

Cartesio *Income*

Factsheet

NAV (Class I)
100.66

Assets
108m €

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

April 2021

The fund is up 0.42% in April and 4.0% YTD. Markets, economic data and earnings forecasts seem to point towards a V shaped economic recovery. This scenario is friendly towards equities and unfriendly towards inflation and rates.

During last year we argued that it was unhelpful to speculate about the type of economic recovery post pandemic. We thought it was more helpful to think that the worst was clearly over, to concentrate on the valuation opportunities being offered and that it made no sense to reduce risk until the pandemic was over and the economy normalised to a large extent.

We have not changed significantly our way of thinking. Our valuation discipline has led us to sell at attractive prices some stocks more directly affected by mobility restraints and where the new normal may be difficult. We have increased exposure to companies/sectors more exposed to a broad-based economic recovery. We have also opted to increase our downside protection in the form of Put options on the Eurostoxx 50 but still maintain equity exposure substantially above the average since inception (30% net vs 18% since inception).

With economic policy running full steam

ahead, almost regardless of capacity constraints or unintended consequences, the short position in Spanish bonos (10% of the fund) remains an important hedge.

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 Four Star Morningstar rating. Since inception

(March 2004) it has returned 3.9% p.a. against 4.6% 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 8.9% and 3.4% respectively against total returns of 12.8% and 9.4% respectively for Long Term Eurozone Gov Bonds with 119% 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 Chart*



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

| PERFORMANCE | |
|--------------------------|------|
| 2021 | 4.0% |
| Since Inception (p.a.)** | 3.8% |

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

| ASSET ALLOCATION | |
|------------------|-------|
| Equity | 34.0% |
| Bonds | 19.5% |
| Cash | 46.5% |

| EQUITY SECTOR DISTRIBUTION | |
|----------------------------|-------|
| Industrials | 18.9% |
| Communication Services | 14.3% |
| Financials | 11.3% |
| Materials | 8.6% |
| Health Care | 7.9% |

| MAIN HOLDINGS | |
|--------------------------|------|
| Caixabank AT1 2026 | 2.9% |
| Unicredit AT1 2027 | 2.9% |
| Bankinter 6.25% AT1 | 1.9% |
| Intesa Sanpaolo AT1 2025 | 1.8% |
| Credit Suisse AT1 2024 | 1.5% |

| INVESTMENTS/DIVESTMENTS EQUITIES | |
|----------------------------------|-------------|
| Investments: | |
| Divestments: | IENOVA, UPM |

| MARKET RETURNS | 2021 | Since 31/03/04 |
|-------------------------------|-------|----------------|
| MSCI Pan Euro (Total return.) | 11.0% | 6.4% p.a. |
| Sharpe | | 0.28 |
| Long Term Euro Gov. Bond | -2.6% | 4.6% p.a. |
| Sharpe | | 0.80 |
| Euro Gov T Bill | -0.2% | 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 | 3.0% |
| 2 | Unicredit AT1 2027 | 2.8% |
| 3 | Bankinter 6.25% AT1 | 1.9% |
| 4 | Intesa Sanpaolo AT1 2025 | 1.8% |
| 5 | Credit Suisse AT1 2024 | 1.4% |
| 6 | Santander UK AT1 2024 | 1.4% |
| 7 | Ibercaja AT1 2023 | 1.4% |
| 8 | OHL 2022 | 1.2% |
| 9 | Abanca AT1 2023 | 1.2% |
| 10 | UNIPOL hybrid 2030 | 1.0% |
| 11 | HSBC AT1 USD 2024 | 0.9% |
| 12 | AXA subord. CMS | 0.8% |
| 13 | Banco Espirito Santo 2017 | 0.6% |
| 14 | - | |
| 15 | - | |
| 16 | - | |
| 17 | - | |
| 18 | - | |
| 19 | - | |
| 20 | Other (including: Equities) | 34.0% |
| 21 | Cash | 46.5% |
| | Total | 100% |

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 | 4.0% | -2.6% | 3.6% | 3.4% | 104.8% | 3.8% |
| Q1 | 3.6% | -1.6% | 3.9% | 3.6% | 106.4% | 3.3% |
| Q2 (Apr) | 0.4% | -1.0% | 2.9% | 2.6% | 112.3% | 0.4% |
| Total | 87.7% | 117.1% | 3.9% | 4.4% | 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

MAIN HOLDINGS EQUITIES

| | | |
|----|-------------------|------|
| 1 | Fresenius SE | 1.6% |
| 2 | Merlin Properties | 1.4% |
| 3 | Liberbank | 1.2% |
| 4 | Repsol | 1.2% |
| 5 | Glencore | 1.2% |
| 6 | Signify | 1.1% |
| 7 | Pinfra | 1.1% |
| 8 | Logista | 1.1% |
| 9 | Takeda | 1.0% |
| 10 | Total | 1.0% |

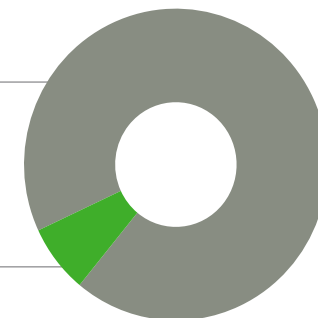
BOND SECTOR DISTRIBUTION

| | |
|-----------------------------|-------|
| Gobiernos | - |
| Consumer Discretionary | 0.0% |
| Consumer Staples | 0.0% |
| Energy | 0.0% |
| Financials | 93.6% |
| Healthcare | 0.0% |
| Industrials | 6.4% |
| Materials | 0.0% |
| Communication Services | 0.0% |
| Utilities & Infrastructures | 0.0% |

VALUATION DATA

| | |
|--------------------|------------|
| Bonds | |
| Portfolio YTM | 3.2% |
| Portfolio Duration | -1.2 years |
| Fund Duration | -0.2 years |
| Equity | |
| P/E | 13.9x |
| Div Yield | 3.9% |

Bond Rating Distribution of the Portfolio

<Inv. grade
91%≥BBB-
9%

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