

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (CHF) - S

ISIN / TELEKURS: LU1121107046 / 25648374

NAV 31.05.2017: CHF 97.26

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 10'000

Dividend distribution : re-invested

Management fees / TER (p.a.) : 0.9% ; 1.64%

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 : March 31, 2016

Potentially lower reward Potentially higher reward



Lower risk Higher risk
1 2 3 4 5 6 7

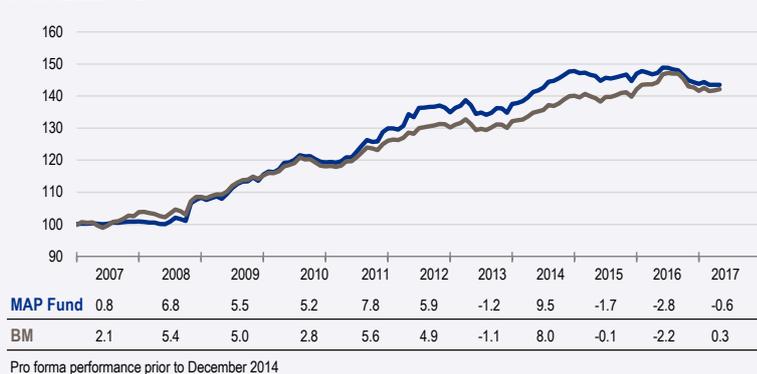
Benchmark and tactical asset allocation

Markets	BM	MAP Fund	
		Jun.17	May.17
Short term	-	31.7%	41.9%
CHF	40.0%	31.1%	28.0%
USD	30.1%	25.3%	21.9%
EUR	17.4%	10.8%	7.1%
GBP	2.7%	-	-
JPY	7.7%	-	-
Miscellaneous	2.1%	1.1%	1.1%
Average duration	7.1	3.6	2.9
Government	52.4%	30.5%	29.8%
Corporate	47.6%	48.8%	44.9%

Currency ¹	BM	MAP Fund	
		Jun.17	May.17
CHF	95.0%	97.5%	97.7%
Foreign	5.0%	2.5%	2.3%

¹ after hedge

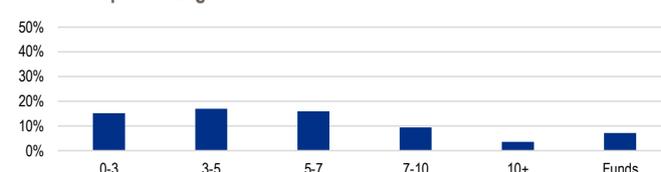
Performance en %



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



Yield curve positioning



Statistics

	MAP Fund	BM
Pro forma annual performance 2007-2014*	4.99%	4.05%
Annual performance since inception	-2.32%	-1.11%
YTD Performance	-0.57%	0.26%
MTD Performance	-0.02%	0.25%
Maximum monthly drawdown*	-2.01%	-1.67%
Volatility*	3.22%	2.75%
Tracking-error*	1.66%	-
Sharpe ratio* [†]	1.35	1.21
Sortino ratio* [†]	3.10	2.39
Number of holdings		66

[†] average risk-free rate (%) : 0.38

* pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
10.7%	1.5% Switzerland 24.7.2025	1.8%	1.75% Canton Of Geneva 22.3.2033
5.5%	Ishares Us Agg Bnd Usd Dist	1.8%	0.2% Lgt Bank Ag 12.10.2026
2.4%	0.1% Roche Kapitalmarkt Ag 23.9.2024	1.7%	1.75% Swisscom Ag 10.7.2024
1.9%	0.125% Novartis Finance Sa 20.9.2023	1.7%	Ishares Core Euro Corp Bond
1.9%	1.5% Corp Andina De Fomento 13.8.2020	1.6%	1.25% Bk Nederlandse Gemeenten 30.4.2024



Retrospective & perspective

During May, government bond markets (0.4%), in particular in the US (0.6%), continued to recover under the influence of the decrease in inflationary expectations linked to the price drop of raw materials and to the temporary slowing-down of growth in the United States. Despite the setback on Brazilian assets, emerging debt continues to generate excess performance (1.7%). At the level of the advanced economies, we observe the underperformance of EUR commitments, which have been affected by the price fall on borrowings issued by the German government (-0.04). Within the Eurozone, we note however the further narrowing of yield gaps. While CHF-denominated bonds consolidated (0.2%), their AUD counterparts progressed strongly (1.4%). From a credit perspective, we note the further reduction in risk premiums on private debtors, particularly European banks.

During the previous month, the environment on the foreign exchange markets was marked by the further rise of the Euro. The single currency continued to benefit from the improvement of economic conditions for member countries in the zone. The greenback weakened again under the influence of the decline in USD bond yields. Pound sterling fell further following the publication of polls which were less favorable to the Conservative party. In emerging countries, we note the fall of the Brazilian Real, penalised by the corruption scandals facing president Michel Temer.

The fund depreciated by -0.02% vs. +0.25% for its benchmark.

Burdened by an expensive valuation, government bonds will pursue on their downward trend. Excessive valuations combined with an unfavorable economic environment militate accordingly for remaining underweight on fixed-income assets and implementing reduced durations. Regarding currency allocation, AUD- and NOK-denominated assets remain overweight due to still-favourable domestic conditions, namely very moderate inflation for the first and relatively weak growth for the second. USD investments - affected by a deterioration of their valuation levels and CAD investments - penalised by an acceleration of activity - were again reduced to be more appreciably underexposed. Burdened by a less expensive valuation, commitments in EUR, in GBP, in JPY and in CHF are less strongly underweighted. Regarding debtor categories, the overweighting of corporate bonds was increased following the improvement in profit forecasts. EUR-denominated private borrowings are still preferred over their USD counterparts.

The additional decrease in the risk premium on the Euro, as well as the reduction of monetary differences, militate in favour of an increase in the overweighting of the EUR against the USD. The exposure of the CHF relative to the EUR must accordingly be kept slightly overweight on a temporary basis.

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

SAA	Strategic Asset Allocation
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

Important Legal Information

This publication is intended for information purposes only, and should not be construed as an offer, recommendation or solicitation for sale, purchase or engagement in any other transaction. Furthermore, by offering information, products or services via this publication, no solicitation is made to any person to use such information, products or services in jurisdictions where the provision of such information, products or services is prohibited by law or regulation. All material is provided without express or implied warranties or representations of any kind and no liability for any direct or indirect damages arising out of the use of this information is accepted.

All information contained in this publication has been prepared by 1875 FINANCE SA on the basis of publicly available information, internally developed data and other sources believed to be reliable. It is for general informational purposes only and should not be construed as an individualised recommendation or personalised investment, tax or legal advice. The information is subject to change without notice. Reasonable care has been taken to ensure that the materials are accurate and that the opinions stated are fair and reasonable. All opinions and estimates constitute our judgment as of the date of publication and do not constitute general or specific investment advice.

Investments in the asset classes mentioned herein may not be suitable for all recipients. Past performance is no guarantee or indication for future results. The price, value of, and income from investments in any asset class mentioned in this publication may experience upward and downward movement and investors may not get back the amount invested. International investing includes risks related to political and economic uncertainties in foreign countries, as well as currency risk.

Any investment should be made only after thoroughly reading the current prospectus and/or other documentation/information available. Nothing contained in this document constitutes legal, tax or other advice, nor should any investment or any other decisions be made solely based on this document.

This publication is not intended for distribution to, or use by, any person or entity in any country or jurisdiction where such distribution or use would be contrary to applicable local laws or regulations or would subject 1875 FINANCE SA to any registration requirement within such country or jurisdiction. Persons or entities in respect of whom such prohibitions apply must not use this publication. This document is not intended for distribution in the U.S. or to U.S. persons.

Additional Information for Switzerland: The prospectus and the Key Investor Information Documents for Switzerland, the articles of incorporation, the annual and semi-annual report, in French and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Pictet & Cie SA, 60, Route des Acacias, 1211 Geneva 73. The last share prices can be found on www.fundinfo.com. For the shares of the Funds distributed to non-qualified investors in and from Switzerland and for the shares of the Funds distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva.