

# Cartesio *Equity*

## Factsheet

NAV (Class I)  
**163.36**

Assets  
**133m €**

## April 2018

The fund is up 2.25% in April and up 0.46% YTD. With European equity markets rising by more than 4% in April, the market correction of close to 10% from the January high has morphed into a blip. Some would argue it is blip within an uptrend. We leave it to technical analysts, practitioners of the self-fulfilling prophecy as far as we are concerned, to decide if the uptrend is intact. We certainly have our doubts, otherwise we would not be so defensive in our asset allocation.

We think European equity markets have been helped recently by dollar strength, reasonable first quarter results and buoyant corporate activity. Interest rates remain low and there are no clear signals that a recession is near, the only sufficient condition to get a bear market. However, as we have argued for a while now, it is the valuations we see in the market and the longevity of an economic and stock market cycle driven by emergency monetary policy that makes us willing to be patient and defensive.

The fund has had a good "blip" so far. It closes at an all-time monthly high whilst European equities have not yet regained their end January levels. The performance of our equity portfolio has been strong during the downturn whilst adding to our equity exposure during the worse parts of

the recent downturn has also helped.

### 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.

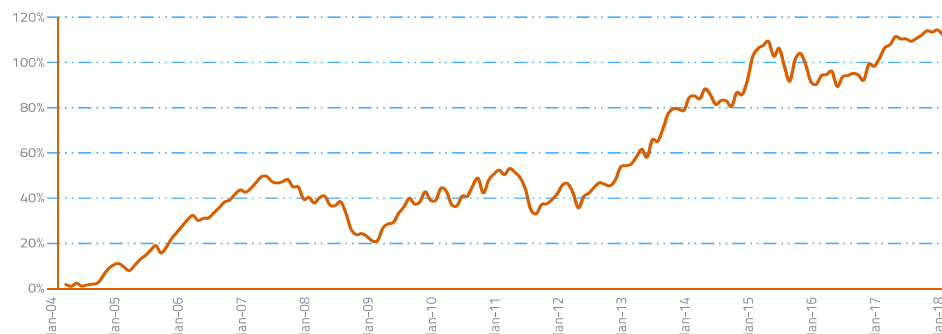
### Investment strategy

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 6.0% p.a.

### Performance Chart\*



against 6.4% p.a. total return for Pan-European equities with a volatility of 9.6% (index 18.7%). On a five and three year basis the fund has returned 38.3% and 5.4% respectively against total returns of 46.0% and 5.0% 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	0.5%
Since Inception (p.a.)*	5.6%

### RISK / RETURN

Volatility*	9.7%
Beta	0.41
Sharpe*	0.43

### ASSET ALLOCATION

Equity	43.3%
Cash	56.7%

### SECTORIAL DISTRIBUTION

Industrials	25.2%
Consumer Discretionary	24.4%
Utilities	12.6%
Health Care	7.8%
Financials	7.1%

### MAIN HOLDINGS

Shire	2.1%
Royal Dutch Shell	1.9%
Merlin Properties	1.8%
Publicis	1.7%
KPN	1.6%

### INVESTMENTS / DIVESTMENTS

Investments: -

Divestments: Novartis

### MARKET RETURNS

	2018	Since 31/03/04
MSCI Pan Euro (Total return.)	0.3%	6.4% p.a.
Sharpe		0.27
Long Term Euro Gov. Bond	0.7%	5.0% p.a.
Sharpe		0.79
Euro Gov T Bill	-0.2%	1.4% p.a.

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

## HOLDINGS

1	Shire	2.1%
2	Royal Dutch Shell	1.9%
3	Merlin Properties	1.8%
4	Publicis	1.7%
5	KPN	1.6%
6	Telecom Italia	1.4%
7	OHL	1.4%
8	ITV	1.3%
9	Bae Systems	1.3%
10	IAG	1.3%
11	Continental	1.3%
12	Microsoft	1.3%
13	Bank of Ireland	1.2%
14	Petrofac	1.1%
15	Volkswagen	1.1%
16	Iberdrola	1.1%
17	Valeo	1.1%
18	Siemens	1.1%
19	Prysmian	1.1%
20	Goodyear	1.1%
21	Other	16.2%
22	Cash	56.7%
<b>Total</b>		<b>100%</b>

## PORTFOLIO VALUATION

P/E	13.8x
Div Yield	3.5%

## 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	0.5%	0.3%	4.9%	13.2%	37.2%	1.5%
Q1	-1.7%	-4.4%	4.9%	13.8%	35.1%	-4.7%
Q2 (Apr)	2.2%	4.9%	5.0%	11.1%	44.9%	5.1%
<b>Total</b>	<b>114.3%</b>	<b>140.9%</b>	<b>9.7%</b>	<b>18.7%</b>	<b>51.7%</b>	
Index price only		46.8%				

\* 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

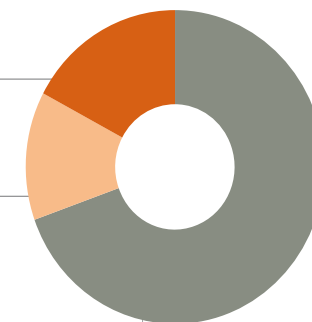
	FUND	MSPE
1	Consumer Discretionary	24.4%
2	Consumer Staples	0.0%
3	Energy	6.8%
4	Financials	7.1%
5	Health Care	7.8%
6	Industrials	25.2%
7	Information Technology	5.0%
8	Materials	0.0%
9	Real Estate	4.2%
10	Telecommunication Services	6.8%
11	Utilities	12.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)  
17.2%

Medium (€3 - €6Bn)  
13.2%

Large (>€6Bn)  
69.5%



**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 ★★★★★ 10 years  
 MORNINGSTAR ★★★★★ 5 years  
 MORNINGSTAR ★★★ 3 years  
 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