

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (CHF) - I

As at end of December 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 : 75 securities
Approach : top down and bottom up
Duration : min. 2 Y – max. 8 Y
Foreign currency : min. 0% - max. 20%
NAV 12.31.2015 : CHF 98.60
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

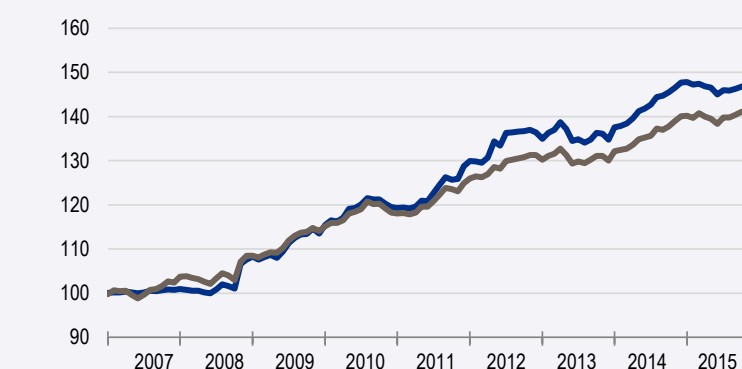
Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Jan.16	Dec.15
Short term	0%	0%	70%	0%	0%
CHF	40%	10%	60%	41%	44%
Duration CHF	6	2	8	7	7
USD	26%	15%	50%	32%	28%
Duration USD	5	2	8	6	6
EUR	20%	5%	40%	14%	14%
Duration EUR	6	2	8	5	5
GBP	3%	0%	10%	4%	4%
Duration GBP	9	2	10	10	10
JPY	9%	0%	20%	3%	4%
Duration JPY	9	2	10	4	4
Miscellaneous	2%	0%	20%	5%	6%
Duration Miscell.	6	2	8	6	7

Currency ¹	BM	Margins		1875 MAP	
		Min.	Max.	Jan.16	Dec.15
CHF	95%	80%	100%	96%	96%
Foreign	5%	0%	20%	4%	4%

¹ after hedge

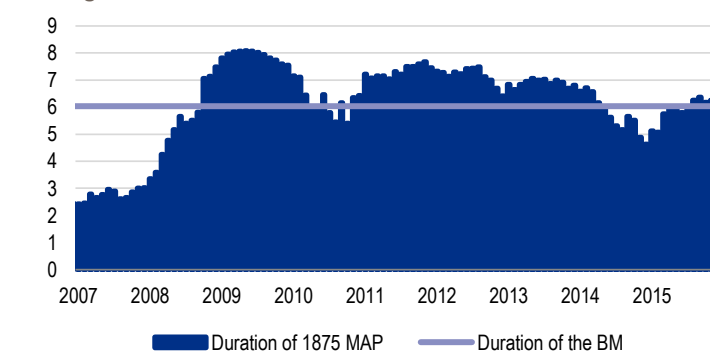
Performance



	2007	2008	2009	2010	2011	2012	2013	2014	2015
1875 MAP	0.8%	6.8%	5.5%	5.2%	7.8%	5.9%	-1.2%	9.5%	-1.7%
BM	2.1%	5.4%	5.0%	2.8%	5.6%	4.9%	-1.1%	8.0%	-0.1%

Pro forma performance until end of December 2014

Average duration



Statistics

	1875 MAP	BM
Annual return (2006-2014)*	4.99%	4.05%
YTD	-1.68%	-0.10%
December 2015	-1.35%	-0.97%
Maximum monthly drawdown*	-1.67%	-1.49%
Volatility*	2.85%	2.75%
Tracking-error*	1.04%	-
Sharpe ratio* ¹	1.35	1.23
Sortino ratio* ¹	3.20	2.51

¹ average risk-free rate (%) : 0.56

* 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

Bond markets have continued to consolidate in December, influenced by the hike of interest rates by the FED and by the smaller-than-expected monetary easing decided by the ECB. Government bonds from developed countries have evolved heterogeneously. CHF securities (-1.65%) suffered the strongest correction, due to reduced market liquidity by year-end. Penalized by their high valuation level, assets in SEK (-1.38) and EUR (-1.10%) also fell. The drop of USD instruments was limited (-0.16%) as the tightening decided by the FED was widely expected. In the wake of lower commodities prices, papers in CAD (1.24%) and AUD (0.42%) went up. High-yield bonds and emerging debt have continued to depreciate. The forex markets have seen the correction of the USD vs. the EUR (-2.85%) and the continued fall of emerging currencies.

The fund depreciated by 1.35% vs. 0.97% for its benchmark, due mostly to the overweight of CHF- and GBP-denominated bonds.

Sustained by the weak nominal growth, fixed income instruments are an attractive alternative to cash and remain selectively overweight, with an average duration in line with the benchmark. The overexposure on CHF, AUD and GBP markets is weakened after publication of better-than-expected economic data. Benefitting from lower valuation and from intensifying deflationist pressure in the USA, the exposure to instruments in USD has increased to overweight. Investments in EUR are underweight, as their expensive valuation balances out the easing from the BCE. Papers in JPY are underweight as their real yield is too low. US Corporate bonds have been moderately increased after an improvement of their relative valuation. Their European counterparts were conversely reduced as their profit expectations lowered. Regarding currencies, the overweight of the EUR vs. the USD is maintained as the USD remains overvalued and with narrowing growth rate differential between the USA and the Euro Zone. The exposure of CHF vs. EUR is maintained close to neutrality, as the risk premiums and monetary conditions in Switzerland and Euro Zone balance each other.

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.

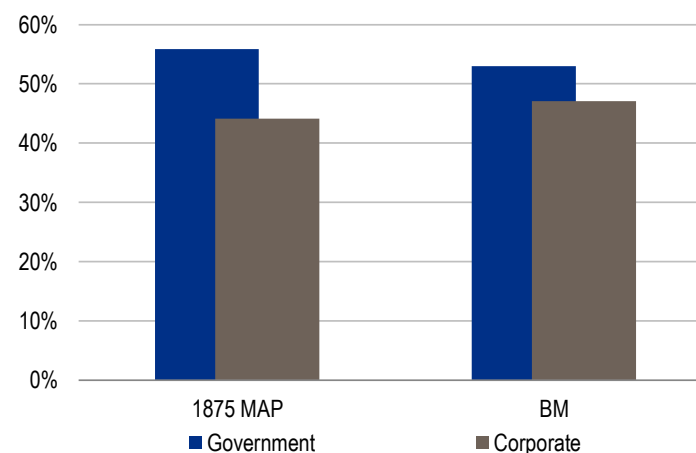
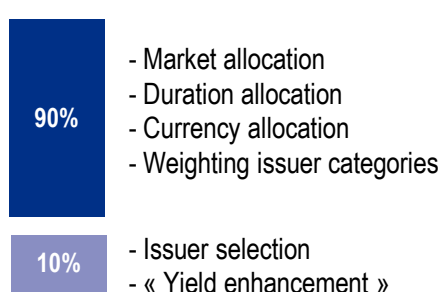


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Sources of return (in order of importance)



Glossary

1875 MAP	Market Allocation Process: tactical allocation defined by the 1875 FINANCE process
APT	Portfolio optimization and risk measurement software developed by Sungard
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 – mapfund@1875.ch

www.1875.ch

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