Monthly Factsheet | May 2018

Arabesque Systematic (USD)

LU1023699983 ARASYUS LX

Arabesque Asset Management Ltd

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London, W1K 3HL
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60325 Frankfurt
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Portfolio Commentary

Arabesque Systematic returned +3.65% for the month, compared to -0.18% for the MSCI All Country World Index.

On a sector level Technology Services, Electronic Technology and Retail Trade contributed the most during May. Negative contributing sectors were Transportation and Process Industries. On a relative basis, the drivers of May outperformance were the overweight of Technology Services, the underweight of Finance and positive stock selection effects, especially in Finance and Health Technology. With low turnover the fund held its cash position around 4%.

The fund has returned 43.12% since inception with a volatility of 8.60%, and was awarded a 5-star Morningstar Rating™.

Sustainable and Quantitative

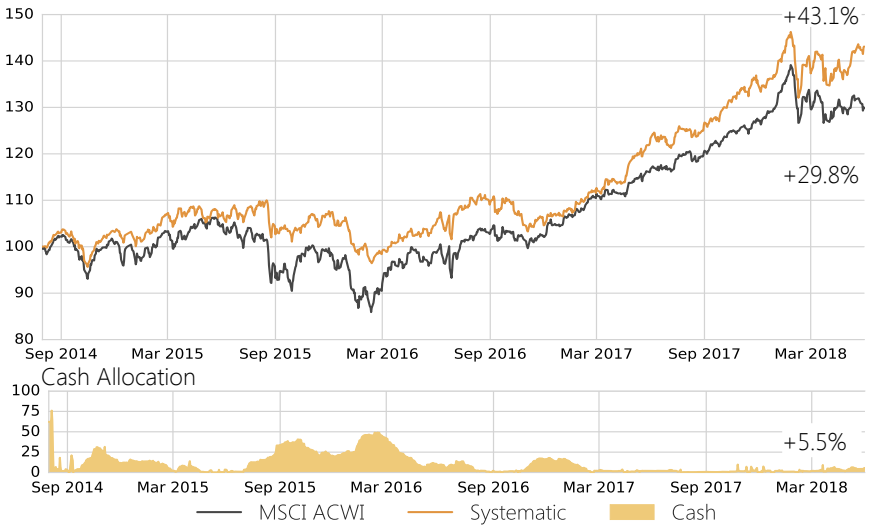
Arabesque follows a quantitative investment approach that integrates sustainability data with financial analysis.

Arabesque Systematic is a balanced global equity fund that uniquely combines sustainability values with a sophisticated fundamental and quantitative stock selection process. The fund's sustainable equity universe consists of around 3,000 individual stocks that have passed a rules-based screening process. The portfolio of 100 stocks is constructed using a quantitative trend following model.

The fund provides risk-controlled equity upside by dynamically allocating into stocks from the sustainable equity universe and cash. The fund aims to limit maximum drawdowns to less than 25%.

Performance since Inception

(USD, net of fees, Source: Union Investment Financial Services and MSCI)

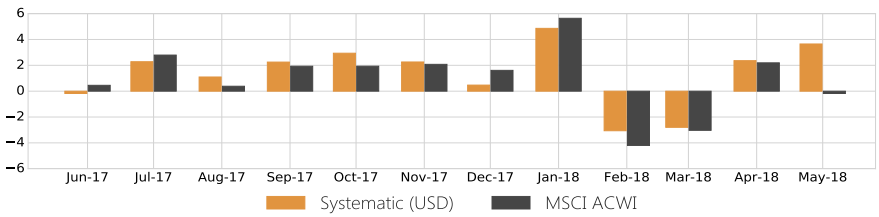


Prices

Date	01.06.2018
Currency	USD
Bid/Ask Price	142.44/142.44
Distribution Date	20.03.2018
Distribution Amount	0.50

Last 12m Performance (%)

(USD, net of fees, Source: Union Investment Financial Services and MSCI)



Conditions

Minimum Investment	USD 50,000
Management Fees	0.82% p.a.
Performance Fees	None
Other 3rd Party Fees	0.27% p.a.
Profit	Distributing
TER*	1.34%

General Information

ISIN	LU1023699983	Inception Date	01.08.2014
WKN	A1XCPR	Management Company	IPConcept (Luxemburg) S.A.
Bloomberg	ARASYUS LX	Custodian Bank	DZ Privatbank S.A.
Fund Structure	SICAV	Fiscal Year	01.01. - 31.12.
Investment Focus	Sustainable, Global Equities	Long Term Benchmark	MSCI AC World Index NR

Monthly Performance

(USD, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	0.25%	3.97%	0.17%	-0.07%	-0.42%	-0.17%	2.33%	-4.03%	-2.18%	4.41%	0.32%	-1.35%	2.97%
2016	-5.26%	-1.60%	3.93%	0.21%	2.33%	1.15%	4.23%	-1.37%	1.04%	-4.93%	0.79%	1.12%	1.14%
2017	2.33%	2.15%	2.50%	3.41%	3.39%	-0.18%	2.28%	1.10%	2.25%	2.94%	2.26%	0.47%	27.88%
2018	4.86%	-3.06%	-2.80%	2.36%	3.65%								4.83%

Risk Indicators

(USD, net of fees)

	Return (p.a.)	Last 12 Months	Volatility (p.a.)	Sharpe Ratio	Max Drawdown
Fund	9.80%	17.02%	8.60%	1.04	-12.33%
Index	7.04%	11.84%	10.60%	0.58	-19.20%

Ratings

LIPPER
5 Total Return
5 Consistent Return
As of 2018-04-30

MORNINGSTAR
As of 2018-04-30

XOT-A-IF-11x-MR-I1-00-00

* The Total Expense Ratio (TER) generally includes all expense items charged to the fund.

PLEASE READ THE IMPORTANT INFORMATION CONTAINED IN THE DISCLAIMER

Note: Official NAVs are based on the last closing prices prior to the valuation day. For the purpose of this report the prices are moved back one day so that the performance is comparable to the index. Unless otherwise stated, all data is as of 31 May 2018.

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Investment Process

- The Arabesque sustainable equity universe has approximately 3,000 stocks screened via a multi-stage selection process based on Arabesque S-Ray®.
- Arabesque S-Ray® is designed to streamline vast amounts of ESG data, and can be used in three unique ways to evaluate companies: (1) GC Score: an assessment of each company based on the normative principles of the United Nations Global Compact. (2) ESG Score: a sector specific analysis of each company's performance on material ESG issues. (3) Preferences Filter: an optional process to examine business involvements against individual investor values.
- From the Arabesque sustainable equity universe, a quantitative investment model selects equities that have been trending upwards. The weight of each stock in the portfolio is approximately 1%. An active risk management process is used to dynamically allocate between equities and cash.
- The fund does not use derivatives, leverage nor shorting.

Opportunities

- Potential of high risk-adjusted returns.
- Exposure to stocks that have been screened for their Environmental and Social impact as well as their Governance practices.
- Risk reduction through an active risk management process that dynamically allocates capital between equities and cash.

Risks

- Exposure to market-related price fluctuations and losses.
- Exchange rate risks in the equity and cash holdings.
- The value of the fund shares may fall below the price at which the investor acquired the shares.

About Arabesque

- Arabesque was founded in June 2013 and is authorised and regulated by the Financial Conduct Authority (FCA).
- The majority of Arabesque is owned by its founders and employees.
- Arabesque Management and Advisory Boards are composed by global leaders in the field of sustainable investing and quantitative finance.
- By combining sophisticated and systematic investment processes with values of the UN Global Compact and the Principles of Responsible Investment (PRI), Arabesque aims to make sustainable investing financially attractive.

Asset Allocation

Shares	94.5%
Liquidity	5.5%

Top-10-Holdings

% of Total Assets

Deckers Outdoor Corporation	1.2%	Marathon Oil Corporation	1.1%
Lululemon Athletica Inc	1.1%	Constellation Software Inc.	1.1%
Medifast, Inc.	1.1%	IT Holdings Corporation	1.1%
Adobe Systems Incorporated	1.1%	Neste Oil Oyj	1.1%
China Gas Holdings Limited	1.1%	Shenzhou International Group	1.1%

Market Capitalization

% of Total Equities

Large Cap (> $15bn)	52.5%
Mid Cap ($2.5bn – $15bn)	38.1%
Small Cap (< $2.5bn)	9.4%

Country Allocation

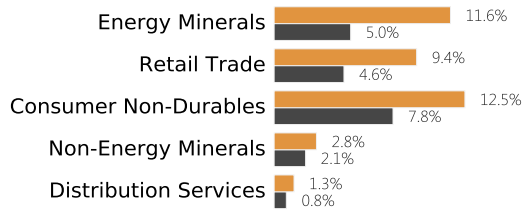
Based on Domicile, % of Total Assets

United States	53.3%	Sweden	2.6%
Japan	9.5%	Germany	2.4%
Canada	8.2%	Hong Kong	2.0%
China	3.2%	Norway	2.0%
United Kingdom	2.7%	Ireland	2.0%

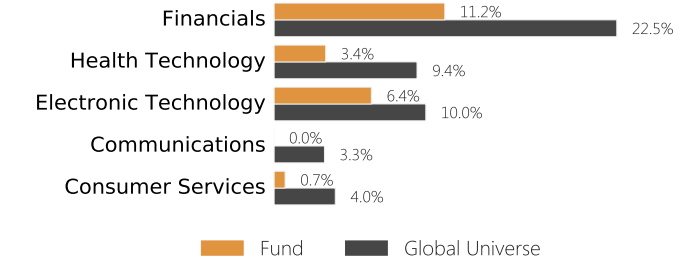
Sectors

% of Total Assets

Top Overweighted



Top Underweighted



Source: Union Investment Financial Services, Factset

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