

# MAP FUND MANAGEMENT

## SUSTAINABLE GLOBAL BONDS (CHF) - I

As at end of March 2016

### 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** : 67 securities

**Approach** : top down and bottom up

**Duration** : min. 2 Y – max. 8 Y

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

**NAV 03.31.2016** : CHF 100.52

**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: 0.9% / 1.1%; I: 0.5% / 0.7%

**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

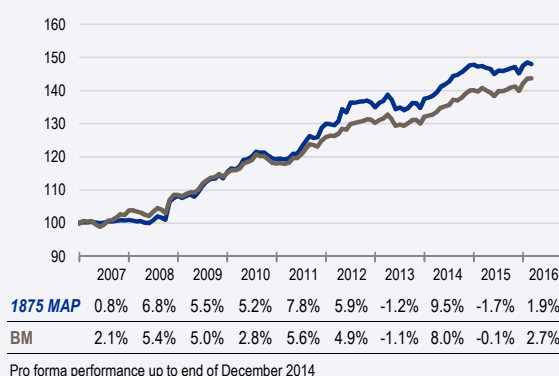
### Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Apr.16	Mar.16
Short term	0%	0%	70%	1%	0%
CHF	40%	10%	60%	40%	40%
Duration CHF	6	2	8	7	7
USD	26%	15%	50%	28%	29%
Duration USD	5	2	8	5	6
EUR	20%	5%	40%	17%	16%
Duration EUR	6	2	8	6	6
GBP	3%	0%	10%	3%	3%
Duration GBP	9	2	10	8	9
JPY	9%	0%	20%	5%	6%
Duration JPY	9	2	10	6	7
Miscellaneous	2%	0%	20%	6%	6%
Duration Miscell.	6	2	8	7	7

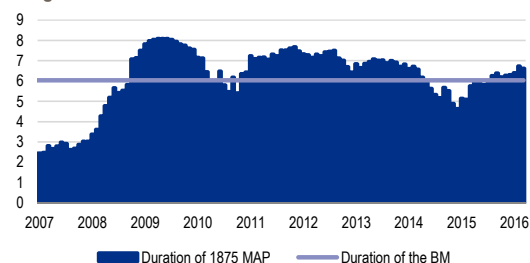
Currency <sup>1</sup>	BM	Margins		1875 MAP	
		Min.	Max.	Apr.16	Mar.16
CHF	95%	80%	100%	94%	94%
Foreign	5%	0%	20%	6%	6%

<sup>1</sup> after hedge

### Performance



### Average duration



### Statistics

	1875 MAP	BM
Pro forma annual performance 2007-2014 *	4.99%	4.05%
<b>Annual performance since inception</b>	<b>0.46%</b>	<b>2.54%</b>
<b>Performance, YTD</b>	<b>1.95%</b>	<b>2.72%</b>
<b>Performance, MTD</b>	<b>-0.30%</b>	<b>0.09%</b>
Maximum monthly drawdown*	-2.01%	-1.49%
Volatility*	3.28%	2.71%
Tracking-error*	1.41%	-
Sharpe ratio* <sup>†</sup>	1.43	1.31
Sortino ratio* <sup>†</sup>	3.38	2.68

<sup>†</sup> average risk-free rate (%) : 0.52

\* 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

In March, government bond markets have evolved heterogeneously, globally appreciating by 0.9% despite the reduction in risk aversion. Due to improving financial conditions caused by the rise of commodities prices, the emerging markets appreciated sharply (8%). Within the developed economies, assets in JPY (1.53%) enjoyed the largest gain, while those in CHF (-0.47%), AUD (-0.54%) and CAD (-0.19%) stepped back. In the Euro zone, yield spreads between the German (-0.07%) and peripheral debts narrowed – most notably for Italy (1.68%), thanks to the quantitative easing by the ECB. Regarding credit, we note a strong reduction of risk premiums, pushing high yield bonds and securities issued by the banking sector up. On the forex markets the USD continued to weaken, while the GBP (-1.15%) and CHF (-0.65%) declined vs. the EUR.

The fund has depreciated by 0.30% vs. a benchmark appreciation of 0.09% due to the underweight of JPY- and EUR-denominated bonds.

Due to reduced deflationary pressures – thanks to an attenuated slow-down of nominal growth and to improving financial conditions, the overexposure to bonds is reduced and the portfolio average duration shortened. Assets in USD switched from over- to underexposure due to softening growth deterioration in the US and to inflation picking up. Swiss bonds are reduced to neutrality as a consequence of both improving growth in the country and of decreasing systemic risk, but also to their valorization level. Assets in GBP and JPY are brought back to underweight for similar reasons. Securities in CAD, AUD and NOK remain overweight, those in EUR close to neutrality and those in SEK underweight. The underexposure to US private issuers is softened, while European corporates are reduced to neutral. The moderate underexposure to EUR vs. USD and the overexposure to CHF vs. EUR are maintained.

### 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.

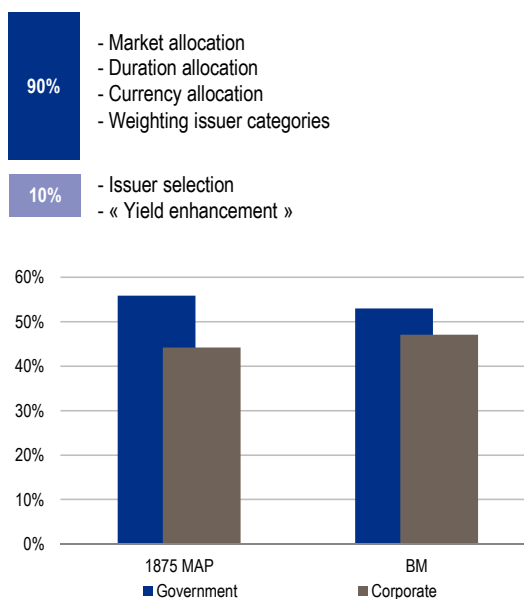


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### Sources of return (in order of importance)



### 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.



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