



Cartesio

A Short Guide

Cartesio Funds

March 2004 - September 2024

Cartesio Inversiones SGIIC

About us

Cartesio is a fund management company registered and supervised by the Spanish Securities Exchange Commission (CNMV).

Two strategies:

Cartesio X / Cartesio Income - Capital Protection

Cartesio Y / Cartesio Equity - Risk adjusted Equities

€817m AUM as of 30/09/2024.

Differentiating Factors

The key factors that have characterised Cartesio since inception are:

- 1 Alignment of interest
- 2 Capital protection mindset
- 3 Active management
- 4 Two strategies
- 5 Low fees
- 6 Transparency

A Proven Investment Process

Cartesio offers a balanced approach between asset allocation and security selection to deliver superior risk-adjusted returns.

Team

A team of six investment professionals, led by the founding partners, actively manages the funds.

The funds

Luxembourg

Cartesio *Equity*

Risk Adjusted Equities



MORNINGSTAR	★★★★★	3 years
MORNINGSTAR	★★★	5 years
MORNINGSTAR	★★★★	10 years*
MORNINGSTAR	★★★★	Overall

*Ratings correspond to Cartesio Y and Cartesio X

- 5 Lipper Leader Total Return
- 4 Lipper Leader Consistent Return
- 1 Lipper Leader Preservation
- 5 Lipper Leader Expense

Cartesio *Income*

Capital Protection



MORNINGSTAR	★★★★★	3 years
MORNINGSTAR	★★★★★	5 years
MORNINGSTAR	★★★★★	10 years*
MORNINGSTAR	★★★★★	Overall

- 4 Lipper Leader Total Return
- 4 Lipper Leader Consistent Return
- 5 Lipper Leader Preservation
- 5 Lipper Leader Expense

Spain

Cartesio *Y*

Risk Adjusted Equities

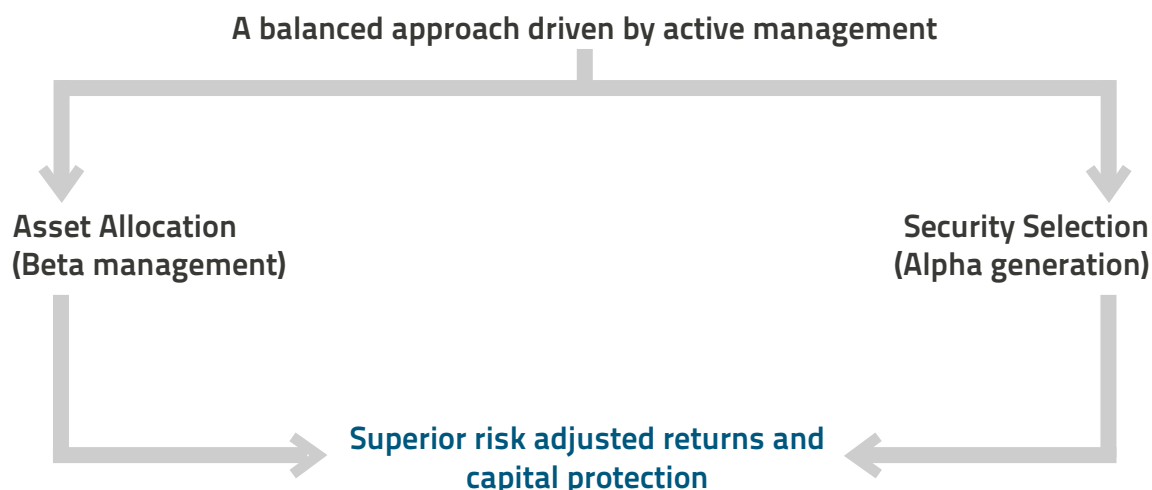
Cartesio *X*

Capital Protection

Awards

Track-record recognised by several prestigious awards. In 2023, Cartesio won the best EUR allocation fund award in Luxembourg and Spain with Cartesio Equity R (Cartesio Y) whereas Cartesio X was a finalist in Spain

Investment Process



Philosophy

- Only four asset classes: equities, government bonds, corporate debt and cash.
- Contrarian / Value. Search for investment opportunities outside the consensus.
- Screening of opportunities across the capital structure.
- Gradualist approach to portfolio construction. No trading.
- Long term, low rotation.
- Limited FX exposure.

Decision making

- Fundamental analysis. No automatic decisions based on technical analysis or quantitative models.
- Joint decision making by fund managers. Majority voting respected, no deadlock.
- Generalists. No sector or asset specialisation.
- Same incentives and objectives.
- No stop loss per position.

Equities

- Limited number of stocks in portfolio (30 - 40).
- Prefer value over growth. "Price" is the key factor.
- Quality of the business is an important factor.
- Prefer businesses easy to understand and value.
- Fundamental valuation: multiples, cash flow generation, value creation, DCF.
- Focused on mid to large caps.
- Avoid highly leveraged companies.

Bonds

- Diversification.
- Duration risk taken only at attractive nominal and real rates.
- Preference for liquid/benchmark issues of listed companies.
- Preference for issuers with "dividend protection".
- Prefer low credit risk in normal circumstances.
- Duration risk managed with bund futures.

Overview of the funds

SPAIN

Cartesio *γ*

Cartesio *x*

Type of client	Institucional y particular	Institucional y particular
Management fee	0,90%	0,65%
Performance fee	7,5%	7,5%
ISIN	ES0182527038	ES0116567035
Bloomberg code	MSCYACC SM	MSCXVDI SM

LUXEMBURGO

Cartesio *Equity*

Cartesio *Income*

Class type	Clase I	Clase R	Clase Z (Limpia)	Clase I	Clase R	Clase Z (Limpia)
Client type	Institucional	Particular (mandato discrecional)	Institucional y particular (mandato asesoramiento*)	Institucional	Particular (mandato discrecional)	Institucional y particular (mandato asesoramiento*)
Management fee	1,5%	1,5%	0,90%	0,95%	0,95%	0,65%
Performance fee	—	—	7,5%	—	—	7,5%
ISIN	LU1966822444	LU1966822527	LU1966822790	LU1966822873	LU1966822956	LU1966823095
Bloomberg code	CARTEQI LX	CARTEQR LX	CARTEQZ LX	CARTINI LX	CARTINR LX	CARTINZ LX

*the "Z" category is only available to (i) investors who have entered into a separate agreement with investment services providers which, according to regulatory requirements, are not allowed to accept and keep trail commissions and (ii) institutional investors exclusively investing on their own account

Investment Objective

- Long term capital appreciation in real terms.
- Higher risk adjusted returns (Sharpe Ratio) than European equities (MSCI Europe Net Total Return).
- Willingness to forego potential returns in order to protect capital.

Asset Allocation

- Total flexibility in equity exposure (0% - 100%) depending on market view and risk. Equities and cash are the only assets.
- Invests mainly in European equities. Some exposure to non european equities allowed by prospectus.

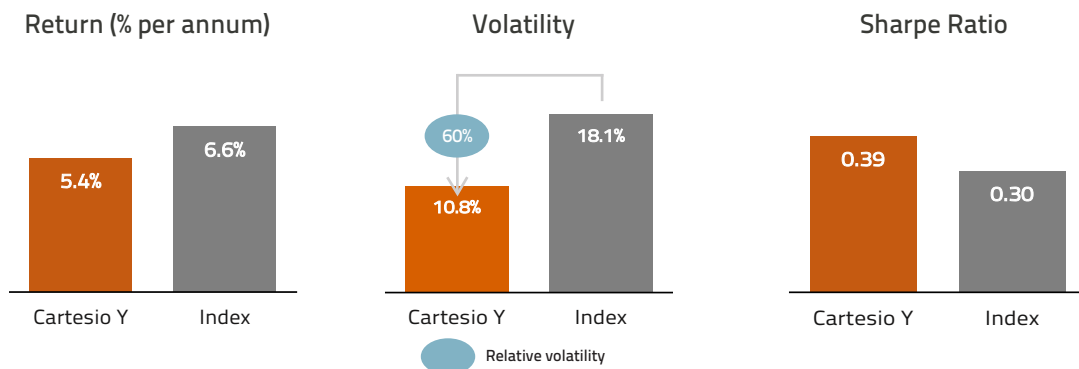
Risk

- Since inception volatility (10.8%) has been 60% of that of European equities.

Fees - Cartesio Y

- Management : 0.90% + 7.5% of annual positive performance (three years to recover losses before performance fee can be applied).
- Custody: Between 0.045% - 0.055%.

Risk adjusted returns since inception 31/03/2004



General Information

Assets:

Cartesio Y: 222m €

Cartesio Equity: 93m €

Inception Date

Cartesio Y: 31/03/2004

Cartesio Equity: 13/01/2020

Auditor

Deloitte

Administrator & Custodian

BNP Paribas

Ratings



MORNINGSTAR	★★★★★	3 years
MORNINGSTAR	★★★	5 years
MORNINGSTAR	★★★★	10 years
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- 5 Lipper Leader Total Return
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1 Risk Adjusted Returns

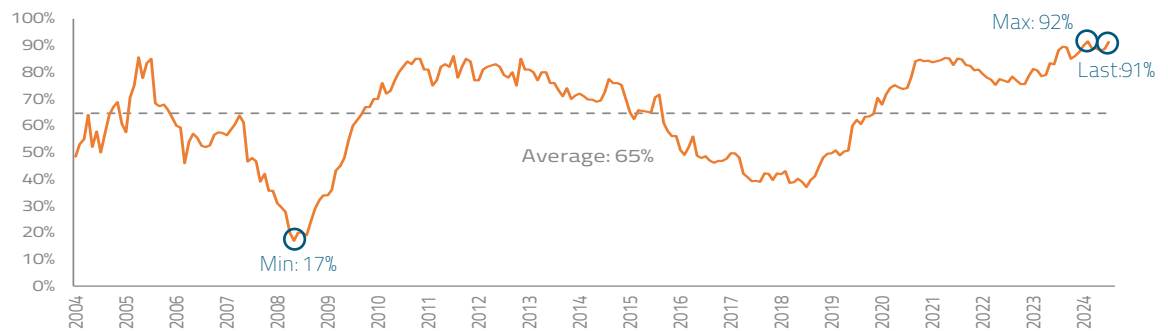
EVOLUTION - RETURN / RISK

	Returns		Volatility		Relative Volatility vs Index	M2*
	Fund	Index*	Fund	Index*		
2004 (since 31/3/04)	8.5%	8.3%	4.6%	11.5%	39.9%	18.9%
2005	12.4%	26.1%	6.0%	9.4%	64.2%	18.2%
2006	16.1%	19.6%	5.3%	12.7%	41.9%	34.6%
2007	2.2%	2.7%	6.9%	15.8%	43.4%	-0.1%
2008	-14.2%	-43.6%	13.1%	36.9%	35.4%	-48.3%
2009	16.0%	31.6%	8.2%	24.3%	33.9%	44.8%
2010	4.3%	11.1%	10.8%	18.5%	58.1%	6.9%
2011	-5.0%	-8.1%	16.6%	22.2%	74.7%	-7.4%
2012	7.8%	17.3%	11.7%	14.7%	79.4%	9.4%
2013	20.5%	19.8%	8.4%	11.9%	70.7%	28.8%
2014	4.4%	6.8%	9.6%	13.4%	71.7%	5.9%
2015	7.4%	8.2%	10.8%	20.3%	53.5%	13.8%
2016	0.9%	2.6%	10.5%	19.7%	53.4%	1.9%
2017	7.2%	10.2%	3.6%	8.4%	43.3%	17.3%
2018	-4.9%	-10.6%	5.1%	12.6%	40.7%	-11.4%
2019	10.0%	26.1%	6.9%	13.1%	52.9%	19.1%
2020	-6.7%	-3.3%	23.3%	28.5%	81.8%	-8.1%
2021	10.5%	25.1%	9.6%	12.4%	77.5%	13.7%
2022	-1.4%	-9.5%	14.5%	18.8%	76.9%	-1.7%
2023	11.3%	15.8%	9.4%	11.4%	82.5%	13.1%
2024 (september)	10.1%	11.6%	8.9%	10.4%	85.8%	11.3%
Total	192.3%	272.6%	10.8%	18.1%	59.9%	

* MSCI Pan-Europe Net Total Return M2 = Theoretical return assuming the same volatility as the index

* M2 = Expresses the theoretical performance of the fund adjusted for the index volatility

2 Equity Exposure (%)



3 Maximum Drawdowns

CARTESIO Y				
		Drawdown	Recovery	Max loss period
Dec 19 - Mar 20	-25.4%	3 months	12 months	15 months
Jun 07 - Feb 09	-19.1%	20 months	20 months	40 months
May 22 - Sep 22	-13.6%	4 months	4 months	8 months
RENTA VARIABLE EUROPEA (M7EU)*				
		Drawdown	Recovery	Max loss period
May 07 - March 09	-54.1%	21 months	59 months	81 months
Dec 19 - March 20	-22.6%	3 months	12 months	15 months
Feb 11 - Sep 11	-18.2%	7 months	13 months	20 months

*Total return basis (incl. dividends)

Investment Objective

- Long term capital appreciation in real terms.
- Higher risk adjusted returns (Sharpe Ratio) than long term Euro government bonds (Bloomberg Barclays Series-E Euro Govt 7-10 Yr Bond Index).
- Strong emphasis on capital protection.

Asset allocation

- Flexibility in bonds (0-100%), equity (0-40%) and Cash (0-100%).
- 30% maximum exposure to bonds below investment grade.
- The equity portfolio replicates that of the Cartesio Y fund.

Risk

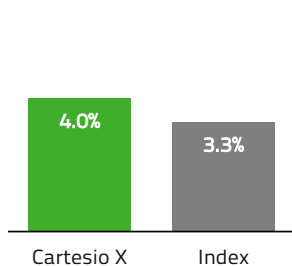
- Since inception volatility (4.0%) has been 76% of that registered by long term Euro government bonds.

Fees - Cartesio X

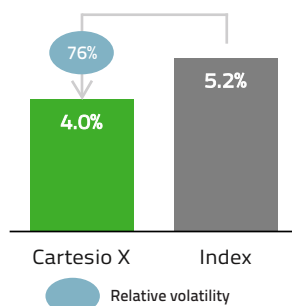
- Management : 0.65% + 7.5% of annual positive performance (watermark reset every three years at zero).
- Custody: Between 0.045% - 0.055%

Risk adjusted returns since inception 31/03/2004

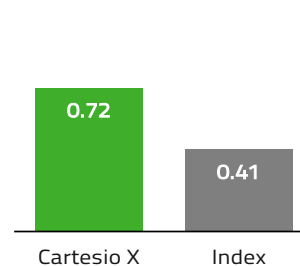
Performance - CAGR



Volatility:



Sharpe Ratio



General Information

Assets

Cartesio X: 298 m €

Cartesio Income: 204 m €

Inception Date

Cartesio X: 31/03/04

Cartesio Income: 13/01/2020

Auditor

Deloitte

Administrator & Custodian

BNP Paribas

Ratings



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1 Risk Adjusted Returns

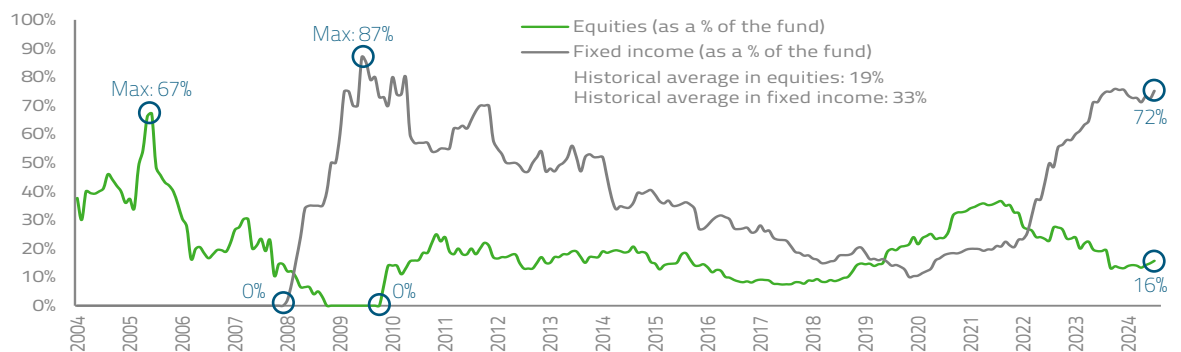
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2004 (since 31/3/04)	8.3%	5.5%	2.8%	3.4%	81.2%	9.9%
2005	5.8%	6.0%	4.0%	3.5%	113.2%	5.3%
2006	9.0%	-1.0%	2.2%	3.5%	62.7%	12.7%
2007	2.1%	1.8%	3.0%	3.7%	81.1%	1.6%
2008	-2.2%	10.8%	3.1%	6.1%	49.9%	-8.9%
2009	8.5%	4.7%	1.5%	5.1%	30.3%	25.0%
2010	2.1%	-0.3%	2.8%	4.7%	60.0%	3.0%
2011	-0.8%	2.2%	4.9%	6.3%	78.6%	-1.1%
2012	10.8%	14.9%	3.3%	4.8%	69.3%	14.9%
2013	9.5%	2.9%	2.7%	4.2%	63.8%	14.5%
2014	4.8%	16.9%	3.1%	3.4%	90.7%	5.3%
2015	1.9%	2.1%	3.8%	5.3%	71.6%	2.6%
2016	1.8%	3.7%	4.0%	4.0%	98.7%	1.8%
2017	3.6%	1.3%	1.1%	3.7%	31.0%	12.7%
2018	-3.2%	1.4%	1.8%	3.0%	58.4%	-5.2%
2019	4.6%	6.7%	2.6%	3.8%	70.0%	6.7%
2020	-1.9%	4.5%	9.2%	5.0%	183.9%	-1.2%
2021	5.2%	-2.9%	4.1%	3.7%	108.3%	4.8%
2022	-2.9%	-19.4%	6.8%	10.2%	67.0%	-4.1%
2023	10.3%	8.9%	4.5%	8.8%	51.0%	17.3%
2024 (september)	7.2%	2.4%	2.3%	5.7%	41.1%	13.6%
Total	124.2%	94.6%	4.0%	5.2%	76.2%	

Bloomberg Barclays Series-E Euro Govt 7-10 Yr M2 = Theoretical return assuming the same volatility as the index

* M2 = Expresses the theoretical performance of the fund adjusted for the index volatility

2 Equity and Fixed Income Exposure (%)



3 Maximum Drawdowns

CARTESIO X				
		Drawdown	Recovery	Max loss period
Dec 19 - Mar 20	-11.8%	3 months	12 months	15 months
May 22 - Sep 22	-8.7%	4 months	9 months	13 months
May 11 - Nov 11	-6.4%	6 months	3 months	9 months
BLOOMBERG BARCLAYS SERIES-E EURO GOVT 7-10 YR				
		Drawdown	Recovery	Max loss period
Dec 20 - Dec 22	-21.7%	24 months	—	—
Aug 10 - Nov 11	-7.9%	15 months	3 months	18 months
Mar 15 - Jun 15	-5.6%	7 months	10 months	17 months

Cartesio *Y* Cartesio *Equity* Cartesio *X* Cartesio *Income*

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