

CARTESIO FUNDS

Société d'investissement à capital variable

RCS Luxembourg N° B 237329

Annual Report including Audited Financial Statements as at December 31, 2021

CARTESIO FUNDS

Cartesio Funds Equity

Cartesio Funds Income

No Subscription may be accepted on the basis of this annual report including audited financial statements. Subscriptions are accepted only if they have been made on the basis of the current prospectus dated September 2019 and relevant Key Investor Information Document ("KIID"), which will be accompanied by the latest annual report including audited financial statements and a copy of the latest available unaudited semi-annual report, if published after such annual report, including audited financial statements.

Table of Contents

Board of Directors	2
Directors' Report	3
Report of the Reviseur d'Entreprises Agréé	5
Statistics	8
Combined Statement of Net Assets as at December 31, 2021	9
Combined Statement of Operations and Changes in Net Assets for the year ended December 31, 2021	9
Cartesio Funds Equity	
Statement of Net Assets as at December 31, 2021	10
Statement of Operations and Changes in Net Assets for the year ended December 31, 2021	10
Statement of Changes in Number of Shares	10
Securities Portfolio as at December 31, 2021	11
Financial derivative instruments as at December 31, 2021	11
Cartesio Funds Income	
Statement of Net Assets as at December 31, 2021	12
Statement of Operations and Changes in Net Assets for the year ended December 31, 2021	12
Statement of Changes in Number of Shares	12
Securities Portfolio as at December 31, 2021	13
Financial derivative instruments as at December 31, 2021	13
Notes to the Financial Statements as at December 31, 2021	15
Unaudited Information	20

Board of Directors

REGISTERED OFFICE OF THE FUND

60, avenue J. F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE FUND

Chairman

Juan A. Bertran - Director

Directors

Alvaro Martinez - Director
Cayetano Cornet - Director
Carlo Montagna - Independent Director

MANAGEMENT COMPANY OF THE FUND

Waystone Management Company (Lux) S.A. (formerly MDO Management Company S.A.)
19, rue de Bitbourg,
L-1273 Luxembourg
Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY OF THE FUND

Chairman of the Management Company
Mr. Géry Daeninck
Independent Director

Board members of the Management Company

Mr. John Li How Cheong
Independent Management Director

Mr. Martin Peter Vogel
CEO, Waystone Management Company (Lux) S.A.

INVESTMENT MANAGER

Cartesio Inversiones, S.G.I.I.C., S.A.
Rubén Darío 3
S-28010 Madrid
Spain

ADMINISTRATIVE AGENT, DOMICILIARY, CORPORATE, REGISTRAR AND TRANSFER AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, Avenue J. F. Kennedy,
L-1855 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY AND PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, Avenue J. F. Kennedy,
L-1855 Luxembourg
Grand Duchy of Luxembourg

AUDITOR

Deloitte Audit *Société à responsabilité limitée*
20, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Director's Report

Cartesio Funds Equity

Cartesio Funds Equity (CE) is up 9.3% in 2021 with a volatility of 10.3%. The Sub-Fund's benchmark (MSCI Pan Euro) was up 26.8% on a total return basis with a volatility of 12.5%.

The Sub-Fund replicates the investment strategy of Cartesio Y (a Spanish domiciled fund) which since inception (March 2004) has returned 5.1% p.a. with a volatility of 10.8%, against 7% p.a. total return for the benchmark with a volatility of 18.8.2%. Cartesio Y has outperformed its benchmark since inception in risk adjusted terms.

European equities close 2021 at record highs and take in their stride a chameleonic pandemic, inflation not seen for decades and even some sabre-rattling in the eastern fringes of Europe. Nothing appears to stick in the face of an ongoing bull market. The fact is that European earnings will end in 2021 twelve percent above pre-pandemic levels and the European Central Bank ("ECB") has shown, so far, a very dovish hand and outlook with respect to the inflationary surge of the last six months. It also helps that a cohort of growth stocks now looming large in European indices, have reached historically high valuations.

We think the pandemic has a diminishing capacity for economic and, ultimately market disruption. The same applies to its ability to disrupt public health systems. It is a new normal we all have learnt to live with. When it ends, and we think it will end, not only it will provide a further boost to economic activity and normalise badly disrupted sectors, but it will also remove any justification for the monetary accommodation we are seeing in Europe. A development to watch during 2022.

We think that European equities do not have a valuation problem. At least not an obvious one like the US. However, Europe does share with US equities, the remarkable re-rating and outperformance of growth stocks, particularly since the pandemic arrived. MSCI Value is up 6% during 2020-21 whilst MSCI Growth is up 36%. The valuation gap between the two is at a historical high. We think this represents a great opportunity, especially if bond yields increase. The fund is well positioned to take advantage of this situation.

During the period under review the equity exposure of the Sub-Fund has averaged 84%. The equity portfolio rose 13.8% which allowed the fund to recover the modest loss of 2020. During the year, the top 5 positive contributors to performance were Glencore, Alphabet, Repsol, Strabag and Publicis. The bottom five were Atos, EDF, Takeda, CCR and SES.

Our optimism, as reflected in our higher-than-average equity exposure, does not rest on a particularly rosy macro or market view. It is founded on a valuation discrepancy which we think will be rewarded in coming months. Our companies, on average, will reach peak profits this year but their prices are down 30% from their peak. Relative valuations are at all-time lows in many cases. We think an element of reversion to the mean in the valuation of equities and interest rates will help the funds in 2022.

Cartesio Funds Income

Cartesio Funds Income (CI) is up 4.9% in 2021 with a volatility of 4.2%. The Sub-Fund's benchmark (Bloomberg Barclays Series Euro Govt 7-10 Yr Bond Index) is down 2.9% with a volatility of 3.7%. The fund more than recovers the modest loss of 2020.

The Sub-Fund replicates the investment strategy of Cartesio X (a Spanish domiciled fund) which since inception (March 2004) has returned 3.8% p.a. with a volatility of 3.8%, against 4.4% p.a. total return for the benchmark with a volatility of 4.5%.

European equities close 2021 at record highs and take in their stride a chameleonic pandemic, inflation not seen for decades and even some sabre-rattling in the eastern fringes of Europe. Nothing appears to stick in the face of an ongoing bull market. The fact is that European earnings will end in 2021 twelve percent above pre-pandemic levels and the European Central Bank ("ECB") has shown, so far, a very dovish hand and outlook with respect to the inflationary surge of the last six months. It also helps that a cohort of growth stocks now looming large in European indices, have reached historically high valuations.

Bond yields have moved up in 2021. No wonder, real 10- year euro rates using core inflation stand at -3% which is the lowest level ever, or at least since the inception of the Euro. If anything shows the remarkable nonchalant attitude of the ECB, this must be it. We think the ECB is not only helping real assets and highly indebted euro governments (fiscal dominance anyone?), but also probably making a policy mistake that we think will be reversed and lead to higher interest rates. The fact that bond yields have moved up despite zero rates and ongoing ECB buying, we think is highly significant. Our credit portfolio outperformed, rising by 6.4% and the short position in the Spanish bono (10% of assets) also added to the performance of the fund. The bond portfolio contributed 30% of the performance of the fund.

We think the pandemic has a diminishing capacity for economy and, ultimately market disruption. The same applies to its ability to disrupt public health systems. It is a new normal we all have learnt to live with. When it ends, and we think it will end, not only it will provide a further boost to economic activity and normalise badly disrupted sectors, but it will also remove any justification for the monetary accommodation we are seeing in Europe. A development to watch during 2022.

Director's Report (continued)

We think that European equities do not have a valuation problem. At least not an obvious one like the US. However, Europe does share with US equities, the remarkable re-rating and outperformance of growth stocks, particularly since the pandemic arrived. MSCI Value is up 6% during 2020-21 whilst MSCI Growth is up 36%. The valuation gap between the two is at a historical high. We think this represents a great opportunity, especially if bond yields increase. The fund is well positioned to take advantage of this situation.

During the period under review the equity exposure of the Sub-Fund has averaged 31%. The equity portfolio rose 13.8%. During the year, the top 5 positive contributors to performance were Glencore, Alphabet, Repsol, Strabag and Publicis. The bottom five were Atos, EDF, Takeda, CCR and SES.

Our optimism, as reflected in our higher-than-average equity exposure, does not rest on a particularly rosy macro or market view. It is founded on a valuation discrepancy which we think will be rewarded in coming months. Our companies, on average, will reach peak profits this year but their prices are down 30% from their peak. Relative valuations are at all-time lows in many cases. We think an element of reversion to the mean in the valuation of equities and interest rates will help the fund in 2022.

Global risk measurement methods

The management company uses a risk management process which monitors portfolio holdings risks and their share on the overall portfolio risk profile, for all managed portfolios at any time. In accordance with the Law of 17 December 2010 (as amended) and the applicable regulatory requirements of the *Commission de Surveillance du Secteur Financier* ("CSSF") the management company reports to the CSSF on a regular basis on the risk management process. The management company also verifies, on the basis of appropriate and reasonable methods, that overall risk associated with derivatives never surpass the net asset value of the portfolios throughout the reporting year.

The management company uses the "Commitment Approach" method. Hence positions on financial derivatives are converted into their corresponding underlying equivalents by using the delta approach. Under certain conditions, netting and hedging might be considered for financial derivatives and their underlying assets. The sum of these net equivalents must not exceed the net asset value of each Sub-Fund.

As per management company statement, during the reporting year 2021, the Commitment Approach never exceeded legal limits.

The Board of Directors
Luxembourg, April 11, 2022

The figures stated in this report are historical and not necessarily indicative of future performance.

Cartesio Funds
60, avenue J.F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of Cartesio Funds (the “Fund”) and of each of its sub-funds, which comprise the statement of net assets, securities portfolio and financial derivative instruments as at December 31, 2021 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at December 31, 2021, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the *réviseur d’entreprises agréé*” for the Audit of the Financial Statements” section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “*réviseur d’entreprises agréé*” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the Financial Statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “*réviseur d’entreprises agréé*” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “*réviseur d’entreprises agréé*” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

April 11, 2022

CARTESIO FUNDS

Statistics

		December 31, 2021	December 31, 2020	December 31, 2019
Cartesio Funds Equity				
Net Asset Value	EUR	79,464,341.53	73,819,510.23	-
Net asset value per share				
Class "I"	EUR	101.91	93.22	-
Class "R"	EUR	101.82	93.17	-
Class "Z"	EUR	101.76	92.52	-
Number of shares				
Class "I"		258,514.117	267,090.281	-
Class "R"		296,133.048	298,139.163	-
Class "Z"		225,685.495	228,521.217	-
Cartesio Funds Income				
Net Asset Value	EUR	108,152,590.33	121,386,581.88	-
Net asset value per share				
Class "I"	EUR	101.51	96.80	-
Class "R"	EUR	101.40	96.74	-
Class "Z"	EUR	102.19	97.12	-
Number of shares				
Class "I"		575,536.417	727,231.439	-
Class "R"		403,424.118	399,736.917	-
Class "Z"		86,346.719	126,881.622	-

The accompanying notes are an integral part of these financial statements.

Combined Statement

Statement of Net Assets as at December 31, 2021

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		156,217,291.12	Dividends (net of withholding taxes)		3,388,119.65
Unrealised appreciation / (depreciation) on securities		8,662,867.27	Interest on bonds		1,128,251.02
Investment in securities at market value	2.2	164,880,158.39	Bank interest		3.13
Investment in option at market value	2.2	109,340.00	Other income		41,241.44
Cash at bank		23,139,424.15	Total income		4,557,615.24
Receivable on withholding tax reclaim		117,810.65	Expenses		
Other Receivables		40,123.53	Investment Manager fees and management fees	4	2,058,056.50
Net unrealised appreciation on futures contracts	2.2	121,729.77	Depository fees	5	73,518.06
Dividends and interest receivable		224,728.52	Performance fees		47,459.73
Amortization of formation expenses		9,102.60	Research fees		94,375.97
Total assets		188,642,417.61	Administration fees	6	126,324.36
Liabilities			Professional fees	8	163,084.08
Bank overdraft		23.61	Transaction costs	2.7	121,014.49
Accrued expenses		923,190.92	Taxe d'abonnement	7	54,929.93
Payable on fund shares repurchased		40,788.49	Bank interest and charges		195,340.77
Net unrealised depreciation on futures contracts	2.2	61,482.73	Amortization of formation expenses	9	7,870.46
Total liabilities		1,025,485.75	Other expenses	8	117,412.01
Net assets at the end of the year		187,616,931.86	Total expenses		3,059,386.36
			Net investment income / (loss)		1,498,228.88
			Net realised gain / (loss) on:		
			Investments	2.2	(2,447,007.49)
			Foreign currencies transactions	2.3	187,939.64
			Futures contracts	2.2	(775,427.31)
			Options	2.2	(2,540,666.80)
			Net realised gain / (loss) for the year		(4,076,933.08)
			Net change in unrealised appreciation / (depreciation) on:		
			Investments		15,767,937.88
			Futures contracts		62,416.07
			Options		63,375.86
			Increase / (Decrease) in net assets as a result of operations		11,816,796.73
			Proceeds received on subscription of shares		43,170,102.38
			Net amount paid on redemption of shares		(62,576,059.36)
			Net assets at the beginning of the year		195,206,092.11
			Net assets at the end of the year		187,616,931.86

The accompanying notes are an integral part of these financial statements.

CARTESIO FUNDS

Cartesio Funds Equity (in EUR)

Statement of Net Assets as at December 31, 2021

	Notes	EUR
Assets		
Investment in securities at cost		62,977,676.02
Unrealised appreciation / (depreciation) on securities		5,426,078.45
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Investment in securities at market value	2.2	68,403,754.47
Investment in option at market value	2.2	46,860.00
Cash at bank		11,411,472.67
Receivable on withholding tax reclaim		74,713.98
Other Receivables		20,275.39
Amortization of formation expenses		4,551.30
<hr/>		
Total assets		79,961,627.81
Liabilities		
Bank overdraft		14.95
Accrued expenses		401,084.87
Payable on fund shares repurchased		34,703.73
Net unrealised depreciation on futures contracts	2.2	61,482.73
<hr/>		
Total liabilities		497,286.28
<hr/>		
Net assets at the end of the year		79,464,341.53

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	EUR
Income		
Dividends (net of withholding taxes)		2,152,692.59
Other income		24,965.30
<hr/>		
Total income		2,177,657.89
Expenses		
Investment Manager fees and management fees	4	1,025,490.65
Depositary fees	5	33,157.09
Performance fees		32,153.35
Research fees		39,222.84
Administration fees	6	57,244.24
Professional fees	8	48,852.14
Transaction costs	2.7	67,607.34
Taxe d'abonnement	7	27,763.50
Bank interest and charges		86,128.09
Amortization of formation expenses	9	3,935.23
Other expenses	8	42,984.70
<hr/>		
Total expenses		1,464,539.17
<hr/>		
Net investment income / (loss)		713,118.72
Net realised gain / (loss) on:		
Investments	2.2	1,726,273.55
Foreign currencies transactions	2.3	96,823.59
Futures contracts	2.2	(496,494.15)
Options	2.2	(991,526.97)
<hr/>		
Net realised gain / (loss) for the year		1,048,194.74
Net change in unrealised appreciation / (depreciation) on:		
Investments		5,663,884.37
Futures contracts		(96,953.11)
Options		14,550.46
<hr/>		
Increase / (Decrease) in net assets as a result of operations		6,629,676.46
<hr/>		
Proceeds received on subscription of shares		15,249,545.56
Net amount paid on redemption of shares		(16,234,390.72)
Net assets at the beginning of the year		73,819,510.23
<hr/>		
Net assets at the end of the year		79,464,341.53

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class "I"	267,090.28	48,261.67	(56,837.83)	258,514.12
Class "R"	298,139.16	45,116.37	(47,122.48)	296,133.05
Class "Z"	228,521.22	56,714.04	(59,549.76)	225,685.50

The accompanying notes are an integral part of these financial statements.

Cartesio Funds Equity (in EUR)

Securities Portfolio as at December 31, 2021

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
France				
36,777.00	ATOS SE	EUR	1,375,092.03	1.73
124,848.00	CARREFOUR SA	EUR	2,010,677.04	2.53
142,023.00	EDF	EUR	1,467,097.59	1.85
129,668.00	ENGIE	EUR	1,687,499.35	2.12
24,745.00	FNAC DARTY SA	EUR	1,422,837.50	1.79
31,675.00	PUBLICIS GROUPE	EUR	1,875,160.00	2.36
21,901.00	THALES SA	EUR	1,638,194.80	2.06
61,096.00	TOTALENERGIES SE	EUR	2,726,714.48	3.43
25,214.00	UNIBAIL-RODAMCO-WESTFIELD	EUR	1,553,686.68	1.96
11,248.00	VINCI SA	EUR	1,045,051.68	1.32
			16,802,011.15	21.15
Spain				
555,742.00	BANCO SANTANDER SA	EUR	1,634,159.35	2.06
119,689.00	CIA DE DISTRIBUCION INTEGRAL	EUR	2,098,148.17	2.64
282,668.00	MERLIN PROPERTIES SOCIMI SA	EUR	2,705,132.76	3.41
1,608,199.00	OBRASCON HUARTE LAIN S.A.	EUR	1,640,362.98	2.06
250,835.00	REPSOL SA	EUR	2,617,714.06	3.30
2,306,416.00	UNICAJA BANCO SA	EUR	2,004,275.50	2.52
			12,699,792.82	15.99
Germany				
7,574.00	ALLIANZ AG REG	EUR	1,572,741.10	1.98
35,556.00	COVESTRO AG	EUR	1,927,135.20	2.43
67,731.00	FRESENIUS SE & CO KGAA	EUR	2,397,677.40	3.01
30,748.00	HEIDELBERGCEMENT AG	EUR	1,830,120.96	2.30
29,208.00	SOFTWARE AG	EUR	1,024,616.64	1.29
10,658.00	VOLKSWAGEN AG-PREF	EUR	1,891,581.84	2.38
			10,643,873.14	13.39
Netherlands				
658,815.00	KONINKLIJKE KPN NV	EUR	1,798,564.95	2.26
51,462.00	SIGNIFY NV	EUR	2,098,620.36	2.64
			3,897,185.31	4.90
United Kingdom				
43,337.00	COCA-COLA EUROPACIFIC PARTNE	USD	2,131,784.00	2.68
1,287,547.00	ITV PLC	GBP	1,692,126.79	2.13
			3,823,910.79	4.81
United States				
696.00	ALPHABET INC-CL A	USD	1,773,385.96	2.23
5,934.00	MICROSOFT CORP	USD	1,755,253.19	2.21
			3,528,639.15	4.44
Jersey				
527,243.00	GLENCORE PLC	GBP	2,350,148.16	2.96
610,758.00	PETROFAC LTD	GBP	837,162.05	1.05
			3,187,310.21	4.01
Luxembourg				
315,143.00	SES	EUR	2,197,177.00	2.76
			2,197,177.00	2.76
Mexico				
292,574.00	PROMOTORA Y OPERADORA DE INF	MXN	2,005,992.46	2.52
			2,005,992.46	2.52
Italy				
418,496.00	UNIPOL GRUPPO SPA	EUR	1,999,992.38	2.52
			1,999,992.38	2.52
Portugal				
536,981.00	NOS SGPS	EUR	1,831,105.21	2.30
			1,831,105.21	2.30
Brazil				
968,034.00	CCR SA	BRL	1,769,751.10	2.23
			1,769,751.10	2.23

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Austria				
41,175.00	STRABAG SE-BR	EUR	1,509,063.75	1.90
			1,509,063.75	1.90
Money market instruments				
Spain				
2,500,000.00	LETRAS 0% 21-08/07/2022	EUR	2,507,950.00	3.16
			2,507,950.00	3.16
Total securities portfolio			68,403,754.47	86.08

Financial derivative instruments as at December 31, 2021

Quantity	Name	Currency	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Futures				
(70.00)	BRAZIL REAL FUTURE 31/01/2022	USD	6,156,552.33	(8,311.35)
10.00	EURO / GBP FUTURE 14/03/2022	GBP	1,486,007.75	(24,147.63)
50.00	EURO FX CURR FUT (CME) 14/03/2022	USD	5,496,921.72	31,002.64
(105.00)	MEXICAN PESO FUTURE 14/03/2022	USD	46,174,142.48	(60,026.39)
				(61,482.73)
Total Futures				(61,482.73)
Options				
60.00	PUT EURO STOXX 50 - OPTION 18/03/2022 41	EUR	765,202.95	46,860.00
				46,860.00
Total Options				46,860.00
Total financial derivative instruments				(14,622.73)

Summary of net assets

		% NAV
Total securities portfolio	68,403,754.47	86.08
Total financial derivative instruments	(14,622.73)	(0.02)
Cash at bank	11,411,457.72	14.36
Other assets and liabilities	(336,247.93)	(0.42)
Total net assets	79,464,341.53	100.00

The accompanying notes are an integral part of these financial statements.

CARTESIO FUNDS

Cartesio Funds Income (in EUR)

Statement of Net Assets as at December 31, 2021

	Notes	EUR
Assets		
Investment in securities at cost		93,239,615.10
Unrealised appreciation / (depreciation) on securities		3,236,788.82
Investment in securities at market value	2.2	96,476,403.92
Investment in option at market value	2.2	62,480.00
Cash at bank		11,727,951.48
Receivable on withholding tax reclaim		43,096.67
Other Receivables		19,848.14
Net unrealised appreciation on futures contracts	2.2	121,729.77
Dividends and interest receivable		224,728.52
Amortization of formation expenses		4,551.30
Total assets		108,680,789.80
Liabilities		
Bank overdraft		8.66
Accrued expenses		522,106.05
Payable on fund shares repurchased		6,084.76
Total liabilities		528,199.47
Net assets at the end of the year		108,152,590.33

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	EUR
Income		
Dividends (net of withholding taxes)		1,235,427.06
Interest on bonds		1,128,251.02
Bank interest		3.13
Other income		16,276.14
Total income		2,379,957.35
Expenses		
Investment Manager fees and management fees	4	1,032,565.85
Depositary fees	5	40,360.97
Performance fees		15,306.38
Research fees		55,153.13
Administration fees	6	69,080.12
Professional fees	8	114,231.94
Transaction costs	2.7	53,407.15
Taxe d'abonnement	7	27,166.43
Bank interest and charges		109,212.68
Amortization of formation expenses	9	3,935.23
Other expenses	8	74,427.31
Total expenses		1,594,847.19
Net investment income / (loss)		785,110.16
Net realised gain / (loss) on:		
Investments	2.2	(4,173,281.04)
Foreign currencies transactions	2.3	91,116.05
Futures contracts	2.2	(278,933.16)
Options	2.2	(1,549,139.83)
Net realised gain / (loss) for the year		(5,125,127.82)
Net change in unrealised appreciation / (depreciation) on:		
Investments		10,104,053.51
Futures contracts		159,369.18
Options		48,825.40
Increase / (Decrease) in net assets as a result of operations		5,187,120.27
Proceeds received on subscription of shares		27,920,556.82
Net amount paid on redemption of shares		(46,341,668.64)
Net assets at the beginning of the year		121,386,581.88
Net assets at the end of the year		108,152,590.33

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
Class "I"	727,231.44	91,985.03	(243,680.05)	575,536.42
Class "R"	399,736.92	149,517.38	(145,830.18)	403,424.12
Class "Z"	126,881.62	33,203.81	(73,738.71)	86,346.72

The accompanying notes are an integral part of these financial statements.

Cartesio Funds Income (in EUR)

Securities Portfolio as at December 31, 2021

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
France				
20,541.00	ATOS SE	EUR	768,027.99	0.71
68,976.00	CARREFOUR SA	EUR	1,110,858.48	1.03
78,462.00	EDF	EUR	810,512.46	0.75
71,639.00	ENGIE	EUR	932,309.95	0.86
14,378.00	FNAC DARTY SA	EUR	826,735.00	0.76
18,406.00	PUBLICIS GROUPE	EUR	1,089,635.20	1.01
12,343.00	THALES SA	EUR	923,256.40	0.85
34,193.00	TOTALENERGIES SE	EUR	1,526,033.59	1.42
13,930.00	UNIBAIL-RODAMCO-WESTFIELD	EUR	858,366.60	0.79
6,339.00	VINCI SA	EUR	588,956.49	0.54
			9,434,692.16	8.72
Spain				
309,562.00	BANCO SANTANDER SA	EUR	910,267.06	0.84
67,451.00	CIA DE DISTRIBUCION INTEGRAL	EUR	1,182,416.03	1.09
158,541.00	MERLIN PROPERTIES SOCIMI SA	EUR	1,517,237.37	1.40
900,936.00	OBRASCON HUARTE LAIN S.A.	EUR	918,954.72	0.85
126,130.00	REPSOL SA	EUR	1,316,292.68	1.22
1,464,374.00	UNICAJA BANCO SA	EUR	1,272,541.01	1.18
			7,117,708.87	6.58
Germany				
4,401.00	ALLIANZ AG REG	EUR	913,867.65	0.84
19,644.00	COVESTRO AG	EUR	1,064,704.80	0.98
37,869.00	FRESENIUS SE & CO KGAA	EUR	1,340,562.60	1.25
17,128.00	HEIDELBERGCEMENT AG	EUR	1,019,458.56	0.94
15,500.00	SOFTWARE AG	EUR	543,740.00	0.50
6,009.00	VOLKSWAGEN AG-PREF	EUR	1,066,477.32	0.99
			5,948,810.93	5.50
Netherlands				
365,388.00	KONINKLIJKE KPN NV	EUR	997,509.24	0.92
28,776.00	SIGNIFY NV	EUR	1,173,485.28	1.09
			2,170,994.52	2.01
United Kingdom				
23,943.00	COCA-COLA EUROPACIFIC PARTNE	USD	1,177,776.60	1.09
739,783.00	ITV PLC	GBP	972,241.51	0.90
			2,150,018.11	1.99
United States				
404.00	ALPHABET INC-CL A	USD	1,029,379.21	0.95
3,448.00	MICROSOFT CORP	USD	1,019,904.45	0.94
			2,049,283.66	1.89
Jersey				
290,252.00	GLENCORE PLC	GBP	1,293,777.63	1.20
378,432.00	PETROFAC LTD	GBP	518,714.31	0.48
			1,812,491.94	1.68
Luxembourg				
181,162.00	SES	EUR	1,263,061.46	1.17
			1,263,061.46	1.17
Mexico				
179,998.00	PROMOTORA Y OPERADORA DE INF	MXN	1,234,130.96	1.14
			1,234,130.96	1.14
Italy				
233,959.00	UNIPOL GRUPPO SPA	EUR	1,118,090.06	1.03
			1,118,090.06	1.03
Portugal				
302,163.00	NOS SGPS	EUR	1,030,375.83	0.95
			1,030,375.83	0.95
Brazil				
537,861.00	CCR SA	BRL	983,312.67	0.91
			983,312.67	0.91

Quantity/ Nominal	Name	Currency	Market value in EUR	% NAV
Austria				
25,073.00	STRABAG SE-BR	EUR	918,925.45	0.85
			918,925.45	0.85
			37,231,896.62	34.42
Money market instruments				
Spain				
100,000.00	LETRAS 0% 21-04/03/2022	EUR	100,122.00	0.09
15,000,000.00	LETRAS 0% 21-06/05/2022	EUR	15,033,150.00	13.91
15,000,000.00	LETRAS 0% 21-08/04/2022	EUR	15,026,100.00	13.89
100,000.00	LETRAS 0% 21-08/07/2022	EUR	100,318.00	0.09
1,000,000.00	LETRAS 0% 21-11/02/2022	EUR	1,000,870.00	0.93
5,000,000.00	LETRAS 0% 21-14/01/2022	EUR	5,001,250.00	4.62
			36,261,810.00	33.53
			36,261,810.00	33.53
Bonds and other debt instruments				
Spain				
1,800,000.00	BANKINTER SA 20-31/12/2060 FRN	EUR	2,021,472.00	1.86
2,400,000.00	CAIXABANK 18-31/12/2049 FRN	EUR	2,547,528.00	2.35
600,000.00	IBERCAJA 18-31/12/2049 FRN	EUR	630,894.00	0.58
1,300,000.00	NH HOTEL GRP 4% 21-02/07/2026	EUR	1,294,904.00	1.20
2,040,000.00	OHL OPERACIONES 6.6% 21-31/03/2026	EUR	1,912,768.47	1.77
2,000,000.00	UNICAJA ES 21-31/12/2061 FRN	EUR	1,987,500.00	1.84
			10,395,066.47	9.60
Italy				
2,000,000.00	INTESA SANPAOLO 15-29/12/2049 FRN	USD	1,970,149.52	1.82
3,250,000.00	UNICREDIT SPA 20-31/12/2060 FRN	EUR	3,117,562.50	2.89
1,000,000.00	UNIPOLSAI ASSICU 20-31/12/2060 FRN	EUR	1,139,420.00	1.05
			6,227,132.02	5.76
United Kingdom				
1,500,000.00	BRIT AMER TOBACC 21-27/09/2170 FRN	EUR	1,473,240.00	1.37
1,000,000.00	HSBC HOLDINGS 14-29/12/2049 FRN	USD	945,048.37	0.87
			2,418,288.37	2.24
Switzerland				
1,700,000.00	CREDIT SUISSE 14-29/12/2049 FRN	USD	1,596,744.06	1.48
			1,596,744.06	1.48
Jersey				
1,600,000.00	PETROFAC LTD 9.75% 15/11/2026	USD	1,412,756.38	1.31
			1,412,756.38	1.31
France				
1,000,000.00	AXA SA 04-29/10/2049 FRN	EUR	932,710.00	0.86
			932,710.00	0.86
			22,982,697.30	21.25
Total securities portfolio			96,476,403.92	89.20

Financial derivative instruments as at December 31, 2021

Quantity	Name	Currency	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Futures				
(50.00)	BRAZIL REAL FUTURE 31/01/2022	USD	4,397,537.38	(5,936.68)
10.00	EURO / GBP FUTURE 14/03/2022	GBP	1,486,007.75	(24,147.63)
35.00	EURO FX CURR FUT (CME) 14/03/2022	USD	3,847,845.21	21,701.85
(70.00)	EURO-BONO 10YR 6% 08/03/2022	EUR	7,471,940.00	167,271.42

The accompanying notes are an integral part of these financial statements.

Cartesio Funds Income (in EUR)

Financial derivative instruments as at December 31, 2021

Quantity	Name	Currency	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
(65.00)	MEXICAN PESO FUTURE 14/03/2022	USD	28,583,992.96	(37,159.19)
				121,729.77

Total Futures **121,729.77**

Quantity	Name	Currency	Commitment in EUR	Market value in EUR
Options				
80.00	PUT EURO STOXX 50 - OPTION 18/03/2022 41	EUR	1,037,464.24	62,480.00
				62,480.00

Total Options **62,480.00**

Total financial derivative instruments **184,209.77**

Summary of net assets

		% NAV
Total securities portfolio	96,476,403.92	89.20
Total financial derivative instruments	184,209.77	0.17
Cash at bank	11,727,942.82	10.84
Other assets and liabilities	(235,966.18)	(0.21)
Total net assets	108,152,590.33	100.00

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements as at December 31, 2021

Note 1. General Information

Cartesio Funds (the "Fund") is an investment company organised as a "Société Anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a "Société d'Investissement à Capital Variable" (SICAV). The Fund was incorporated in Luxembourg on August 26, 2019. The Articles of Incorporation of the Fund were initially published in the in the official gazette (RESA - *Recueil Électronique des Sociétés et Associations*) on September 6, 2019. The Fund qualifies as an undertaking for collective investment under Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment as amended from time to time (*loi concernant les organisme de placements collectifs*) (the "Law of 2010") and is managed by a management company. The Fund is registered with the Luxembourg Trade and Companies' Register (*Recueil des Sociétés et Associations*) ("RCS") under number B 237329.

The name of the Management Company has changed from MDO Management Company S.A. to Waystone Management Company (Lux) S.A. (effective date February 3, 2021), Waystone Management Company (Lux) S.A. is a "Société Anonyme" incorporated under Luxembourg law (the law of August 10, 1915 as amended December 5, 2017) for an unlimited period of time. The Management Company is registered under the *Registre de Commerce et des Sociétés Luxembourg* (the "RCS") with number B 96744. The Management Company was incorporated by a notarial deed dated October 23, 2003, published in the *Mémorial C, Recueil des Sociétés et Associations* (the "Memorial") number 1252 of November 26, 2003. As at the date of this Report, the share capital of the Management Company is EUR 2,450,000 and has been fully paid, and the UCITS funds under the management of the Management Company comply with the requirements of the amended Law of December 17, 2010.

The Management Company is registered on the official list of Luxembourg management companies governed by Chapter 15 of the amended Law of December 17, 2010.

As at December 31, 2021, the Fund has the following active Sub-Funds:

- Cartesio Funds Equity
- Cartesio Funds Income

There are three classes of Shares active as at December 31, 2021, namely Class "I", Class "R" and "Z" Shares. The Sub-Funds issue shares in dematerialised and registered form. The Sub-Funds only issue capitalisation Shares.

Note 2. Significant accounting policies

The financial statements of the Fund are presented in accordance with Luxembourg regulations relating to undertakings for collective investment in transferable securities. They are prepared in accordance with generally accepted accounting policies in Luxembourg.

2.1 Combined financial statements

The combined financial statements of Cartesio Funds are expressed in euro and are equal to the sum of the corresponding in the financial statements of each Sub-Fund converted into euro at the exchange rate prevailing at the end of the financial year.

2.2 Valuation rules

The value of the following assets is determined as follows:

- a) The value of any cash at bank or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof validated by the Board of Directors of the Fund.
- b) The value of securities and/or financial derivative instruments, which are listed or dealt in on any stock exchange, is based on the last available price on the stock exchange, which is normally the principal market for such assets.

Notes to the Financial Statements as at December 31, 2021 (continued)

Note 2. Significant accounting policies (continued)

2.2 Valuation rules (continued)

c) The value of assets dealt in any other Regulated Market is based on the last available price.

d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets are based on the reasonably foreseeable sales price determined prudently and in good faith validated by the Board of Directors of the Fund.

e) The liquidating value of options contracts not traded on stock exchanges or on other Regulated Markets means their net liquidating value determined, pursuant to the policies established by the Board of Directors of the Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets is based upon the last available closing or settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract cannot be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Fund may deem fair and reasonable.

f) Investments in UCITS and other UCIs are taken at their latest official net asset values or their latest unofficial net asset values (i.e. which are not generally used for the purposes of subscription and redemption of shares of the target funds) as provided by the relevant administrators if more recent than their official net asset values and for which the Administrative Agent has sufficient assurance that the valuation method used by the relevant administrator for said unofficial net asset values is coherent as compared to the official one.

If events have occurred which may have resulted in a material change of the net asset value of such shares or units of UCITS and/or other UCI since the day on which the latest official net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board of Directors, such change of value.

g) Non-listed money market instruments held by the Fund with a remaining maturity of ninety days or less are valued at the amortised cost method which approximates market value.

h) All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors of the Fund.

i) Futures contracts are valued based on the last available market price. Net realised gain or (loss) and net change in unrealised appreciation or (depreciation) on futures contracts are included in the Statement of Operations and Changes in Net Assets. The net unrealised appreciation or (depreciation) are recorded in the Statement of Net Assets. For the calculation of net holdings by currency on financial instruments, the holdings are converted at the exchange rate prevailing at the year end.

j) Established in good faith by the Board of Directors of the Fund, on a basis consistently applied. The liquidating value of options contracts traded on Regulated Markets or on other Regulated Markets is based upon the last available settlement prices of these contracts on regulated markets and organised markets on which the particular options contracts are traded; provided that if an options contract cannot be liquidated on such Luxembourg Banking Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract is such value as Board of Directors of the Fund may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable. The net unrealised appreciation or (depreciation) is included in the Statement of Net Assets and all net realised gain or (loss) and net changes in unrealised appreciation or (depreciation) are included in the Statement of Operations and Changes in Net Assets.

2.3 Foreign currency translation

The Financial Statements of the Fund include a consolidation of the Sub-Funds. These consolidated figures are expressed in "Euro" (EUR) all figures expressed in another currency being converted into EUR on the basis of the average rate the last know bid and offer rates on December 31, 2021.

At the end of the year, the investments' market value (determined as noted previously), the receivables, cash at banks and liabilities denominated in currencies other than the Sub-Fund's accounting currency are converted into that currency at the exchange rates prevailing at that date.

Income and charges expressed in currencies other than the currency at the exchange rate prevailing on the date of the transactions.

Net realised gain or (loss) on foreign currency transaction are recorded in the Statement of Operations and Changes in Net Asset.

2.4 Net realised gain or (loss) on investments

The net realised gain or (loss) on sales of investments is calculated on an average cost basis and is included in the Statement of Operations and Changes in Net Assets.

Notes to the Financial Statements as at December 31, 2021 (continued)

Note 2. Significant accounting policies (continued)

2.5 Expenses

Interest expenses are accounted for on accrual basis. Expenses are included in the Statement of Operations and Changes in Net Assets.

2.6 Dividends and interests

Dividends and interest received or paid by the Fund on its investments are in many cases subject to recoverable withholding taxes at source. The value of any dividends and interest declared or accrued as aforesaid and not yet received or paid is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full. Dividends are recognised as income net of withholding tax on the date the securities are first quoted ex-dividend to the extent the information is reasonably available to the Fund. Interest is accrued at each net asset valuation.

2.7 Transaction costs

The Fund incurred transaction costs which have been defined as brokerage fees, certain taxes and certain depositary fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. The global amounts of transaction costs are all taken into account through the Statement of Operations and Changes in Net Assets.

Note 3. Exchange rates as at December 31, 2021

The exchange rates used for the translation of the Fund's assets and liabilities not denominated in EUR are as follows:

1 Brazilian Real (BRL)	6.339600	EUR	1 New Mexican Peso (MXN)	23.336000	EUR
1 Danish Krone (DKK)	7.436600	EUR	1 Swedish Krone (SEK)	10.288100	EUR
1 Great Britain Pound (GBP)	0.841180	EUR	1 United States Dollar (USD)	1.137000	EUR
1 Japanese Yen (JPY)	130.380000	EUR	1 Swiss Franc (CHF)	1.037620	EUR

Note 4. Investment Manager fees, Management Company fees and performance fees

As compensation for its services the Investment Manager shall be entitled to the following commissions deducted from the net assets of the Sub-Fund a Delegate Manager's fee payable on advance on a quarterly basis and calculated on the basis of the average net assets of the Sub-Fund for the previous quarter of:

Sub-Fund	Class "I"	Class "R"	Class "Z"
Cartesio Funds Equity	1.50%	1.50%	0.75%
Cartesio Funds Income	0.95%	0.95%	0.50%

Amount and % of performance fees

Sub-Fund	Share Classes	Fund Currency	Amount of performance fees in Fund Currency	% of the average Net Assets per Share
Cartesio Funds Equity	Class "Z"	EUR	32,153.35	0.13
Cartesio Funds Income	Class "Z"	EUR	15,306.38	0.12

There is no equalisation mechanism to allocate the performance fee amongst different investors. No performance fee is payable or accrued if the fund's performance is negative during the calendar year.

If during three consecutive calendar years no performance fee is paid (the last NAV per shares calculated in December is below the high water-mark), the high water-mark is reset to the last December NAV per share. This reset will apply to all existing and new investors. Reset in case of losses will not be performed with interval less than 3 years. However, it should be noted that from 2022 onwards, such reset period will be extended from three to five years in accordance the Prospectus update filed by the Company with the CSSF on December, 2021 and registered with the CSSF on January 19th, 2022.

Under the Management Company Services Agreement, the Management Company is entitled to receive a variable fee based on the net assets of the relevant Sub-Fund, calculated at a maximum rate of 0.04% per annum, subject to a minimum annual fee of €20,000 per Sub-Fund. This fee will be calculated as the average of the month-end Net Asset Value of the previous quarter and invoiced quarterly in arrears.

Additional fees may be charged to the relevant Sub-Fund in relation to other ancillary services as may be agreed from time to time. In addition, the Management Company shall be entitled to receive from the Fund reimbursement for its reasonable cash disbursements, included but not limited to reasonable out-of-pocket expenses, incurred in the performance of its duties.

Notes to the Financial Statements as at December 31, 2021 (continued)

Note 5. Depositary and Paying Agent fees

The Board of Directors of the Fund has appointed BNP Paribas Securities Services - Luxembourg Branch as depositary and paying agent.

The Depositary and Paying Agent entitles to receive out of the assets of each Sub-Fund annual customary fees to equal to 0.09%, with a minimum monthly fee of 500 euros per Sub-Fund. They will be calculated by reference to the Net Asset Value of each Sub-Fund calculated on each Valuation Day and be payable monthly in arrears.

Further fees may be payable to the Depositary in consideration on ancillary services rendered to the Fund and relating to the core services of the Depositary. These fees will be paid directly out of the respective Sub-Fund's assets to the Depositary.

Note 6. Administrative Agent, Domiciliary Agent, Registrar and Transfer Agent fees

The Board of Directors of the Fund has appointed BNP Paribas Securities Services - Luxembourg Branch as Administrative Agent, Domiciliary Agent, Registrar and Transfer Agent.

The Administrative Agent, Domiciliary Agent, Registrar & Transfer Agent entitles to receive out of the assets of each Sub-Fund annual customary fees, calculated by reference to the Net Asset Value of each Sub-Fund calculated on each Valuation Day and be payable monthly in arrears. For the fund accounting services, the Administrative Agent is entitled to receive up to 0.05% per Sub-Fund, subject to a minimum annual fee of 2,000 euros per Sub-Fund. The Administrative Agent, Domiciliary Agent, Registrar & Transfer Agent Additional is entitled to further fees for additional services provided to the Fund, such as but not limited to transaction services, maintenance, reporting and domiciliation services, as agreed with the Fund.

Note 7. Taxe d'abonnement

Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax.

During the year, the Fund is liable to a subscription tax ("taxe d'abonnement") at a rate of 0.05% per annum on the Net Asset Value of each class with is available to all investors. This tax is reduced to 0.01% per annum of the Net Asset Value of each class which is restricted to institutional investors.

The "taxe d'abonnement" is not applicable in respect of asset invested in Luxembourg UCI's which are themselves subject to such tax. No stamp duty or other tax is payable in Luxembourg on the issue of shares in the Fund.

Note 8. Professional fees and other expenses

The caption "Professional fees" include mainly legal, audit fees and compliance fees.

The caption "Other expenses" is mainly composed of VAT (Value-Added Tax), regulatory fees.

Note 9. Formation expenses

The formation expenses of the Fund and the expenses relating to the creation of new Sub-Funds are capitalized and amortized over a period not exceeding five years, as permitted by Luxembourg law of July 30, 2013.

Note 10. Collateral and Clearing Broker

As at December 31, 2021, the Sub-Fund Cartesio Funds Equity held positions in futures contracts. The clearing broker is BNP Paribas Securities Services, Luxembourg Branch and the Sub-Fund not pledged any cash collateral.

As at December 31, 2021, the Sub-Fund Cartesio Funds Income held positions in futures contracts. The clearing broker is BNP Paribas Securities Services, Luxembourg Branch and the Sub-Fund not pledged any cash collateral.

As at December 31, 2021, the Sub-Fund Cartesio Funds Equity held positions in options contracts. The clearing broker is BNP Paribas Paris and the Sub-Fund not pledged any cash collateral.

As at December 31, 2021, the Sub-Fund Cartesio Funds Income held positions in options contracts. The clearing broker is BNP Paribas Paris and the Sub-Fund not pledged any cash collateral.

Note 11. Changes in the composition of the Securities Portfolio

The report on changes in the composition of the Securities Portfolio for each Sub-Fund during the year is available upon request and free of charge at the registered office of the SICAV.

Notes to the Financial Statements as at December 31, 2021 (continued)**Note 12. Subsequent event**

In February 2021 Russian Federation invaded Ukraine, which caused a sharp increase in the price of raw materials, both energy and food. Stock markets plummeted initially, although a recovery followed only some weeks later. Long-term public debt did not provide any shelter as long-term interest rates soared, discounting that the ECB has little room of action in the face of expectations and inflation data at highs for decades. Economic growth forecasts for 2022 have been lowered significantly, although they do not confirm a recession.

In this context, we have maintained the level of investment since the start of the Ukraine invasion and the portfolio has outperformed the market since the end of February and has performed considerably better so far this year. This explains why the funds outperformed its benchmark index during the first quarter of the year.

The Sub-funds do not have any direct exposure neither to Russia, Ukraine nor Bielrussian companies. Indirect exposure through interests of the invested companies is negligible.

Unaudited Information

Note 1. Remuneration Policy of the Management Company

The management company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <https://www.waystone.com/waystone-policies/>.

With respect to the financial year ended 31 December 2021 (as of that date, the management company had a headcount of 72 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to EUR 6'001'650 and to EUR 768'882 respectively. The total remuneration paid by the management company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3'383'679. The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the board of directors in the course of the financial year ended 31 December 2021, the current version being dated February 2021.

Note 2. Remuneration policy of the Delegated Investment Manager

The remuneration policy of the investment manager delegated complies with applicable laws and regulations. Its main purpose is to ensure that its remuneration structure is aligned with its interests and those of the collective investment schemes it manages. Moreover, it aims to avoid risk-taking which is unrelated to the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes mentioned above.

In order to deepen the remuneration policy of the investment manager delegated, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is defined, is available on request at the registered office of the management company.

As regards the financial year ended December 31, 2021 (as of that date, the investment manager delegated had a headcount of 13 employees) including the senior managers. The total remuneration paid by the management company to its headcount amounted to EUR 1,725,000, being EUR 1,320,000 the fixed remuneration and EUR 405,000 variable remuneration.

The total fixed remuneration paid by the investment manager delegated to senior management made up by three people has amounted EUR 600,000; a fixed remuneration amounting EUR 1,050,000 has being paid to six beneficiaries whose actions have a material impact on the risk profile of the collective investment schemes managed (such beneficiaries are the abovementioned senior management who are portfolio managers as well, two more portfolio managers and one employee devoted to risk control function).

In addition, the variable remuneration of the senior management has amounted EUR 150,000 while the total remuneration of the risk-takers plus the employee devoted to risk control function has amounted EUR 257,000.

Five staff members who are neither risk-takers nor are engaged in control functions received a variable remuneration amounting EUR 129,500. The employee in charge of the compliance function received a variable remuneration amounting EUR 18,000.

Variable remuneration is calculated on the basis of the global financial result of the delegated investment manager and on the basis of the individual performance of each employee (amongst the specific assessment criteria applicable to each employee it is worth to mention the achievement of individual goals, compliance with internal policies and procedures, teamworking, ability to enhance labour quality, etc).

There is not a direct link between the variable remuneration of any employee with the performance fee charged to the Sub-funds.

The remuneration policy of the delegated investment manager is reviewed on an annual basis by its board of directors. After such review it has been concluded that no modification is needed. Furthermore, the remuneration policy was adapted in the first quarter of 2021 to the new requirements stem from the EU Regulation 2019/2088 which applied from March 10th, 2021.

Note 3. SFT Regulation

During the year, the Fund did not engage in transactions which are the subject of EU Regulation No 2015/2365 on the transparency of Securities Financing Transactions and of Reuse. Accordingly, no global, concentration or transaction data, or information on the reuse or safekeeping of collateral is required to be reported.

Note 4. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")

Given that the EU regulatory framework on sustainability is still in process, the Sub-Funds do not currently promote environmental or social characteristics or have specific sustainable investment objectives. Their underlying investments do not take into account the EUR criteria for environmentally sustainable activities.

