

MAP FUND MANAGEMENT

SUSTAINABLE GLOBAL BONDS (USD) - S

As at end of November 2016

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

Number of holdings : 67 securities

Approach : top down and bottom up

Duration : min. 2 Y – max. 10 Y

Foreign currency : min. 0% - max. 30%

NAV 11.30.2016 : USD 99.31

ISIN / Telekurs : LU1121107715 / 25684600

Subscription / Redemption : D+3 / D+5

Minimum investment : USD 10'000

Dividend distribution : re-invested

Share classes : S, Z, I

Management fees / TER (p.a.) : 0.9% ; 1.1%

Domicile : Luxembourg

Registration : Switzerland, Luxembourg, France

Representative : Carnegie Fund Services

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 : October 16, 2015

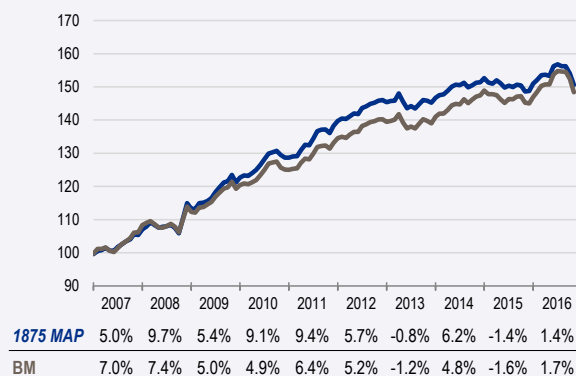
Benchmark and tactical asset allocation

Markets	BM	Margins		1875 MAP	
		Min.	Max.	Dec.16	Nov.16
Short term	0.0%	0.0%	70.0%	33.3%	32.6%
USD	60.0%	20.0%	80.0%	39.0%	37.5%
Duration USD	5.6	2.0	8.0	5.6	5.8
EUR	23.2%	10.0%	40.0%	13.1%	13.6%
Duration EUR	6.6	2.0	8.0	6.2	6.2
CHF	0.1%	0.0%	5.0%	0.2%	0.2%
Duration CHF	4.7	2.0	8.0	8.2	8.2
GBP	3.7%	0.0%	10.0%	0.6%	0.6%
Duration GBP	10.4	2.0	10.0	14.0	14.4
JPY	10.2%	0.0%	20.0%	6.8%	7.1%
Duration JPY	9.9	2.0	10.0	6.3	6.4
Miscellaneous	2.9%	0.0%	25.0%	7.0%	8.6%
Duration Miscell.	6.3	2.0	8.0	6.0	6.0

Currency ¹	BM	Margins		1875 MAP	
		Min.	Max.	Dec.16	Nov.16
USD	90.0%	70.0%	100.0%	87.0%	87.0%
Foreign	10.0%	0.0%	30.0%	13.0%	13.0%

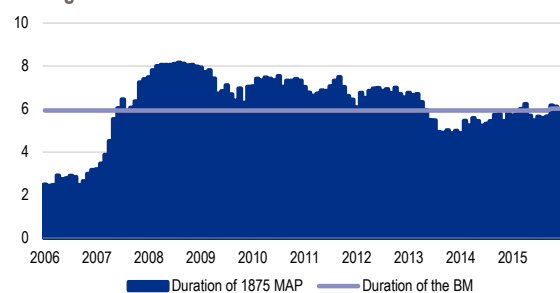
¹ after hedge

Performance



Pro forma performance prior to December 2014

Average duration



Statistics

	1875 MAP	BM
Pro forma annual performance 2007-2014*	6.16%	4.98%
Annual performance since inception	-0.53%	-0.31%
Performance, YTD	1.38%	1.74%
Performance, MTD	-2.22%	-2.61%
Maximum monthly drawdown*	-2.22%	-2.61%
Volatility*	3.39%	3.35%
Tracking-error*	0.84%	-
Sharpe ratio* ¹	1.09	1.01
Sortino ratio* ¹	2.22	1.93

¹ average risk-free rate (%): 0.95

* pro forma performance

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).

Investment policy

In November, government bond markets (-1.8%) continued to fall as a result of the strengthening of the global economy. Affected by the scarcity of international liquidity, emerging loans (-7.4%) corrected more significantly, underperforming their developed counterparts. Within the developed economies, USD bonds lost the most (-2.6%). Despite the widening of yield spreads between peripheral debts and the German Bund, euro-denominated assets were more resilient, losing just under 1.5%. We note the excess performance of JPY, CHF declined by only 0.8% and AUD investments by 0.7%. In terms of credit, we note the additional decrease in premiums on USD-denominated credit and its increase within the Eurozone. During the period under review, the foreign exchange markets were characterized by a rising USD. The greenback appreciated significantly vis-à-vis emerging currencies (USD/BRL 6.6% and the yen 8.7%). Gains were more moderate relative to European currencies, particularly the Euro (3.5%). In Europe, the British pound bounced back thanks to the possible implementation of a more expansive fiscal policy, and the Swiss franc remained firm under the effect of the uncertainties related to the evolution of the European banking system, especially in Italy.

The fund depreciated by 2.22% vs. 2.61% for its benchmark. This overperformance is mainly due to the maturities lower than the underlying benchmarks.

After a significant depreciation, bond markets are now oversold. During their rebound phases, however, bonds will need to be more significantly underweighted and their duration more sharply reduced. In terms of currency allocation, AUD, NOK and to a lesser extent CAD loans are preferred. GBP, EUR and USD loans are the most heavily underexposed. Investments in CHF and JPY are moderately underweighted. TIPS in USD are becoming more attractive and will progressively show themselves to be more resilient than fixed-income commitments. For EUR and GBP investments, floating-rate securities remain very expensive and must be significantly underweighted. In terms of debtor categories, we continue to overweight corporate bonds, taking into account the improvement in earnings outlooks, with a moderate underweighting of US private bonds and an overweighting of their European counterparts, who have been favored by a recovery in the financial health of companies. Due to the continuing divergence in monetary policies and to the scarcity of international liquidity, the USD will remain overvalued in the short term and will stay firm relative to the EUR, requiring a temporary moderate overweighting.

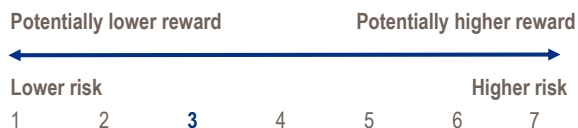
Investment objectives

Financial : outperform the benchmark over 2 years to provide excess return and yield complementary to the domestic bond market.

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.

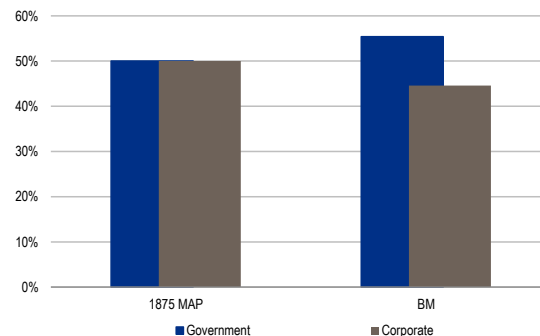


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Sources of return (in order of importance)



Glossary

1875 MAP	<i>Market Allocation Process: tactical allocation defined by the 1875 FINANCE process</i>
APT	<i>Portfolio optimization and risk measurement software developed by Sungard</i>
BM	<i>Benchmark</i>
Citi WorldBIG	<i>Citibank World Broad Investment Grade Bond index</i>
PRI	<i>Principles for Responsible Investments</i>
SBI	<i>Swiss Bond Index</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 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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