

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (CHF) - I

As at end of June 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 : 73 securities

Approach : top down and bottom up

Duration : min. 2 Y – max. 8 Y

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

NAV 06.30.2016 : CHF 101.73

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 : re-invested

Share 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

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

Inception date : December 15, 2014

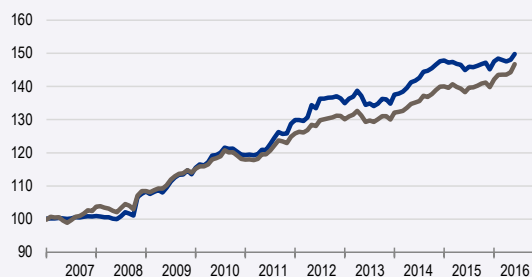
Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Jul.16	Jun.16
Short term	0%	0%	70%	6%	4%
CHF	40%	10%	60%	35%	36%
Duration CHF	7	2	8	5	5
USD	29%	15%	50%	28%	27%
Duration USD	6	2	8	5	5
EUR	18%	5%	40%	17%	19%
Duration EUR	7	2	8	6	7
GBP	3%	0%	10%	2%	2%
Duration GBP	10	2	10	7	8
JPY	8%	0%	20%	6%	5%
Duration JPY	10	2	10	6	5
Miscellaneous	2%	0%	5%	6%	8%
Duration Miscell.	6	2	8	6	6

Currency ¹	BM	Margins		1875 MAP	
		Min.	Max.	Jul.16	Jun.16
CHF	95%	80%	100%	94%	94%
Foreign	5%	0%	20%	6%	6%

¹ after hedge

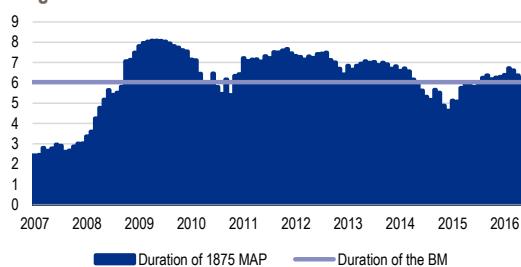
Performance



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1875 MAP	0.8%	6.8%	5.5%	5.2%	7.8%	5.9%	-1.2%	9.5%	-1.7%	3.2%
BM	2.1%	5.4%	5.0%	2.8%	5.6%	4.9%	-1.1%	8.0%	-0.1%	5.0%

Pro forma performance prior to December 2014

Average duration



Statistics

	1875 MAP	BM
Pro forma annual performance 2007-2014 *	4.99%	4.05%
Annual performance since inception	1.17%	3.56%
YTD Performance	3.17%	4.96%
MTD Performance	1.18%	1.69%
Maximum monthly drawdown*	-2.01%	-1.48%
Volatility*	3.26%	2.71%
Tracking-error*	1.41%	-
Sharpe ratio* ¹	1.48	1.37
Sortino ratio* ¹	3.52	2.82

¹ average risk-free rate (%): 0.49

* 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 June, government bond markets of advanced (2%) and emerging (5%) nations appreciated strongly as a result of the increasing uncertainties generated by BREXIT. GBP-denominated assets (5.9%) increased the most, fostered by the increased risk on UK growth that will result from Britain's exit from the European Union. EUR loans also rose strongly (Bund 2.6%), since the area will not be spared by the slowdown of the English economy. USD investments (2.3%) benefited from the reduced expectations of an interest rate hike by the Federal Reserve. On the credit side, we note the sharp rise in risk premiums triggered by widening yield spreads that has occurred on bank debt, British first of all, and then European. The environment in the foreign exchange markets was characterized by the fall of the pound (8% against the EUR and 9% against the US dollar).

The fund appreciated by 1.18% vs. 1.69% for its benchmark. This slight underperformance is related to the underweighting on GBP and USD bonds.

Bonds are now burdened with excessive valuation levels and therefore must be reduced or be less sensitive to interest rates, by gradually decreasing portfolio duration, due to the low possibility of observing a strong recovery in yields limited by cyclical and financial uncertainty. Loans in AUD and in CAD remain overweight due to the continued cyclical risks facing their respective economies. In consideration of their very expensive valuation levels, NOK investments have been reduced to neutral and their EUR counterparts to underweight. Assets in USD, GBP and CHF remain moderately underexposed given the increase in inflationary expectations which is now combined with a too-low level of real yields. The strong underweighting on yen commitments has been softened in light of the increasing risks of deflation in Japan due to the sharp rise of the yen. Investments indexed to inflation (TIPS) in USD can now be favoured over fixed-rate bonds, with a view to a gradual increase in price indices in the United States while being kept underweight. US government bonds are kept overweight vis-à-vis their private counterparts. European corporate bonds have been reduced to neutral to the benefit of public issuers. The overweighting on the CHF versus the EUR remains. The overweighting on the USD is reduced to tend towards neutrality.

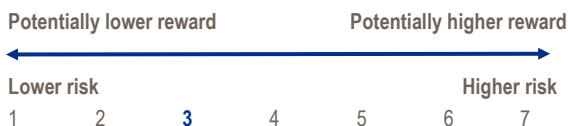
Investment objectives

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.

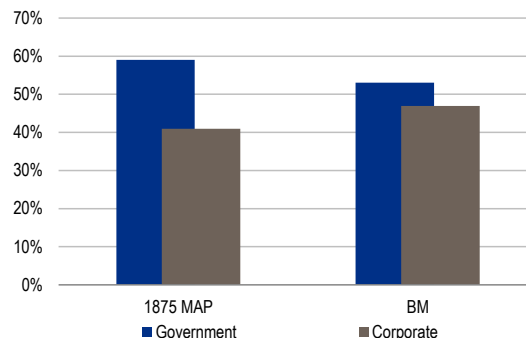


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Sources of return (in order of importance)



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 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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