

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (CHF)

As at end of September 2015

Investment profile

Assets class : global bonds

BM : 60% Citi WorldBIG TR, 40% SBI TR - currency: 95% CHF

Reference currency : CHF

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

Investment style : long only, active, fundamental

Type of investment : sustainable, integrating ESG criteria

Number of holdings : 78 securities

Approach : top down and bottom up

Duration : min. 2 Y – max. 8 Y

Foreign currency : min. 0% - max. 20%

NAV 30.09.2015 : CHF 99.33

ISIN / Telekurs : class S : LU1121107046 / 25648371

class I : LU1121107129 / 25648374

Subscription / Redemption : D+3 / D+5

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

Dividend distribution : capitalization

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

Initiator and manager : 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 15, 2014

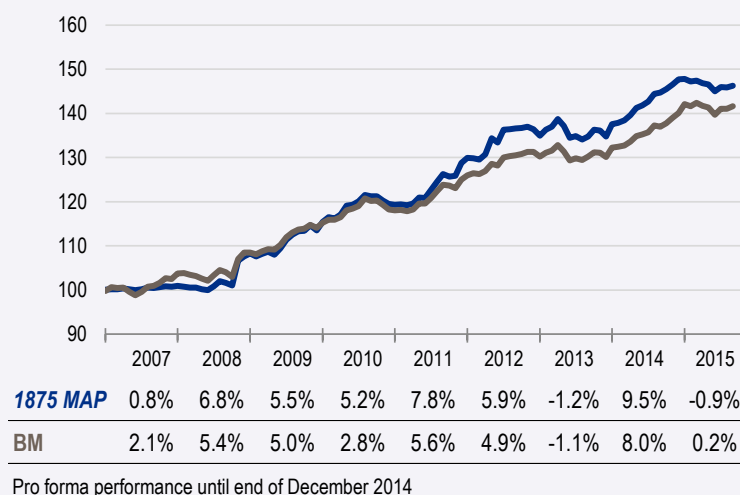
Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Oct.15	Sep.15
Short term	0%	0%	70%	0%	0%
CHF	40%	10%	60%	45%	46%
Duration CHF	6	2	8	7	8
USD	26%	15%	50%	28%	30%
Duration USD	5	2	8	5	6
EUR	20%	5%	40%	15%	15%
Duration EUR	6	2	8	4	5
GBP	3%	0%	10%	4%	3%
Duration GBP	9	2	10	10	10
JPY	9%	0%	20%	3%	3%
Duration JPY	9	2	10	4	4
Miscellaneous	2%	0%	20%	5%	3%
Duration Miscell.	6	2	8	7	6

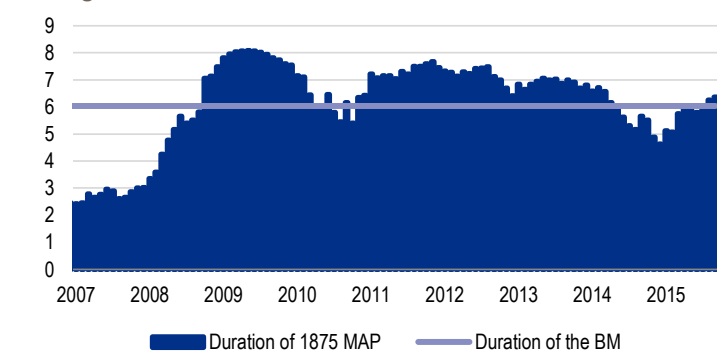
Currency ¹	BM	Margins		1875 MAP	
		Min.	Max.	Oct.15	Sep.15
CHF	95%	80%	100%	98%	97%
Foreign	5%	0%	20%	2%	3%

¹ after hedge

Performance



Average duration



Statistics

	1875 MAP	BM
Annual return (2006-2014)*	4.99%	4.05%
YTD	-0.94%	0.21%
September 2015	0.30%	0.36%
Maximum monthly drawdown*	-1.66%	-1.48%
Volatility*	2.86%	2.76%
Tracking-error*	1.05%	-
Sharpe ratio* ¹	1.38	1.25
Sortino ratio* ¹	3.30	2.57

¹ average risk-free rate (%) : 0.60

* pro forma statistics

Investment strategy

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

Investment philosophy and process

Provide sustainable asset management, generating superior performances versus the Swiss 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

The increase in risk aversion and reduction in inflation anticipations have somewhat sustained government bonds in developed countries. GBP (1.29%), EUR (1.10%) and USD (0.85%) bonds posted the larger gains. Securities in CHF evolved sideways (0.22%) while those in SEK were down (-0.38%). On the contrary, emerging securities kept on underperforming, penalized by capital outflows. Private issuers were once again affected by rising credit risk premiums, high-yield bonds having been the most affected. Foreign-exchange markets saw the yen reinforcement (1.30%) and the continuation of the downward trend in emerging currencies. Commodities-sensitive currencies lost ground (CAD -1.41%, AUD -1.49%). USD appreciated slightly vs. EUR, which in turn was stronger against GBP (1.21%) and CHF (0.61%).

The fund appreciated by 0.30%, in line with its benchmark (0.36%).

1875 MAP is neutral on bonds in spite of their overvaluation. In times of deflation and weak nominal growth, they remain an attractive alternative to cash investments. Bonds in CHF are overweight due to persisting deflationist pressure, as those in AUD, NOK and now GBP because of weakening growth perspectives. The model is neutral on CAD-denominated bonds and underweight in JPY denominated and to a lesser extent those in EUR. USD investments are underweight due to the deterioration of their valuation level. Regarding credit, the underweight of USD private bonds is strengthened and benefits Treasury bills, while European corporates issuers are overweight vs. governments. Regarding currencies, the overweight of CHF vs USD has been reinforced due to the narrowing interest rate differential and to the increase of USD overvaluation. EUR remains underweight vs CHF, as the lowest EUR risk premium offsets the yield differential narrowing and the fading CHF overvaluation.

Investment objectives

Financial : outperform the benchmark over 2 years to provide excess return and yield complementary to the Swiss Bond Index (SBI).

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

Risk profile

Steady and asymmetrical distribution of returns through reduced market exposures during high-risk periods.

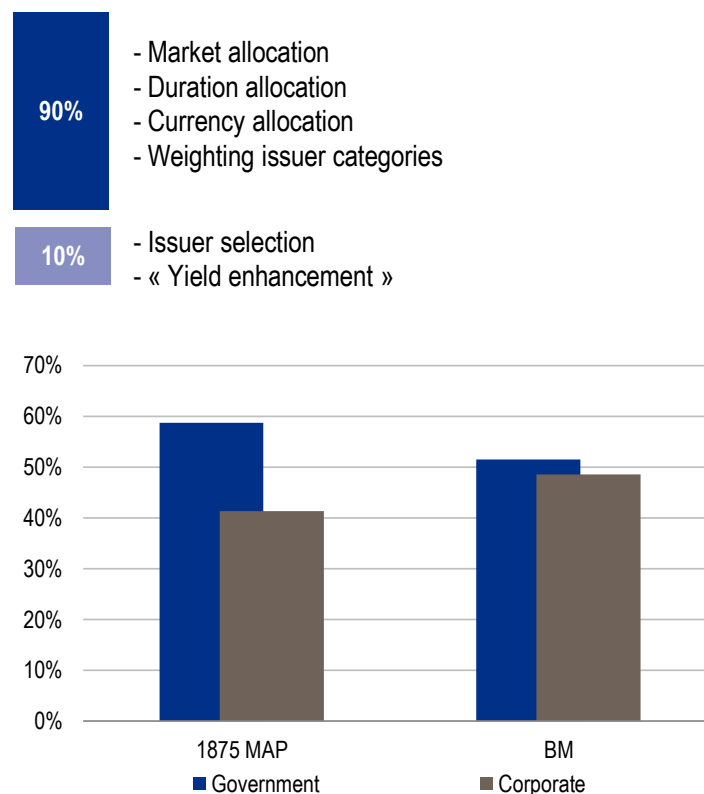


Important Legal Information

This publication is intended for information purposes only, and should not be construed as an offer, recommendation or solicitation for sale, purchase or engagement in any other transaction. Furthermore, by offering information, products or services via this publication, no solicitation is made to any person to use such information, products or services in jurisdictions where the provision of such information, products or services is prohibited by law or regulation. All material is provided without express or implied warranties or representations of any kind and no liability for any direct or indirect damages arising out of the use of this information is accepted.

All information contained in this publication has been prepared by 1875 FINANCE SA on the basis of publicly available information, internally developed data and other sources believed to be reliable. It is for general informational purposes only and should not be construed as an individualised recommendation or personalised investment, tax or legal advice. The information is subject to change without notice. Reasonable care has been taken to ensure that the materials are accurate and that the opinions stated are fair and reasonable. All opinions and estimates constitute our judgment as of the date of publication and do not constitute general or specific investment advice.

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
SAA	Strategic Asset Allocation
Citigroup WorldBIG	Citigroup World Broad Investment Grade Bond index
PRI	Principles for Responsible Investments
SBI	Swiss Bond Index

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, Social and Governance (ESG) criteria for all asset classes. Using a unique proprietary model, 1875 MAP, dedicated to dynamic tactical allocation management, and relying for the selection of securities 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.



1875 FINANCE
Rue du 31-Décembre 40 – CH-1207 Genève
T +41 22 595 18 75 – info@1875institutional.ch
www.1875.ch

Investments in the asset classes mentioned herein may not be suitable for all recipients. Past performance is no guarantee or indication for future results. The price, value of, and income from investments in any asset class mentioned in this publication may experience upward and downward movement and investors may not get back the amount invested. International investing includes risks related to political and economic uncertainties in foreign countries, as well as currency risk. Any investment should be made only after thoroughly reading the current prospectus and/or other documentation/information available. Nothing contained in this document constitutes legal, tax or other advice, nor should any investment or any other decisions be made solely based on this document.

This publication is not intended for distribution to, or use by, any person or entity in any country or jurisdiction where such distribution or use would be contrary to applicable local laws or regulations or would subject 1875 FINANCE SA to any registration requirement within such country or jurisdiction. Persons or entities in respect of whom such prohibitions apply must not use this publication. This document is not intended for distribution in the U.S. or to U.S. persons.