

Cartesio *Equity*

Factsheet

NAV (Class I)
96.45

Assets
82m €

August 2022

The fund is down 2.6% in August and down 5.4% YTD. Last month we questioned the equity and bond market's rally in July, particularly the complacency regarding the task before central banks with inflation pressures high and broadening. Also, there were no good news regarding the economy, energy, or the war. We thought the rally was a technical exhaustion signal after a terrible half more than anything else.

A month later, we have seen the worst month ever for eurozone government bonds with a fall of 5.7%, taking the YTD correction to 13.7%. European equities fell 4.5% in August and sentiment remains bearish.

Our companies, on average, are selling well below historical valuations. This may be because their valuation is exceptionally low based on spot and even long-term energy prices (the case of Glencore, oil, and utility stocks). In the more cyclical names, valuations are discounting a deep, long recession and/or margins well below their long-term average. We also never incorporated into our cost of capital assumptions, the fantasy land interest rates of the last few years. We have an above average equity exposure which could increase further if we reach a climax bear market valuation.

We are not market timers, but we think

now is the moment to do "time" in 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 4.6% p.a.

Performance Chart*



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

against 6.1% p.a. total return for Pan-European equities with a volatility of 10.9% (index 18.7%). On a five and three year basis the fund has returned 4.6% and 4.3% respectively against total returns of 30.6% and 19.6% respectively for European equities with 75% and 80% 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*

2022	-5.4%
Since Inception (p.a.)**	4.0%

RISK / RETURN

Volatility**	11.0%
Beta	0.76
Sharpe**	0.28

ASSET ALLOCATION

Equity	76.3%
Cash	23.7%

SECTORIAL DISTRIBUTION

Industrials	17.0%
Materials	13.7%
Communication Services	12.9%
Financials	11.4%
Energy	10.5%

MAIN HOLDINGS

Total Energies	3.8%
Merlin Properties	3.6%
Repsol	3.2%
Logista	2.8%
CCR	2.8%

INVESTMENTS / DIVESTMENTS

Investments: -

Divestments: -

MARKET RETURNS

	2022	Since 31/03/04
MSCI Pan Euro (Total return.)	-9.3%	6.1% p.a.
Sharpe		0.28
Long Term Euro Gov. Bond	-13.7%	3.4% p.a.
Sharpe		0.52
Euro Gov T Bill	-0.6%	1.0% p.a.

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

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HOLDINGS		
1	Total Energies	3.8%
2	Merlin Properties	3.6%
3	Repsol	3.2%
4	Logista	2.8%
5	CCR	2.8%
6	Glencore	2.7%
7	SES Global	2.7%
8	Coca-cola European Partners	2.7%
9	Carrefour	2.7%
10	Gruppo Unipol	2.5%
11	Volkswagen	2.3%
12	Rio Tinto	2.2%
13	Covestro	2.2%
14	Publicis	2.2%
15	Bayer	2.1%
16	Signify	2.1%
17	Unicaja	2.0%
18	Allianz	2.0%
19	Engie	2.0%
20	Alphabet	2.0%
21	Other	25.8%
22	Cash	23.7%
Total		100%

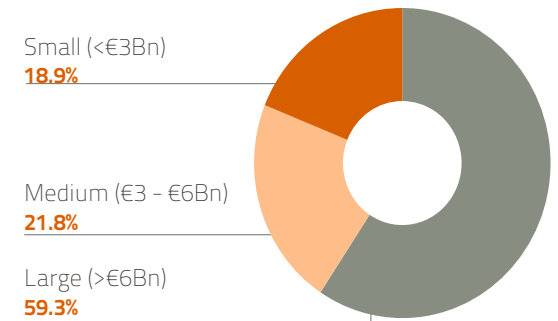
RISK ADJUSTED RETURNS CARTESIO EQUITY*							
	Returns		Volatility		Relative Volatility		M2
	Fund	Index	Fund	Index	Volatility	Index	
2004**	8.5%	8.0%	4.6%	11.1%	41.2%	18.4%	18.4%
2005	12.4%	26.1%	6.0%	9.5%	63.1%	18.4%	18.4%
2006	16.1%	19.0%	5.3%	12.7%	41.9%	34.6%	34.6%
2007	2.2%	4.5%	6.9%	15.7%	43.7%	-0.2%	-0.2%
2008	-14.2%	-42.5%	13.1%	37.3%	35.0%	-49.0%	-49.0%
2009	14.9%	31.1%	8.2%	24.4%	33.7%	45.0%	45.0%
2010	3.5%	10.1%	11.0%	18.7%	58.5%	5.5%	5.5%
2011	-5.7%	-6.6%	16.3%	22.2%	73.7%	-8.4%	-8.4%
2012	6.3%	17.2%	11.5%	14.7%	78.2%	7.7%	7.7%
2013	21.1%	19.6%	9.0%	12.2%	74.0%	28.3%	28.3%
2014	3.6%	7.0%	10.3%	13.4%	76.5%	4.6%	4.6%
2015	7.3%	7.2%	11.8%	20.7%	57.0%	12.7%	12.7%
2016	0.0%	3.6%	10.2%	19.8%	51.9%	0.2%	0.2%
2017	7.2%	9.8%	4.0%	8.5%	47.2%	15.7%	15.7%
2018	-6.0%	-9.4%	5.2%	12.5%	41.6%	-13.8%	-13.8%
2019	9.2%	25.8%	7.1%	11.3%	62.6%	14.9%	14.9%
2020	-9.0%	-4.6%	23.5%	28.3%	83.0%	-10.8%	-10.8%
2021	9.3%	26.8%	10.3%	12.5%	82.3%	11.5%	11.5%
2022	-5.4%	-9.3%	15.2%	19.3%	78.7%	-6.7%	-6.7%
Q1	1.9%	-4.1%	18.1%	23.2%	78.0%	2.5%	2.5%
Q2	-6.0%	-7.7%	13.3%	18.6%	71.7%	-8.3%	-8.3%
Q3 (Aug)	-1.2%	2.5%	13.3%	14.1%	94.7%	-1.3%	-1.3%
Total	106.1%	200.0%	11.0%	18.7%	58.8%		
Index price only		58.2%					

* 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

PORTFOLIO VALUATION	
P/E	8.6x
Div Yield	5.6%

SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	5.0%	10.5%
2	Consumer Staples	7.0%	15.8%
3	Energy	10.5%	7.5%
4	Financials	11.4%	16.2%
5	Health Care	6.5%	16.9%
6	Industrials	17.0%	12.0%
7	Information Technology	2.5%	7.4%
8	Materials	13.7%	6.0%
9	Real Estate	6.8%	0.3%
10	Communication Services	12.9%	3.1%
11	Utilities	6.6%	4.4%
Total		100%	100%

Market Cap Distribution (Equity Portfolio)



Name
Cartesio Funds Equity (Repl-
cates 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

- 4 Lipper Leader Total Return
- 2 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