

CartesioIncome

Réplica Luxemburgo

The fund is up 1.65% in May 4.2% YTD. Significant outperformance of the equity portfolio in a month where equity markets (European and US) make up the losses following Trump's "liberation day".

We maintain a healthy dose of skepticism and inaction when it comes to tariff or economic policy announcements by the Trump administration. We have, so far, tended to react with a contrarian stance in asset allocation more than anything.

We have reduced equity exposure to 11% (13% in April) but we maintain exposure to credit at 74%. YTC of the bond portfolio is at 4.7% with a running yield of 5.4 and duration of four years.

Dollar weakness, lower oil, and commodity prices, coupled with the tariff induced demand shock, are contributing to lower inflation in the Eurozone and a dovish ECB. This is bringing rates lower short/medium rates although we think the impact on long rates will remain subdued because of expansionary fiscal policy in Germany and no obvious signs of fiscal consolidation in the rest of the Eurozone.

Lower rates and credit spreads have helped the performance of our credit portfolio. We have been managing the portfolio actively to pick up yield without increasing duration. It is becoming increasingly difficult to achieve this. Like in equities, we will be patient and vigilant to look for the right moment and opportunities to increase risk. In

the meantime, we remain well invested in credit and with significant downside protection in the equity portfolio.

Investment objective

Cartesio Income replicates the investment strategy of Cartesio X. It seeks higher risk adjusted returns (Sharpe ratio) than Euro Government bonds (Bloomberg Series-E Euro Govt 7-10 Yr Bond 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 Five Star Morningstar rating. Since inception (March 2004) it has returned 4.2% p.a. against 3.2% p.a. total return for Long Term Euro Gov Bonds with a volatility of 4.0% (index 5.2%). On a three and five

Performance Chart**



**Chart relates to past data. Past performance does not guarantee future returns.

Capital protection

NAV (Class I)
122.63

Assets
294m €

year basis the fund has returned 20.3% and 36.9% respectively against total returns of 1.8% and -8.6% respectively for Long Term Eurozone Gov Bonds with 54% and 72% 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

2025	4.2%
Since Inception (p.a.)*	4.0%

RISK / RETURN

Volatility*	4.1%
Beta	0.23
Sharpe*	0.69

ASSET ALLOCATION

Fixed Income	73.7%
Equity*	9.8%
Cash	16.5%

*Weight net of derivatives

FIXED INCOME METRICS	WEIGHT	YTC	Dur*
Total	73.7%	4.7%	4.1
Investment Grade	47.4%	4.5%	4.5
Senior	18.8%	3.7%	4.1
Hybrid	17.7%	4.4%	4.4
AT1/RT1	11.0%	6.1%	5.2
Non-Investment Grade	26.2%	5.1%	3.4
Senior	6.5%	3.6%	2.4
Hybrid	10.0%	5.5%	3.5
AT1/RT1	9.7%	5.8%	4.3

*Modified Duration

MAIN HOLDINGS

Enel Hybrid 2028	1.8%
ENI Hybrid PERP	1.8%
AutoStrade senior 2032	1.6%
EDF Hybrid 2028	1.6%
Ceconomy Senior 2029	1.5%

INVESTMENTS/DIVESTMENTS EQUITIES

Investments: Uniqa Insurance Group
Divestments: Coca-cola Europacific Partners

MARKET RETURNS

	2025	Since 31/03/04
MSCI Euro Net Total Return	10.0%	6.7% p.a.
Sharpe		0.31
Euro Gov. Bond (7-10y)*	1.5%	3.2% p.a.
Sharpe		0.39
Euro Gov. Bond (<1y)*	1.1%	1.2% p.a.

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

*Euro Gov. Bond (7-10y): Bloomberg Series-E Euro Govt 7-10 Yr Bond Index

*Euro Gov. Bond (<1y): EGB0 Index (ICE BofA Euro Treasury Bill Index)

HOLDINGS		
1	Enel Hybrid 2028	1.8%
2	ENI Hybrid PERP	1.8%
3	AutoStrade senior 2032	1.6%
4	EDF Hybrid 2028	1.6%
5	Ceconomy Senior 2029	1.5%
6	Scandinavian Sr Unsecured 2029	1.5%
7	Abertis Hybrid 2029	1.5%
8	CEPSA Sr Unsecured 2031	1.5%
9	CNP CoCo Perpetual	1.5%
10	VW Hybrid 3.748%	1.5%
11	Abanca AT1 10.625	1.4%
12	Unibail Hybrid 2031	1.4%
13	Aviva RT1 2032	1.4%
14	Air France Híbrido PERP	1.4%
15	EDP Híbrido 2055	1.4%
16	ENGIE Hybrid Perpetual	1.3%
17	Fibercop Secured 2028	1.3%
18	Teleperformance senior 31	1.3%
19	Prysmian Híbrido PERP	1.3%
20	Other (including: Equities)	55.8%
21	Cash	16.5%
Total		100%

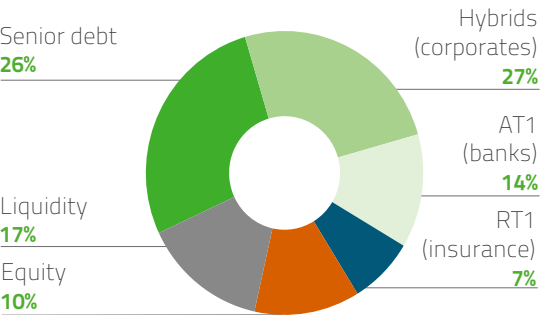
VALUATION DATA	
Bonds	
Portfolio YTC	4.6%
Running Yield	5.4%
Portfolio Duration	4.1 years
Fund Duration	3.0 years
Equity	
P/E	10.8x
Div Yield	5.3%

MAIN HOLDINGS EQUITIES		
1	Merlin Properties	0.6%
2	BAT	0.4%
3	AXA	0.4%
4	Publicis	0.4%
5	Santander	0.4%
6	Repsol	0.4%
7	Acerinox	0.4%
8	BMP5	0.4%
9	Gruppo Unipol	0.3%
10	ITV	0.3%

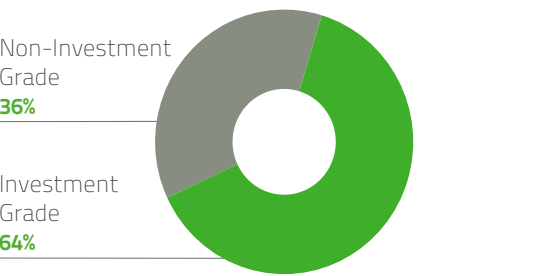
Capital protection	NAV (Class I)	Assets
	122.63	294m €

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%	3.5%	4.1%	4.0%	100.8%		1.6%
2017	3.9%	1.3%	1.4%	3.7%	36.9%		11.3%
2018	-3.7%	1.4%	1.8%	3.0%	59.6%		-6.0%
2019	4.3%	6.7%	2.7%	3.8%	70.7%		6.2%
2020	-3.5%	4.5%	9.9%	5.0%	198.8%		-2.0%
2021	4.9%	-2.9%	4.2%	3.7%	111.9%		4.3%
2022	-3.4%	-19.4%	6.8%	10.2%	66.9%		-4.7%
2023	10.2%	8.9%	4.7%	8.8%	53.8%		16.4%
2024	8.4%	1.8%	2.7%	5.5%	48.5%		13.4%
Q1	2.2%	-0.7%	2.1%	5.7%	37.1%		4.6%
Q2	1.2%	-1.4%	2.7%	6.5%	40.7%		1.6%
Q3	3.8%	4.6%	2.8%	4.6%	60.9%		5.6%
Q4	1.2%	-0.6%	2.4%	4.6%	52.0%		1.6%
2025	4.2%	1.5%	3.8%	5.6%	67.6%		5.7%
Q1	1.8%	-1.1%	2.4%	6.4%	38.4%		3.7%
Q2 (May)	2.3%	2.6%	5.3%	4.2%	124.7%		1.9%
Total	128.2%	96.4%	4.1%	5.2%	77.8%		

FUND PORTFOLIO BREAKDOWN



BOND RATING DISTRIBUTION OF THE PORTFOLIO



Name
Cartesio Income (Replicates Cartesio X)

ISIN
LU1966822873 (Class I)
LU1966822956 (Class R)
LU1966823095 (Class Z)

Bloomberg
CARTINI LX / CARTINR LX / CARTINZ LX

Benchmark
Bloomberg Euro Gov Bond Index 7-10 yr – Risk Adjusted

Fund Manager
Cartesio SGIC, S.A.

Custodian
BNP Paribas

Auditor
Deloitte

Depository
BNP Securities Services

Bronze

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

Fund Management Fee
1.0% – Class I & Class R
0.65%+ 7.5% performance fee – Class Z
*All ratings apply to Cartesio X