

Cartesio *Income*

Factsheet

NAV (Class I)
127.44

Assets
404m €

January 2019

The fund is up 1.66% in January. We have started the year on a good note, taking advantage of the strength in equity and credit markets to make up a large part of the modest loss we incurred last year. 2018 was a year of patience for us, keeping low risk levels until opportunities began to arise during the final quarter and the beginning of this year.

Equity exposure rose from 9% in September to 14% in January whilst exposure to credit rose slightly from 18% to 20%. We also deployed our cash in stocks perceived to offer the highest return potential. These were often those in more cyclical sectors, this has allowed the fund to exhibit a higher beta as the market started on a strong note after the rout of the fourth quarter.

As we have explained before, during the early part of 2018 the economic and market context was positive, but the prices were awful. Today the economic context is not great, the market context is now probably neutral, and the prices are generally more attractive. Our policy remains to use market weakness to put more cash to work.

Investment objective

Pareturn Cartesio Income replicates the investment strategy of Cartesio X. It seeks higher risk adjusted returns (Sharpe ratio) than Euro Government bonds (Bloomberg Barclays Series-E Euro Govt 7-10 Yr Bond Index). Strong emphasis on capital protection.

Investment strategy

Equity exposure is limited to a maximum of 40% of assets, the balance is invested in bonds and cash.

Fund History

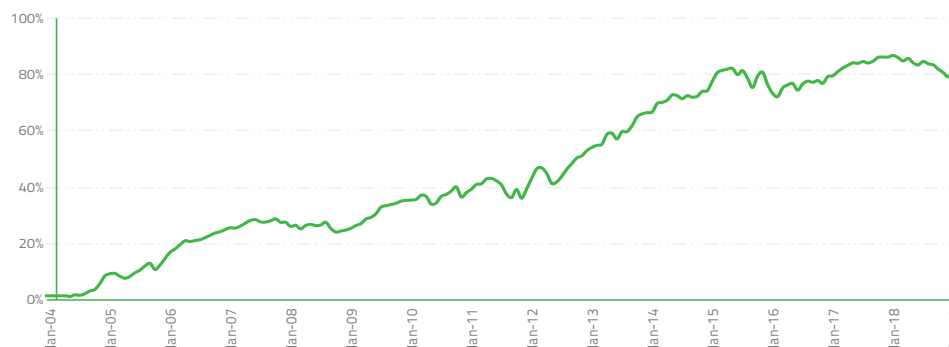
Cartesio X has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 4.2% p.a. against 4.9% p.a. total return for Long Term Euro Gov Bonds with a volatility of 3.1% (index 4.4%). On a five and three year

basis the fund has returned 10.6% and 5.5% respectively against total returns of 24.7% and 5.5% respectively for Long Term Eurozone Gov Bonds with 74% and 71% respectively of the volatility experienced by the index.

Factors to consider

- The fund has a long bias (Equities & Bonds) but with a strong emphasis on capital protection over the medium term.
- The equity and bond components are 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 low level of risk.

Performance Chart*



PERFORMANCE

2019	1.7%
Since Inception (p.a.)*	4.1%

RISK / RETURN

Volatility*	3.1%
Beta	0.14
Sharpe*	0.90

ASSET ALLOCATION

Equity	13.8%
Bonds	22.2%
Cash	64.0%

EQUITY SECTOR DISTRIBUTION

Industrials	26.1%
Communication Services	15.4%
Consumer Discretionary	11.4%
Materials	8.7%
Utilities	8.6%

MAIN HOLDINGS

Caixabank AT1 2026	1.4%
Axa Hybrid 2019	1.1%
Bankia AT1 2022	1.1%
Credit Agricole AT1 2019	1.0%
Ibercaja AT1 2023	0.9%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments: Atos

Divestments: CCR, Roche

MARKET RETURNS

	2019	Since 31/03/04
MSCI Pan Euro (Total return.)	5.8%	5.8% p.a.
Sharpe		0.24
Long Term Euro Gov. Bond	1.3%	4.9% p.a.
Sharpe		0.80
Euro Gov T Bill	0.0%	1.3% p.a.

* Inception 31st March '04. Cartesio X until May '11. Class I.

HOLDINGS

1	Caixabank AT1 2026	1.4%
2	Axa Hybrid 2019	1.1%
3	Bankia AT1 2022	1.1%
4	Credit Agricole AT1 2019	1.0%
5	Ibercaja AT1 2023	0.9%
6	Telefónica Hybrid 2024	0.9%
7	Santander UK AT1 2024	0.9%
8	Credit Suisse AT1 2024	0.9%
9	Lloyds Bank AT1 2023	0.9%
10	BBVA AT1 2023	0.8%
11	Intesa Sanpaolo AT1 2025	0.8%
12	Softbank Hybrid 2023	0.8%
13	WiZink Senior 2020	0.8%
14	Banco Espirito Santo 2017	0.7%
15	KPN Hybrid 2023	0.7%
16	BNP AT1 2022	0.7%
17	ING AT1 2020	0.7%
18	Standard Chartered AT1 2023	0.6%
19	Liberbank Hybrid 2022	0.6%
20	Other (including: Equities)	19.7%
21	Cash	64.0%
	Total	100%

MAIN HOLDINGS EQUITIES

1	Glencore	0.7%
2	KPN	0.6%
3	Merlin Properties	0.5%
4	Prysmian	0.5%
5	Pinfra	0.5%
6	Fresenius SE	0.5%
7	Takeda Pharmaceu-	0.5%
8	Continental	0.5%
9	Atlantica Yield	0.5%
10	Signify	0.5%

RISK ADJUSTED RETURNS PARETURN CARTESIO INCOME*

	Returns		Volatility		Relative		M2
	Fund	Index	Fund	Index	Volatility		
2004 **	8.3%	5.5%	2.8%	3.4%	81.2%	9.9%	
2005	5.8%	6.0%	4.0%	3.5%	113.2%	5.3%	
2006	9.0%	-1.0%	2.2%	3.5%	62.7%	12.7%	
2007	2.1%	1.8%	3.0%	3.7%	81.1%	1.6%	
2008	-2.2%	10.8%	3.1%	6.1%	49.9%	-8.9%	
2009	8.5%	4.7%	1.5%	5.1%	30.3%	25.0%	
2010	2.1%	-0.3%	2.8%	4.7%	60.0%	3.0%	
2011	0.9%	2.2%	4.4%	6.3%	70.6%	1.3%	
2012	9.8%	14.9%	3.6%	4.8%	74.4%	12.7%	
2013	8.9%	2.9%	2.9%	4.2%	70.6%	12.3%	
2014	4.7%	16.9%	3.3%	3.4%	95.6%	4.9%	
2015	1.3%	2.1%	4.0%	5.3%	76.6%	1.6%	
2016	1.6%	3.5%	4.1%	4.0%	100.8%	1.6%	
2017	3.9%	1.3%	1.4%	3.7%	36.9%	11.3%	
2018	-3.7%	1.4%	1.8%	3.0%	59.6%	-6.0%	
2019	1.7%	1.3%	2.8%	2.8%	98.5%	1.7%	
Q1 (Ene)	1.7%	1.3%	2.8%	2.8%	98.5%	1.7%	
Total	82.3%	102.4%	3.1%	4.4%	70.4%		

* Cartesio X until 5/2011 and Paretun Cartesio Income onwards.

** Since March 2004

Index= Bloomberg Barclays Series-E Euro Govt 7-10 Yr Bond Index
M2= Theoretical return assuming the save volatility as the Index

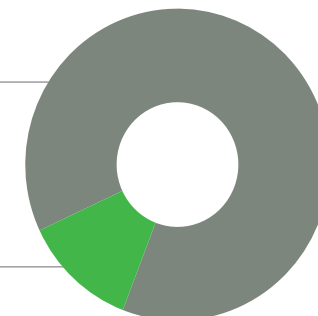
BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	0.0%
Consumer Staples	2.1%
Energy	0.0%
Financials	79.3%
Healthcare	0.0%
Industrials	1.2%
Materials	0.0%
Communication Services	14.5%
Utilities & Infrastructures	3.0%

VALUATION DATA

Bonds	
Portfolio YTM	6.6%
Portfolio Duration	1.8 years
Fund Duration	0.4 years
Equity	
P/E	12.9x
Div Yield	4.3%

Bond Rating Distribution

<Inv. grade
88%≥BBB-
12%

Name

Paretun Cartesio Income
(Replicates Cartesio X)

ISIN

LU0581203592
LU1725678863

Bloomberg

PCARINI LX / PCARINZ LX

Inception Date

30/4/11

Type

SICAV (UCITS III)

Benchmark

Bloomberg Euro Gov Bond
Index 7-10 yr - Risk Adjusted

NAV frequency

Daily (Euros)

Fund 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

5	Lipper Leader Total Return
5	Lipper Leader Consistent Return
5	Lipper Leader Preservation
5	Lipper Leader Expense

Transfer Agent & Fund Administrator

BNP Securities Services

Fund Management Fee

0.95% - Class I
0.50% + 7.5% performance fee -
Class Z

* All ratings apply to Cartesio X