



Arabesque Partners

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May 2017

# EXECUTIVE SUMMARY

<b>About Arabesque</b>	<ul style="list-style-type: none"><li>• Developed by Barclays Bank PLC from 2011 to 2013 in cooperation with professors from the universities of Stanford, Oxford, Cambridge, Maastricht</li><li>• Strategic partnership with Fraunhofer Society, a leading German semi-governmental think-tank and shareholder of Arabesque</li><li>• Arabesque offers a pioneering investment service by combining:<ul style="list-style-type: none"><li>• Quantitative equity screening including: liquidity, forensic accounting, UNGC, ESG, balance sheet and business-activity screening</li><li>• Quantitative fundamental screening including: G-Score, F-Score and analysis of analysts (rated 5 stars by Morningstar)</li><li>• Momentum screening using 1600 systems per single stock</li><li>• CVaR risk management ensuring drawdown protection</li></ul></li></ul>
<b>Offices</b>	<ul style="list-style-type: none"><li>• London: management, trading, legal, and compliance</li><li>• Frankfurt: research, advisory, and technology</li></ul>
<b>Key Features</b>	<ul style="list-style-type: none"><li>• 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</li><li>• Utilizes extra-financial information such as environmental, social, and governance (ESG) issues to drive out-performance</li><li>• A bespoke global portfolio of stocks, created with a proprietary sustainability process, featuring state-of-the-art fundamental, behavioural, and quantitative systems</li><li>• A sophisticated solution for long-term investors</li></ul>
<b>Team</b>	<ul style="list-style-type: none"><li>• Senior professionals from leading international investment banks and asset managers.</li><li>• 28 professionals</li></ul>
<b>Board</b>	<ul style="list-style-type: none"><li>• Non-Executive Chairman: Professor Robert G. Eccles (emeritus Harvard Business School and visiting Professor at the MIT and Said Business School of Oxford University)</li><li>• Vice Chairman: Georg Kell (founder and former Executive Director of the UN Global Compact)</li><li>• Non-Executive Director: Barbara J. Krumsiek (President &amp; CEO Calvert Investments, 1997–2014)</li></ul>
<b>Advisory Board</b>	<ul style="list-style-type: none"><li>• Leading scientists in quantitative finance and ESG research from world-class institutions</li><li>• CEOs from leading service providers</li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>• Independent and fully funded for three years</li><li>• Senior management invested USD 18mn of personal wealth into funds</li></ul>
<b>Regulation</b>	<ul style="list-style-type: none"><li>• Regulated by the UK FCA, registered with the US SEC as a Registered Investment Adviser (RIA), and supervised by BaFin in Germany</li></ul>
<b>Available Investment Formats</b>	<ul style="list-style-type: none"><li>• Mutual Funds (UCITS V, 40 Act)</li><li>• Private funds (e.g. RAIF, SIF)</li><li>• Segregated managed accounts</li><li>• Indices and structured solutions</li></ul>
<b>Memberships and Participations</b>	<ul style="list-style-type: none"><li>• UNGC, UN PRI, International Corporate Governance Network, Japanese Stewardship Code, AAOIFI, Forum Nachhaltige Geldanlagen, UKSIF, EUROSIF, USSIF, JSIF, CDP, Alternative Investment Management Association</li></ul>

# BOARD

**Professor  
Robert G. Eccles**

Bob joined the faculty of the Harvard Business School in 1979 and received tenure in 1989. He is the leading academic authority on integrated reporting, as well as one of the world's top researchers on sustainability from both a company and investor perspective.

An award-winning author of twelve books, Bob is the founding Chairman of the Sustainability Accounting Standards Board (SASB) and a steering member of the International Integrated Reporting Council (IIRC). In 2011, he was selected as one of the world's Top 100 Thought Leaders in Trustworthy Business Behavior, and in 2014 was named as one of the 100 Most Influential People in Business Ethics.

**Georg Kell**

Georg Kell is the founder and former Executive Director of the UN Global Compact, the world's largest voluntary corporate sustainability initiative with over 8,000 corporate participants in more than 160 countries. A key architect of the Global Compact, he led the initiative from its founding in 2000, establishing the most widely recognized multi-stakeholder network and action platform to advance responsible business practices. Mr. Kell also oversaw the conception and launch of the Global Compact's sister initiatives on investment and business education, the Principles for Responsible Investment (PRI) and the Principles for Responsible Management Education (PRME), together with the Sustainable Stock Exchanges (SSE) initiative.

**Barbara J. Krumsiek**

Barbara's career in the asset management business spans four decades, most recently as President & CEO of Calvert Investments from 1997 to 2014. Barbara's tenure at Calvert included overseeing significant expansion of the market for sustainable investing strategies to U.S. retail and retirement plan investors. Barbara guided the development of the 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. In 2016, Barbara received the Lifetime Achievement Award from the Mutual Fund Industry Awards. She received Columbia University Business School's Botwinick Prize in Business Ethics in 2012, and was named in Ethisphere's 2015 list of the 100 Most Influential in Business Ethics.

# ADVISORY BOARD

**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  
George Serafeim**

Prof. Serafeim is the Jakurski Family Associate Professor of Business Administration at Harvard Business School. He has taught courses in the MBA and doctoral programs, chaired Executive Education programs and, authored more than 100 articles and business cases.

**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.

**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.