

Cartesio *Income*

Factsheet

NAV (Class I)
101.51

Assets
108m €

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

December 2021

The fund is up 1.68% in December and up 4.87% in 2021. European equities close 2021 at record highs and take in their stride a chameleonic pandemic, inflation not seen for decades and even some sabre-rattling in the eastern fringes of Europe. The fact is that European earnings will end in 2021 twelve percent above pre-pandemic levels and the BCE has shown, so far, a very dovish hand and outlook with respect to the inflationary surge of the last six months. It also helps that a cohort of growth stocks now looming large in European indices, have reached historically high valuations.

Real 10-year euro rates using core inflation stand at -3%. If anything shows the remarkable nonchalant attitude of the ECB, this must be it.

The fund has recovered the modest loss of 2020 and we maintain a relatively high equity exposure. The bond portfolio (made up of credit and a 10% short position in the Spanish bono) returned 8.4%. Our reference index (10-year euro bond yields) was down 2.9%. The equity portfolio rose 13.8% against 28% for our reference index. We remain optimistic about the outlook for the fund. Our optimism does not rest on a particularly rosy macro or market view. It is founded on a large valuation discrepancy, in our portfolio and interest rates, which we

think will be rewarded in coming months.

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

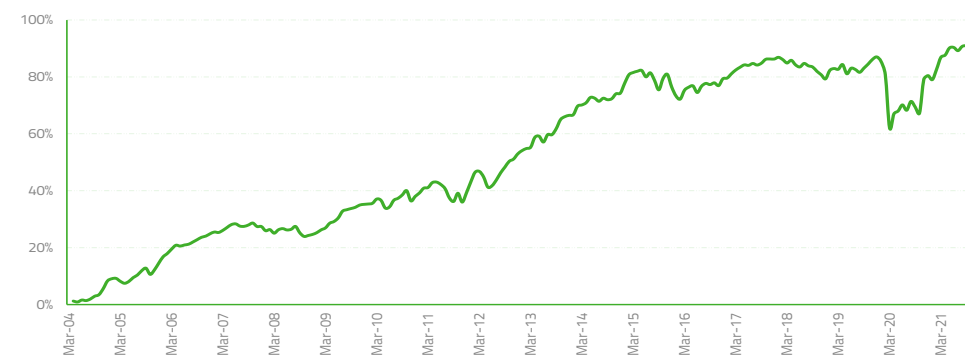
Cartesio X has an overall Three Star Morningstar rating. Since inception (March 2004) it has returned 3.8% p.a. against 4.4% p.a. total return for Long Term Euro Gov Bonds with a volatility of

3.8% (index 4.5%). On a five and three year basis the fund has returned 8.3% and 8.0% respectively against total returns of 11.3% and 8.4% respectively for Long Term Eurozone Gov Bonds with 121% and 142% 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

2021	4.9%
Since Inception (p.a.)**	3.7%

RISK / RETURN

Volatility**	3.9%
Beta	0.36
Sharpe**	0.67

ASSET ALLOCATION

Equity	34.5%
Bonds	21.5%
Cash	44.1%

EQUITY SECTOR DISTRIBUTION

Industrials	19.7%
Communication Services	17.1%
Financials	11.3%
Materials	9.1%
Energy	9.0%

MAIN HOLDINGS

Unicredit AT1 2027	2.9%
Caixabank AT1 2026	2.4%
Bankinter 6.25% AT1	1.9%
Intesa Sanpaolo AT1 2025	1.9%
Abanca AT1 2023	1.9%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments:

Divestments:

MARKET RETURNS

	2021	Since 31/03/04
MSCI Pan Euro (Total return.)	26.8%	7.0% p.a.
Sharpe		0.32
Long Term Euro Gov. Bond	-2.9%	4.4% p.a.
Sharpe		0.77
Euro Gov T Bill	-0.6%	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	1.9%
5	Abanca AT1 2023	1.9%
6	OHL 2022	1.8%
7	Credit Suisse AT1 2024	1.5%
8	BAT Hybrid	1.4%
9	Petrofac HY Senior secured	1.3%
10	NH senior sec 2026	1.2%
11	UNIPOL hybrid 2030	1.1%
12	HSBC AT1 USD 2024	0.9%
13	AXA subord. CMS	0.9%
14	Ibercaja AT1 2023	0.6%
15	-	
16	-	
17	-	
18	-	
19	-	
20	Other (including: Equities)	34.5%
21	Cash	44.1%
	Total	100%

MAIN HOLDINGS EQUITIES

1	Total Energies	1.4%
2	Merlin Properties	1.4%
3	Fresenius SE	1.2%
4	Repsol	1.2%
5	Glencore	1.2%
6	Unicaja	1.2%
7	SES Global	1.2%
8	Pinfra	1.1%
9	Logista	1.1%
10	Coca-cola European	1.1%

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	4.9%	-2.9%	4.2%	3.7%	111.9%	4.3%
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 (Dec)	-0.9%	-0.7%	5.1%	5.0%	100.6%	-0.9%
Total	89.3%	116.5%	3.9%	4.5%	87.9%	

* 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

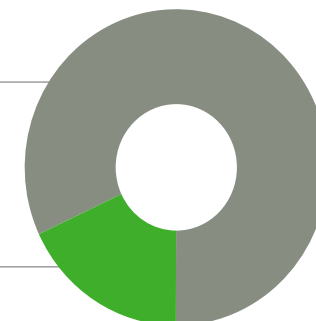
BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	5.7%
Consumer Staples	6.4%
Energy	6.2%
Financials	73.3%
Healthcare	0.0%
Industrials	8.4%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

VALUATION DATA

Bonds	
Portfolio YTM	4.5%
Portfolio Duration	-0.1 years
Fund Duration	0.0 years
Equity	
P/E	12.1x
Div Yield	3.9%

Bond Rating Distribution of the Portfolio

<Inv. grade
85%≥BBB-
15%

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

MDO Management Services

Company

Cartesio SGIC, S.A.

Fund Manager

Cartesio SGIC, S.A.

Custodian

BNP Paribas

Bronze

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

- 3 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