



Cartesio

A Short Guide

Cartesio Funds

March 2004 - December 2018

Cartesio Inversiones SGIIC

About us

Cartesio is a fund management company registered and supervised by the Spanish Securities Exchange Commission (CNMV).

Two strategies:

Cartesio X / Cartesio Income - Capital Protection

Cartesio Y / Cartesio Equity - Risk adjusted Equities

€1,289m AUM as of 31/12/2018.

Differentiating Factors

The key factors that have characterised Cartesio since inception are:

- 1 Alignment of interest
- 2 Capital protection mindset
- 3 Active management
- 4 Two strategies
- 5 Low fees
- 6 Transparency

A Proven Investment Process

Cartesio offers a balanced approach between asset allocation and security selection to deliver superior risk-adjusted returns.

Team

A team of seven investment professionals, led by the founding partners, actively manages the funds.

The funds

Luxembourg

Cartesio *Equity*

Risk Adjusted Equities

★ Gold

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

Cartesio *Income*

Capital Protection

★ Gold

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

*Ratings correspond to Cartesio Y and Cartesio X

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

Spain

Cartesio *Y*

Risk Adjusted Equities

Cartesio *X*

Capital Protection

Awards

Track-record recognised by several prestigious awards. In 2018, Cartesio won the Pan-European Manager of the Year - Multi-Asset and Alternatives



Overview of the funds

SPAIN	Cartesio <i>Y</i>	Cartesio <i>X</i>
Type of client	Institutional & retail	Institutional & retail
Management fee	0.75%	0.5%
Performance fee	7.5%	7.5%
ISIN	ES0182527038	ES0116567035
Bloomberg code	MSCYACC SM	MSCXVDI SM

LUXEMBOURG	Cartesio <i>Equity</i>		Cartesio <i>Income</i>	
Type of shares	Class I	Class Z (Clean)	Class I	Class Z (Clean)
Type of client	Institutional & retail (discretionary mandate)	Institutional & retail (advisory mandate*)	Institutional & retail (discretionary mandate)	Institutional & retail (advisory mandate*)
Management fee	1.5%	0.75%	0.95%	0.5%
Performance fee	—	7.5%	—	7.5%
ISIN	LU0406591452	LU1725678517	LU0581203592	LU1725678863
Bloomberg code	PAR12BI LX Equity	PAR12BZ LX Equity	PCARINI LX Equity	PCARINZ LX Equity

* the "Z" category is only available to (i) investors who have entered into a separate agreement with investment services providers which, according to regulatory requirements, are not allowed to accept and keep trail commissions and (ii) institutional investors exclusively investing on their own account

Investment Objective

- Long term capital appreciation in real terms.
- Higher risk adjusted returns (Sharpe Ratio) than European equities (MSCI Pan Euro Index).
- Willingness to forego potential returns in order to protect capital.

Asset Allocation

- Total flexibility in equity exposure (0% - 100%) depending on market view and risk. Equities and cash are the only assets.
- Invests mainly in European equities. Some exposure to non european equities allowed by prospectus.

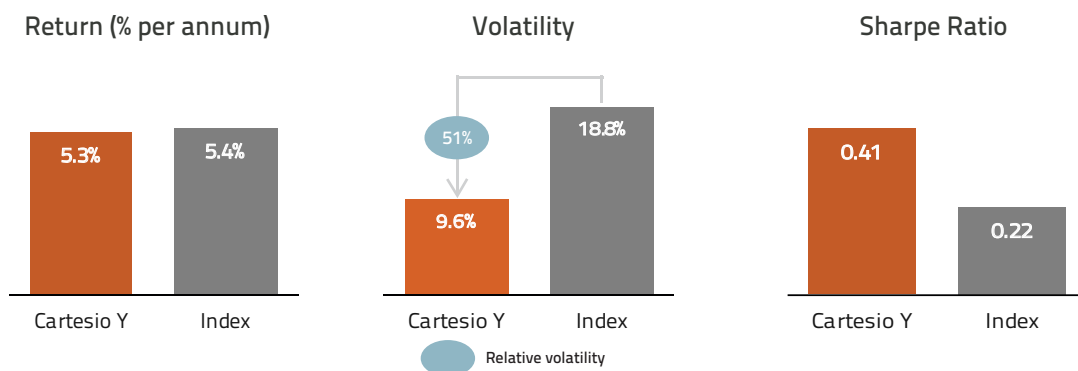
Risk

- Since inception volatility (9.6%) has been 51% of that of European equities.

Fees - Cartesio Y

- Management : 0.75% + 7.5% of annual positive performance (three years to recover losses before performance fee can be applied).
- Custody: 0.055%.

Risk adjusted returns since inception 31/03/2004



General Information

Assets:

Cartesio Y: 300m €

Cartesio Equity: 121m €

Inception Date

Cartesio Y: 31/03/2004

Cartesio Equity: 30/06/2009

Auditor

Deloitte

Administrator & Custodian

BNP Paribas

Ratings



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
- 4 Lipper Leader Expense

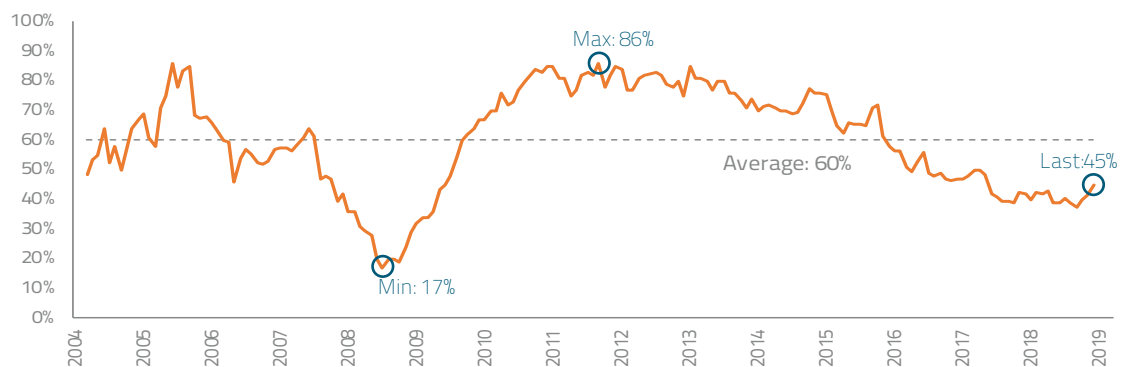
1 Risk Adjusted Returns

	Returns		Volatility		Relative Volatility vs Index	M2*
	Fund	Index*	Fund	Index*		
2004 (since 31/3/04)	8.5%	8.1%	4.6%	11.1%	41.2%	18.4%
2005	12.4%	26.2%	6.0%	9.5%	63.1%	18.4%
2006	16.1%	19.2%	5.3%	12.7%	41.9%	34.6%
2007	2.2%	4.5%	6.9%	15.7%	43.7%	-0.2%
2008	-14.2%	-42.4%	13.1%	37.3%	35.0%	-49.0%
2009	16.0%	31.0%	8.2%	24.4%	33.7%	45.0%
2010	4.3%	10.1%	10.8%	18.7%	57.5%	7.0%
2011	-5.1%	-6.6%	16.6%	22.2%	74.9%	-7.3%
2012	7.8%	17.3%	11.7%	14.7%	79.7%	9.4%
2013	20.6%	19.6%	8.4%	12.2%	69.2%	29.4%
2014	4.4%	7.0%	9.6%	13.4%	71.3%	6.0%
2015	7.4%	7.3%	10.9%	20.7%	52.9%	14.0%
2016	0.9%	3.6%	10.5%	19.8%	53.2%	1.9%
2017	7.2%	9.8%	3.6%	8.5%	42.5%	17.6%
2018	-4.9%	-9.4%	5.1%	12.5%	40.7%	-11.4%
Total	113.6%	117.6%	9.6%	18.8%	51.0%	
Index Price Only		30.0%				

* MSCI Pan-Europe Total Return M2 = Theoretical return assuming the same volatility as the index

* M2 = Expresses the theoretical performance of the fund adjusted for the index volatility

2 Equity Exposure (%)



3 Maximum Drawdowns

CARTESIO Y			
		Drawdown	Recovery
Jun 07 - Feb 09	-19.1%	20 months	20 months
Apr 11 - Sep 11	-12.5%	5 months	19 months
May 15 - Jun 16	-8.2%	13 months	9 months
EUROPEAN EQUITIES (MSPE)*			
		Drawdown	Recovery
May 07 - Feb 09	-52.7%	21 months	56 months
Apr 11 - Sep 11	-18.2%	5 months	12 months
May 15 - Jun 16	-16.6%	13 months	14 months

*Total return basis (incl. dividends)

Investment Objective

- Long term capital appreciation in real terms.
- Higher risk adjusted returns (Sharpe Ratio) than long term Euro government bonds (Bloomberg Barclays Series-E Euro Govt 7-10 Yr Bond Index).
- Strong emphasis on capital protection.

Asset allocation

- Flexibility in bonds (0-100%), equity (0-40%) and Cash (0-100%).
- 20% maximum exposure to bonds below investment grade.
- The equity portfolio replicates that of the Cartesio Y fund.

Risk

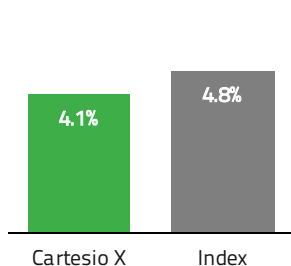
- Since inception volatility (3.2%) has been 69% of that registered by long term Euro government bonds.

Fees - Cartesio X

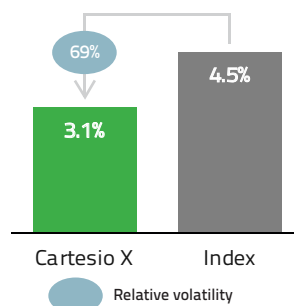
- Management : 0.5%+ 7.5% of annual positive performance (watermark reset every three years at zero).
- Custody: 0.055%

Risk adjusted returns since inception 31/03/2004

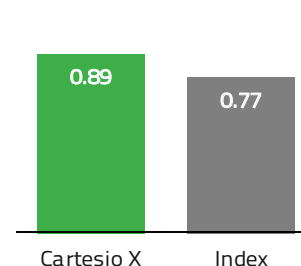
Performance - CAGR



Volatility:



Sharpe Ratio



General Information

Assets

Cartesio X: 462 m €

Cartesio Income: 406 m €

Inception Date

Cartesio X: 31/03/04

Cartesio Income: 31/05/11

Auditor

Deloitte

Administrator & Custodian

BNP Paribas

Ratings



MORNINGSTAR	★★★★★	3 years
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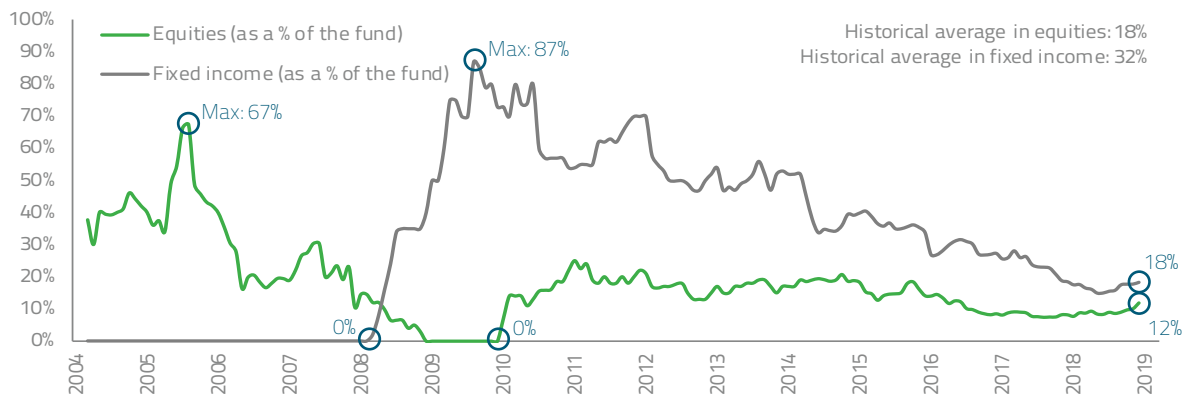
1 Risk Adjusted Returns

	Returns		Volatility		Relative Volatility vs Index	M2*
	Fund	Index*	Fund	Index*		
2004 (since 31/3/04)	8.3%	5.5%	2.8%	3.4%	81.2%	9.9%
2005	5.8%	6.0%	4.0%	3.5%	113.2%	5.3%
2006	9.0%	-1.0%	2.2%	3.5%	62.7%	12.7%
2007	2.1%	1.8%	3.0%	3.7%	81.1%	1.6%
2008	-2.2%	10.8%	3.1%	6.1%	49.9%	-8.9%
2009	8.5%	4.7%	1.5%	5.1%	30.3%	25.0%
2010	2.1%	-0.3%	2.8%	4.7%	60.0%	3.0%
2011	-0.8%	2.2%	4.9%	6.3%	78.6%	-1.1%
2012	10.8%	14.9%	3.3%	4.8%	69.3%	14.9%
2013	9.5%	2.9%	2.7%	4.2%	63.8%	14.5%
2014	4.8%	16.9%	3.1%	3.4%	90.7%	5.3%
2015	1.9%	2.1%	3.8%	5.3%	71.6%	2.6%
2016	1.8%	3.7%	4.0%	4.0%	98.7%	1.8%
2017	3.6%	1.3%	1.1%	3.7%	31.0%	12.7%
2018	-3.2%	1.4%	1.8%	3.0%	58.4%	-5.2%
Total	80.9%	99.8%	3.1%	4.5%	69.3%	

Bloomberg Barclays Series-E Euro Govt 7-10 Yr M2 = Theoretical return assuming the same volatility as the index

* M2 = Expresses the theoretical performance of the fund adjusted for the index volatility

2 Equity and Fixed Income Exposure (%)



3 Maximum Drawdowns

CARTESIO X			
		Drawdown	Recovery
May 11 - Nov 11	-6.44%	6 months	3 months
May 15 - Feb 16	-4.79%	4 months	12 months
Jan 18 - Dec 18	-4.0%	11 months	-
BLOOMBERG BARCLAYS SERIES-E EURO GOVT 7-10 YR			
		Drawdown	Recovery
Aug 10 - Nov 11	-7.9%	15 months	3 months
Mar 15 - Jun 15	-5.6%	7 months	10 months
Sep 16 - Jan 19	-4.9%	4 months	28 months

Cartesio *Y* Cartesio *Equity* Cartesio *X* Cartesio *Income*

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