

Cartesio *Equity*

Factsheet

NAV (Class I)
80.65

Assets
72m €

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

September 2020

The fund is down 2,82% in September and 21.1% YTD. It has been happening since European equities reached their post-crash zenith in June. The market remains sensitive to news/events around the pandemic and the impact it has on mobility and prospects about a full economic recovery. In general, our equity portfolio remains sensitive to negative news about the pandemic and tends to underperform/ outperform depending on whether the outlook for the pandemic is getting worse/ better. Yet, after a very poor first quarter, the portfolio has outperformed the market despite the fact that it retains a cyclical bias and some exposure to stocks directly affected by mobility concerns.

The polarisation and valuation divergence between sectors and amongst stocks remains extremely wide. Passive investing, performance chasing and fear amongst professional investors to embrace difficult stocks/sectors, no matter the valuation, is in our view setting up the stage for very good investment opportunities and the potential for an epic reversal within the market.

We estimate our portfolio today is at least 35% undervalued and with much less balance sheet risk than before the pandemic. This explains the fact that equity exposure (72%) is higher than in March and well above the average since inception

(60%). We remain confident in the ability of the fund to deliver value and recover the losses incurred this year.

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

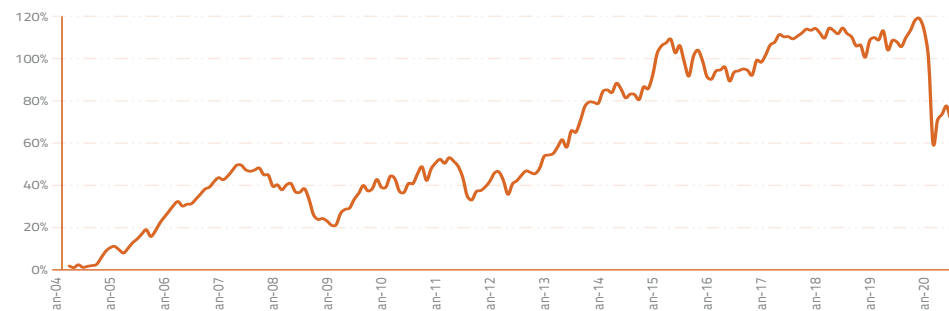
Cartesio Y has an overall Three Star Morningstar rating. Since inception

(March 2004) it has returned 4.0% p.a. against 5.4% p.a. total return for Pan-European equities with a volatility of 10.6% (index 19.1%). On a five and three year basis the fund has returned -5.0% and -14.3% respectively against total returns of 18.0% and -0.7% respectively for European equities with 66% and 72% 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*

2020	-21.1%
Since Inception (p.a.)**	3.4%

RISK / RETURN

Volatility**	10.7%
Beta	0.78
Sharpe**	0.21

ASSET ALLOCATION

Equity	71.6%
Cash	28.4%

SECTORIAL DISTRIBUTION

Industrials	19.7%
Communication Services	13.5%
Utilities	10.9%
Materials	10.6%
Information Technology	8.9%

MAIN HOLDINGS

Fresenius SE	3.1%
Signify	2.6%
Takeda Pharmaceutical	2.6%
Pinfra	2.5%
Atos	2.4%

INVESTMENTS / DIVESTMENTS

Investments: -

Divestments: -

MARKET RETURNS

	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-13.4%	5.4% p.a.
Sharpe		0.22
Long Term Euro Gov. Bond	3.3%	4.9% p.a.
Sharpe		0.83
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

HOLDINGS		
1	Fresenius SE	3.1%
2	Signify	2.6%
3	Takeda Pharmaceutical	2.6%
4	Pinfra	2.5%
5	Atos	2.4%
6	Merlin Properties	2.3%
7	KPN	2.2%
8	Microsoft	2.2%
9	Liberbank	2.1%
10	UPM	2.1%
11	SES Global	2.1%
12	Heidelberg	2.1%
13	Repsol	2.1%
14	Volkswagen	2.0%
15	Continental	1.9%
16	IREN	1.8%
17	Alphabet	1.8%
18	Reckitt	1.8%
19	Prysmian	1.8%
20	Software AG	1.8%
21	Other	28.2%
22	Cash	28.4%
Total		100%

PORTFOLIO VALUATION	
P/E	16.1x
Div Yield	3.7%

	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	-21.1%	-13.4%	24.9%	31.1%	79.8%	-26.4%
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 (Sep)	-2.7%	-0.9%	13.3%	17.3%	76.7%	-3.5%
Total	72.8%	137.1%	10.7%	19.1%	56.2%	

Index price only 32.9%

* Cartesio Y until 12/2009 and Paretun 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	7.8%	10.0%
2	Consumer Staples	4.6%	17.6%
3	Energy	3.9%	4.5%
4	Financials	7.5%	14.4%
5	Health Care	7.9%	18.0%
6	Industrials	19.7%	12.2%
7	Information Technology	8.9%	7.6%
8	Materials	10.6%	7.2%
9	Real Estate	4.7%	0.5%
10	Communication Services	13.5%	3.2%
11	Utilities	10.9%	4.9%
Total		100%	100%

Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)

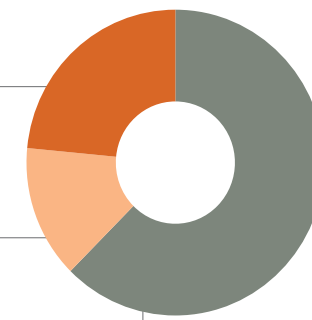
22.3%

Medium (€3 - €6Bn)

16.5%

Large (>€6Bn)

61.2%



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

1 Lipper Leader Total Return

1 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
0.75% + 7.5% performance fee -
Class Z

* All ratings apply to Cartesio Y