

Cartesio

Pareturn Cartesio Income

Factsheet

Investment objective

Pareturn Cartesio Income replicates the investment strategy of Cartesio X. It seeks higher risk adjusted returns (Sharpe ratio) than Euro Government bonds (Bloomberg/EFFA Euro Gov 7-10 yr Index). Strong emphasis on capital protection.

Investment strategy

Equity exposure is limited to maximum 50% of assets, the rest is invested in bonds and cash. The fund targets a maximum, not guaranteed, annual volatility of 7%

Fund History

Cartesio X has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 4.51% p.a. against 4.07% p.a. total return for Long Term Euro Gov Bonds with a volatility of 3.1% (index 5.2%). On a five and three year basis the fund has returned 12.6% and 12.79% respectively against total returns of 24.24% and 11.78% respectively for Long Term Europe Gov Bonds with 62% 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.

January 2012

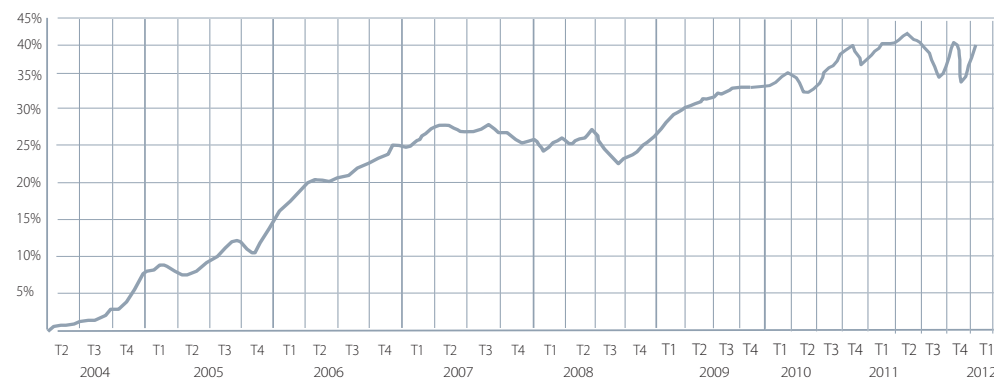
Pareturn Cartesio Income's inception date is 31st May 2011 and replicates the investment strategy of Cartesio X (inception date 31st March 2004). The fund starts the year up 2.72% and follows another strong performance in December (+2,41%), which means the losses since the end of May have now been recovered in full.

The fund's strong performance in the last two months reflects the steep falls experienced by

Spanish and Italian debt, both corporate and government, from July until November last year, and the impact of the liquidity operations undertaken by the ECB at the beginning of December. The fund's debt portfolio has enjoyed a strong recovery, being very exposed to Spanish and Italian corporates and the financial sector. The fund's 20% exposure to a rising stock market has also helped, but to a lesser extent.

The ECB's actions, as we argued last month, have extinguished the market's fears of disorderly deleveraging in the financial sector and the very severe fallout that would imply. By themselves they do not change our view that economic growth in countries affected by deleveraging and austerity will be impaired, but the systemic fear has taken a big step backwards.

Performance Chart Cartesio X



NAV
100.02

Assets:
7.75 m €

Performance	
2012	2.72%
Since Inception (%p.a.)*	4.13%

Risk / Return	
Volatility*	3,18%
Beta	0,32
Sharpe*	0,67

Asset Allocation	
Equity	19,0%
Bonds	67,0%
Cash	14,0%

Equity Sector Distribution	
Consumer Discretionary	16,9%
Utilities	14,8%
Tecnology	14,3%
Health	14,0%
Telecoms	10,9%

Main Holdings	
Covered BBVA 3,62% 01/2017	5,06%
Spanish Gov 3,25% 04/2016	4,49%
Gas Natural 5,62% 02/2017	4,05%
IPIC 4,87% 05/2016	4,02%
Lottomatica 5,37% 12/2016	3,21%

Investments/Divestments Equities	
Investments:	
Divestments:	

Market Returns	2012	TAE*
MSCI Pan Euro (Total Return)	3,5%	3,93%
Sharpe		0,07
Long Term Euro Gov. Bond)	2,648%	4,07%
Sharpe		0,32
Euro Gov T Bill	0,25%	2,39%

*Cartesio X (Inception 31st March '04)

Holdings

1	Covered BBVA 3,62% 01/2017	5,06%
2	Spanish Gov 3,25% 04/2016	4,49%
3	Gas Natural 5,62% 02/2017	4,05%
4	IPIC 4,87% 05/2016	4,02%
5	Lottomatica 5,37% 12/2016	3,21%
6	Caja Ahorros 5,12% 04/2016	2,69%
7	Iberdrola 4,75% 01/2016	2,68%
8	Amadeus 4,87% 07/2016	2,66%
9	Telefonica 4,96% 02/2016	2,66%
10	Brentag Finance 5,5% 07/2018	2,63%
11	Covered Bankinter 4,87% 01/2013	2,63%
12	Bankinter 4,87% 01/2013	2,63%
13	Abertis 4,62% 10/2016	2,58%
14	Banesto 4,08% 03/2016	2,51%
15	Suez 09/2049	2,44%
16	Pref BBVA Intl 10/2049	2,37%
17	Italcementi 5,37% 03/2020	2,19%
18	Italy BTPS 2,1% 09/2021	1,48%
19	RBS 4,87% 07/2015	1,33%
20	Campofrio 8,25% 10/2016	1,33%
21	Others	30,36%
22	Cash	14,0%
Total		100%

Main Holdings Equities

1	Novartis	1,1%
2	Intel Corp	0,9%
3	Ryanair	0,9%
4	Vodafone	0,8%
5	Pfizer	0,8%
6	Microsoft	0,8%
7	Publicis Groupe	0,8%
8	BBVA	0,8%
9	Unique Zurich Airport	0,8%
10	KPN	0,7%

Risk Adjusted Returns Cartesio X

	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	-0,8%	2,2%	4,9%	6,3%	78,7%	-1,5%
Q1	2,3%	-1,1%	2,7%	4,2%	65,7%	3,3%
Q2	0,5%	0,9%	2,5%	2,9%	85,3%	0,6%
Q3	-5,0%	5,0%	6,6%	7,2%	91,2%	-5,5%
Q4	1,5%	-2,4%	6,3%	9,0%	70,6%	1,9%
2012	3,2%	2,7%	5,8%	9,1%	64,0%	4,9%
Q1(Jan)	3,2%	2,7%	5,8%	9,1%	64,0%	4,9%
Total*	41,3%	36,7%	3,2%	5,2%	61,2%	

* Since March 2004
Index= Bloomberg/EFA Euro Gov Bond Index 7-10yr
M2= Theoretical return assuming the same volatility as the Index

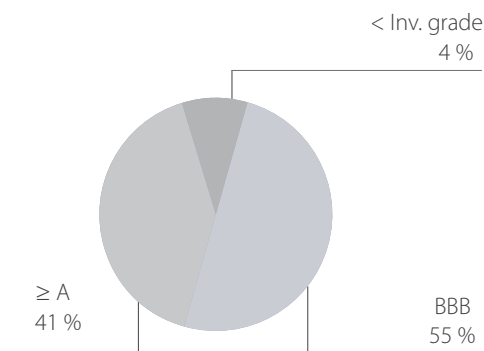
Bond Sector Distribution

A.- Government	7,9%
B.- B. Corporate	92,1%
Energy	0%
Materials	12,3%
Industrials	4,3%
Consumer Discretionary	7,5%
Consumer Staples	1,8%
Financials	44,8%
Telecoms	8,6%
Utilities/Infrastructures	12,9%

Valuation Data

Bonds		
	YTM	5,3%
	Duration	3 years
Equity		
	P/E	10,9x
	Div Yield	4,3%

Bond Rating Distribution



Fund Characteristics

Name: Pareturn Cartesio Income (Replicates Cartesio X)
ISIN: LU0581203592
Inception Date: 31/5/11
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
Auditor: Deloitte
Transfer Agent & Fund Administrator: BNP Securities Services
Fund Management Fee: 0.95%
Bloomberg: PCARINI

