

# Cartesio *Income*

## Factsheet

NAV (Class I)  
110.51

Assets  
177m €

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

## March 2024

The fund is up 2% in March and up 2.2% YTD. It closes the quarter at an all-time high. It is twenty years since the inception of Cartesio X, replicated by Cartesio Income. The fund has delivered on its twin investment mandate of positive real returns and better risk adjusted returns than its reference benchmark.

Since inception (31/3/2004), Cartesio X has returned 3.9% p.a. against Eurozone inflation of 2.08% p.a. It has delivered a Sharpe ratio of 0.7 vs 0.4 for its reference index (Blomberg Euro Govt. 7-10 year Bond Index). Furthermore, the fund has outperformed its benchmark in absolute terms, the latter has not yet recovered from the losses inflicted by the biggest interest rate bubble ever.

Last month we wrote about excessive market concentration of equities in both the US and Europe. We argued, it was an excellent moment to diversify from the "slavery" of the indices. Our thesis has further to run we believe.

We maintain a 74% exposure to well diversified credit portfolio with limited duration (3.4 years) and high YTM (6.4%) and YTC (5.8%). Net exposure to equities remains low (13%). The bulk of the returns YTD have been generated by the credit portfolio as the short position in Euro Stoxx 50 futures (8% of the fund)

has dented the performance of our long equity portfolio (21% of the fund). We are very well protected against a correction in equity markets.

### 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 Five Star Morningstar rating. Since inception

(March 2004) it has returned 3.9% p.a. against 3.2% p.a. total return for Long Term Euro Gov Bonds with a volatility of 4.0% (index 5.2%). On a five and three year basis the fund has returned 15.9% and 11.1% respectively against total returns of -8.3% and -13.9% respectively for Long Term Eurozone Gov Bonds with 85% and 63% 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\*



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

PERFORMANCE	
2024	2.2%
Since Inception (p.a.)**	3.7%

RISK / RETURN	
Volatility**	4.1%
Beta	0.37
Sharpe**	0.64

ASSET ALLOCATION	
Equity	12.8%
Bonds	74.8%
Cash	12.5%

EQUITY SECTOR DISTRIBUTION	
Materials	17.1%
Financials	15.3%
Communication Services	13.7%
Industrials	12.1%
Consumer Staples	9.3%

MAIN HOLDINGS	
Unicredit AT1 2027	2.3%
BAT Hybrid	1.9%
Unicaja AT1 2026	1.7%
CNP Hybrid 2028	1.7%
Enel Híbrido 2028	1.7%

INVESTMENTS/DIVESTMENTS EQUITIES	
Investments:	-
Divestments:	Credit Agricole

MARKET RETURNS	2024	Since 31/03/04
MSCI Euro Net Total Return	7.6%	6.6% p.a.
Sharpe		0.31
Long Term Euro Gov. Bond	-0.7%	3.2% p.a.
Sharpe		0.42
Euro Gov T Bill	0.8%	1.1% p.a.

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

HOLDINGS		
1	Unicredit AT1 2027	2.3%
2	BAT Hybrid	1.9%
3	Unicaja AT1 2026	1.7%
4	CNP Hybrid 2028	1.7%
5	Enel Híbrido 2028	1.7%
6	Repsol Híbrido 2026	1.6%
7	VW Hybrid 3.748%	1.6%
8	Accor Híbrido 2029	1.5%
9	UNIPOL hybrid 2030	1.5%
10	SSE Híbrido 2028	1.5%
11	ArcelorMittal senior 2026	1.5%
12	Permanent TSB Senior 28	1.5%
13	Senior Traton 2025	1.4%
14	Abertis Hybrid 2025	1.4%
15	Abanca AT1 2026	1.3%
16	BP Híbrido 2026	1.3%
17	Trafigura Senior 2026	1.3%
18	Var Energy Senior 29	1.3%
19	Telefónica Hybrid 2028	1.3%
20	Other (including: Equities)	56.4%
21	Cash	14.2%
	<b>Total</b>	<b>100%</b>

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	10.2%	8.9%	4.7%	8.8%	53.8%	16.4%	
2024	2.2%	-0.7%	2.1%	5.7%	37.1%	4.6%	
Q1 (March)	2.2%	-0.7%	2.1%	5.7%	37.1%	4.6%	
<b>Total</b>	<b>106.0%</b>	<b>88.8%</b>	<b>4.1%</b>	<b>5.2%</b>	<b>78.9%</b>		

\* 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	Merlin Properties	1.0%
2	Repsol	0.9%
3	Total Energies	0.8%
4	Covestro	0.7%
5	Carrefour	0.6%
6	Publicis	0.6%
7	Acerinox	0.6%
8	Michelin	0.6%
9	Allianz	0.6%
10	Coca-cola EU Part.	0.6%

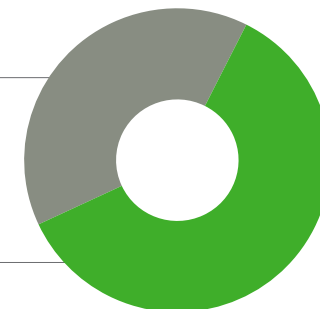
BOND SECTOR DISTRIBUTION	
Gobiernos	-
Consumer Discretionary	9.3%
Consumer Staples	4.4%
Energy	11.2%
Financials	44.9%
Healthcare	3.5%
Industrials	5.5%
Materials	3.9%
Communication Services	4.5%
Utilities & Infrastructures	9.7%

VALUATION DATA	
<b>Bonds</b>	
Portfolio YTC	5.6%
Portfolio Duration	3.5 years
Fund Duration	2.5 years
<b>Equity</b>	
P/E	10.2x
Div Yield	5.0%

## Bond Rating Distribution of the Portfolio

<Inv. grade  
**39%**

≥BBB-  
**61%**



**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

Silver

3 years  
 5 years  
 10 years  
 Overall

- Lipper Leader Total Return
- Lipper Leader Consistent Return
- Lipper Leader Preservation
- Lipper Leader Expense

**Auditor**  
Deloitte

**Transfer Agent & Fund Administrator**  
BNP Securities Services

**Fund Management Fee**  
1.0% - Class I & Class R  
0.65% + 7.5% performance fee - Class Z

\* All ratings apply to Cartesio X