

Cartesio *Income*

Factsheet

NAV (Class I)
97.05

Assets
132m €

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

August 2022

The fund is down 1.1% in August and down 4.4% YTD. Last month we questioned the equity and bond market's rally in July, particularly the complacency regarding the task before central banks with inflation pressures high and broadening. We thought calling a pause in central bank tightening or venturing a "peak rate" call was very premature. We thought the rally was a technical exhaustion signal after a terrible half more than anything else.

A month later, we have seen the worst month ever for our reference index with a fall of 5.7%, taking the YTD correction to 13.7%. European equities fell 4.5% in August and sentiment remains bearish.

Our companies, on average, are selling well below historical valuations. This may be because their valuation is exceptionally low based on spot and even long-term energy prices (the case of Glencore, oil, and utility stocks). In the more cyclical names, valuations are discounting a deep, long recession and/or margins well below their long-term average. We also never incorporated into our cost of capital assumptions, the fantasy land interest rates of the last few years. Our credit portfolio offers an 8% YTW with very low duration.

We are not market timers, but we think now is the moment to do "time" in the

market.

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 Four Star Morningstar rating. Since inception (March 2004) it has returned 3.5% p.a. against 3.4% p.a. total return for Long Term Euro Gov Bonds with a volatility of

4.0% (index 4.8%). On a five and three year basis the fund has returned 1.5% and 2.1% respectively against total returns of -4.9% and -15.2% respectively for Long Term Eurozone Gov Bonds with 105% and 111% 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

2022	-4.4%
Since Inception (p.a.)**	3.3%

RISK / RETURN

Volatility**	4.1%
Beta	0.35
Sharpe**	0.57

ASSET ALLOCATION

Equity	27.0%
Bonds	43.7%
Cash	29.3%

EQUITY SECTOR DISTRIBUTION

Industrials	17.1%
Materials	13.2%
Communication Services	12.9%
Financials	11.4%
Energy	10.4%

MAIN HOLDINGS

Unicredit AT1 2027	2.1%
UNIPOL hybrid 2030	1.9%
Caixabank AT1 2026	1.9%
BAT Hybrid	1.8%
NH senior sec 2026	1.6%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments: -

Divestments: -

MARKET RETURNS

	2022	Since 31/03/04
MSCI Pan Euro (Total return.)	-9.3%	6.1% p.a.
Sharpe		0.28
Long Term Euro Gov. Bond	-13.7%	3.4% p.a.
Sharpe		0.52
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	2.1%
2	UNIPOL hybrid 2030	1.9%
3	Caixabank AT1 2026	1.9%
4	BAT Hybrid	1.8%
5	NH senior sec 2026	1.6%
6	Unicaja Senior Prefered 2025	1.5%
7	Lenzing híbrido 2025	1.5%
8	SSE Híbrido 2028	1.5%
9	Bankinter 6.25% AT1	1.5%
10	Intesa Sanpaolo AT1 2025	1.5%
11	Unicaja AT1	1.4%
12	Senior sec. OHLA 2026	1.4%
13	BP Híbrido 2026	1.3%
14	Abertis Hybrid 2025	1.3%
15	América Movil Híbrido 2023	1.3%
16	BHP Hybrid 2024	1.3%
17	HSBC AT1 EUR 2029	1.3%
18	Atradius Hybrid 2024	1.3%
19	Bayer Hybrid 5.375%	1.3%
20	Other (including: Equities)	42.1%
21	Cash	29.3%
	Total	100%

MAIN HOLDINGS EQUITIES

1	Merlin Properties	1.2%
2	Total Energies	1.1%
3	Logista	1.0%
4	Repsol	1.0%
5	Coca-cola EU Partn.	0.9%
6	CCR	0.8%
7	SES Global	0.8%
8	Carrefour	0.8%
9	Glencore	0.8%
10	Volkswagen	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	-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%
2022	-4.4%	-13.7%	7.1%	9.8%	72.6%	-5.8%
Q1	0.4%	-5.9%	8.8%	7.6%	115.3%	0.3%
Q2	-5.5%	-7.0%	6.0%	11.0%	54.9%	-9.9%
Q3 (Aug)	0.8%	-1.4%	6.0%	11.4%	52.9%	1.6%
Total	81.0%	86.7%	4.1%	4.8%	85.4%	

* 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

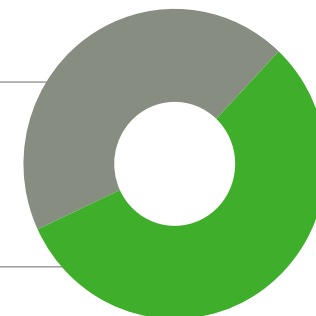
BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	6.3%
Consumer Staples	4.2%
Energy	11.2%
Financials	44.1%
Healthcare	2.9%
Industrials	8.8%
Materials	8.8%
Communication Services	5.1%
Utilities & Infrastructures	6.2%

VALUATION DATA

Bonds	
Portfolio YTM	7.5%
Portfolio Duration	2.2 years
Fund Duration	1.0 years
Equity	
P/E	8.6x
Div Yield	5.6%

Bond Rating Distribution of the Portfolio

<Inv. grade
44%≥BBB-
56%

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

- 5 Lipper Leader Total Return
- 5 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