

Cartesio *Equity*

Factsheet

NAV (Class I)
161.37

Assets
137m €

June 2018

The fund is down 0.71% in June and 0.76% YTD. Watching the world cup in Russia is proving far more interesting than the European equity market. European equities trickle downwards or zip horizontally, but the result continues to be slight negative returns in European equities YTD. The Trump's administration antics on trade is not helping sentiment, however we believe valuation and concern about the economic and interest rate cycle explain more adequately the disappointment performance of equities generally this year.

Our asset allocation is cautious but we do not have a catastrophic view of the world. "The End is Nigh" may be a good marketing strategy for certain cults which always end badly. Similarly, cringing about Trump, trade, debt, bubbles or whatever is the big worry of the day whilst waiting for the markets to crash is commendable and understandable, but probably not the best way to build wealth over the longer term. We think the market cannot consolidate or do nothing for ever and the next move is likely to be a breakout on the downside which, we think, will be an opportunity to take on more risk.

Investment objective

Pareturn Cartesio Equity replicates the investment strategy of Cartesio Y. It seeks higher risk adjusted returns (Sharpe ratio) than European Equities as represented by the MSCI Pan Euro Index. Willingness to forego potential returns in order to give an adequate capital protection.

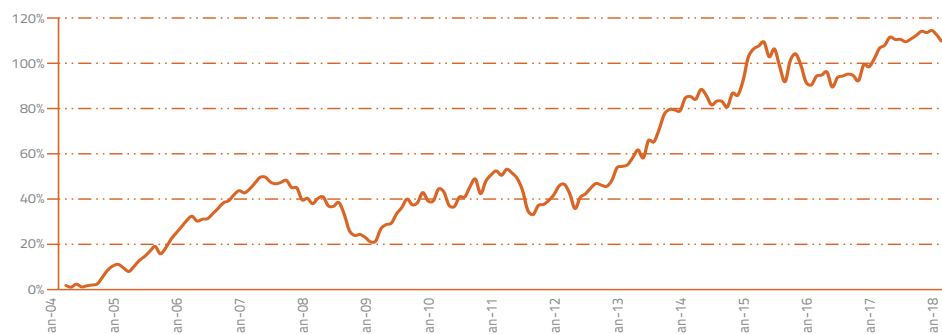
Investment strategy

The fund can only hold equities and cash with total flexibility in its exposure to both assets. The fund has a long equity bias.

Fund History

Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 5.8% p.a. against 6.3% p.a. total return for Pan-European equities with a volatility of 9.5%

Performance Chart*



(index 18.7%). On a five and three year basis the fund has returned 37.1% and 6.6% respectively against total returns of 50.1% and 8.0% respectively for European equities with 56% and 51% respectively of the volatility experienced by the index.

Factors to consider

- The fund has a clear long bias with emphasis on capital protection over the medium term.
- The equity component is actively managed with a significant tracking error vs the benchmark.
- Suitable for investors seeking to grow and protect their capital over the medium term with a moderate level of risk.

PERFORMANCE

2018	-0.8%
Since Inception (p.a.)*	5.4%

RISK / RETURN

Volatility*	9.7%
Beta	0.39
Sharpe*	0.41

ASSET ALLOCATION

Equity	39.1%
Cash	60.9%

SECTORIAL DISTRIBUTION

Industrials	28.4%
Consumer Discretionary	24.5%
Utilities	11.3%
Health Care	8.5%
Financials	7.1%

MAIN HOLDINGS

Shire	2.2%
KPN	1.6%
Publicis	1.5%
Royal Dutch Shell	1.5%
ITV	1.5%

INVESTMENTS / DIVESTMENTS

Investments: Pinfra

Divestments: —

MARKET RETURNS

	2018	Since 31/03/04
MSCI Pan Euro (Total return.)	-0.4%	6.3% p.a.
Sharpe		0.26
Long Term Euro Gov. Bond	0.6%	4.9% p.a.
Sharpe		0.78
Euro Gov T Bill	-0.3%	1.4% p.a.

* Inception 31st March '04. Cartesio Y until Jun '09. Class I.

HOLDINGS		
1	Shire	2.2%
2	KPN	1.6%
3	Publicis	1.5%
4	Royal Dutch Shell	1.5%
5	ITV	1.5%
6	Continental	1.4%
7	Merlin Properties	1.4%
8	Microsoft	1.3%
9	Prysmian	1.2%
10	Philips Lighting	1.1%
11	Siemens	1.1%
12	Iberdrola	1.1%
13	Roche	1.1%
14	Bae Systems	1.1%
15	Telecom Italia	1.1%
16	OHL	1.1%
17	Valeo	1.1%
18	Bank of Ireland	1.0%
19	Pinfra	1.0%
20	Vinci	1.0%
21	Other	13.8%
22	Cash	60.9%
Total		100%

PORTFOLIO VALUATION	
P/E	13.5x
Div Yield	3.6%

	RISK ADJUSTED RETURNS PARETURN CARTESIO EQUITY*						
	Returns		Volatility		Relative Volatility	M2	
	Fund	Index	Fund	Index			
2004**	8.5%	8.0%	4.6%	11.1%	41.2%	18.4%	
2005	12.4%	26.1%	6.0%	9.5%	63.1%	18.4%	
2006	16.1%	19.0%	5.3%	12.7%	41.9%	34.6%	
2007	2.2%	4.5%	6.9%	15.7%	43.7%	-0.2%	
2008	-14.2%	-42.5%	13.1%	37.3%	35.0%	-49.0%	
2009	14.9%	31.1%	8.2%	24.4%	33.7%	45.0%	
2010	3.5%	10.1%	11.0%	18.7%	58.5%	5.5%	
2011	-5.7%	-6.6%	16.3%	22.2%	73.7%	-8.4%	
2012	6.3%	17.2%	11.5%	14.7%	78.2%	7.7%	
2013	21.1%	19.6%	9.0%	12.2%	74.0%	28.3%	
2014	3.6%	7.0%	10.3%	13.4%	76.5%	4.6%	
2015	7.3%	7.2%	11.8%	20.7%	57.0%	12.7%	
2016	0.0%	3.6%	10.2%	19.8%	51.9%	0.2%	
2017	7.2%	9.8%	4.0%	8.5%	47.2%	15.7%	
2018	-0.8%	-0.4%	4.8%	12.6%	37.9%	-1.5%	
Q1	-1.7%	-4.4%	4.9%	13.8%	35.1%	-4.7%	
Q2	1.0%	4.1%	4.8%	11.4%	42.1%	2.6%	
Total	111.7%	139.1%	9.7%	18.7%	51.7%		
Index price only		44.2%					

* Cartesio Y until 12/2009 and Pareturn Cartesio Equity onwards
** Since March 2004
Index= MSCI Pan Euro Total Return // M2= Theoretical return assuming the save volatility as the Index

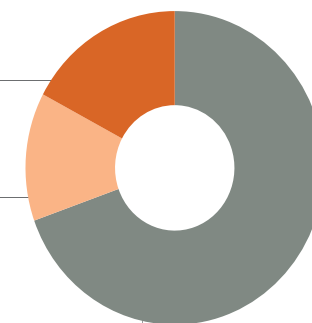
SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	24.5%	9.1%
2	Consumer Staples	0.0%	15.5%
3	Energy	6.6%	10.0%
4	Financials	7.1%	20.7%
5	Health Care	8.5%	13.9%
6	Industrials	28.4%	10.5%
7	Information Technology	3.4%	5.2%
8	Materials	0.0%	7.3%
9	Real Estate	3.5%	0.5%
10	Telecommunication Services	6.7%	3.7%
11	Utilities	11.3%	3.6%
Total		100%	100%

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)
16.0%

Medium (€3 - €6Bn)
17.4%

Large (>€6Bn)
66.6%



Name
Pareturn Cartesio Equity
(Replicates Cartesio Y)

ISIN
LU0406591452 - Class I
LU1725678517 - Class Z

Bloomberg
PAR12BI LX / PAR12BZ LX

Inception Date
30/6/09
(Cartesio Y 31/3/04)

Type
SICAV (UCITS III)

Benchmark
MSCI Pan Europe - Risk Adjusted

NAV frequency
Daily (Euros)

Management Company
MDO Management Services

Fund Manager
Cartesio SGIC, S.A.

Custodian
BNP Paribas

Auditor
Deloitte



MORNINGSTAR ★★★★★ 3 years
MORNINGSTAR ★★★★★ 5 years
MORNINGSTAR ★★★★★ 10 years
MORNINGSTAR ★★★★★ Overall

5 Lipper Leader Total Return
5 Lipper Leader Consistent Return
3 Lipper Leader Preservation
5 Lipper Leader Expense

Transfer Agent & Fund Administrator
BNP Securities Services

Fund Management Fee
1.5% - Class I
0.75% + 7.5% performance fee - Class Z

* All ratings apply to Cartesio Y