

Cartesio *Equity*

Factsheet

NAV (Class I)
83.19

Assets
75m €

The Paretum Cartesio Equity ceased to exist on the 24th of March as a result of the merger with Cartesio Funds Equity

August 2020

The fund is up 3.7% in August and down 18.8% YTD.

Fiscal dominance and Modern Monetary Theory (MMT) is here. More in the US, less in the Eurozone.

Central banks are willing, or forced by circumstances, to accommodate endless deficits and exploding public debt. They do this by endless QE, endless zero rates and hope/pray that inflation will rise, the economy will recover and one day, do not say when.

Meanwhile, in the stock market, quite extraordinary moves and valuations in recent months. The records tend to do with the rise of the technology supernova and the bifurcation in valuation and performance between sectors. During the summer months our equity portfolio has performed in line with European equities, with some cyclicals and industrials outperforming significantly, as well as our technology stocks

We do not know if the supernova is about burn itself out. We do not know what the catalyst is, other than the end of the pandemic, for some of the black holes in the market and in our portfolio to stop imploding. What we do know is that if some of the trends described above reverse, we are reasonably well placed. We are also very confident about the valuation opportunity

offered by some of the stocks/sectors being avoided by the market.

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 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 Three Star Morningstar rating. Since inception (March 2004) it has returned 4.2% p.a.

Performance Chart*



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

against 5.5% p.a. total return for Pan-European equities with a volatility of 10.6% (index 19.0%). On a five and three year basis the fund has returned -5.2% and -11.0% respectively against total returns of 14.5% and 4.8% respectively for European equities with 66% and 71% 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*

2020	-18.8%
Since Inception (p.a.)**	3.6%

RISK / RETURN

Volatility**	10.7%
Beta	0.78
Sharpe**	0.23

ASSET ALLOCATION

Equity	73.1%
Cash	26.9%

SECTORIAL DISTRIBUTION

Industrials	19.7%
Communication Services	13.2%
Utilities	10.4%
Materials	10.3%
Information Technology	9.6%

MAIN HOLDINGS

Fresenius SE	3.0%
Takeda Pharmaceutical	2.6%
Atos	2.5%
Pinfra	2.5%
Microsoft	2.4%

INVESTMENTS / DIVESTMENTS

Investments: -

Divestments: -

MARKET RETURNS

	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-12.0%	5.5% p.a.
Sharpe		0.23
Long Term Euro Gov. Bond	2.1%	4.8% p.a.
Sharpe		0.82
Euro Gov T Bill	-0.3%	1.2% p.a.

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

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75m €

HOLDINGS		
1	Fresenius SE	3.0%
2	Takeda Pharmaceutical	2.6%
3	Atos	2.5%
4	Pinfra	2.5%
5	Microsoft	2.4%
6	Signify	2.4%
7	KPN	2.3%
8	Repsol	2.3%
9	Merlin Properties	2.3%
10	UPM	2.3%
11	Heidelberg	2.1%
12	Software AG	2.1%
13	Liberbank	2.1%
14	Continental	2.0%
15	Volkswagen	1.9%
16	Alphabet	1.9%
17	Allianz	1.9%
18	SES Global	1.9%
19	Prysmian	1.9%
20	Reckitt	1.8%
21	Other	29.1%
22	Cash	26.9%
Total		100%

PORTFOLIO VALUATION	
P/E	15.1x
Div Yield	3.6%

	RISK ADJUSTED RETURNS PARETURN CARTESIO EQUITY*					
	Returns		Volatility		Relative	
	Fund	Index	Fund	Index	Volatility	M2
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	9.2%	25.8%	7.1%	11.3%	62.6%	14.9%
2020	-18.8%	-12.0%	25.9%	32.4%	80.0%	-23.5%
Q1	-27.0%	-21.8%	32.2%	43.5%	73.9%	-36.5%
Q2	11.0%	11.9%	27.8%	27.1%	102.7%	10.7%
Q3 (August)	0.2%	0.6%	12.6%	16.4%	76.6%	0.2%
Total	77.8%	140.9%	10.7%	19.0%	56.0%	

Index price only 35.1%

* Cartesio Y until 12/2009 and Pareturn Cartesio Equity from 12/2009 until 02/2020

** Since March 2004

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

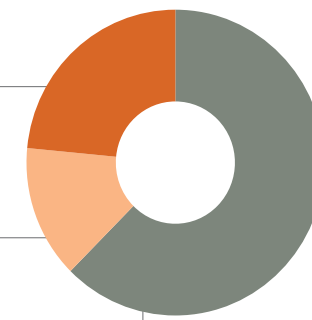
SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	7.6%	9.6%
2	Consumer Staples	4.5%	17.1%
3	Energy	4.6%	5.1%
4	Financials	7.6%	15.5%
5	Health Care	7.7%	17.4%
6	Industrials	19.7%	12.0%
7	Information Technology	9.6%	7.5%
8	Materials	10.3%	7.1%
9	Real Estate	4.7%	0.5%
10	Communication Services	13.2%	3.3%
11	Utilities	10.4%	4.8%
Total		100%	100%

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)
22.1%

Medium (€3 - €6Bn)
16.2%

Large (>€6Bn)
61.7%



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 Pan Europe - 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

- 2 Lipper Leader Total Return
- 1 Lipper Leader Consistent Return
- 2 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
0.75% + 7.5% performance fee -
Class Z

* All ratings apply to Cartesio Y