

Cartesio *Equity*

Factsheet

NAV
160.28

Assets
98m €

June 2017

The fund is down 0.48% in June and up 5.62% YTD. Stable performance of the fund both in June and since the most recent peak in European equities in May, against a market which is down 4% from since mid-May with a 2.5% correction in June. A strong relative performance of our equity portfolio and our cash position explain this resilience. We do not have an insight as to whether a major correction is around the corner. We do see, however, the performance of the fund YTD, high valuations in the market and sense that investors are bullish after a strong rally in risk assets. This explains our high level of liquidity.

Long term interest rates have ticked up again but our view remains that they are far too low, taking into account the fundamentals in the European economies. Apart from an economic upswing with more room to run given the depth and length of the crisis in some Eurozone economies, it is becoming apparent that the political economy in the Eurozone offers an enticing combination of monetary accommodation, room for fiscal expansion and the prospect of economic and political reform. A sharp contrast with the US and the UK, mired in Trump World and Brexit Neverland respectively.

Investment objective

Pareturn Cartesio Equity replicates the investment strategy of Cartesio Y. It seeks higher risk adjusted returns (Sharpe ratio) than European Equities as represented by the MSCI Pan Euro Index. Willingness to forego potential returns in order to give an adequate capital protection.

Investment strategy

The fund can only hold equities and cash with total flexibility in its exposure to both assets. The fund has a long equity bias.

Fund History

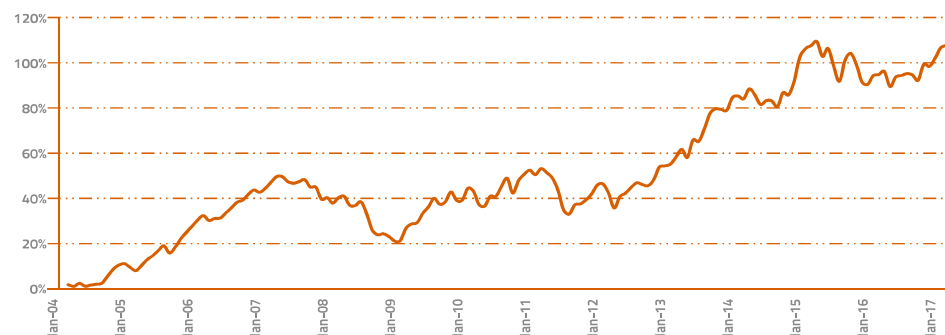
Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 6.2% p.a. against 6.6% p.a. total return for Pan-European equities with a volatility of

9.9% (index 19.2%). On a five and three year basis the fund has returned 51.8% and 14.6% respectively against total returns of 69.4% and 19.1% respectively for European equities with 61% and 55% respectively of the volatility experienced by the index.

Factors to consider

- The fund has a clear long bias with emphasis on capital protection over the medium term.
- The equity component is 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 moderate level of risk.

Performance Chart*



PERFORMANCE	
2017	5.6%
Since Inception (p.a.)*	5.8%

RISK / RETURN	
Volatility*	10.0%
Beta	0.50
Sharpe*	0.42

ASSET ALLOCATION	
Equity	40.8%
Cash	59.2%

SECTORIAL DISTRIBUTION	
Consumer Discretionary	26.9%
Industrials	16.4%
Utilities	15.9%
Telecommunication Services	12.0%
Real Estate	9.1%

MAIN HOLDINGS	
Publicis	2.0%
Telecom Italia	1.9%
Merlin Properties	1.7%
KPN	1.7%
Microsoft	1.6%

INVESTMENTS / DIVESTMENTS	
Investments: Hanesbrands, Goodyear	
Divestments: Gas Natural, SKY, Europcar OHL Mexico	

MARKET RETURNS	2017	Since 31/03/04
MSCI Pan Euro (Total return.)	6.7%	6.6% p.a.
Sharpe		0.26
Long Term Euro Gov. Bond	-0.3%	5.1% p.a.
Sharpe		0.78
Euro Gov T Bill	-0.3%	1.5% p.a.

* Inception 31st March '04. Cartesio Y until Jun '09.

HOLDINGS		
1	Publicis	2.0%
2	Telecom Italia	1.9%
3	Merlin Properties	1.7%
4	KPN	1.7%
5	Microsoft	1.6%
6	Engie	1.5%
7	Royal Dutch Shell	1.5%
8	NH Hotel Group	1.4%
9	Novartis	1.4%
10	Continental	1.4%
11	Ryanair	1.4%
12	TDC	1.3%
13	Stagecoach	1.3%
14	Vinci	1.3%
15	Hanesbrands	1.2%
16	Hispania	1.2%
17	Goodyear	1.2%
18	IAG	1.2%
19	Volkswagen	1.2%
20	Prysmian	1.1%
21	Other	12.6%
22	Cash	59.2%
Total		100%

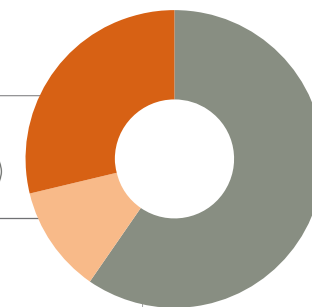
PORTFOLIO VALUATION	
P/E	16.2x
Div Yield	3.2%

RISK ADJUSTED RETURNS PARETURN CARTESIO EQUITY*							
	Returns		Volatility		Relative		M2
	Fund	Index	Fund	Index	Volatility		
2004**	8.5%	7.9%	4.6%	11.1%	41.2%	18.4%	
2005	12.4%	26.1%	6.0%	9.5%	63.1%	18.4%	
2006	16.1%	18.9%	5.3%	12.7%	41.9%	34.6%	
2007	2.2%	4.4%	6.9%	15.7%	43.7%	-0.2%	
2008	-14.2%	-42.5%	13.1%	37.3%	35.0%	-49.0%	
2009	16.0%	31.0%	8.2%	24.4%	33.7%	45.0%	
2010	3.5%	10.1%	11.0%	18.7%	58.5%	5.5%	
2011	-5.7%	-6.6%	16.3%	22.2%	73.7%	-8.4%	
2012	6.3%	17.3%	11.5%	14.7%	78.2%	7.7%	
2013	21.1%	19.6%	9.0%	12.2%	74.0%	28.3%	
2014	3.6%	7.0%	10.3%	13.4%	76.5%	4.6%	
2015	7.3%	7.3%	11.8%	20.7%	57.0%	12.7%	
2016	0.0%	3.6%	10.2%	19.8%	51.9%	0.2%	
2017	5.6%	6.7%	4.4%	8.4%	52.0%	11.0%	
Q1	3.7%	5.9%	3.9%	8.3%	46.9%	7.9%	
Q2	1.9%	0.7%	4.9%	8.6%	56.6%	3.4%	
Total	110.3%	133.0%	10.0%	19.2%	52.0%		
Index price only		45.6%					

* Cartesio Y until 12/2009 and Pareturn Cartesio Equity onwards
** Since March 2004
Index= MSCI Pan Euro Total Return // M2= Theoretical return assuming the save volatility as the Index

SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	26.9%	8.9%
2	Consumer Staples	0.0%	16.1%
3	Energy	3.6%	7.7%
4	Financials	1.7%	22.9%
5	Health Care	5.9%	14.4%
6	Industrials	16.4%	11.2%
7	Information Technology	8.4%	4.4%
8	Materials	0.0%	6.1%
9	Real Estate	9.1%	0.5%
10	Telecommunication Services	12.0%	4.3%
11	Utilities	15.9%	3.7%
Total		100%	100%

Market Cap Distribution

Small (<€3Bn)
28.7%Medium (€3 - €6Bn)
11.6%Large (>€6Bn)
59.6%

Name
Pareturn Cartesio Equity
(Replicates Cartesio Y)

ISIN
LU0406591452

Inception Date
30/6/09
(Cartesio Y 31/3/04)



MORNINGSTAR ★★★ 3 years

MORNINGSTAR ★★★★★ 5 years

MORNINGSTAR ★★★★★★ 10 years

MORNINGSTAR ★★★★★ Overall

Type
SICAV (UCITS III)

Benchmark
MSCI Pan Europe – Risk Adjusted

NAV frequency
Daily (Euros)

Fund Management Company
MDO Management Services

Fund Manager
Cartesio SGIC, S.A.

Custodian
BNP Paribas

Auditor
Deloitte

5 Lipper Leader Total Return

5 Lipper Leader Consistent Return

3 Lipper Leader Preservation

5 Lipper Leader Expense

Transfer Agent & Fund Administrator
BNP Securities Services

Fund Management Fee
1.5%

Bloomberg
PAR12BI LX

* All ratings apply to Cartesio Y