

Cartesio *Equity*

Factsheet

NAV (Class I)
163.30

Assets
122m €

January 2018

The fund is up 0.37% in January. The strongest start to world equities in thirty years. Buyer's capitulation appears to have taken hold of investors with record inflows into equities and low volatility. Passive funds and ETF of all types are all the rage. American equities are enjoying the longest streak without a 5% correction since 1929. This takes place after nine years of a bull market, with extremely expensive valuations in the US, demanding in Europe and the lowest interest rates in history. Central banks are, slowly but surely, getting ready to tighten.

It seems to us the prevalent opinion amongst investors and strategists is that the market is expensive, rates have hit bottom but it is not time to sell as the economic outlook is bright. "Yes, but not yet" is the new mantra.

With this background in mind, the sharp reversal in the early days of February does not come as a complete surprise. In fact, we are running the funds at the lowest level of risk since the middle of 2009. We are not sure this is the start of a bear market but it is clear to us that risk exposures across the market and valuations are probably too high. We have plenty of dry gunpowder which we are likely to use in coming months as we see interesting bottom up opportunities.

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

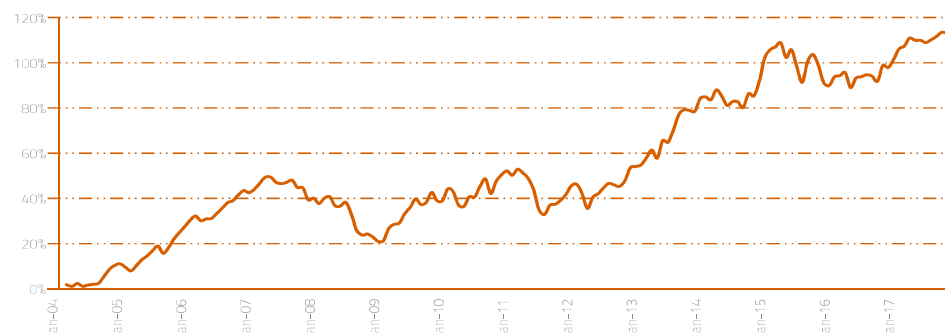
Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 6.1% p.a. against 6.6% p.a. total return for Pan-European equities with a volatility of

9.6% (index 18.7%). On a five and three year basis the fund has returned 41.9% and 13.1% respectively against total returns of 53.9% and 15.7% respectively for European equities with 57% and 52% 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 Chart*



PERFORMANCE

2017	0.4%
Since Inception (p.a.)*	5.7%

RISK / RETURN

Volatility*	9.7%
Beta	0.45
Sharpe*	0.43

ASSET ALLOCATION

Equity	38.6%
Cash	61.4%

SECTORIAL DISTRIBUTION

Consumer Discretionary	25.3%
Industrials	24.3%
Utilities	14.0%
Health Care	7.8%
Financials	7.2%

MAIN HOLDINGS

Publicis	1.6%
Shire	1.5%
Royal Dutch Shell	1.4%
Microsoft	1.3%
OHL	1.3%

INVESTMENTS / DIVESTMENTS

Investments: Bae Systems, Allianz, Saeta Yield

Divestments: Stroeer

MARKET RETURNS

	2017	Since 31/03/04
MSCI Pan Euro (Total return.)	1.6%	6.6% p.a.
Sharpe		0.28
Long Term Euro Gov. Bond	-0.9%	5.0% p.a.
Sharpe		0.77
Euro Gov T Bill	-0.1%	1.4% p.a.

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

HOLDINGS		
1	Publicis	1.6%
2	Shire	1.5%
3	Royal Dutch Shell	1.4%
4	Microsoft	1.3%
5	OHL	1.3%
6	Telecom Italia	1.3%
7	Merlin Properties	1.3%
8	Philips Lighting	1.3%
9	ITV	1.2%
10	Goodyear	1.2%
11	KPN	1.2%
12	IAG	1.2%
13	Saeta Yield	1.1%
14	Bank of Ireland	1.1%
15	Bae Systems	1.0%
16	Allianz	1.0%
17	Volkswagen	1.0%
18	Continental	1.0%
19	Novartis	1.0%
20	AP Moeller Maersk	1.0%
21	Other	14.3%
22	Cash	61.4%
Total		100%

PORTFOLIO VALUATION	
P/E	14.6x
Div Yield	3.2%

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	0.4%	1.6%	2.9%	7.6%	38.1%	1.2%	
Q1 (Jan)	0.4%	1.6%	2.9%	7.6%	38.1%	1.2%	
Total	114.3%	143.7%	9.7%	18.7%	52.0%		
Index price only		50.9%					

* 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	25.3%	9.3%
2	Consumer Staples	0.0%	15.3%
3	Energy	5.7%	8.5%
4	Financials	7.2%	23.0%
5	Health Care	7.8%	13.4%
6	Industrials	24.3%	10.9%
7	Information Technology	5.8%	4.5%
8	Materials	0.0%	7.1%
9	Real Estate	3.4%	0.5%
10	Telecommunication Services	6.6%	4.0%
11	Utilities	14.0%	3.5%
Total		100%	100%

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)

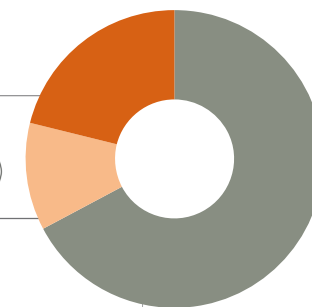
21.1%

Medium (€3 - €6Bn)

11.7%

Large (>€6Bn)

67.2%



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