

Cartesio *Income*

Factsheet

NAV (Class I)
99.94

Assets
143m €

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

May 2023

The fund is down 0.7% in May and up 1.9% YTD. European equities are again showing extreme bifurcation in performance and valuation between different sectors. In US equities this bifurcation is perhaps more extreme as the market has weeded out, quite rightly, non-profitable tech. In a way we have gone back to the bifurcation we last saw towards the end of 2021. The fund remains well placed to exploit this bifurcation as valuations revert to the mean.

We think there are two drivers at work. First the market is in total rapture with Artificial Intelligence (AI) and will chase any company related to this theme. The second driver is the perennial fear about a coming recession.

We think financial repression and negative or modest real rates are here to stay. This is the main reason why equities are well supported, and economic growth defies the doom mongers.

Equities, particularly the ones we own, have zero valuation excess to work through and are real assets that should navigate well this landscape.

In credit we keep increasing exposure (63% now from 20% at the end of 2021) and building a very well diversified portfolio (across issuers, ratings, and

type of instrument) with a YTW of 7%, a running yield of 5% and a duration of three years.

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 Morningstar rating. Since inception (March 2004) it has returned 3.5% p.a. against 3.2% p.a. total return for Long

Term Euro Gov Bonds with a volatility of 4.0% (index 5.1%). On a five and three year basis the fund has returned 4.5% and 12.1% respectively against total returns of -7.6% and -15.5% respectively for Long Term Eurozone Gov Bonds with 90% and 80% 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	
2023	1.9%
Since Inception (p.a.)**	3.3%

RISK / RETURN	
Volatility**	4.1%
Beta	0.39
Sharpe**	0.56

ASSET ALLOCATION	
Equity	21.5%
Bonds	63.5%
Cash	15.0%

EQUITY SECTOR DISTRIBUTION	
Industrials	15.3%
Materials	14.5%
Financials	13.5%
Communication Services	12.3%
Energy	9.1%

MAIN HOLDINGS	
Unicredit AT1 2027	2.0%
BAT Hybrid	1.9%
Caixabank AT1 2026	1.7%
Repsol Híbrido 2026	1.6%
NH senior sec 2026	1.6%

INVESTMENTS/DIVESTMENTS EQUITIES	
Investments:	-
Divestments:	-

MARKET RETURNS	2023	Since 31/03/04
MSCI Pan Euro (Total return.)	9.5%	6.6% p.a.
Sharpe		0.30
Long Term Euro Gov. Bond	4.0%	3.2% p.a.
Sharpe		0.43
Euro Gov T Bill	0.9%	1.0% p.a.

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

HOLDINGS		
1	Unicredit AT1 2027	2.0%
2	BAT Hybrid	1.9%
3	Caixabank AT1 2026	1.7%
4	Repsol Híbrido 2026	1.6%
5	NH senior sec 2026	1.6%
6	Bayer Hybrid 5.375%	1.5%
7	CNP Hybrid 2028	1.5%
8	UNIPOL hybrid 2030	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	1.5%
13	VW Hybrid 3.748%	1.4%
14	Senior Traton 2025	1.4%
15	Atradius Hybrid 2024	1.4%
16	SSE Híbrido 2028	1.4%
17	Allianz 2038	1.4%
18	Bankinter 6.25% AT1	1.4%
19	BP Híbrido 2026	1.3%
20	Other (including: Equities)	56.1%
21	Cash	15.0%
	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	1.9%	4.0%	5.8%	10.4%	55.8%	2.7%	
Q1	1.7%	3.3%	7.0%	12.0%	58.2%	2.6%	
Q2	0.2%	0.7%	4.9%	7.6%	64.2%	0.0%	
Total	86.3%	81.6%	4.1%	5.1%	81.0%		

* 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	1.1%
2	Merlin Properties	0.9%
3	Carrefour	0.9%
4	Engie	0.8%
5	Gruppo Unipol	0.8%
6	Covestro	0.8%
7	Repsol	0.8%
8	Coca-cola EU Partn.	0.7%
9	Allianz	0.7%
10	Logista	0.7%

BOND SECTOR DISTRIBUTION		
	Gobiernos	-
	Consumer Discretionary	7.0%
	Consumer Staples	3.0%
	Energy	11.0%
	Financials	47.2%
	Healthcare	4.2%
	Industrials	5.6%
	Materials	7.6%
	Communication Services	6.0%
	Utilities & Infrastructures	6.8%

VALUATION DATA	
Bonds	
Portfolio YTC	7.1%
Portfolio Duration	2.7 years
Fund Duration	1.7 years
Equity	
P/E	9.9x
Div Yield	5.2%

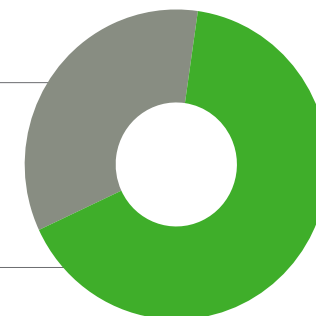
Bond Rating Distribution of the Portfolio

< Inv. grade

31%

≥ BBB-

69%



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