

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (CHF) - I

ISIN / TELEKURS: LU1121107129 / 25648374

NAV 31.01.2017: CHF 98.41

Investment profile

Asset 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

Approach : top down and bottom up

Subscription / Redemption : D+2 / D+5

Minimum investment : CHF 100'000

Dividend distribution : re-invested

Management fees / TER (p.a.) : 0.5% ; 1.09%

Domicile : Luxembourg

Registration : Switzerland, Luxembourg, France

Representative / Correspondent : Carnegie Fund Services / BNP Paribas

Legal form : SICAV - UCITS - open fund

Manager : 1875 FINANCE, Switzerland - FINMA regulated

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

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

Auditor : Ernst & Young, Luxembourg

Inception date : December 15, 2014

Potentially lower reward ← → Potentially higher reward

Lower risk 1 2 3 4 5 6 7 Higher risk

Benchmark and tactical asset allocation

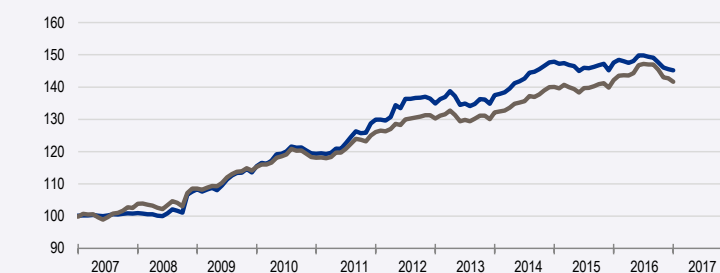
Markets	BM	MAP Fund	
		Feb.17	Jan.17
Short term	-	29.8%	23.5%
CHF	40.0%	28.9%	28.0%
USD	30.1%	23.5%	27.1%
EUR	17.4%	6.9%	8.8%
GBP	2.7%	1.4%	1.4%
JPY	7.7%	4.8%	4.8%
Miscellaneous	2.1%	4.8%	6.4%
Average duration	7.1	3.8	4.3

Government	BM	MAP Fund	
		Feb.17	Jan.17
Government	52.4%	38.2%	41.8%
Corporate	47.6%	42.8%	41.3%

Currency ¹	BM	MAP Fund	
		Feb.17	Jan.17
CHF	95.0%	92.2%	90.2%
Foreign	5.0%	7.8%	9.8%

¹ after hedge

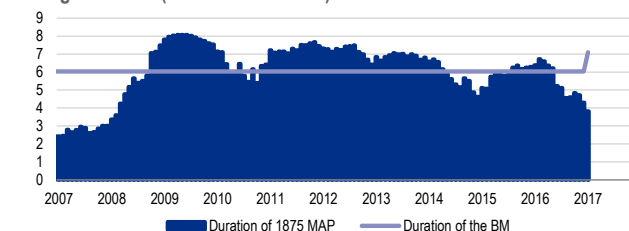
Performance in %



Year	MAP Fund	BM
2007	0.8	2.1
2008	6.8	5.4
2009	5.5	5.0
2010	5.2	2.8
2011	7.8	5.6
2012	5.9	4.9
2013	-1.2	-1.1
2014	9.5	8.0
2015	-1.7	-0.1
2016	0.1	0.3
2017	-0.3	-0.8

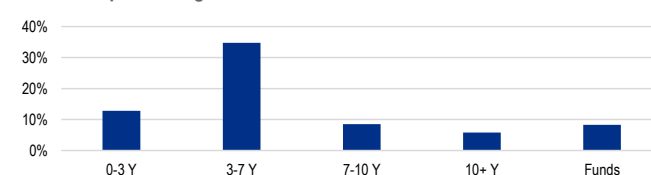
Pro forma performance prior to December 2014

Average duration (min. 2 Y – max. 8 Y)



Pro forma prior to December 2014

Yield curve positioning



Statistics

	MAP Fund	BM
Pro forma annual performance 2007-2014*	4.99%	4.05%
Annual performance since inception	-0.70%	-0.55%
YTD Performance	-0.29%	-0.78%
MTD Performance	-0.29%	-0.78%
Maximum monthly drawdown*	-2.01%	-1.67%
Volatility*	3.25%	2.77%
Tracking-error*	1.39%	-
Sharpe ratio* ¹	1.34	1.18
Sortino ratio* ¹	3.20	2.47
Number of holdings		80

¹ average risk-free rate (%) : 0.42

* pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
10.0%	1.5% Switzerland 24.7.2025	1.8%	1.5% Corp Andina De Fomento 13.8.2020
6.1%	Ishares Us Aggregate Bnd	1.7%	0.125% Novartis Finance Sa 20.9.2023
3.3%	1.375% Us Treasury N/B 31.3.2020	1.7%	1.75% Canton Of Geneva 22.3.2033
2.3%	0.9% Japan (10 Year Issue) 20.6.2022	1.6%	0.2% Lgt Bank Ag 12.10.2026
1.8%	1% Pfandbrief Schw Kantbk 13.2.2023	1.6%	1.375% Nestle Holdings Inc 13.7.2021



Retrospective & perspective

In January, government bond markets in developed countries (-0.82%) continued on their downward trend. Under the effect of the new capital inflows, emerging borrowing (2.33%) once again appreciated. Within advanced economies, USD bonds (0.22%) with lower valuation levels have appreciated somewhat. On the other hand, EUR- (-1.51%) and GBP- (-1.98%) denominated assets, again fell significantly. Investments in CHF were down 0.18%. In terms of credit, we note the further lowering of premiums, especially on bank debtors, with the exception of the high-yield segment.

During the period under review, the foreign exchange environment was characterized by a weak USD (-3.1%) against the majority of currencies. The fall in the greenback was more significant against emerging currencies and those of commodity-exporting countries such as Australia (-4.7%). It also materialized against the yen (-3.1%) and the Euro (-2.3%). In Europe, the Euro depreciated against the Norwegian Krone (-2%) and the Swiss franc (-0.4%). On the contrary, it regained ground against the pound sterling (0.4%), supported by the higher probability of a "hard Brexit".

The fund depreciated by 0.29% vs. 0.78% for its benchmark. This performance results from the shorter duration of the portfolio.

Real yields, which are undervalued, will continue to rise in the first half of the year. The underweighting of fixed-rate assets must therefore be increased and durations reduced in a complementary manner in order to more substantially strengthen portfolios against the recovery in the cost of capital. In terms of currency allocation, AUD and NOK borrowings are now slightly overweight. Investments in GBP, in EUR and to a lesser extent in JPY are more strongly underexposed. Commitments in CAD and CHF are more moderately underweighted. USD bonds are reduced in a complementary manner. Inflation-linked bonds (TIPS) must be kept underweight and do not yet represent an attractive alternative to fixed-income commitments. The overweighting of corporate bonds is increased by further exposure to European private bonds and to a lesser extent to their US counterparts.

The narrowing of the spread between monetary conditions in the United States and the Eurozone, couple with the increase in the risk premium on the USD, advocate for a decrease in the overweighting of the greenback. The Euro is now undervalued and subject to a more limited potential for depreciation against the CHF. Its exposure can be increased relative to the CHF.

Sources of return (in order of importance)

90%

- Market allocation
- Duration allocation
- Currency allocation
- Weighting issuer categories

10%

- Issuer selection
- « Yield enhancement »

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).

Glossary

BM	Benchmark
Citigroup WorldBIG	Citigroup World Broad Investment Grade Bond index
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 (Principles for Responsible Investments) 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 pension funds both balanced management and overlay services, but also global equity and global bond mandates.



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