



Arabesque Partners

November 2017

EXECUTIVE SUMMARY

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| About Arabesque | <ul style="list-style-type: none">• Developed by Barclays Bank PLC from 2011 to 2013 in cooperation with professors from the universities of Stanford, Oxford, Cambridge, Maastricht• Strategic partnership with Fraunhofer Society, a leading German semi-governmental think-tank and shareholder of Arabesque• Arabesque offers a pioneering investment service by combining:<ul style="list-style-type: none">• Quantitative equity screening including: liquidity, forensic accounting, UNGC, ESG, balance sheet and business-activity screening• Quantitative fundamental screening including: G-Score, F-Score and analysis of analysts• Momentum screening using 1600 systems per single stock• CVaR risk management ensuring drawdown protection |
| Offices | <ul style="list-style-type: none">• London: management, trading, legal, and compliance• Frankfurt: research, advisory, and technology• Singapore: research |
| Key Features | <ul style="list-style-type: none">• Combination of sophisticated portfolio management technology with the values of the United Nations Global Compact (UNGC), the Principles for Responsible Investments (UN PRI), and balance sheet and business-activity screening• Utilizes extra-financial information such as environmental, social, and governance (ESG) issues to drive out-performance• A bespoke global portfolio of stocks, created with a proprietary sustainability process, featuring state-of-the-art fundamental, behavioural, and quantitative systems• A sophisticated solution for long-term investors |
| Team | <ul style="list-style-type: none">• Senior professionals from leading international investment banks and asset managers.• 26 professionals |
| Board | <ul style="list-style-type: none">• Non-Executive Chairman: Georg Kell (founder and former Executive Director of the UN Global Compact)• Non-Executive Director: Barbara J. Krumsiek (President & CEO Calvert Investments, 1997–2014)• Non-Executive Director: Dr. Carolyn Woo, former CEO and President of Catholic Relief Services (designated, subject to FCA approval)• Non-Executive Director: John Ruggie, the Berthold Beitz Professor in Human Rights and International Affairs at the Harvard Kennedy School (designated, subject to FCA approval)• Non-Executive Director: Yolanda Kakabadse Navarro, President of WWF International (Ms. Kakabadse's role on the Board will commence on January 1st 2018, following the completion of her term of office at WWF International) |
| Advisory Board | <ul style="list-style-type: none">• Leading scientists in quantitative finance and ESG research from world-class institutions• CEOs from leading service providers |
| Financing | <ul style="list-style-type: none">• Independent and fully funded until 2020• Senior management invested USD 18mn of personal wealth into funds |
| Regulation | <ul style="list-style-type: none">• Regulated by the UK FCA, registered with the US SEC as a Registered Investment Adviser (RIA), and supervised by BaFin in Germany |
| Available Investment Formats | <ul style="list-style-type: none">• Mutual Funds (UCITS V, 40 Act)• Private funds (e.g. RAIF, SIF)• Segregated managed accounts• Indices and structured solutions |
| Memberships and Participations | <ul style="list-style-type: none">• UNGC, UN PRI, International Corporate Governance Network, Japanese Stewardship Code, AAOIFI, Forum Nachhaltige Geldanlagen, UKSIF, EUROSIF, USSIF, JSIF, CDP, Alternative Investment Management Association |

BOARD

**Georg Kell
(Non-Executive
Chairman)**

Georg Kell is the former Executive Director of the United Nations Global Compact, the world's largest voluntary corporate sustainability initiative with over 8,000 corporate signatories in more than 160 countries. He helped to establish it into the foremost platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. In a career of more than 25 years at the United Nations, Kell also oversaw the conception and launch of the Global Compact's sister initiatives on investment, the Principles for Responsible Investment (PRI), and on education, the Principles for Responsible Management Education (PRME), together with the Sustainable Stock Exchanges (SSE) initiative. He succeeded Professor Robert G. Eccles as Chairman of Arabesque in 2017.

**Barbara J. Krumsiek
(Non-Executive
Director)**

Barbara J. Krumsiek is a globally recognized leader in sustainable investing, with a professional background spanning four decades in the asset management field, including most recently as the CEO and Chair of Calvert Investments, Inc. During her tenure at Calvert from 1997 to 2014, Krumsiek helped to triple the firm's assets under management and developed Calvert Women's Principles, a global code of conduct adopted by the U.N. Global Compact and U.N. Women as the basis for the U.N. Women's Empowerment Principles. She additionally served as co-chair of the U.N. Environment Programme Finance Initiative from 2010 to 2012, a partnership between the United Nations and 200 global financial institutions mandated to develop and promote the links between sustainability and financial performance.

**John Ruggie
(Non-Executive
Director)**

John Ruggie is the Berthold Beitz Professor in Human Rights and International Affairs at the Harvard Kennedy School of Government, and an Affiliated Professor in International Legal Studies at Harvard Law School. In 2005, then United Nations Secretary-General Kofi Annan appointed Ruggie as his Special Representative for Business and Human Rights, a post he continued to hold under the UN administration of Ban Ki-Moon until the end of his term in June 2011. At the close of his mandate, Ruggie presented to the UN Human Rights Council a set of Guiding Principles for Business and Human Rights. The Council unanimously endorsed the Guiding Principles, establishing them as the authoritative global reference point on this issue. Professor Ruggie served from 1997 to 2001 as UN Assistant Secretary-General for Strategic Planning to Kofi Annan. Trained as a political scientist, he has made significant intellectual contributions to the study of international relations, focusing on the impact of economic and other forms of globalization on global rule making.

**Dr. Carolyn Woo
(Non-Executive
Director)**

Dr. Carolyn Woo currently serves as the President's Fellow for Global Development at Purdue University. In 2016, she retired as President and CEO of Catholic Relief Services (CRS), the official international humanitarian agency of the Catholic community in the United States, having joined in 2011. Before her role at CRS, Dr. Woo served as dean of the University of Notre Dame's Mendoza College of Business where, during her tenure, the college was frequently recognized as the nation's leading business school in ethics education and research. Dr. Woo was the first female dean to chair the accreditation body for business schools, AACSB: Association to Advance Collegiate Schools of Business, and directed its Peace Through Commerce initiative. She also helped launch the Principles for Responsible Management Education for the United Nations Global Compact.

**Yolanda Kakabadse
(Non-Executive
Director)**

Yolanda Kakabadse is recognised as one of the world's most prominent environmental leaders, and a global champion of sustainable development and biodiversity preservation. Since 2010, she has served as President of WWF International, one of the world's largest independent conservation organisations with more than 5 million supporters worldwide, and a presence in over 100 countries. Prior to that, Ms. Kakabadse was the Executive Director of Fundación Natura in Quito, President of the World Conservation Union (IUCN), and Minister of Environment for the Republic of Ecuador. In the mid-1970s, Yolanda Kakabadse was a successful educational psychologist based in Quito, but became dedicated to protecting the natural environment. In 1993, she created Fundación Futuro Latino Americano, an organization dedicated to promoting the sustainable development of Latin America through conflict prevention and management. In 1990, she emerged onto the international stage when she worked for the United Nations in Geneva, and has served as a board member of several international organisations, including the Ford Foundation and the Holcim Foundation for Sustainable Construction.

ADVISORY BOARD

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| Professor Gordon Clark | Director of the Smith School of Enterprise and the Environment at the University of Oxford and member of the university's socially-responsible investment committee. He is one of the top 10 most influential academics in institutional investing. |
| Professor Rob Bauer | Professor of Finance and Chair for Institutional Investments at Maastricht University and Executive Director of the International Centre for Pension Management (ICPM) at the University of Toronto. He serves on numerous advisory boards including Deutsche Bank and APG. |
| Professor Tensie Whelan | Prof. Whelan launched the Center for Sustainable Business at Stern in 2016. She has served as president of the Rainforest Alliance for 15 years, Executive Director of the New York League of Conservation Voters, Vice President of the National Audubon Society and Managing Editor of Ambio. |
| Emma Hunt | Co-Head of Hermes Equity EOS. Emma joined EOS from Towers Watson, where she worked closely with asset owners to integrate principles of stewardship and ESG into their investment beliefs, policy and practice. |
| Michael Jantzi | Chief Executive Officer at Sustainalytics, the world's leading research providers in socially responsible investing. He is the Chair of the Advisory Council for the Research Network for Business Sustainability and Co-Chair for the STOXX ESG-Leaders Index Advisory Board. |
| Mohamed Donia | Co-Founder and Chief Executive Officer of IdealRatings, the world's leading Islamic screening provider. IdealRatings white-labels its screening services to the world's major index providers including MSCI, FTSE, Bloomberg, Thomson Reuters, and Russell Investments. |
| Dr. Philipp Aeby | CEO of RepRisk. Prior to RepRisk, Philipp he served in various managerial positions across Europe at Amgen, a global biopharmaceutical firm, and worked on a broad range of international assignments with BCG. |
| Professor Michael Griebel | Professor for Scientific Computing and Numerical Simulation at the University of Bonn and Director of the Fraunhofer Institute for Algorithms and Scientific Computing. |
| Professor David Tuckett | Prof. Tuckett is a professor in the Faculty of Brain Sciences at UCL and a practicing psychoanalyst. His work has opened new ways of thinking about Economics and Finance. |