

Cartesio *Equity*

Factsheet

NAV
158.94

Assets
101m €

August 2017

The fund is down 0.51% in August and up 5.11% YTD. The European equity market is down 6% from its high in mid-May but at the same time high yield and subordinated financial credit are up 1.8% and 3.5% respectively since then. In other words, there is no confirmation of a risk off environment from credit even though it is true that long term government bonds have performed well since then. Our opinion remains that it is the strength of the euro (up nearly 10% against the dollar since the middle of May) that explains most of the weakness in equities since their recent high. Since European equities peaked in mid-May, the fund is down 1%. A good relative performance from the equity portfolio and ten points of more cash explains the good relative performance of the fund.

The reason for our conservative asset allocation (lowest equity exposure in the fund/ Cartesio Y since April 2009) is less to do with exchange rate moves and more with expensive valuations and the perception that the risks of a deeper correction remain. It is also true, however, that our current asset allocation is very unlikely to turn more conservative. We will be opportunistic if the market corrects further from current levels.

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

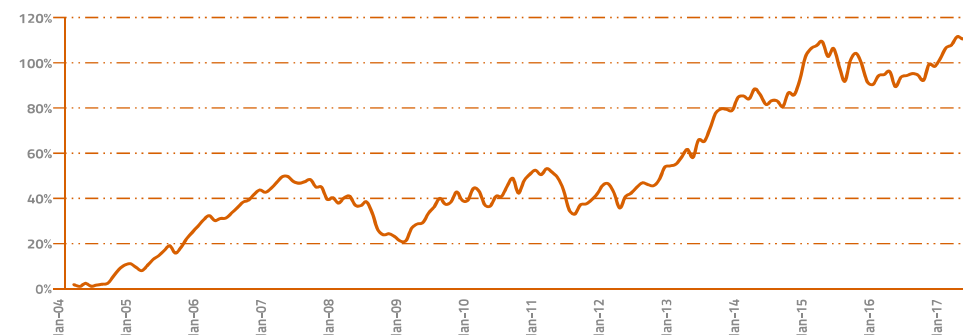
Cartesio Y has an overall Four Star Morningstar rating. Since inception (March 2004) it has returned 6.2% p.a. against 6.6% p.a. total return for Pan-European equities with a volatility of

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	5.1%
Since Inception (p.a.)*	5.7%

RISK / RETURN

Volatility*	10.0%
Beta	0.49
Sharpe*	0.42

ASSET ALLOCATION

Equity	37.9%
Cash	62.1%

SECTORIAL DISTRIBUTION

Consumer Discretionary	25.5%
Utilities	17.4%
Industrials	15.7%
Telecommunication Services	11.4%
Real Estate	9.6%

MAIN HOLDINGS

Telecom Italia	1.7%
Publicis	1.6%
Merlin Properties	1.6%
Microsoft	1.5%
Royal Dutch Shell	1.4%

INVESTMENTS / DIVESTMENTS

Investments: -

Divestments: -

MARKET RETURNS

	2017	Since 31/03/04
MSCI Pan Euro (Total return.)	5.1%	6.4% p.a.
Sharpe		0.25
Long Term Euro Gov. Bond	0.9%	5.2% p.a.
Sharpe		0.79
Euro Gov T Bill	-0.3%	1.5% p.a.

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

HOLDINGS		
1	Telecom Italia	1.7%
2	Publicis	1.6%
3	Merlin Properties	1.6%
4	Microsoft	1.5%
5	Royal Dutch Shell	1.4%
6	KPN	1.4%
7	Stroeer	1.4%
8	Continental	1.3%
9	Ryanair	1.3%
10	Vinci	1.3%
11	Novartis	1.2%
12	TDC	1.2%
13	Engie	1.2%
14	Hispania	1.1%
15	Prysmian	1.1%
16	Stagecoach	1.1%
17	Volkswagen	1.1%
18	OHL	1.0%
19	Hanesbrands	1.0%
20	IAG	1.0%
21	Other	12.5%
22	Cash	62.1%
Total		100%

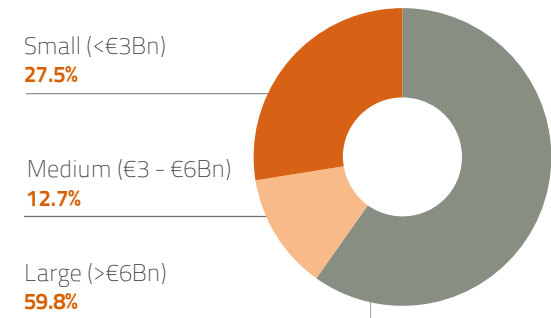
PORTFOLIO VALUATION	
P/E	17.3x
Div Yield	3.3%

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	5.1%	5.1%	4.3%	9.1%	47.2%	11.2%	
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%	
Q3 (Aug)	-0.5%	-1.5%	4.1%	10.7%	38.1%	-1.1%	
Total	109.3%	129.5%	10.0%	19.2%	51.9%		
Index price only		42.9%					

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

SECTOR DISTRIBUTION		FUND	MSPE
1	Consumer Discretionary	25.5%	8.8%
2	Consumer Staples	0.0%	16.2%
3	Energy	3.7%	7.8%
4	Financials	3.5%	22.8%
5	Health Care	4.8%	14.4%
6	Industrials	15.7%	10.6%
7	Information Technology	8.5%	4.5%
8	Materials	0.0%	6.4%
9	Real Estate	9.6%	0.5%
10	Telecommunication Services	11.4%	4.3%
11	Utilities	17.4%	3.9%
Total		100%	100%

Market Cap Distribution



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