



Portfolio Commentary

Arabesque Systematic returned +1.08% for the month, compared to +3.02% for the MSCI All Country World Index.

On a sector level Finance, Health Technology and Retail Trade contributed the most during July. Negative contributing sectors were Technology Services and Non-Energy Minerals. On a relative basis, the drivers of July underperformance were the overweight of Technology Services, the underweight of Finance and negative stock selection effects, especially in Consumer Non-Durables and Electronic Technology. With higher turnover the fund held its cash position around 5%.

The fund has returned 43.63% since inception with a volatility of 8.45%, 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%.

Prices

Date	01.08.2018
Currency	USD
Bid/Ask Price	142.95/142.95
Distribution Date	20.03.2018
Distribution Amount	0.50

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%

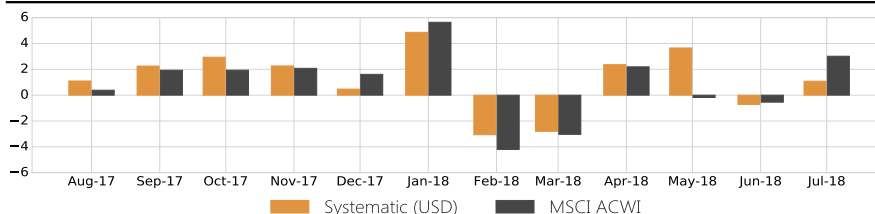
Performance since Inception

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



Last 12m Performance (%)

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



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	MSCI AC World Index NR
		Benchmark	

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%	-0.72%	1.08%						5.21%

Risk Indicators

(USD, net of fees)

	Return (p.a.)	Last 12 Months	Volatility (p.a.)	Sharpe Ratio	Max Drawdown
Fund	9.47%	15.03%	8.45%	1.01	-12.33%
Index	7.39%	10.97%	10.45%	0.62	-19.20%

Ratings



5 Total Return

5 Consistent Return

As of 2018-06-29



As of 2018-06-30

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

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

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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 July 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	94.7%
Liquidity	5.3%



Top-10-Holdings

% of Total Assets

Neste Oil Oyj	1.2%	CGI Group Inc. Class A	1.1%
Straumann Holding AG	1.2%	ConocoPhillips	1.1%
IDEXX Laboratories, Inc.	1.2%	HOYA CORPORATION	1.1%
MSCI Inc. Class A	1.2%	Amadeus IT Group SA Class A	1.1%
H. Lundbeck A/S	1.2%	William Demant Holding A/S	1.1%

Market Capitalization

% of Total Equities

Large Cap (> \$15bn)	56.1%
Mid Cap (\$2.5bn – \$15bn)	33.1%
Small Cap (< \$2.5bn)	10.8%



Country Allocation

Based on Domicile, % of Total Assets

United States	50.2%	Germany	3.0%
Japan	11.6%	United Kingdom	2.3%
Canada	7.0%	Denmark	2.3%
Hong Kong	3.7%	France	2.1%
Switzerland	3.3%	South Africa	2.0%

Sectors

% of Total Assets

Top Overweighted

Retail Trade	10.4%	5.1%
Consumer Non-Durables	10.4%	7.2%
Health Technology	12.0%	9.1%
Health Services	1.9%	1.5%
Distribution Services	1.0%	0.9%

Top Underweighted

Financials	12.6%	22.0%
Electronic Technology	6.0%	10.4%
Producer Manufacturing	1.4%	4.9%
Consumer Services	0.9%	4.1%
Communications	0.0%	2.9%

Legend: Fund (Orange), Global Universe (Dark Grey)

Source: Union Investment Financial Services, Factset



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