

April 2017

The fund is up 0.53% in April and 2.25% YTD. European equity markets have reached a new all-time high (with dividends reinvested), closing above the previous peak of May 2015. Our view remains that good economic and earnings momentum, a monetary policy still designed for an economic emergency and the feeling that this remains an unloved and underappreciated bull market, are positive factors that make a correction a difficult call. However, valuation and an overextended economic and stock market cycle in the US are very good reasons to be on guard and cautious. We maintain a conservative asset allocation versus the fund's history but we keep participating in the upside of the markets, as we remain partially invested and both the equity and bond portfolios are doing well.

On valuation, from a bottom up perspective, the upside in both our equity and bond portfolios has been significantly reduced in recent months. We may be guilty of demanding too high a return but that is the margin of safety we deem appropriate to be fully invested.

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 a maximum of 40% of assets, the balance is invested in bonds and cash.

Fund History

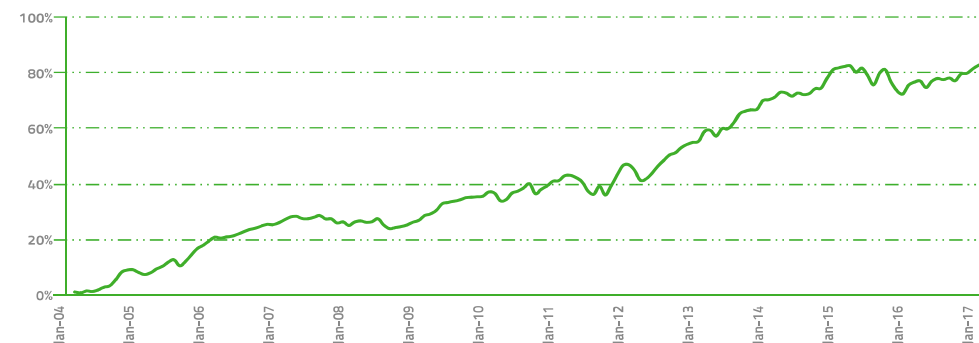
Cartesio X has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 4.8% p.a. against 5.2% p.a. total return for Long

Term Euro Gov Bonds with a volatility of 3.2% (index 4.6%). On a five and three year basis the fund has returned 28.2% and 8.1% respectively against total returns of 38.4% and 15.2% respectively for Long Term Eurozone Gov Bonds with 76% and 79% 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*



PERFORMANCE

2017	2.2%
Since Inception (p.a.)*	4.7%

RISK / RETURN

Volatility*	3.3%
Beta	0.21
Sharpe*	0.98

ASSET ALLOCATION

Equity	9.7%
Bonds	30.8%
Cash	59.5%

EQUITY SECTOR DISTRIBUTION

Consumer Discretionary	20.9%
Industrials	16.7%
Utilities	16.6%
Telecommunication Services	12.3%
Information Technology	9.9%

MAIN HOLDINGS

Generali Hybrid 2025	1.5%
Atradius Hybrid 2024	1.5%
Bankinter AT1 2021	1.5%
OHL 2022	1.3%
Alcoa 2020	1.3%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments: Continental

Divestments: -

MARKET RETURNS

	2017	Since 31/03/04
MSCI Pan Euro (Total return.)	7.4%	6.7% p.a.
Sharpe		0.27
Long Term Euro Gov. Bond	-0.6%	5.2% p.a.
Sharpe		0.79
Euro Gov T Bill	-0.2%	1.6% p.a.

* Inception 31st March '04. Cartesio X until May '11.

HOLDINGS		
1	Generali Hybrid 2025	1.5%
2	Atradius Hybrid 2024	1.5%
3	Bankinter AT1 2021	1.5%
4	OHL 2022	1.3%
5	Alcoa 2020	1.3%
6	Lloyds Bank AT1 2023	1.3%
7	Liberbank Hybrid 2022	1.3%
8	Telefónica Hybrid 2024	1.2%
9	Axa Hybrid 2019	1.2%
10	Hutchinson W. Hybrid 2018	1.2%
11	ING AT1 2020	1.2%
12	Orange Hybrid 2020	1.1%
13	Intesa Subordinated 2024	1.1%
14	Ibercaja 2025	1.1%
15	Gas Natural Hybrid 2022	1.0%
16	Standard Chartered AT1 2023	1.0%
17	Credit Suisse AT1 2024	1.0%
18	Santander UK AT1 2024	1.0%
19	America Movil Hybrid 2023	1.0%
20	Other (incl. Equity)	17.8%
21	Cash	59.5%
	Total	100%

MAIN HOLDINGS EQUITIES		
1	KPN	0.5%
2	Publicis	0.4%
3	Coface	0.4%
4	Telecom Italia	0.4%
5	Stagecoach	0.3%
6	Merlin Properties	0.3%
7	Hispania	0.3%
8	IAG	0.3%
9	Novartis	0.3%
10	Vinci	0.3%

RISK ADJUSTED RETURNS PARETURN CARTESIO INCOME*							
	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	0.9%	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%	3.7%	4.1%	4.0%	100.8%	1.6%	
2017	2.2%	-0.6%	1.4%	4.2%	32.6%	7.3%	
Q1	1.7%	-1.3%	1.3%	4.5%	28.9%	6.3%	
Q2 (Apr)	0.5%	0.8%	1.7%	3.3%	50.2%	1.1%	
Total	83.4%	93.5%	3.3%	4.6%	71.1%		

* Cartesio X until 5/2011 and Pareturn Cartesio Income onwards.
 ** Since March 2004
 Index= Bloomberg/EFA Euro Gov Bond Index 7-10yr
 M2= Theoretical return assuming the save volatility as the Index

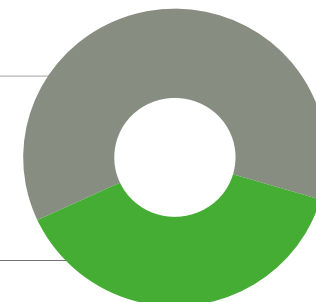
BOND SECTOR DISTRIBUTION	
Government	-
Consumer Discretionary	0.0%
Consumer Staples	2.0%
Energy	3.4%
Financials	61.2%
Industrials	8.1%
Materials	4.3%
Technology	4.2%
Telecoms	16.1%
Utilities/Infrastructures	0.0%

VALUATION DATA	
Bonds	
Portfolio YTM	4.4%
Portfolio Duration	2.5 years
Fund Duration	0.8 years
Equity	
P/E	15.9x
Div Yield	3.1%

Bond Rating Distribution

<Inv. grade
63%

≥BBB-
37%



Name
Pareturn Cartesio Income
(Replicates Cartesio X)

ISIN
LU0581203592

Inception Date
30/4/11

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



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

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

Transfer Agent & Fund Administrator
BNP Securities Services

Fund Management Fee
0.95%

Bloomberg
PCARINI

* All ratings apply to Cartesio X