

Cartesio *Income*

Factsheet

NAV (Class I)
102.23

Assets
109m €

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

October 2021

The fund is down 0.17% in October and up 5.65% YTD. YTD. The pandemic, as far as the financial markets and GDP aggregates are concerned, is a closed chapter, particularly in the US but also in Europe. New stock market highs have become almost the new normal and the debate shifted long time ago to inflation, bottlenecks, and monetary policy strategies post pandemic. Central banks, and governments for that matter, stick to their "temporary" narrative and blame pandemic related dislocations. We think a winding down of QE purchases appears eminently sensible to us, the COVID economic emergency is over.

Aggregate demand may be running ahead of aggregate supply and the current inflation regime more permanent than temporary. Inflation may be dead longer term, but if it is going to come to life once again, it must be now or never. Long term interest rates are up this year and our reference index is down 1.4% in October and 3.52% YTD.

The valuation dispersion across the equity market is back to levels last seen at the height of the pandemic. Growth at almost any price is back in vogue.

We remain well invested in an equity portfolio which we believe offers exceptional value and little correlation with the market in an investment world

dominated by momentum. Our credit portfolio offers a 4,1% yield with no duration risk.

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.

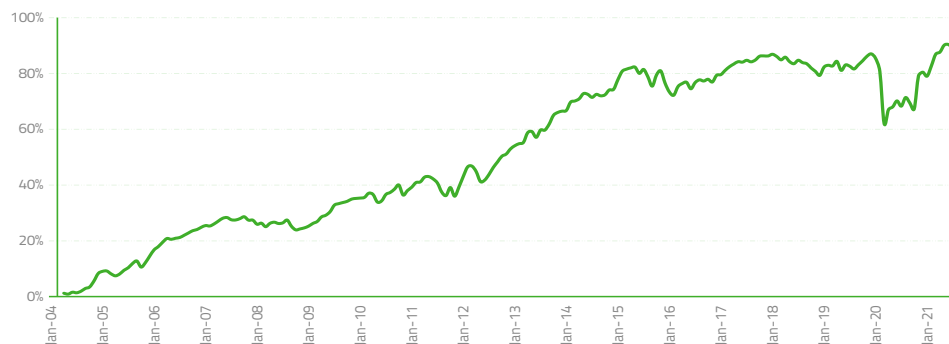
Investment strategy

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 Three Star Morningstar rating. Since inception (March 2004) it has returned 3.9% p.a.

Performance Chart*



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

against 4.4% p.a. total return for Long Term Euro Gov Bonds with a volatility of 3.8% (index 4.4%). On a five and three year basis the fund has returned 9.8% and 7.1% respectively against total returns of 9.6% and 9.6% respectively for Long Term Eurozone Gov Bonds with 119% and 145% 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	
2021	5.7%
Since Inception (p.a.)**	3.7%

RISK / RETURN	
Volatility**	3.9%
Beta	0.36
Sharpe**	0.69

ASSET ALLOCATION	
Equity	35.9%
Bonds	20.1%
Cash	44.0%

EQUITY SECTOR DISTRIBUTION	
Industrials	18.3%
Communication Services	16.6%
Financials	11.6%
Materials	8.8%
Energy	8.4%

MAIN HOLDINGS	
Unicredit AT1 2027	2.9%
Caixabank AT1 2026	2.4%
Bankinter 6.25% AT1	1.9%
Intesa Sanpaolo AT1 2025	1.8%
OHL 2022	1.7%

INVESTMENTS/DIVESTMENTS EQUITIES	
Investments:	
Divestments:	Prosegur Cash

MARKET RETURNS	2021	Since 31/03/04
MSCI Pan Euro (Total return.)	23.0%	6.9% p.a.
Sharpe		0.31
Long Term Euro Gov. Bond	-3.5%	4.4% p.a.
Sharpe		0.77
Euro Gov T Bill	-0.5%	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	2.9%
2	Caixabank AT1 2026	2.4%
3	Bankinter 6.25% AT1	1.9%
4	Intesa Sanpaolo AT1 2025	1.8%
5	OHL 2022	1.7%
6	Credit Suisse AT1 2024	1.5%
7	Ibercaja AT1 2023	1.4%
8	BAT Hybrid	1.4%
9	UNIPOL hybrid 2030	1.1%
10	Petrofac HY Senior secured	0.9%
11	NH senior sec 2026	0.9%
12	HSBC AT1 USD 2024	0.9%
13	AXA subord. CMS	0.9%
14	Abanca AT1 2023	0.6%
15	-	
16	-	
17	-	
18	-	
19	-	
20	Other (including: Equities)	35.9%
21	Cash	44.0%
	Total	100%

MAIN HOLDINGS EQUITIES

1	Fresenius SE	1.6%
2	Unicaja	1.4%
3	Merlin Properties	1.4%
4	Total Energies	1.4%
5	SES Global	1.3%
6	Glencore	1.3%
7	Repsol	1.3%
8	Logista	1.2%
9	Volkswagen	1.1%
10	Pinfra	1.0%

RISK ADJUSTED RETURNS PARETURN CARTESIO INCOME*

	Returns		Volatility		Relative	
	Fund	Index	Fund	Index	Volatility	M2
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	5.7%	-3.5%	3.8%	3.3%	112.8%	5.0%
Q1	3.6%	-1.6%	3.9%	3.6%	106.4%	3.3%
Q2	1.9%	-0.5%	3.2%	2.9%	109.8%	1.7%
Q3	0.3%	-0.1%	4.0%	3.0%	131.9%	0.2%
Q4 (Oct)	-0.2%	-1.4%	2.9%	4.5%	65.9%	-0.2%
Total	90.7%	115.0%	3.9%	4.4%	87.6%	

* 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

BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	4.6%
Consumer Staples	6.8%
Energy	4.7%
Financials	75.4%
Healthcare	0.0%
Industrials	8.6%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

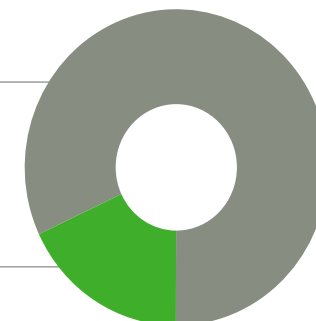
VALUATION DATA

Bonds	
Portfolio YTM	4.1%
Portfolio Duration	-1.4 years
Fund Duration	-0.3 years

Equity

P/E	13.2x
Div Yield	3.9%

Bond Rating Distribution of the Portfolio

<Inv. grade
82%≥BBB-
18%

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

Bronze

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

- 4 Lipper Leader Total Return
- 3 Lipper Leader Consistent Return
- 4 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