

Cartesio *Equity*

Factsheet

NAV (Class I)
107.79

Assets
81m €

August 2023

The fund is down 0.72% in August and up 7.8% YTD. European equities were down 2.5% in August, and it is not clear whether the seasonal bearish season will bring a significant correction from the all-time highs reached in July. The “sell in May” adage has not worked yet. Our equity portfolio outperformed; this explains the good relative performance of the fund.

We think the question of whether a large equity correction is in the offing is pertinent, particularly as short, and long-term interest rates are at levels not seen for fifteen and twelve years respectively. We see several reasons to be constructive and our thinking is reflected in the fund’s positioning.

Before hyperventilating about interest rates, it is worth reflecting on the fact that we are less than two years away from the biggest interest rate/bond bubble ever. We do not have a bubble in equities or have had one for several years. European equities are trading below their long-term average P/E multiple, and it is worth reflecting on the fact that earnings have climbed through the recent shocks (Covid, inflation, Ukraine war) to reach a new high.

We still think that some parts of the equity market remain undervalued and significantly below their long-term valuation average. We tend to be overweight in those sectors/stocks and this explains our above average equity exposure in the fund,

currently at 82%.

Investment objective

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 Euro Net Total Return. 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.

Fund History

Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 5.0% p.a. against 6.1% p.a. total return for Pan-European equities with a volatility of

10.9% (index 18.4%). On a five and three year basis the fund has returned 14.7% and 31.7% respectively against total returns of 36.0% and 36.8% respectively for European equities with 78% and 82% 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*



* Relates to past data. Past performance does not guarantee future returns.

PERFORMANCE*

2023	7.8%
Since Inception (p.a.)**	4.4%

RISK / RETURN

Volatility**	11.0%
Beta	0.70
Sharpe**	0.31

ASSET ALLOCATION

Equity	82.3%
Cash	17.7%

SECTORIAL DISTRIBUTION

Materials	14.9%
Industrials	14.6%
Financials	13.2%
Communication Services	12.5%
Energy	9.1%

MAIN HOLDINGS

Total Energies	4.4%
Covestro	3.6%
Carrefour	3.4%
Merlin Properties	3.3%
Repsol	2.8%

INVESTMENTS / DIVESTMENTS

Investments: Credit Agricole

Divestments: -

MARKET RETURNS

	2023	Since 31/03/04
MSCI Euro Net Total Return	10.6%	6.1% p.a.
Sharpe		0.28
Long Term Euro Gov. Bond	3.9%	3.1% p.a.
Sharpe		0.41
Euro Gov T Bill	1.7%	1.0% p.a.

** Inception 31st March '04. Cartesio Y until Jun '09. Pareturn Cartesio Equity Class I until Feb'20

HOLDINGS

1	Total Energies	4.4%
2	Covestro	3.6%
3	Carrefour	3.4%
4	Merlin Properties	3.3%
5	Repsol	2.8%
6	Engie	2.8%
7	Coca-cola European Partners	2.8%
8	Acerinox	2.6%
9	Allianz	2.6%
10	Publicis	2.6%
11	Heidelberg	2.6%
12	Gruppo Unipol	2.6%
13	Logista	2.6%
14	Bayer	2.4%
15	Enel	2.4%
16	ITV	2.3%
17	SES Global	2.3%
18	Alphabet	2.3%
19	Glencore	2.2%
20	Credit Agricole	2.2%
21	Other	31.4%
22	Cash	13.6%
Total		100%

RISK ADJUSTED RETURNS CARTESIO EQUITY*

	Returns		Volatility		Relative	
	Fund	Index	Fund	Index	Volatility	M2
2004 **	8.5%	8.3%	4.6%	11.5%	39.9%	18.9%
2005	12.4%	26.1%	6.0%	9.4%	64.1%	18.2%
2006	16.1%	19.6%	5.3%	12.7%	41.7%	34.7%
2007	2.2%	2.7%	6.9%	15.8%	43.4%	-0.1%
2008	-14.2%	-43.6%	13.0%	36.9%	35.1%	-48.9%
2009	14.9%	31.6%	8.2%	24.3%	33.7%	41.8%
2010	3.5%	11.1%	10.9%	18.5%	58.8%	5.5%
2011	-5.7%	-8.1%	16.1%	22.2%	72.3%	-8.6%
2012	6.3%	17.3%	11.3%	14.7%	76.4%	7.9%
2013	21.1%	19.8%	8.8%	11.9%	73.3%	28.5%
2014	3.6%	6.8%	10.2%	13.4%	75.8%	4.7%
2015	7.3%	8.2%	11.6%	20.3%	57.4%	12.6%
2016	0.0%	2.6%	10.1%	19.7%	51.0%	0.2%
2017	7.2%	10.2%	3.9%	8.4%	46.1%	16.1%
2018	-6.0%	-10.6%	5.2%	12.6%	41.4%	-13.8%
2019	9.2%	26.1%	6.9%	13.1%	52.9%	17.7%
2020	-9.0%	-3.3%	23.8%	28.5%	83.6%	-10.7%
2021	9.3%	25.1%	10.0%	12.4%	80.8%	11.7%
2022	-1.9%	-9.5%	14.5%	18.8%	77.4%	-2.3%
2023	7.8%	10.6%	10.5%	12.0%	87.3%	8.7%
Q1	3.6%	8.6%	12.4%	14.2%	87.7%	4.1%
Q2	1.9%	2.3%	9.6%	9.4%	101.5%	1.9%
Q3	2.1%	-0.5%	9.2%	11.8%	78.4%	2.5%
Total	130.4%	218.6%	11.0%	18.4%	59.9%	196.5%

* Cartesio Y until 12/2009 and Pareturn Cartesio Equity from 12/2009 until 02/2020
 ** Since March 2004
 Index= MSCI Euro Net Total Return // M2= Theoretical return assuming the save volatility as the Index

PORTFOLIO VALUATION

P/E	10.4x
Div Yield	5.1%

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SECTOR DISTRIBUTION

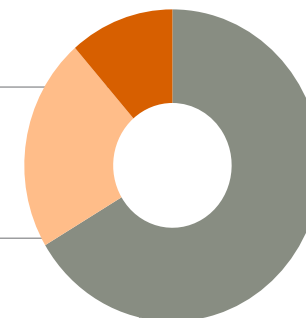
	FUND	M7EU
1	Consumer Discretionary	6.3%
2	Consumer Staples	9.0%
3	Energy	9.1%
4	Financials	13.2%
5	Health Care	4.9%
6	Industrials	14.6%
7	Information Technology	1.9%
8	Materials	14.9%
9	Real Estate	5.6%
10	Communication Services	12.5%
11	Utilities	8.2%
Total	100%	100%

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)
11.1%

Medium (€3 - €6Bn)
21.1%

Large (>€6Bn)
67.8%



Name

Cartesio Funds Equity (Replacates Cartesio Y)

ISIN

LU1966822444 - Class I
 LU1966822527 - Class R
 LU1725678517 - Class Z

Bloomberg

CARTEQI LX / CARTEQR LX / CARTEQZ LX

Inception Date

13/01/20
 (Cartesio Y 31/3/04)

Type

SICAV (UCITS III)

Benchmark

MSCI Euro Net Total Return – Risk Adjusted

NAV frequency

Daily (Euros)

Management Company

MDO Management Services

Fund Manager

Cartesio SGIC, S.A.

Custodian

BNP Paribas



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

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

Auditor

Deloitte

Transfer Agent & Fund Administrator

BNP Securities Services

Fund Management Fee

1.5% - Class I and Class R
 0.90% + 7.5% performance fee - Class Z

* All ratings apply to Cartesio Y