

Cartesio *Income*

Factsheet

NAV (Class I)
96.94

Assets
121m €

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

December 2020

The fund is up 0.77% in December and down 3.51% in 2020.

Having started 2020 with a relatively high equity exposure and with a value/cyclical bias, the first months of the year were naturally painful. We reached the conclusion that the pandemic was likely a temporary phenomenon without a long-term effect on productivity or economic growth. We also saw deep value in our equity and credit portfolio. The best decision we made was to increase slightly equity exposure. Credit exposure was increased significantly. This allowed the fund to recover a large percentage of the losses incurred at the bottom in March. The fund's credit portfolio, mostly invested in AT1's, delivered a 8% total return and helped to cushion the negative impact of the equity portfolio which underperformed European equities and was down 9%.

As the markets power ahead, we believe valuations are rich, but optimists are quick to point out that they are around average once the level of interest rates is taken into account. TINA has gone mainstream, from retail investors to strategists. It seems to us that investors have reached the conclusion that staying on the side-lines is the worst possible course of action: either inflation will confiscate your cash or rising markets will make you look foolish.

We are happy to add to our downside protection at current volatility and market levels.

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.

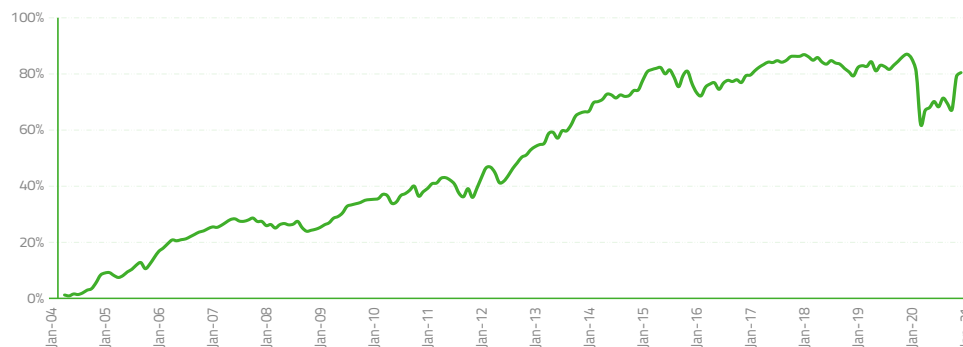
Investment strategy

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 3.8% p.a.

Performance Chart*



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

against 4.9% 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 4.8% and -0.7% respectively against total returns of 18.6% and 13.1% respectively for Long Term Eurozone Gov Bonds with 120% and 141% 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	-3.5%
Since Inception (p.a.)**	3.6%

RISK / RETURN

Volatility**	3.9%
Beta	0.36
Sharpe**	0.63

ASSET ALLOCATION

Equity	32.4%
Bonds	17.3%
Cash	50.3%

EQUITY SECTOR DISTRIBUTION

Industrials	21.2%
Communication Services	17.5%
Materials	9.5%
Financials	8.3%
Utilities	8.1%

MAIN HOLDINGS

Caixabank AT1 2026	2.5%
Unicredit AT1 2027	2.4%
Intesa Sanpaolo AT1 2025	2.1%
Bankinter 6.25% AT1	1.7%
Credit Suisse AT1 2024	1.3%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments: Logista

Divestments: -

MARKET RETURNS

	2020	Since 31/03/04
MSCI Pan Euro (Total return.)	-4.6%	5.9% p.a.
Sharpe		0.25
Long Term Euro Gov. Bond	4.5%	4.9% p.a.
Sharpe		0.84
Euro Gov T Bill	-0.4%	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	2.5%
2	Unicredit AT1 2027	2.4%
3	Intesa Sanpaolo AT1 2025	2.1%
4	Bankinter 6.25% AT1	1.7%
5	Credit Suisse AT1 2024	1.3%
6	Ibercaja AT1 2023	1.2%
7	Santander UK AT1 2024	1.2%
8	Abanca AT1 2023	1.1%
9	OHL 2022	1.0%
10	UNIPOL hybrid 2030	0.9%
11	HSBC AT1 USD 2024	0.7%
12	AXA subord. CMS	0.7%
13	Banco Espirito Santo 2017	0.6%
14	-	
15	-	
16	-	
17	-	
18	-	
19	-	
20	Other (including: Equities)	32.4%
21	Cash	50.3%
	Total	100%

MAIN HOLDINGS EQUITIES		
1	Pinfra	1.3%
2	Fresenius SE	1.2%
3	Atos	1.2%
4	Glencore	1.2%
5	KPN	1.1%
6	Repsol	1.1%
7	Publicis	1.1%
8	SES Global	1.1%
9	Signify	1.0%
10	Takeda	1.0%

	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%	
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	6.5%	1.2%	7.7%	2.8%	276.9%	2.3%	
Total	80.5%	122.9%	3.9%	4.5%	86.9%		

* 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

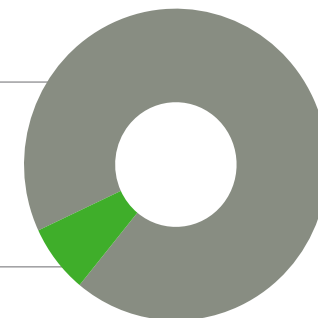
BOND SECTOR DISTRIBUTION	
Gobiernos	-
Consumer Discretionary	0.0%
Consumer Staples	0.0%
Energy	0.0%
Financials	94.5%
Healthcare	0.0%
Industrials	5.5%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

VALUATION DATA	
Bonds	
Portfolio YTM	4.0%
Portfolio Duration	-1.0 years
Fund Duration	-0.2 years
Equity	
P/E	17.1x
Div Yield	3.5%

Bond Rating Distribution of the Portfolio

<Inv. grade
92%

≥BBB-
7%



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

- 3 Lipper Leader Total Return
- 3 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