

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (EUR) - I

ISIN / TELEKURS: LU1121107558 / 25648534

NAV 31.05.2017: EUR 103.71

Investment profile

Asset class : global bonds
BM : 50% Citi WorldBIG TR, 50% Citi WorldBIG EUR TR; currency: 85% EUR
Reference currency : EUR
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 : EUR 100'000
Dividend distribution : re-invested
Management fees / TER (p.a.) : 0.5% ; 1.06%
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 11, 2014



Benchmark and tactical asset allocation

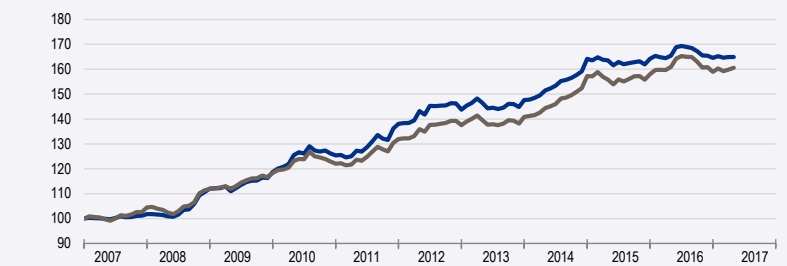
Markets	BM	MAP Fund	
		Jun.17	May.17
Short term	-	42.9%	47.8%
EUR	50.0%	25.2%	24.3%
USD	35.2%	30.3%	26.2%
CHF	0.1%	-	-
GBP	3.1%	1.2%	1.4%
JPY	9.0%	-	-
Miscellaneous	2.6%	0.4%	0.3%
Average duration	6.8	2.8	2.4

Government	70.3%	38.1%	40.0%
Corporate	29.7%	35.9%	36.0%

Currency ¹	BM	MAP Fund	
		Jun.17	May.17
EUR	85.0%	94.4%	94.6%
Foreign	15.0%	5.6%	5.4%

¹ after hedge

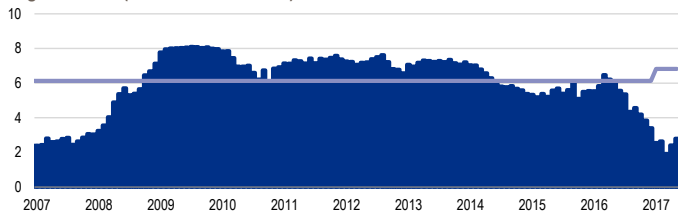
Performance in %



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
MAP Fund	0.2	9.9	5.3	10.7	9.5	7.2	-1.8	13.2	1.7	2.0	-0.3
BM	2.1	8.8	4.7	6.0	6.2	6.5	-1.2	10.7	2.3	1.7	0.9

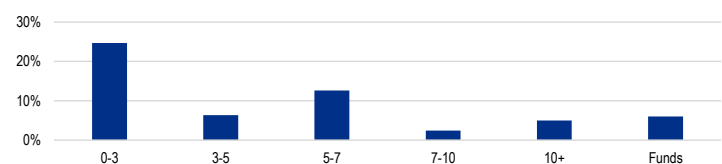
Pro forma performance prior to December 2014

Average duration (min. 2 Y – max. 10 Y)



Pro forma prior to December 2014

Yield curve positioning



Statistics

	MAP Fund	BM
Pro forma annual performance 2007-2014*	6.67%	5.42%
Annual performance since inception	1.51%	2.00%
YTD Performance	-0.31%	0.92%
MTD Performance	-0.02%	0.44%
Maximum Monthly Drawdown*	-1.70%	-1.46%
Volatility*	3.52%	3.40%
Tracking-error*	1.19%	-
Sharpe ratio* ¹	1.18	1.07
Sortino ratio* ¹	3.05	2.57
Number of holdings	53	

¹ average risk-free rate (%) : 1.11 * pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
4.5%	1.4% Bonos Y Oblig Del Estado 31.1.2020	2.5%	2.5% Buoni Poliennali Del Tes 1.12.2024
3.3%	Ishares Core Euro Corp Bond	2.3%	3.35% Apple Inc 9.2.2027
2.8%	2.25% Nestle Holdings Inc 10.5.2022	2.2%	0.75% Us Treasury N/B 15.4.2018
2.6%	1.75% France (Govt Of) 25.5.2023	2.2%	2.5% Buoni Poliennali Del Tes 1.5.2019
2.6%	1.25% Belgium Kingdom 22.6.2018	2.1%	3% Korea Development Bank 17.3.2019



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. +0.44% 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.

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 Euro.

Investment philosophy and process

Provide sustainable asset management, generating superior performances versus the domestic 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

<i>BM</i>	<i>Benchmark</i>
<i>Citigroup WorldBIG</i>	<i>Citigroup World Broad Investment Grade Bond index</i>
<i>PRI</i>	<i>Principles for Responsible Investments</i>

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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