

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (EUR)

As at end of August 2015

Investment profile

Assets class : global bonds

BM : 50% Citi WorldBIG TR, 50% Citi WorldBIG EUR TR; currency: 85% EUR

Reference currency : EUR

Minimum credit rating : «Investment Grade» (BBB-)

Investment style : traditionnel, active, fundamental

Type of investment : sustainable, integrating ESG criteria

Securities / Number of positions : Single Bonds / 53

Approach : top down and bottom up

Duration : min. 2 Y – max. 10 Y

Foreign currency : min. 0% - max. 30%

NAV 31.08.2015 : EUR 102.03

ISIN / Telekurs : class S : LU1121107475 / 25648531

class I : LU1121107558 / 25648534

Subscription / Redemption : T+3 / T+5

Minimum investment : EUR 10'000 (S) / EUR 100'000 (I)

Dividend distribution : capitalisation

Classes : S, Z, I

Management fees / TER (p.a.) : S : 0.8% / 1.0%; I : 0.4% / 0.6%

Domicile : Luxembourg

Registration : Switzerland, Luxembourg, France

Representative / Correspondent : Carnegie Fund Services / BNP Paribas

Legal form : SICAV - UCITS - open fund

Manager and promoter : 1875 FINANCE, Switzerland - FINMA regulated

Custodian bank : Pictet & Cie (Europe) S.A.

Administrator and transfer agent : FundPartner Solutions (Europe) S.A.

Auditor : Ernst & Young, Luxembourg

Date of inception : December 2014 the 15th

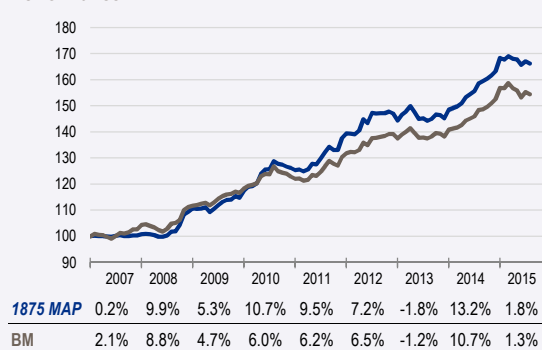
Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Sep.15	Aug.15
Short term	0%	0%	70%	7%	11%
EUR	50%	20%	70%	44%	43%
Duration EUR	6	2	8	5	4
USD	32%	10%	50%	35%	33%
Duration USD	5	2	8	6	5
CHF	0%	0%	5%	2%	1%
Duration CHF	5.1	2	8	7	6
GBP	4%	0%	10%	4%	4%
Duration GBP	9	2	10	10	9
JPY	11%	0%	20%	4%	3%
Duration JPY	9	2	10	4	3
Miscellaneous	3%	0%	20%	4%	5%
Duration Miscell.	6	2	8	6	6

Currency ¹	BM	Margins		1875 MAP	
		Min.	Max.	Sep.15	Aug.15
EUR	85%	70%	100%	92%	90%
Foreign	15%	0%	30%	8%	10%

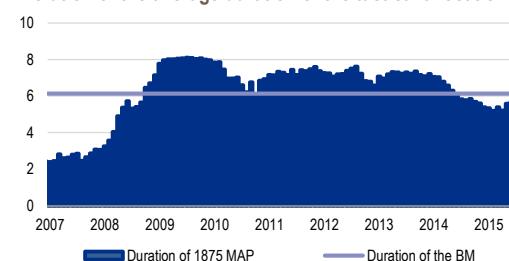
¹ after hedge

Performance



pro forma performances until December 2014

Evolution of the average duration of the tactical allocation



Statistics

	1875 MAP	BM
Annual return (2006-2014)*	6.67%	5.42%
Return 2015 (MAP Fund)	1.76%	1.28%
Return August 2015 (MAP Fund)	-0.56%	-0.54%
Maximum Monthly Drawdown*	-1.91%	-1.71%
Volatility*	3.86%	3.48%
Tracking-error*	0.00%	-
Sharpe ratio* [†]	1.20	1.08
Sortino ratio* [†]	3.33	2.57
ESG rating (MAP Fund)	-	-

[†] average risk-free rate : 1.39

* pro forma statistics

Investment strategy

Generate regular income while giving special attention to capital preservation in periods of rising yields and appreciation of the Euro.

Investment philosophy and process

Provide sustainable asset management, generating superior performances versus the domestic bond market through increased international diversification, without increasing risks thanks to dynamic risk management of interest rates, issuer categories and currencies. This dynamic risk management is provided by a multifactorial model (1875 MAP).

Investment policy

In spite of increased risk aversion from investors as well as economic and financial uncertainty in China, government bonds from developed countries have not appreciated but instead consolidated. In anticipation of the US interest hike, the US Treasury bills have evolved sideways, while their Euro zone equivalents have depreciated. We observe the continued rise of bonds denominated in CHF, SEK and AUD. Emerging debt has once again underperformed compared to developed bonds, being penalized by high capital outflows. As for credit allocation, rising credit risk premium caused government bonds to outperform corporate bonds with high yield bonds being the most penalized.

The fund depreciated by -0.56%, in line with its benchmark (-0.54%).

Notwithstanding their persistent overvaluation, bonds remain selectively overweight or with longer duration than market indices. Backed by deflation and weak nominal growth, they are now an attractive alternative to cash. Concerning allocation, we are currently overweight bonds in CHF, AUD and NOK. Exposure is neutral in assets denominated in USD, GBP as well as CAD. JPY and to a lesser extent, EUR securities are kept underweight. We still do not favour inflation-linked instruments (TIPS). Regarding credit allocation, US Corporate bonds are still underweight vs. US government instruments, while European corporate bonds are overweight vs. government paper.

Investment objectives

Financial : outperform the benchmark over 2 years to provide excess return and yield complementary to the domestic bond market.

Economic : optimally allocate capital by integrating ESG criteria for the selection of issuers.

Risk profile

Low risk, ensured by a constant and asymmetric distribution of returns generated by a reduced exposure to interest rate risk during rising cost of capital periods and a concentration on the EUR during declining foreign currencies periods.

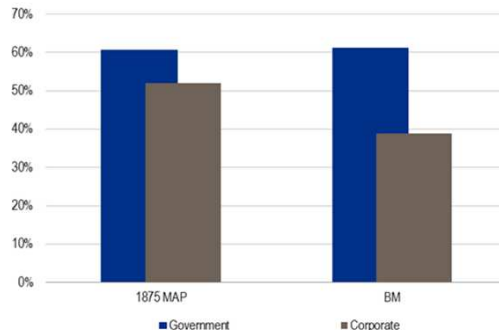


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Sources of return (in order of importance)



Glossary

1875 MAP *Market Allocation Process: tactical allocation defined by the 1875 FINANCE process*

APT *Portfolio optimization and risk measurement software developed by Sungard*

BM *Benchmark*

Citigroup WorldBIG *Citigroup World Broad Investment Grade Bond index*

PRI *Principles for Responsible Investments*

About 1875 FINANCE

1875 FINANCE is positioned as both an innovative company and a guardian of the Geneva financial tradition, building its difference on three business lines, institutional asset management, private banking and multi family office. As a PRI signatory, 1875 FINANCE provides effective sustainable asset management integrating environmental (E), social (S) and governance (G) criteria for all asset classes. Using a unique proprietary model, 1875 MAP, dedicated to dynamic tactical allocation management, and relying for the selection of titles on the analysis of partners who are pioneers and key players in sustainable investing, 1875 FINANCE offers to pension funds both balanced management and overlay services, but also global equity and global bond mandates.



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