

Cartesio *Income*

Factsheet

NAV (Class I)
99.79

Assets
143m €

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

March 2023

Cartesio Income falls 1.6% in March and it is up 1.8% year to date. Since inception, the fund has achieved an annual return at 3.5% (86% accumulated) with a 4% volatility.

March has been a month driven by high volatility in interest rates expectations, on the back of turmoil in the banking sector, although very much focused in USA regional banks and IBs in Europe. We do not have any exposure to those sectors, neither in our equity portfolio nor in the credit portfolio.

Cartesio X exposure to non-investment grade AT1s issued by retail banks stands below 10%, offering attractive returns.

Equities is a real asset and in the long run it does protect against inflation. Our portfolio is exposed to materials, oil, financials but also to infrastructure and utilities among other sectors. It does offer a good balance for current environment and trading at attractive valuations. It trades a 9.6x PE with an expected dividend yield at 4.7%. This conviction in our portfolio underpins current equity exposure, broadly unchanged, at 24%.

In fixed income, we keep our credit exposure at 59%. This portfolio offers a 7.2% yield to maturity (7.2% yield to first call) with a running yield via coupons at 5.2%. A very diversified portfolio made

up of c.60 bonds with protection against rates volatility via high coupons. 2/3 of the portfolio is investment grade rated offering a 6.3% yield while the high yield bucket offers a 10.7% yield. Fixed income portfolio duration remains low at 2.8.

Investment objective

Cartesio Income replicates the investment strategy of Cartesio X. It seeks higher risk adjusted returns (Sharpe ratio) than Euro Government bonds (Bloomberg 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

Performance Chart*



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

Morningstar rating. Since inception (March 2004) it has returned 3.5% p.a. against 3.0% p.a. total return for Long Term Euro Gov Bonds with a volatility of 4.0% (index 5.0%). On a five and three year basis the fund has returned 1.4% and 0.2% respectively against total returns of -11.4% and -18.1% respectively for Long Term Eurozone Gov Bonds with 97% and 101% 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	
2023	1.7%
Since Inception (p.a.)**	3.3%

RISK / RETURN	
Volatility**	4.1%
Beta	0.39
Sharpe**	0.57

ASSET ALLOCATION	
Equity	23.4%
Bonds	59.2%
Cash	17.4%

EQUITY SECTOR DISTRIBUTION	
Industrials	15.6%
Materials	13.5%
Financials	13.2%
Communication Services	11.8%
Energy	9.3%

MAIN HOLDINGS	
Unicredit AT1 2027	1.9%
BAT Hybrid	1.9%
Caixabank AT1 2026	1.7%
Repsol Híbrido 2026	1.6%
UNIPOL hybrid 2030	1.6%

INVESTMENTS/DIVESTMENTS EQUITIES	
Investments:	-
Divestments:	-

MARKET RETURNS	2023	Since 31/03/04
MSCI Pan Euro (Total return.)	8.9%	6.6% p.a.
Sharpe		0.30
Long Term Euro Gov. Bond	3.3%	3.2% p.a.
Sharpe		0.43
Euro Gov T Bill	0.5%	1.0% p.a.

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

HOLDINGS		
1	Unicredit AT1 2027	1.9%
2	BAT Hybrid	1.9%
3	Caixabank AT1 2026	1.7%
4	Repsol Híbrido 2026	1.6%
5	UNIPOL hybrid 2030	1.6%
6	NH senior sec 2026	1.5%
7	Bayer Hybrid 5.375%	1.5%
8	CNP Hybrid 2028	1.5%
9	Orange Híbrido 2026	1.5%
10	Telefónica Hybrid 2028	1.5%
11	ArcelorMittal senior 2026	1.5%
12	Unicaja Senior Prefered 2025	1.4%
13	Senior Traton 2025	1.4%
14	Atradius Hybrid 2024	1.4%
15	SSE Híbrido 2028	1.4%
16	Allianz 2038	1.3%
17	Bankinter 6.25% AT1	1.3%
18	BP Híbrido 2026	1.3%
19	Abertis Hybrid 2025	1.3%
20	Other (including: Equities)	54.2%
21	Cash	17.4%
	Total	100%

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	4.3%	6.7%	2.7%	3.8%	70.7%	6.2%	
2020	-3.5%	4.5%	9.9%	5.0%	198.8%	-2.0%	
2021	4.9%	-2.9%	4.2%	3.7%	111.9%	4.3%	
2022	-3.4%	-19.4%	6.8%	10.2%	66.9%	-4.7%	
2023	1.7%	3.3%	7.0%	12.0%	58.2%	2.6%	
Q1	1.7%	3.3%	7.0%	12.0%	58.2%	2.6%	
Total	86.1%	80.4%	4.1%	5.1%	81.5%		

* Cartesio X until 5/2011 and Pareturn Cartesio Income onwards.
 ** Since March 2004
 Index= Bloomberg Series-E Euro Govt 7-10 Yr Bond Index
 M2= Theoretical return assuming the save volatility as the Index

MAIN HOLDINGS EQUITIES		
1	Total Energies	1.2%
2	Coca-cola EU Part.	1.1%
3	Merlin Properties	1.0%
4	Carrefour	1.0%
5	Bayer	0.9%
6	Repsol	0.9%
7	Engie	0.8%
8	Covestro	0.8%
9	Gruppo Unipol	0.8%
10	Allianz	0.8%

BOND SECTOR DISTRIBUTION		
Gobiernos		-
Consumer Discretionary		6.9%
Consumer Staples		3.2%
Energy		9.0%
Financials		47.3%
Healthcare		4.5%
Industrials		5.9%
Materials		8.0%
Communication Services		6.3%
Utilities & Infrastructures		7.3%

VALUATION DATA	
Bonds	
Portfolio YTC	7.2%
Portfolio Duration	2.8 years
Fund Duration	1.7 years
Equity	
P/E	9.6x
Div Yield	4.7%

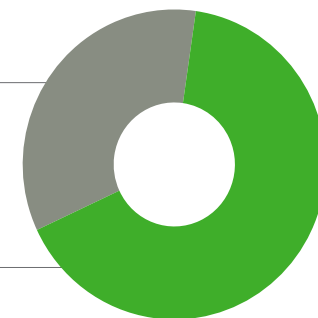
Bond Rating Distribution of the Portfolio

< Inv. grade

33%

≥ BBB-

68%



Name

Cartesio Income (Replicates Cartesio X)

ISIN

LU1966822873 (Class I)
 LU1966822956 (Class R)
 LU1966823095 (Class Z)

Bloomberg

CARTINI LX / CARTINR LX / CARTINZ LX

Inception Date

13/01/20

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



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

Auditor

Deloitte

Transfer Agent & Fund Administrator

BNP Securities Services

Fund Management Fee

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

* All ratings apply to Cartesio X