

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (USD) - S

ISIN / TELEKURS: LU1121107715 / 25684600

NAV 30.04.2017: USD 99.31

Investment profile

Asset class : global bonds

BM : 40% Citi WorldBIG TR, 60% Citi WorldBIG USD TR - currency: 90% USD

Reference currency : USD

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 : USD 10'000

Dividend distribution : re-invested

Management fees / TER (p.a.) : 0.9% ; 1.59%

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 : October 16, 2015

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	
		May.17	Apr.17
Short term	-	51.0%	63.9%
USD	60.0%	38.1%	29.3%
EUR	23.2%	8.8%	4.7%
CHF	0.1%	-	-
GBP	3.5%	1.9%	1.8%
JPY	10.3%	-	-
Miscellaneous	2.9%	0.2%	0.3%
Average duration	6.7	3.0	2.0

Government	54.6%	31.0%	30.7%
Corporate	45.4%	35.1%	34.8%

Currency ¹	BM	MAP Fund	
		May.17	Apr.17
USD	90.0%	97.7%	96.6%
Foreign	10.0%	2.3%	3.4%

¹ after hedge

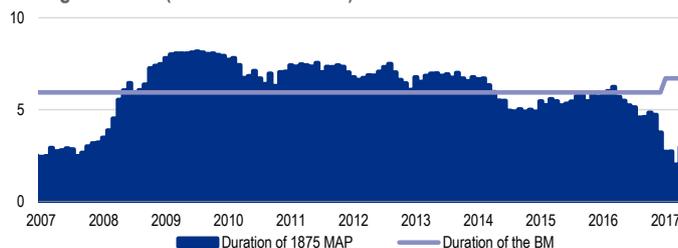
Performance in %



MAP Fund	BM
5.0	7.0
9.7	7.4
5.4	5.0
9.1	4.9
9.4	6.4
5.7	5.2
-0.8	-1.2
6.2	4.8
-1.4	-1.6
2.0	1.7
0.3	1.5

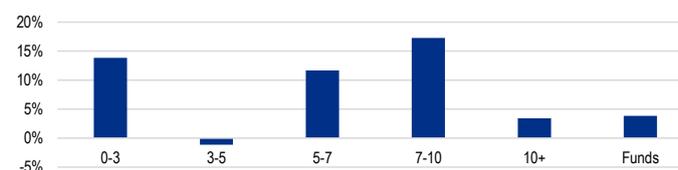
Pro forma performance prior to December 2014

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*	6.16%	4.98%
Annual performance since inception	-0.39%	0.48%
Performance, YTD	0.30%	1.48%
Performance, MTD	0.21%	0.59%
Maximum monthly drawdown*	-2.22%	-2.61%
Volatility*	3.27%	3.30%
Tracking-error*	0.85%	-
Sharpe ratio* ¹	1.05	1.00
Sortino ratio* ¹	2.11	1.91
Number of holdings	50	

¹ average risk-free rate (%): 1.01

* pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
4.6%	2.45% Ontario (Province Of) 29.6.2022	2.5%	1.375% Nestle Holdings Inc 13.7.2021
3.5%	0.75% Us Treasury N/B 15.4.2018	2.3%	3.35% Apple Inc 9.2.2027
2.8%	1.375% Us Treasury N/B 31.3.2020	2.3%	2.65% British Columbia Prov Of 22.9.2021
2.7%	3.3% Coca-Cola Co/The 1.9.2021	2.3%	2.5% Buoni Poliennali Del Tes 1.12.2024
2.6%	2.5% Us Treasury N/B 15.2.2045	2.2%	Ishares Core Euro Corp Bond



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 0.21% vs. 0.59% 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.

Sources of return (in order of importance)

90%	- Market allocation - Duration allocation - Currency allocation - Weighting categories debtor
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 US Dollar

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

BM	Benchmark
Citi WorldBIG	Citibank World Broad Investment Grade Bond index
PRI	Principles for Responsible Investments

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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