



# Cartesio

## A Short Guide

Cartesio Funds

March 2004 - December 2019

# 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

€1,237m AUM as of 31/12/2019.

## 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



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 Consistent Return
- 4 Lipper Leader Preservation
- 5 Lipper Leader Expense

### Cartesio *Income*

Capital Protection



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

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

Spain

### Cartesio *Y*

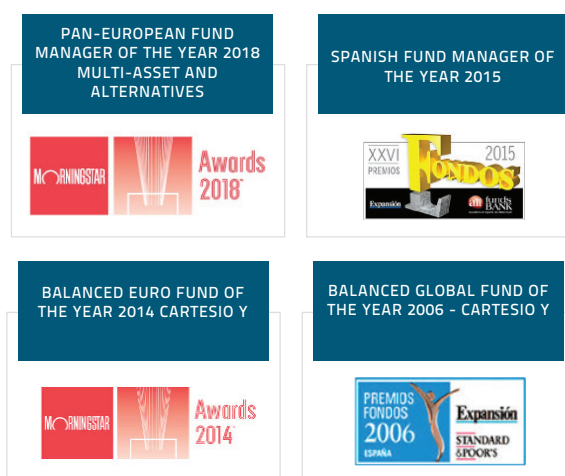
Risk Adjusted Equities

### 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>
<b>Type of client</b>	Institutional & retail	Institutional & retail
<b>Management fee</b>	0.75%	0.5%
<b>Performance fee</b>	7.5%	7.5%
<b>ISIN</b>	ES0182527038	ES0116567035
<b>Bloomberg code</b>	MSCYACC SM	MSCXVDI SM

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

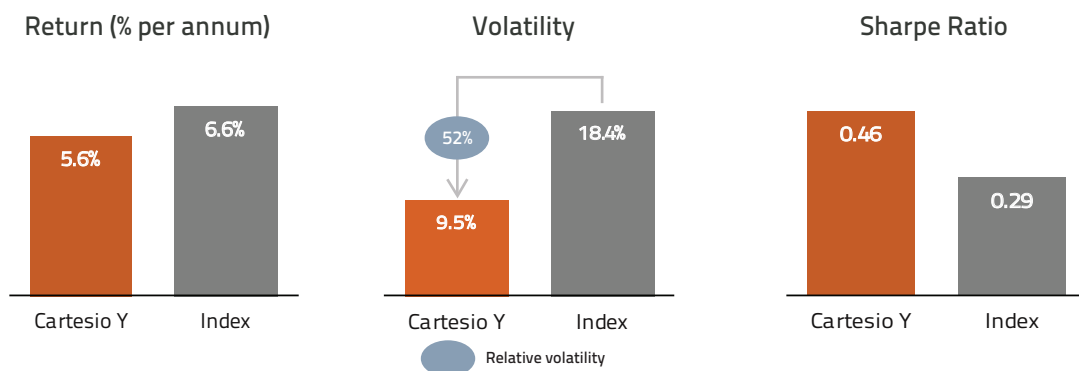
### Risk

- Since inception volatility (9.5%) has been 52% 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: 314m €

Cartesio Equity: 142m €

#### 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
- 5 Lipper Leader Expense

# 1 Risk Adjusted Returns

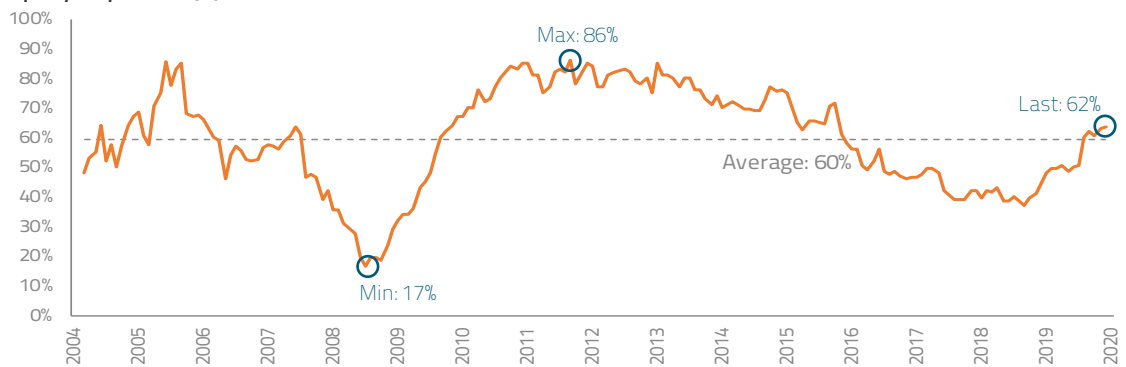
## EVOLUTION - RETURN / RISK

	Returns		Volatility		Relative Volatility vs Index	M2*
	Fund	Index*	Fund	Index*		
<b>2004 (since 31/3/04)</b>	<b>8.5%</b>	<b>8.1%</b>	<b>4.6%</b>	<b>11.1%</b>	<b>41.2%</b>	<b>18.4%</b>
<b>2005</b>	<b>12.4%</b>	<b>26.2%</b>	<b>6.0%</b>	<b>9.5%</b>	<b>63.1%</b>	<b>18.4%</b>
<b>2006</b>	<b>16.1%</b>	<b>19.2%</b>	<b>5.3%</b>	<b>12.7%</b>	<b>41.9%</b>	<b>34.6%</b>
<b>2007</b>	<b>2.2%</b>	<b>4.5%</b>	<b>6.9%</b>	<b>15.7%</b>	<b>43.7%</b>	<b>-0.2%</b>
<b>2008</b>	<b>-14.2%</b>	<b>-42.4%</b>	<b>13.1%</b>	<b>37.3%</b>	<b>35.0%</b>	<b>-49.0%</b>
<b>2009</b>	<b>16.0%</b>	<b>31.0%</b>	<b>8.2%</b>	<b>24.4%</b>	<b>33.7%</b>	<b>45.0%</b>
<b>2010</b>	<b>4.3%</b>	<b>10.1%</b>	<b>10.8%</b>	<b>18.7%</b>	<b>57.5%</b>	<b>7.0%</b>
<b>2011</b>	<b>-5.1%</b>	<b>-6.6%</b>	<b>16.6%</b>	<b>22.2%</b>	<b>74.9%</b>	<b>-7.3%</b>
<b>2012</b>	<b>7.8%</b>	<b>17.3%</b>	<b>11.7%</b>	<b>14.7%</b>	<b>79.7%</b>	<b>9.4%</b>
<b>2013</b>	<b>20.6%</b>	<b>19.6%</b>	<b>8.4%</b>	<b>12.2%</b>	<b>69.2%</b>	<b>29.4%</b>
<b>2014</b>	<b>4.4%</b>	<b>7.0%</b>	<b>9.6%</b>	<b>13.4%</b>	<b>71.3%</b>	<b>6.0%</b>
<b>2015</b>	<b>7.4%</b>	<b>7.3%</b>	<b>10.9%</b>	<b>20.7%</b>	<b>52.9%</b>	<b>14.0%</b>
<b>2016</b>	<b>0.9%</b>	<b>3.6%</b>	<b>10.5%</b>	<b>19.8%</b>	<b>53.2%</b>	<b>1.9%</b>
<b>2017</b>	<b>7.2%</b>	<b>9.8%</b>	<b>3.6%</b>	<b>8.5%</b>	<b>42.5%</b>	<b>17.6%</b>
<b>2018</b>	<b>-4.9%</b>	<b>-9.4%</b>	<b>5.1%</b>	<b>12.5%</b>	<b>40.7%</b>	<b>-11.4%</b>
<b>2019</b>	<b>10.0%</b>	<b>25.8%</b>	<b>6.9%</b>	<b>11.3%</b>	<b>61.3%</b>	<b>16.4%</b>
<b>Total</b>	<b>134.9%</b>	<b>173.7%</b>	<b>9.5%</b>	<b>18.4%</b>	<b>51.6%</b>	
Index Price Only		57.3%				

\* 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

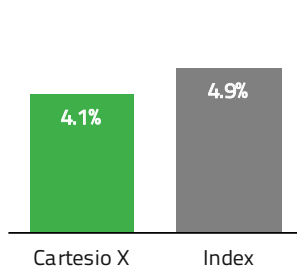
- Since inception volatility (3.1%) has been 69% of that registered by long term Euro government bonds.

### Fees - Cartesio X

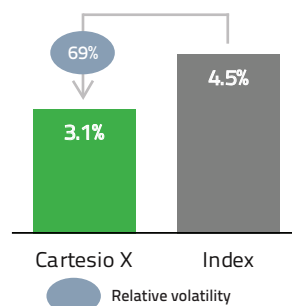
- Management : 0.5%+ 7.5% of annual positive performance (watermark reset every three years at zero).
- Custody: 0.055%

### Risk adjusted returns since inception 31/03/2004

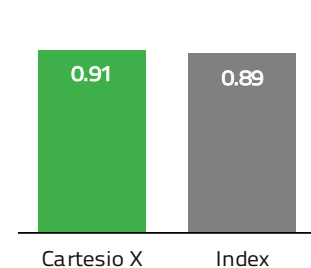
#### Performance - CAGR



#### Volatility:



#### Sharpe Ratio



### General Information

#### Assets

Cartesio X: 428 m €

Cartesio Income: 353 m €

#### Inception Date

Cartesio X: 31/03/04

Cartesio Income: 31/05/11

#### Auditor

Deloitte

#### Administrator & Custodian

BNP Paribas

### Ratings



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

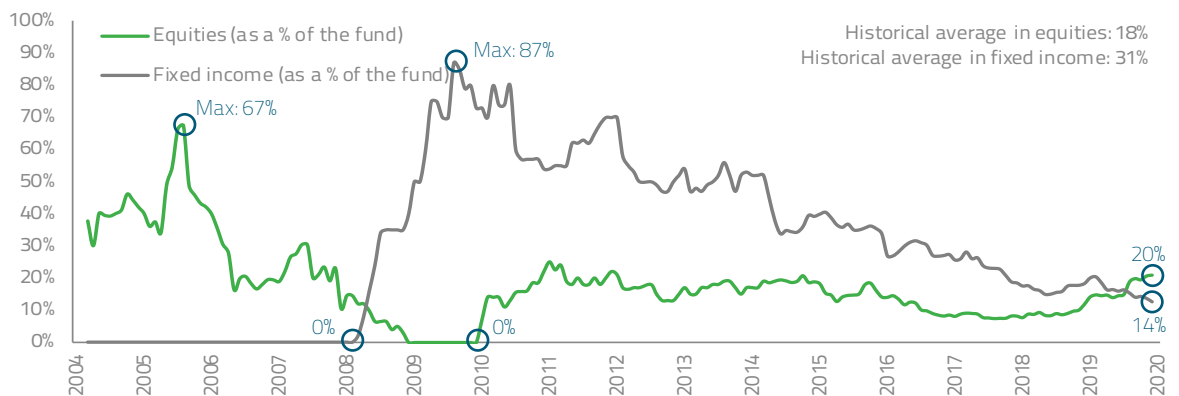
- 4 Lipper Leader Total Return
- 3 Lipper Leader Consistent Return
- 5 Lipper Leader Preservation
- 5 Lipper Leader Expense

# 1 Risk Adjusted Returns

	Returns		Volatility		Relative Volatility vs Index	M2*
	Fund	Index*	Fund	Index*		
<b>2004 (since 31/3/04)</b>	<b>8.3%</b>	<b>5.5%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>81.2%</b>	<b>9.9%</b>
<b>2005</b>	<b>5.8%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>3.5%</b>	<b>113.2%</b>	<b>5.3%</b>
<b>2006</b>	<b>9.0%</b>	<b>-1.0%</b>	<b>2.2%</b>	<b>3.5%</b>	<b>62.7%</b>	<b>12.7%</b>
<b>2007</b>	<b>2.1%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>3.7%</b>	<b>81.1%</b>	<b>1.6%</b>
<b>2008</b>	<b>-2.2%</b>	<b>10.8%</b>	<b>3.1%</b>	<b>6.1%</b>	<b>49.9%</b>	<b>-8.9%</b>
<b>2009</b>	<b>8.5%</b>	<b>4.7%</b>	<b>1.5%</b>	<b>5.1%</b>	<b>30.3%</b>	<b>25.0%</b>
<b>2010</b>	<b>2.1%</b>	<b>-0.3%</b>	<b>2.8%</b>	<b>4.7%</b>	<b>60.0%</b>	<b>3.0%</b>
<b>2011</b>	<b>-0.8%</b>	<b>2.2%</b>	<b>4.9%</b>	<b>6.3%</b>	<b>78.6%</b>	<b>-1.1%</b>
<b>2012</b>	<b>10.8%</b>	<b>14.9%</b>	<b>3.3%</b>	<b>4.8%</b>	<b>69.3%</b>	<b>14.9%</b>
<b>2013</b>	<b>9.5%</b>	<b>2.9%</b>	<b>2.7%</b>	<b>4.2%</b>	<b>63.8%</b>	<b>14.5%</b>
<b>2014</b>	<b>4.8%</b>	<b>16.9%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>90.7%</b>	<b>5.3%</b>
<b>2015</b>	<b>1.9%</b>	<b>2.1%</b>	<b>3.8%</b>	<b>5.3%</b>	<b>71.6%</b>	<b>2.6%</b>
<b>2016</b>	<b>1.8%</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>98.7%</b>	<b>1.8%</b>
<b>2017</b>	<b>3.6%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>3.7%</b>	<b>31.0%</b>	<b>12.7%</b>
<b>2018</b>	<b>-3.2%</b>	<b>1.4%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>58.4%</b>	<b>-5.2%</b>
<b>2019</b>	<b>4.6%</b>	<b>6.7%</b>	<b>2.6%</b>	<b>3.8%</b>	<b>70.0%</b>	<b>6.7%</b>
<b>Total</b>	<b>89.2%</b>	<b>113.2%</b>	<b>3.1%</b>	<b>4.5%</b>	<b>69.4%</b>	

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	-3.7%	12 months	7 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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Cartesio Inversiones, SGIIC S.A. ■ Rubén Darío 3, 28010 Madrid  
Tel. 913106240 ■ Fax 913106130 ■ e-mail: info@cartesio.com

[www.cartesio.com](http://www.cartesio.com)