

# Cartesio *Income*

## Factsheet

NAV (Class I)  
**102.44**

Assets  
**110m €**

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

## September 2021

The fund is up 0.13% in September and 5.83% YTD. We identify three areas where the consensus thinking may be challenged with significant investment implications. The three areas are value vs growth; impact of ESG criteria in investment and management decisions/ mandates; the transition to a higher inflation/higher interest rates regime. It is what we call "the great transition".

So called "value", which we agree goes well beyond cheap multiples, has had several short-lived resurrections, the last one during September. We think the "resurrection" can run a lot further.

The energy transition is complex, expensive and with plenty of unintended consequences if the ESG diktat demonises the fossil fuels which provide more than 80% of our energy needs today.

The last leg of the "great transition", which investors will need to negotiate, is a potential deterioration in the trade-off between economic growth and inflation. The consensus, mostly coming from those who failed to see the highest inflation rates in decades, is that the current inflationary episode is transitory. We are not so sure.

We maintain a bias towards stocks which have de-rated very significantly in recent

years, we are well protected against inflation in terms of both stock and sector exposure. We have no duration risk in our bond portfolio.

### 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 3.9% 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 10.3% and 6.4% respectively against total returns of 9.0% and 11.2% respectively for Long Term Eurozone Gov Bonds with 118% and 146% 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	5.8%
Since Inception (p.a.)**	3.8%

### RISK / RETURN

Volatility**	3.9%
Beta	0.36
Sharpe**	0.70

### ASSET ALLOCATION

Equity	35.6%
Bonds	20.5%
Cash	43.9%

### EQUITY SECTOR DISTRIBUTION

Industrials	18.8%
Communication Services	16.4%
Financials	11.0%
Materials	9.3%
Energy	8.8%

### MAIN HOLDINGS

Unicredit AT1 2027	2.9%
Caixabank AT1 2026	2.3%
Bankinter 6.25% AT1	1.9%
Intesa Sanpaolo AT1 2025	1.8%
OHL 2022	1.7%

### INVESTMENTS/DIVESTMENTS EQUITIES

Investments:

Divestments: Reckit Benckiser

### MARKET RETURNS

	2021	Since 31/03/04
MSCI Pan Euro (Total return.)	20.4%	6.8% p.a.
Sharpe		0.31
Long Term Euro Gov. Bond	-0.9%	4.6% p.a.
Sharpe		0.81
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	Unicredit AT1 2027	2.9%
2	Caixabank AT1 2026	2.3%
3	Bankinter 6.25% AT1	1.9%
4	Intesa Sanpaolo AT1 2025	1.8%
5	OHL 2022	1.7%
6	Credit Suisse AT1 2024	1.5%
7	Santander UK AT1 2024	1.4%
8	Ibercaja AT1 2023	1.4%
9	BAT Hybrid	1.4%
10	UNIPOL hybrid 2030	1.1%
11	NH senior sec 2026	0.9%
12	HSBC AT1 USD 2024	0.9%
13	AXA subord. CMS	0.8%
14	Abanca AT1 2023	0.6%
15	-	
16	-	
17	-	
18	-	
19	-	
20	Other (including: Equities)	35.6%
21	Cash	43.9%
	Total	100%

## MAIN HOLDINGS EQUITIES

1	Fresenius SE	1.6%
2	Glencore	1.4%
3	Unicaja	1.3%
4	Repsol	1.3%
5	Total Energies	1.3%
6	Merlin Properties	1.3%
7	SES Global	1.3%
8	Logista	1.1%
9	Volkswagen	1.1%
10	Thales	1.1%

## RISK ADJUSTED RETURNS PARETURN CARTESIO INCOME\*

	Returns		Volatility		Relative Volatility	M2
	Fund	Index	Fund	Index		
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	5.8%	-2.2%	3.9%	3.2%	119.9%	4.8%
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 (Sep)	0.3%	-0.1%	4.0%	3.0%	131.9%	0.2%
<b>Total</b>	<b>91.0%</b>	<b>118.1%</b>	<b>3.9%</b>	<b>4.4%</b>	<b>87.7%</b>	

\* 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

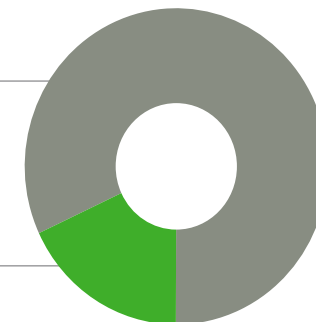
## BOND SECTOR DISTRIBUTION

Gobiernos	-
Consumer Discretionary	4.5%
Consumer Staples	6.6%
Energy	0.0%
Financials	80.6%
Healthcare	0.0%
Industrials	8.3%
Materials	0.0%
Communication Services	0.0%
Utilities & Infrastructures	0.0%

## VALUATION DATA

<b>Bonds</b>	
Portfolio YTM	4.4%
Portfolio Duration	-1.7 years
Fund Duration	-0.3 years
<b>Equity</b>	
P/E	12.1x
Div Yield	3.9%

## Bond Rating Distribution of the Portfolio

<Inv. grade  
82%≥BBB-  
18%

## 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

- 4 Lipper Leader Total Return
- 3 Lipper Leader Consistent Return
- 4 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