

# Cartesio *Income*

## Factsheet

NAV (Class I)  
92.15

Assets  
141m €

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

## August 2020

The fund is up 1.85% in August and down 8.4% YTD.

Fiscal dominance and Modern Monetary Theory (MMT) are here. More in the US, less in the Eurozone.

Central banks are willing, or forced by circumstances, to accommodate endless deficits and exploding public debt. They do this by endless QE, endless zero rates and hope/pray that inflation will rise, the economy will recover one day, do not say when.

Meanwhile, in the stock market, quite extraordinary moves and valuations in recent months. The records tend to do with the rise of the technology supernova and the bifurcation in valuation and performance between sectors. During the summer months our equity portfolio has performed in line with European equities, with some cyclical and industrials outperforming significantly, as well as our technology stocks. The credit portfolio has performed well.

We do not know if the supernova is about to burn itself out. We do not know what the catalyst is, other than the end of the pandemic, for some of the black holes in the market and in our portfolio to stop imploding. What we do know is that if some of the trends described

above reverse, we are reasonably well placed. We are also very confident about the valuation opportunity offered by our equity portfolio

### Investment objective

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.

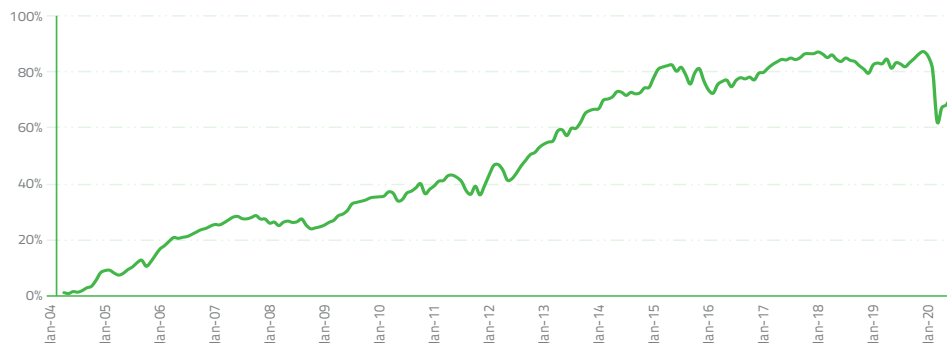
### Investment strategy

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 Three Star Morningstar rating. Since inception

### Performance Chart\*



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

(March 2004) it has returned 3.5% p.a. against 4.8% p.a. total return for Long Term Euro Gov Bonds with a volatility of 3.7% (index 4.5%). On a five and three year basis the fund has returned -1.6% and -4.6% respectively against total returns of 18.9% and 10.9% respectively for Long Term Eurozone Gov Bonds with 109% and 127% 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

2020	-8.4%
Since Inception (p.a.)**	3.3%

### RISK / RETURN

Volatility**	3.8%
Beta	0.34
Sharpe**	0.58

### ASSET ALLOCATION

Equity	24.3%
Bonds	19.5%
Cash	56.2%

### EQUITY SECTOR DISTRIBUTION

Industrials	20.0%
Communication Services	13.6%
Utilities	10.3%
Materials	10.2%
Information Technology	9.3%

### MAIN HOLDINGS

Caixabank AT1 2026	3.4%
Intesa Sanpaolo AT1 2025	2.7%
Unicredit AT1 2027	2.4%
Santander UK AT1 2024	1.9%
Bankinter 6.25% AT1	1.3%

### INVESTMENTS/DIVESTMENTS EQUITIES

Investments: -

Divestments: -

### MARKET RETURNS

	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-12.0%	5.5% p.a.
Sharpe		0.23
Long Term Euro Gov. Bond	2.1%	4.8% p.a.
Sharpe		0.82
Euro Gov T Bill	-0.3%	1.2% p.a.

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

## HOLDINGS

1	Caixabank AT1 2026	3.4%
2	Intesa Sanpaolo AT1 2025	2.7%
3	Unicredit AT1 2027	2.4%
4	Santander UK AT1 2024	1.9%
5	Bankinter 6.25% AT1	1.3%
6	Ibercaja AT1 2023	1.3%
7	Credit Suisse AT1 2024	1.1%
8	Abanca AT1 2023	0.8%
9	Bankia AT1 2022	0.7%
10	OHL 2022	0.7%
11	Aryzta Hybrid 2019	0.7%
12	HSBC AT1 USD 2024	0.6%
13	IAG Senior 2023	0.6%
14	AXA subord. CMS	0.5%
15	Banco Espirito Santo 2017	0.5%
16	Intesa AT1 2025	0.3%
17	-	
18	-	
19	-	
20	Other (including: Equities)	24.3%
21	Cash	56.2%
	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	-8.4%	2.1%	11.0%	5.8%	189.9%	-4.5%	
Q1	-13.3%	0.2%	14.2%	8.1%	176.0%	-7.7%	
Q2	5.0%	1.7%	11.3%	5.4%	207.0%	2.4%	
Q3 (Aug)	0.7%	0.2%	5.0%	3.3%	150.4%	0.5%	
<b>Total</b>	<b>71.4%</b>	<b>117.7%</b>	<b>3.8%</b>	<b>4.5%</b>	<b>84.0%</b>		

\* Cartesio X until 5/2011 and Pareturn 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

## MAIN HOLDINGS EQUITIES

1	Fresenius SE	1.0%
2	Pinfra	0.9%
3	Takeda Pharmaceu-	0.8%
4	Atos	0.8%
5	KPN	0.8%
6	Microsoft	0.8%
7	Repsol	0.8%
8	Signify	0.8%
9	UPM	0.8%
10	Merlin Properties	0.7%

## BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	0.0%
Consumer Staples	3.4%
Energy	0.0%
Financials	88.4%
Healthcare	0.0%
Industrials	6.6%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

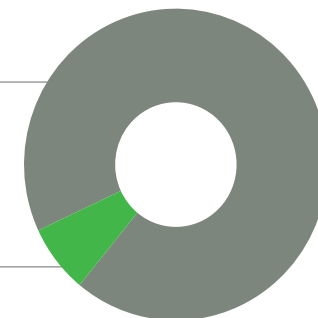
## VALUATION DATA

<b>Bonds</b>	
Portfolio YTM	6.5%
Portfolio Duration	-0.2 years
Fund Duration	0.0 years
<b>Equity</b>	
P/E	15.1x
Div Yield	3.6%

## Bond Rating Distribution of the Portfolio

<Inv. grade  
94%

≥BBB-  
6%



## 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

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

## Auditor

Deloitte

## Transfer Agent &amp; 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