

# Cartesio *Equity*

## Factsheet

NAV (Class I)  
103.65

Assets  
80m €

The Pareturn Cartesio Equity ceased to exist on the 24th of March 2020 as a result of the merger with Cartesio Funds Equity

## September 2021

The fund is down 0.26% in September and up 11.2% YTD. We identify three areas where the consensus thinking may be challenged with significant investment implications. The three areas are value vs growth; impact of ESG criteria in investment and management decisions/mandates; the transition to a higher inflation/higher interest rates regime. It is what we call “the great transition”.

So called “value”, which we agree goes well beyond cheap multiples, has had several short-lived resurrections, the last one during September. We think the “resurrection” can run a lot further.

The energy transition is complex, expensive and with plenty of unintended consequences if the ESG diktat demonises the fossil fuels which provide more than 80% of our energy needs today.

The last leg of the “great transition”, which investors will need to negotiate, is a potential deterioration in the trade-off between economic growth and inflation. The consensus, mostly coming from those who failed to see the highest inflation rates in decades, is that the current inflationary episode is transitory. We are not so sure.

We maintain a bias towards stocks which have de-rated very significantly in recent years and we are well protected against inflation in terms of both stock and sector

exposure.

### 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 5.3% p.a. against 6.6% p.a. total return for Pan-

European equities with a volatility of 10.7% (index 18.8%). On a five and three year basis the fund has returned 19.8% and 10.1% respectively against total returns of 49.5% and 26.3% respectively for European equities with 74% and 78% 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\*

2021	11.2%
Since Inception (p.a.)**	4.6%

### RISK / RETURN

Volatility**	10.8%
Beta	0.84
Sharpe**	0.33

### ASSET ALLOCATION

Equity	85.0%
Cash	15.0%

### SECTORIAL DISTRIBUTION

Industrials	18.7%
Communication Services	15.8%
Financials	10.8%
Materials	9.4%
Energy	9.1%

### MAIN HOLDINGS

Fresenius SE	4.0%
Repsol	3.5%
Glencore	3.3%
Total Energies	3.1%
Merlin Properties	3.1%

### INVESTMENTS / DIVESTMENTS

Investments:

Divestments: Reckit Berckinser

### MARKET RETURNS

	2021	Since 31/03/04
MSCI Pan Euro (Total return.)	17.2%	6.6% p.a.
Sharpe		0.30
Long Term Euro Gov. Bond	-2.2%	4.6% p.a.
Sharpe		0.79
Euro Gov T Bill	-0.4%	1.1% p.a.

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

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**103.65**

Assets  
**80m €**

### HOLDINGS

1	Fresenius SE	4.0%
2	Repsol	3.5%
3	Glencore	3.3%
4	Total Energies	3.1%
5	Merlin Properties	3.1%
6	SES Global	3.0%
7	Unicaja	2.9%
8	Logista	2.7%
9	Volkswagen	2.6%
10	Thales	2.6%
11	Heidelberg	2.5%
12	Takeda Pharmaceutical	2.4%
13	Signify	2.4%
14	Gruppo Unipol	2.3%
15	Publicis	2.3%
16	CCR	2.2%
17	KPN	2.2%
18	Covestro	2.2%
19	Pinfra	2.2%
20	Santander	2.2%
21	Other	31.3%
22	Cash	15.0%
<b>Total</b>		<b>100%</b>

### PORTFOLIO VALUATION

P/E	12.1x
Div Yield	3.9%

### RISK ADJUSTED RETURNS CARTESIO EQUITY\*

	Returns		Volatility		Relative Volatility		M2
	Fund	Index	Fund	Index	Volatility	Volatility	
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	11.2%	17.2%	9.9%	11.8%	83.8%	13.4%	13.4%
Q1	7.7%	8.8%	10.1%	11.8%	86.2%	8.9%	8.9%
Q2	3.1%	6.7%	8.3%	11.3%	72.9%	4.3%	4.3%
Q3 (Sep)	0.1%	1.0%	10.2%	12.6%	81.2%	0.2%	0.2%
<b>Total</b>	<b>121.5%</b>	<b>206.0%</b>	<b>10.8%</b>	<b>18.8%</b>	<b>57.7%</b>		

Index price only 66.7%

\* 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

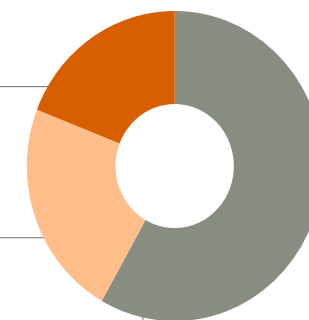
	FUND	MSPE	
1	Consumer Discretionary	5.1%	11.4%
2	Consumer Staples	4.9%	14.4%
3	Energy	9.1%	5.5%
4	Financials	10.8%	16.8%
5	Health Care	7.5%	15.8%
6	Industrials	18.7%	12.9%
7	Information Technology	7.0%	9.0%
8	Materials	9.4%	7.0%
9	Real Estate	5.8%	0.4%
10	Communication Services	15.8%	3.1%
11	Utilities	5.9%	3.8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Market Cap Distribution (Equity Portfolio)

Small (<€3Bn)  
**19.1%**

Medium (€3 - €6Bn)  
**22.7%**

Large (>€6Bn)  
**58.2%**



### 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

### Bronze

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

- 3 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