

# Cartesio *Income*

## Factsheet

NAV (Class I)  
**89.65**

Assets  
**121m €**

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

## October 2020

The fund is down 1.25% in October and down 10.6% YTD.

As the pandemic and lockdowns get worse, so does the market and European equities in particular. Living with COVID 19 has proved to be a rollercoaster where peak pessimism happened in March and peak optimism in early June. Since June, news flow on the pandemic has been mostly negative, taking European equities down 10%. From a financial and economic perspective, it is clear no recovery will be complete without the roll out of safe and effective vaccines and that will happen hopefully during 2021.

Our equity portfolio has outperformed since the end of March but clearly has not made up the losses incurred during the first quarter. During the early part of October, we bought some more downside protection although the performance of the portfolio remains the key factor going forward. Equity and credit exposure remain mostly unchanged from the previous month.

Eurozone 10-year bond yields plumb new lows. The deployment of a very expansionary fiscal policy is fraught with more political and practical problems than in the US whilst the economy has been less resilient. The undervaluation of our equity portfolio and the overvaluation of government bonds must wait for a

post Covid normalisation in the economy and financial 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 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

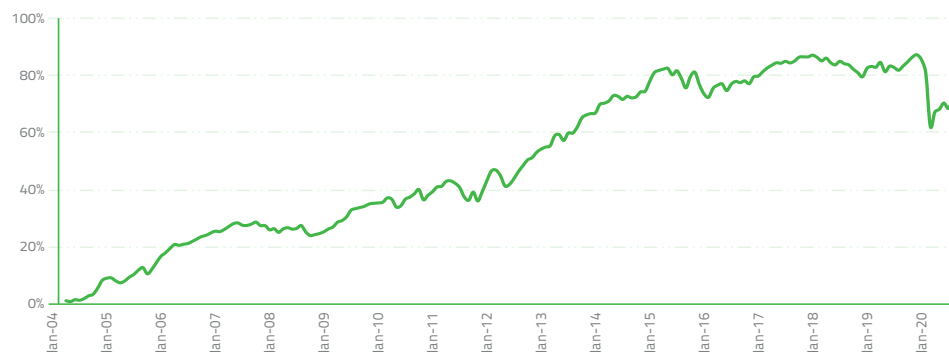
Cartesio X has an overall Three Star Morningstar rating. Since inception (March 2004) it has returned 3.3% p.a. against 4.9% p.a. total return for Long

Term Euro Gov Bonds with a volatility of 3.7% (index 4.5%). On a five and three year basis the fund has returned -4.2% and -7.7% respectively against total returns of 17.9% and 12.2% respectively for Long Term Eurozone Gov Bonds with 110% and 131% 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	
2020	-10.6%
Since Inception (p.a.)**	3.1%

RISK / RETURN	
Volatility**	3.8%
Beta	0.35
Sharpe**	0.53

ASSET ALLOCATION	
Equity	26.5%
Bonds	21.0%
Cash	52.5%

EQUITY SECTOR DISTRIBUTION	
Industrials	21.2%
Communication Services	16.9%
Utilities	10.9%
Materials	9.3%
Financials	7.8%

MAIN HOLDINGS	
Caixabank AT1 2026	3.7%
Intesa Sanpaolo AT1 2025	3.0%
Unicredit AT1 2027	2.8%
Santander UK AT1 2024	2.1%
Ibercaja AT1 2023	1.6%

INVESTMENTS/DIVESTMENTS EQUITIES	
Investments:	lenova
Divestments:	-

MARKET RETURNS	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-18.0%	5.0% p.a.
Sharpe		0.20
Long Term Euro Gov. Bond	4.2%	4.9% p.a.
Sharpe		0.84
Euro Gov T Bill	-0.3%	1.1% p.a.

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

## HOLDINGS

1	Caixabank AT1 2026	3.7%
2	Intesa Sanpaolo AT1 2027	3.0%
3	Unicredit AT1 2027	2.8%
4	Santander UK AT1 2024	2.1%
5	Ibercaja AT1 2023	1.6%
6	Bankinter 6.25% AT1	1.5%
7	Credit Suisse AT1 2024	1.3%
8	Abanca AT1 2023	0.9%
9	OHL 2022	0.8%
10	HSBC AT1 USD 2024	0.7%
11	IAG Senior 2023	0.7%
12	AXA subord. CMS	0.6%
13	Banco Espirito Santo 2017	0.6%
14	Intesa Sanpaolo AT1 2025	0.3%
15	Aryzta Hybrid 2019	0.3%
16	-	
17	-	
18	-	
19	-	
20	Other (including: Equities)	26.5%
21	Cash	52.5%
	Total	100%

## MAIN HOLDINGS EQUITIES

1	KPN	1.1%
2	Pinfra	1.0%
3	SES Global	1.0%
4	Signify	0.9%
5	Fresenius SE	0.9%
6	Atos	0.9%
7	Takeda	0.8%
8	Liberbank	0.8%
9	Publicis	0.8%
10	Coca-cola EP	0.7%

## 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	-10.6%	4.2%	10.1%	5.3%	191.0%	-5.7%
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	-0.5%	1.4%	5.3%	3.2%	168.5%	-0.3%
Q4 (Oct)	-1.3%	0.9%	5.3%	2.3%	227.2%	-0.6%
<b>Total</b>	<b>67.3%</b>	<b>122.2%</b>	<b>3.8%</b>	<b>4.5%</b>	<b>84.8%</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

## BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	0.0%
Consumer Staples	1.5%
Energy	0.0%
Financials	91.7%
Healthcare	0.0%
Industrials	6.9%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

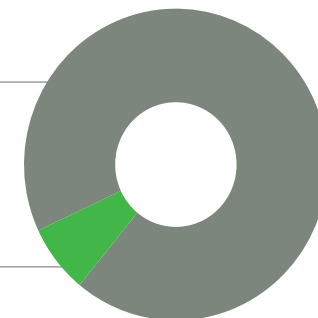
## VALUATION DATA

<b>Bonds</b>	
Portfolio YTM	7.2%
Portfolio Duration	-0.9 years
Fund Duration	-0.2 years
<b>Equity</b>	
P/E	16.8x
Div Yield	4.4%

## 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