

Cartesio *Equity*

Factsheet

NAV (Class I)
158.76

Assets
130m €

January 2019

The fund is up 3.94% in January. We have started the year on a good note, taking advantage of the strength in equity markets to make up a large part of the modest loss we incurred last year. 2018 was a year of patience for us, keeping low risk levels until opportunities began to arise during the final quarter and the beginning of this year.

Equity exposure in the fund PCE rose from 38% at the end of September to close to 50% at the end of January. We also deployed our cash in stocks perceived to offer the highest return potential. These were often those in more cyclical sectors. This has allowed the fund to exhibit a higher beta as the market started on a strong note after the rout of the fourth quarter.

As we have explained before, during the early part of 2018 the economic and market context was positive, but the prices were awful. Today the economic context is not great, the market context is now probably neutral, and the prices are generally more attractive. Our policy remains to use market weakness to put more cash to work.

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 5.5% p.a. against 5.8% p.a. total return for Pan-European equities with a volatility of

9.4% (index 20.1%). On a five and three year basis the fund has returned 20.1% and 11.2% respectively against total returns of 27.9% and 16.1% respectively for European equities with 54% 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 Chart*



PERFORMANCE

2019	3.9%
Since Inception (p.a.)*	5.1%

RISK / RETURN

Volatility*	9.5%
Beta	0.40
Sharpe*	0.39

ASSET ALLOCATION

Equity	47.0%
Cash	53.0%

SECTORIAL DISTRIBUTION

Industrials	26.4%
Communication Services	15.5%
Consumer Discretionary	11.8%
Utilities	8.5%
Materials	8.4%

MAIN HOLDINGS

Glencore	2.2%
KPN	2.0%
Merlin Properties	1.9%
Prysmian	1.8%
Pinfra	1.8%

INVESTMENTS / DIVESTMENTS

Investments: Atos

Divestments: CCR, Roche

MARKET RETURNS

	2019	Since 31/03/04
MSCI Pan Euro (Total return.)	5.8%	5.8% p.a.
Sharpe		0.24
Long Term Euro Gov. Bond	1.3%	4.9% p.a.
Sharpe		0.80
Euro Gov T Bill	0.0%	1.3% p.a.

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

HOLDINGS

1	KPN	2.0%
2	Signify	1.7%
3	Glencore	1.7%
4	Prysmian	1.6%
5	Pinfra	1.6%
6	Continental	1.5%
7	Shire	1.5%
8	ITV	1.4%
9	Atlantica Yield	1.4%
10	Microsoft	1.4%
11	Merlin Properties	1.4%
12	Valeo	1.3%
13	CCR	1.2%
14	Petrofac	1.2%
15	Publicis	1.1%
16	Goodyear	1.1%
17	Siemens	1.1%
18	Liberbank	1.1%
19	Vinci	1.0%
20	Allianz	1.0%
21	Other	15.7%
22	Cash	56.8%
Total		100%

PORTFOLIO VALUATION

P/E	12.9x
Div Yield	4.3%

RISK ADJUSTED RETURNS PARETURN CARTESIO EQUITY*

	Returns		Volatility		Relative Volatility		M2
	Fund	Index	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	-6.0%	-9.4%	5.2%	12.5%	41.6%	-13.8%	
2019	3.9%	5.8%	6.5%	13.5%	48.6%	8.1%	
Q1 (Jan)	3.9%	5.8%	6.5%	13.5%	48.6%	8.1%	
Total	108.5%	130.3%	9.5%	18.4%	51.8%		
Index price only		37.3%					

* Cartesio Y until 12/2009 and Pareturn Cartesio Equity onwards

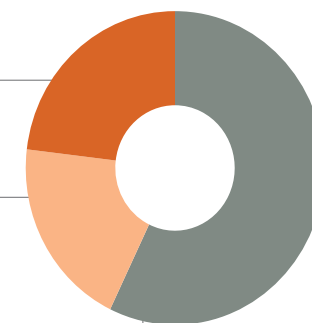
** Since March 2004

Index= MSCI Pan Euro Total Return // M2= Theoretical return assuming the save volatility as the Index

SECTOR DISTRIBUTION

	FUND	MSPE	
1	Consumer Discretionary	11.3%	7.6%
2	Consumer Staples	1.4%	16.2%
3	Energy	5.3%	9.7%
4	Financials	6.8%	19.9%
5	Health Care	7.2%	15.7%
6	Industrials	29.3%	10.1%
7	Information Technology	4.8%	5.3%
8	Materials	3.8%	6.0%
9	Real Estate	3.3%	0.7%
10	Communication Services	18.9%	4.9%
11	Utilities	8.0%	3.9%
Total	100%	100%	

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)
23.1%Medium (€3 - €6Bn)
19.8%Large (>€6Bn)
57.1%

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
- 4 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