Development (the "OECD"). Up to 20% of the total portfolio may be invested in low credit quality issues (i.e., issues rated BBB- or lower by Standard & Poor's) or issues that have no rating. The remainder of Eagle F1's portfolio may be invested in issues having superior credit quality or, at least, issues having the rating of the Kingdom of Spain, if lower. The average portfolio duration will be less than 3 years.

More than 35% of the net assets of Eagle F1's portfolio may be invested in securities issued or guaranteed by a member State of the European Union, an Autonomous Community of Spain (such as Catalonia, Galicia, or Basque Country), a local entity in Spain (such as a municipality), the



International Organizations of which Spain is a member, and States (of Spain) with solvency not less than that of Spain.

Grantia seeks to diversify the investment portfolio of Grantia Eagle F1 in at least six different issues in accordance with the investment parameters set forth above. Grantia will not invest more than 30% of the net assets of this portfolio in securities of the same issue. In addition, Grantia will not invest the assets of Eagle F1 in any other collective investment fund.

Grantia may also invest up to 100% of the net assets of Eagle F1's portfolio in currencies (euros, pounds sterling, yen, Swiss francs, US dollars, Canadian dollars, Australian dollars, and New Zealand dollars). Substantially all of these investments involve transactions in FX spot contracts. Grantia occasionally may engage on behalf of Eagle F1 in transactions in off-exchange retail FX forward contracts on a non-deliverable basis.

In making investments in currencies on behalf of Eagle F1, Grantia seeks to generate alpha by using a systematic statistical arbitrage approach. Under this approach, Grantia takes positions for its clients in currency pairs using a proprietary mathematical model that seeks the highest probability of return between different forex crosses and determines the volatility to which the investment will be exposed.

Grantia may invest the net assets of Eagle F1 in derivatives traded on organized derivatives markets for the purpose of hedging and investment. This operation involves risks due to the possibility that the coverage may not be perfect and because of the leverage it entails. Grantia has set the maximum degree of exposure to market risk through Eagle F1's investments in derivative financial instruments at 150% of the fund's equity.

Grantia may engage in repurchase agreement transactions on behalf of Eagle F1. For any such transaction, Grantia intends to apply the technique and instruments referred to in Article 18 of Order EHA/888/2008, dated March 27<sup>th</sup>, 2008 issued by the Ministry of Economy and Finance, Spain. The repurchase agreement will be limited to the purchase and sale of public debt of OECD issuers (or private fixed income securities issued by OECD member countries), with a minimum rating equivalent to that of the Kingdom of Spain at any time and with a term of fewer than 7 days. The counterparty risk associated with these transactions is not considered relevant because the transaction amount is covered by the underlying instruments on which the acquisition is made. Grantia believes that repurchase transactions are considered to be economically adequate and effective for managing the assets of its fund clients in relation to their cost.

In general, Eagle F1 may receive the guarantees and/or collateral necessary to mitigate (in whole or in part) the counterparty risk associated with the contracted OTC derivative financial instruments. In the event that it receives collateral other than cash, the collateral may consist of any of the modalities allowed in the applicable regulations, depending on its characteristics (as to credit quality, term, etc.).

Grantia may invest the net assets of Eagle F1 temporarily in instruments other than those described above, provided that any such investment will be less risky than investments made in the ordinary course of events.

### C. Risk Management

Grantia uses the Value at Risk (“VaR”) methodology to control the risk of investments made on its clients’ behalf. The VaR methodology consists in establishing the maximum loss that could be incurred under normal market conditions in a specified time interval and with a certain level of probability or confidence when creating a portfolio. Grantia sets a VaR of 2% for each day, which means an estimated maximum loss of 2% may be incurred within one day, at a 99% confidence level. It calculates market risk to which a client’s portfolio is exposed using the VaR absolute methodology.

Grantia has set the degree of leverage in currencies in a fund client’s portfolio at a range of between 0% - 150% of the fund’s equity.

### D. Investment Risks

An investment of its clients’ assets in instruments of the types described above involve various risks, including the following:

#### 1. Market Risk

An investment in the various asset classes involves market risk -- i.e., the risk that a client, including an investor in a fund client, may experience losses that result from factors, such as trends in the financial markets or the economic development of the issuers, that affect the overall performance of the market for these asset classes.

#### 2. Interest Rate Risk

An investment in the various assets classes may be exposed to interest rate risks -- i.e., the changes in the value of an investment that result from fluctuations in the interest rates of the main currencies and fixed income instruments in which Grantia’s clients may invest.

#### 3. Currency Risk

The value of Grantia’s clients’ investments may be affected by a variation in exchange rates when these investments are denominated in a currency other than the reference currency for a particular client.

#### 4. Credit Risk

Bonds and other debt instruments in which the assets of Grantia's clients may be invested involve an issuer-related credit risk, which can be calculated using the issuer's solvency rating. Bonds or other debt instruments issued by entities that have a low rating are, as a general rule, considered to be instruments that are at a higher credit risk, given the greater probability that these entities may default, than those issuers with a higher credit rating. When the issuer of bonds or other debt instruments finds itself in financial or economic difficulty, the value of the bonds or other debt instruments (which may fall to zero) and the payments made for these bonds or other debt instruments (which may also fall to zero) may be affected.

#### 5. Liquidity Risk

Liquidity risks arise when a particular instrument in which a Grantia client may invest is difficult to sell. In principle, only instruments that can be sold at any time are acquired for Grantia's clients.

#### **Item 9. *Disciplinary Information***

Neither Grantia nor any of its management persons has been the subject of any disciplinary action to be disclosed under this provision.

#### **Item 10. *Other Financial Industry Activities and Affiliations***

Grantia is engaged in business as a commodity trading advisor in connection with the advice it provides to its clients about investing in transactions in off-exchange retail forex spot and forward contracts on a non-deliverable basis. *See* discussion in Items 4 and 8. Although Grantia is not currently registered or required to register with the CFTC as a commodity trading advisor, it expects to become registered as such in the near future.

#### **Item 11. *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

##### A. Code of Ethics

Pursuant to Rule 204A-1 under the Advisers Act, Grantia has adopted a Code of Ethics that addresses the following matters involving the business and operations of Grantia:

- a standard of business conduct that Grantia requires of its supervised persons, which standard reflects Grantia's fiduciary obligations and those of its supervised persons;

- provisions in the Code of Ethics that require Grantia's supervised persons to comply with applicable U.S. federal securities laws, particularly in connection with the services Grantia provides to U.S. clients;

- provisions in the Code of Ethics that require Grantia's access persons to report, and Grantia to review, their personal securities transactions and holdings periodically as required by Rule 204A-1;

- provisions in the Code of Ethics that require Grantia's supervised persons to report any violations of the Code of Ethics promptly to Grantia's Chief Compliance Officer or, provided that Grantia's Chief Compliance Officer also receives reports of all violations, to other persons that Grantia designates in its Code of Ethics; and

- provisions in the Code of Ethics that require Grantia to provide each of its supervised persons with a copy of its Code of Ethics and any amendments, and require the supervised persons to provide Grantia with a written acknowledgement of their receipt of the Code of Ethics and any amendments.

#### B. Interested Securities Recommendations or Transactions

Neither Grantia nor any of its related persons recommends to clients, or buys or sells for client accounts, any securities in which Grantia or a related person has a material financial interest. In this regard, neither Grantia nor any related person, acting as principal, buys securities from (or sells securities to) its clients. Similarly, neither Grantia nor any of its related persons acts as investment adviser to an investment company or other private fund that it recommends to its clients.

#### C. Investments in Securities Held or To be Acquired by Clients

Neither Grantia nor any of its related persons invests in the same securities (or related securities, such as warrants, options, or futures) that Grantia or a related person recommends to its clients.

#### D. Investments in Contemporaneous Transactions

Neither Grantia nor any of its related persons recommends securities to its clients, or buys or sells for client accounts, at or about the same time that Grantia or a related person buys or sells the same securities for its own account (or the account of a related person).

**Item 12. Brokerage Practices****A. Factors in Selecting or Recommending Broker-dealers for Client Accounts**

In selecting or recommending broker-dealers for client accounts, Grantia at all times seek to achieve best price and execution.

Grantia does not receive research or other products or services other than execution from a broker-dealer or other third party in connection with client securities transactions (“soft dollar benefits”).

Neither Grantia nor any related person receives client referrals from a broker-dealer or other third party when selecting or recommending broker-dealers for its client accounts.

Grantia does not routinely recommend, request, or require that a client direct Grantia to execute transactions through a specified broker-dealer.

**B. Aggregation of Client Accounts**

Grantia does not aggregate client accounts in conducting trades.

**Item 13. Review of Accounts****A. Periodic Review of Client Accounts**

Grantia reviews each of its client accounts on a quarterly basis.

**B. Spot Review of Client Accounts**

Grantia also reviews a client account when there is unusual activity in this account.

**C. Client Reports**

Each of Grantia’s clients receives the following reports: (i) trade confirmations on every purchase or sale of securities — confirms are mailed daily after each trade is executed or a summary of all trades is sent quarterly depending on account program type and client selection; (ii) monthly account statements every month that a client has activity in the account — if the account has no activity, the client will receive account statements at least quarterly; and (iii) quarterly performance reporting. Grantia requests that its clients compare the trade confirmations with the account statements, and compare the account statements with the quarterly performance reports, to make sure all documents are consistent. Grantia advises each client to notify Grantia's Compliance

Department or Chief Compliance Officer immediately if he/she notices any inconsistencies among the various reports.

Grantia reviews all new accounts when they are opened to make sure that appropriate documentation has been obtained, and to verify that the proposed investment strategy is consistent with the client's risk profile and stated investment needs and objectives. On a daily basis, a supervisor reviews all trades in advisory accounts to confirm that the trading is consistent with the client's investment needs and objectives.

**Item 14. *Client Referrals and Other Compensation***

Grantia currently pays one of its employees a bonus for any client referrals the employee makes.

Grantia currently does not pay any non-employees for client referrals or has any arrangement with any non-employee to pay compensation for client referrals.

**Item 15. *Custody***

This Item is inapplicable because Grantia does not have "custody" of client funds or securities.

**Item 16. *Investment Discretion***

Grantia has discretionary authority to invest its clients' assets in fixed income securities. As discussed above in Items 4 and 8, as an investment manager that is engaged in the business of providing advice about investing in foreign currencies, Grantia is required to invest a portion of its clients' assets in short-term, capital preservation securities. To meet this objective, Grantia invests principally in short-term fixed income securities issued by major countries.

***Item 17. Voting Client Securities***

Grantia does not vote proxies on behalf of clients. Substantially all of the securities in which Grantia invests on behalf of its clients are fixed income securities that are not voting securities.

***Item 18. Financial Information***

- A. Grantia does not charge advisory fees six months or more in advance.
- B. Grantia is not subject to any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.
- C. Grantia has not been the subject of any bankruptcy petition.

***Item 19. Requirements for State-Registered Advisors***

This Item is inapplicable because Grantia is pursuing registration with the SEC.