MAP FUND MANAGEMENT
SUSTAINABLE GLOBAL BONDS (CHF) - I

ISIN / TELEKURS: LU1121107129 / 25648374

NAV 30.04.2017: CHF 98.32

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 — Higher risk

1 2 **3** 4 5 6 7

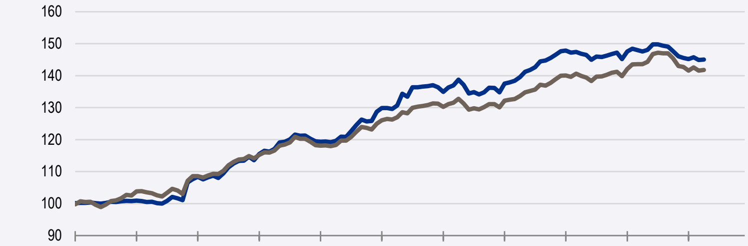
Benchmark and tactical asset allocation

Markets	BM	MAP Fund May.17	MAP Fund Apr.17
Short term	-	41.9%	44.2%
CHF	40.0%	28.0%	27.9%
USD	30.1%	21.9%	21.8%
EUR	17.4%	7.1%	5.0%
GBP	2.7%	-	-
JPY	7.7%	-	-
Miscellaneaous	2.1%	1.1%	1.1%
Average duration	7.1	2.9	2.8
Government	52.4%	29.8%	29.6%
Corporate	47.6%	44.9%	44.6%

Currency[1]	BM	MAP Fund May.17	MAP Fund Apr.17
CHF	95.0%	97.7%	97.3%
Foreign	5.0%	2.3%	2.7%

[1] after hedge

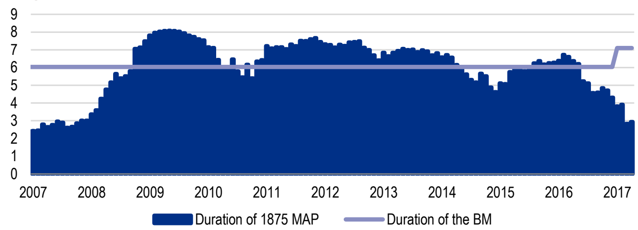
Performance in %



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
MAP Fund	0.8	6.8	5.5	5.2	7.8	5.9	-1.2	9.5	-1.7	0.1	-0.4
BM	2.1	5.4	5.0	2.8	5.6	4.9	-1.1	8.0	-0.1	0.3	0.0

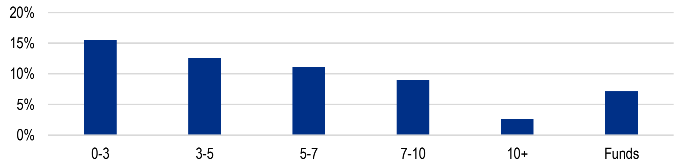
Pro forma performance prior to December 2014

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	**-0.67%**	**-0.12%**
YTD Performance	**-0.39%**	**0.01%**
MTD Performance	**0.06%**	**0.14%**
Maximum monthly drawdown*	-2.01%	-1.67%
Volatility*	3.22%	2.76%
Tracking-error*	1.38%	-
Sharpe ratio* [1]	1.35	1.20
Sortino ratio* [1]	3.10	2.37
Number of holdings	64	

[1] average risk-free rate (%) : 0.39 — * pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
10.4%	1.5% Switzerland 24.7.2025	1.7%	1.75% Canton Of Geneva 22.3.2033
5.5%	Ishares Us Agg Bnd Usd Dist	1.7%	0.2% Lgt Bank Ag 12.10.2026
2.3%	0.1% Roche Kapitalmarkt Ag 23.9.2024	1.6%	1.75% Swisscom Ag 10.7.2024
1.9%	1.5% Corp Andina De Fomento 13.8.2020	1.6%	Ishares Core Euro Corp Bond
1.9%	0.125% Novartis Finance Sa 20.9.2023	1.6%	1.25% Bk Nederlandse Gemeenten 30.4.2024

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Retrospective & perspective

During the month of April, bond markets overall rallied under the effect of the reduction in inflationary expectations induced by the decline in the prices of raw materials and the temporary slowdown of consumer spending in the United States. Emerging bonds (0.9%) outperformed more moderately and more selectively than their developed counterparts (0.6%). Within advanced economies, performance gaps between the different monetary areas have narrowed. US Treasury bonds (0.7%) continued to offer an excess return relative to bonds issued by the German government (0.1%). We note the strong recovery of OATs (1.4%). On the credit side, we note the further reduction in risk premiums on private debtors, especially European banks.

In April, the forex markets were marked by the rise of the Euro against the USD (1.9%). The yen depreciated end-of-period due to the reduction in risk premiums. The CAD and the AUD fell in correlation with the decline in raw materials. In Europe, the pound Sterling (1.3%) continued to rise against the Euro. The CHF (1.27%) weakened relative to the EUR.

The fund appreciated by 0.06% vs. 0.14% for its benchmark.

Given a renewal of very expensive valuation levels, government bonds will continue on their downward trend. Real returns will continue to tense up in line with the reduction in available productive resources and the tightening of monetary policies. Excessive valuations combined with a very unfavourable economic environment therefore call for a further increase in the underweighting of fixed-income assets and a reduction in the sensitivity of the portfolios to changes in the cost of capital by the implementation of minimal durations. In terms of monetary allocation, assets denominated in AUD and NOK remain overweight due to favorable domestic conditions, namely very moderate inflation for the former and relatively low growth for the latter. Investments in USD, affected by a deterioration in their level of valuation, and in CAD, penalized by an acceleration in activity, have both been reduced to a more significant underexposure. Commitments in EUR, GBP, SEK, JPY and now CHF are heavily underweighted, with Swiss bonds being progressively hindered by the improvement in the Swiss economy. Where debtor categories are concerned, the overweighting on corporate bonds was further reduced due to their overvaluation. EUR-denominated private borrowings are preferred over their USD-denominated counterparts in view of the more favorable financial position of European companies.

A further reduction in the risk premium linked to the improvement in economic perspectives for the Eurozone and a lesser divergence in monetary policies now argue for a moderate overweighting of the EUR against the USD. Despite improving economic prospects in EU countries, the CHF will not be able to depreciate in the short term due to a still very expansive ECB monetary policy and a valuation which is supported by the large accumulation of foreign exchange reserves held by the SNB. Exposure must therefore be weakly overweight relative to the EUR.

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.

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

www.mapfunds.com www.1875.ch