MAP FUND MANAGEMENT
SUSTAINABLE GLOBAL BONDS (USD) - S

ISIN / TELEKURS: LU1121107715 / 25684600

NAV 30.06.2017: USD 99.44

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 — Higher risk

1 2 **3** 4 5 6 7

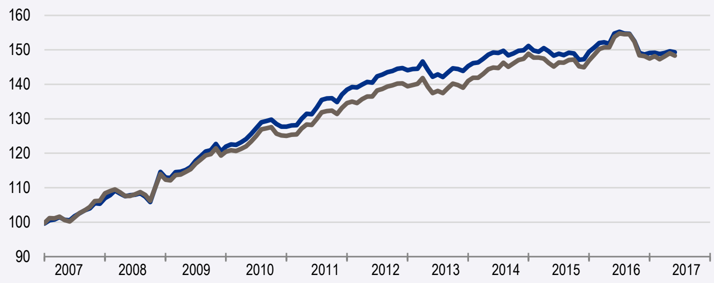
Benchmark and tactical asset allocation

Markets	BM	MAP Fund	
		Jul.17	Jun.17
Short term	-	36.0%	42.3%
USD	60.0%	45.0%	45.8%
EUR	23.2%	16.4%	10.2%
CHF	0.1%	-	-
GBP	3.5%	1.4%	1.5%
JPY	10.3%	-	-
Miscellaneaous	2.9%	1.2%	0.2%
Average duration	6.7	3.5	3.0
Government	54.6%	31.4%	31.3%
Corporate	45.4%	32.4%	32.1%

Currency[1]	BM	MAP Fund	
		Jul.17	Jun.17
USD	90.0%	95.3%	97.6%
Foreign	10.0%	4.7%	2.4%

[1] after hedge

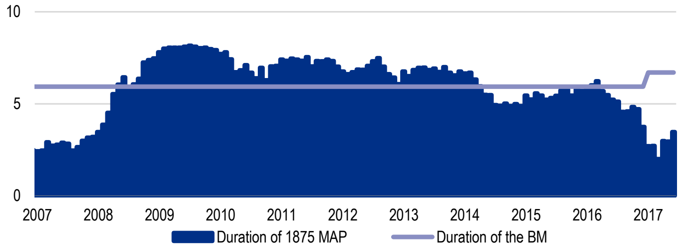
Performance in %



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
MAP Fund	5.0	9.7	5.4	9.1	9.4	5.7	-0.8	6.2	-1.4	2.0	0.4
BM	7.0	7.4	5.0	4.9	6.4	5.2	-1.2	4.8	-1.6	1.7	1.6

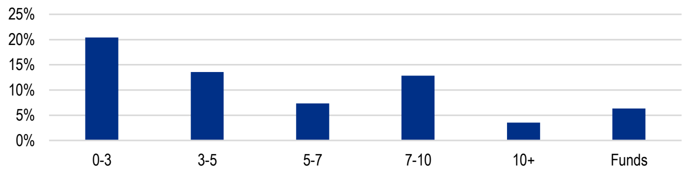
Pro forma performance prior to December 2014

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	**-0.27%**	**0.48%**
Performance, YTD	**0.43%**	**1.61%**
Performance, MTD	**-0.18%**	**-0.50%**
Maximum monthly drawdown*	-2.22%	-2.61%
Volatility*	3.25%	3.29%
Tracking-error*	0.86%	-
Sharpe ratio* [1]	1.04	1.00
Sortino ratio* [1]	2.09	1.91
Number of holdings	50	

[1] average risk-free rate (%): 1.02 — * pro forma performance

10 largest direct investments

Weight	Name	Weight	Name
4.6%	2.45% Ontario (Province Of) 29.6.2022	2.4%	2.5% Buoni Poliennali Del Tes 1.12.2024
3.5%	0.75% Us Treasury N/B 15.4.2018	2.3%	3.35% Apple Inc 9.2.2027
2.8%	2.25% Nestle Holdings Inc 10.5.2022	2.3%	2.65% British Columbia Prov Of 22.9.2021
2.8%	1.375% Us Treasury N/B 31.3.2020	2.3%	Ishares Core Euro Corp Bond
2.7%	2.5% Us Treasury N/B 15.2.2045	1.7%	1% Bundesrepub. Deutschland 15.8.2024

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Retrospective & perspective

Throughout June, government bond markets in developed countries (-0.3%) depreciated, influenced by the less accommodating tone of the central bankers and by expectations of a gradual normalisation of monetary policies. In contrast, emerging debt remained broadly firm. We note in particular the sharp decline in UK bonds (-2.1%), affected by the lack of unanimity among the members of the Bank of England's monetary committee, and the underperformance of Euro borrowings (-1.4%), which were hindered by the comments of the ECB. Despite declining commodity prices, commitments in AUD (-1.2%) and in CAD (-1.4%) declined tangibly. Borrowings in JPY (-0.3%) and USD (-0.2%) held up better, due to the persistence of a highly expansionary monetary policy for the former and the publication of lower-than-expected inflation figures for the latter. Having lost only 0.7%, investments in CHF showed themselves more robust in European comparison. As a result of the recovery in the banking sector, credit premiums tightened again.

In the previous month, foreign exchange markets were characterized by the continued rise of the Euro and the decline in the yen. The European currency benefited from the expectations of a more rapid normalisation of the ECB's monetary policy and the Japanese currency was affected by interest rates kept at a persistently low level by the Bank of Japan. We also note the appreciation of the Canadian and Australian dollar despite the decline in commodity prices. In Europe, the pound sterling and the Swiss franc declined moderately against the Euro, while the Swedish krona appreciated.

The fund depreciated by 0.18% vs. 0.50% for its benchmark.

Given their very expensive valuation levels, government bonds will continue on their downward trend. Real yields will continue to stiffen in line with the strengthening of global growth, thereby requiring a continued underweighting of fixed-income assets and the implementation of lower durations. In terms of currency allocation, AUD-denominated assets remain overweight due to an economic recovery which is limited to the short term and to weak inflationary pressures in Australia. While remaining below its benchmark, the duration on USD-denominated investments was increased due to a weakening of US price indices. Commitments in EUR, GBP, JPY and to a lesser extent in CHF remain heavily underweight due to their excessive valuation levels. Concerning debtor categories, corporate bonds are kept overweight in light of the further improvement in the financial health of companies. While being favoured over their USD-denominated counterparts, private borrowings in EUR have been somewhat reduced due to the deterioration in their levels of valuation.

The persistence of a reduced risk premium on the Euro combined with a decrease in the divergence between risk currencies argue in favour of maintaining the overweighting of the EUR against the USD. Despite the recent rise in the European currency, it remains undervalued compared to the greenback.

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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