

# Cartesio *Equity*

## Factsheet

NAV (Class I)  
153.48

Assets  
103m €

## February 2020

The fund is down 5.77% in February and 8.05% YTD. It is hard to believe but European equities reached all-time highs on February 19th, the fund joining the party. A correction of 13% in less than two weeks is as bad as they come, we think it is not independent of where the markets were trading before the economic dislocation caused by the virus became more evident.

We are not here to discuss the likely path of the coronavirus. Our view is constructive. Our base scenario is a serious short-term exogenous shock, a near recession for practical purposes, which will be reversed during next year at the latest. We also continue to think that the equity market remains extremely polarised between growth/defensives and value/cyclicals. The performance of value versus growth is at the lowest relative point in history.

Our portfolio is underperforming the market (down 12% YTD vs 9.8% for European equities). We are more in the value than in the growth camp and we have some exposure to the beleaguered travel sector. We think it is time to take on more risk and to do it gradually. We have increased equity exposure to 70% from 65%.

### 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

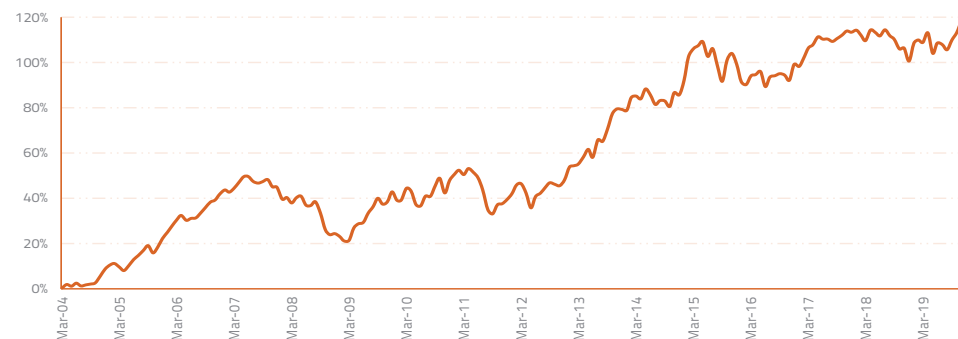
Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 5.0% p.a. against 5.8% p.a. total return for Pan-European equities with a volatility of 9.4%

(index 18.1%). On a five and three year basis the fund has returned 3.1% and 1.6% respectively against total returns of 9.5% and 10.4% respectively for European equities with 52% and 53% 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

2020	-8.1%
Since Inception (p.a.)*	4.5%

### RISK / RETURN

Volatility*	9.5%
Beta	0.57
Sharpe*	0.35

### ASSET ALLOCATION

Equity	64.6%
Cash	35.4%

### SECTORIAL DISTRIBUTION

Industrials	24.2%
Communication Services	12.0%
Materials	11.1%
Utilities	8.4%
Consumer Discretionary	8.3%

### MAIN HOLDINGS

Unibail R-W	2.6%
Pinfra	2.5%
Prysmian	2.4%
Takeda Pharmaceutical	2.4%
Repsol	2.3%

### INVESTMENTS / DIVESTMENTS

Investments: Air France

Divestments: -

### MARKET RETURNS

	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-9.8%	5.8% p.a.
Sharpe		0.26
Long Term Euro Gov. Bond	2.6%	5.0% p.a.
Sharpe		0.87
Euro Gov T Bill	-0.1%	1.2% p.a.

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

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HOLDINGS		
1	Unibail R-W	2.6%
2	Pinfra	2.5%
3	Prysmian	2.4%
4	Takeda Pharmaceutical	2.4%
5	Repsol	2.3%
6	Signify	2.3%
7	Fresenius SE	2.3%
8	Glencore	2.3%
9	UPM	2.0%
10	Continental	2.0%
11	Volkswagen	2.0%
12	Merlin Properties	1.9%
13	Heidelberg	1.9%
14	Atos	1.7%
15	Air France	1.7%
16	KPN	1.6%
17	Fraport	1.6%
18	Petrofac	1.6%
19	IAG	1.6%
20	Software AG	1.6%
21	Other	24.3%
22	Cash	35.4%
<b>Total</b>		<b>100%</b>

	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	-8.1%	-9.8%	12.7%	19.7%	64.7%	-12.4%
Q1 (Feb)	-8.1%	-9.8%	12.7%	19.7%	64.7%	-12.4%
<b>Total</b>	<b>101.4%</b>	<b>146.8%</b>	<b>9.5%</b>	<b>18.1%</b>	<b>52.3%</b>	
Index price only		41.3%				

\* Cartesio Y until 12/2009 and Paretun Cartesio Equity onwards

\*\* Since March 2004

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

PORTFOLIO VALUATION	
P/E	11.8x
Div Yield	4.7%

SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	8.3%	9.1%
2	Consumer Staples	2.0%	16.4%
3	Energy	6.1%	7.0%
4	Financials	6.4%	18.3%
5	Health Care	7.2%	16.1%
6	Industrials	24.2%	11.1%
7	Information Technology	7.3%	6.4%
8	Materials	11.1%	6.1%
9	Real Estate	7.1%	0.7%
10	Communication Services	12.0%	3.7%
11	Utilities	8.4%	5.2%
<b>Total</b>		<b>100%</b>	<b>100%</b>

## Market Cap Distribution (Equity Portfolio)

Small (&lt;€3Bn)

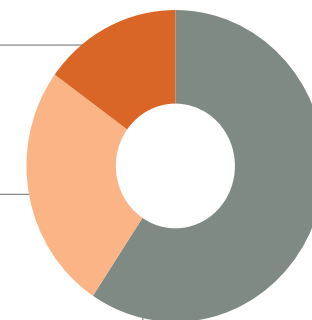
15.0%

Medium (€3 - €6Bn)

25.6%

Large (&gt;€6Bn)

59.4%



## Name

Paretun 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

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