Sustainable, Responsible and Impact Mutual Fund and ETF Chart

Fund Profile:
Arabesque Systematic USA Fund

General Fund Information
Ticker: ASUIX
Assets under management (AUM): $13.56M (in US$ millions)
General Fund Type: Balanced Funds
Specific Sizes or Types of Investments: The portfolio consists of up to around 50 stocks consisting of equity securities of US issuers and US dollar denominated cash and cash instruments.
Financial Objective: Arabesque Systematic USA Fund (the “Fund”) seeks capital appreciation over the full market cycle with below benchmark levels of risk. There is no guarantee that a Fund will achieve its investment objective.
Specific ESG Focus: Construction of the Investment Universe: The Fund considers all publicly listed US equities. The Fund combines Arabesque S-Ray®, Arabesque’s proprietary assessment of non-financial risk factors such as environmental, social and governance (ESG) issues as well as alignment with the principles of the UN Global Compact, with liquidity parameters such as market capitalization, daily turnover and free float to identify the Fund’s investment universe of eligible US equity securities. While market capitalization is considered with respect to an issuer’s liquidity and the Adviser’s assessment of risk, the Fund may invest in any publicly listed equity security regardless of market capitalization. The Fund does not consider companies that generate more than 5% of their revenues from weapons, gambling or tobacco. Additionally, such factors are a component in the Adviser’s security selection process, described below. The identification of the Fund’s investment universe of eligible US equity securities is performed quarterly. The Adviser uses recently released publicly available information from an issuer or a third-party data provider to construct the Fund’s investment universe and, while the Adviser believes that such information is generally reliable, the Adviser is not responsible for the accuracy of such information.

To invest, call: 844-567-2134

Fund Institution Information
Institution Name:
Arabesque Asset Management Ltd
Contact info:
Email: Jennifer.Djaferis@arabesque.com

Account Minimums
Minimum Account: --
Minimum IRA: --

Methodology
Screening Venue: In-house

Screening Party: Arabesque S-Ray®

Screening Database Used: Internal Data Base

Screening Process: Summary of Principal Investment Strategies: Under normal circumstances the Fund invests in a portfolio consisting of equity securities of US issuers and U.S. dollar denominated cash and cash instruments. The Fund typically maintains between 0% and 100% of its assets in the equity portion of its portfolio (the “equity portfolio”) and between 0% and 100% in the cash portion of its portfolio (the “cash portfolio”); however, the Adviser will rebalance the Fund’s assets daily and may allocate between 0% and 100% of its assets in either the equity portfolio or the cash portfolio. The Fund aims to provide risk-controlled equity upside exposure by dynamically allocating between equities and cash. The investment process is systematic and based on a set of rules which are implemented by quantitative processes overseen by Arabesque’s investment committee. This rules-based investment strategy combines a proprietary analysis of relevant non-financial issues, such as environmental, social and governance (“ESG”) risks, with a rules-based fundamental security analysis and a systematic asset allocation and risk management strategy. The systematic investment strategy consists of three main components: (1) Construction of the Investment Universe, (2) Asset Allocation and (3) Stock Selection. (1) Construction of the Investment Universe: The Fund considers all publicly listed US equities. The Fund combines Arabesque S-Ray®, Arabesque’s proprietary assessment of non-financial risk factors such as environmental, social and governance (ESG) issues as well as alignment with the principles of the UN Global Compact, with liquidity parameters such as market capitalization, daily turnover and free float to identify the Fund’s investment universe of eligible US equity securities. While market capitalization is considered with respect to an issuer’s liquidity and the Adviser’s assessment of risk, the Fund may invest in any publicly listed equity security regardless of market capitalization. The Fund does not consider companies that generate more than 5% of their revenues from weapons, gambling or tobacco. Additionally, such factors are a component in the Adviser’s security selection process, described below. The identification of the Fund’s investment universe of eligible US equity securities is performed quarterly. The Adviser uses recently released publicly available information from an issuer or a third-party data provider to construct the Fund’s investment universe and, while the Adviser believes that such information is generally reliable, the Adviser is not responsible for the accuracy of such information. (2) Asset Allocation: On a daily basis, the Fund assesses the equity market risk and calculates the allocation between equity securities and cash for the Fund. The assessment is performed with a rules-based procedure. The allocation into equity securities ranges from 0% to 100% with the remainder of the Fund’s NAV invested into cash and cash instruments. (3) Stock Selection: After determining the allocation to the equity portfolio, the Fund then selects securities with an initial target weight ranging from 0% to 2% per position from the investment universe. The stock selection is based on a rules-based portfolio optimization taking into consideration price information, financial data, analyst estimates and transaction costs. The Fund’s stock selection process generally favors stocks with a positive price momentum. Every stock in the portfolio has a risk-limit which leads to the selective selling of stocks, which have, in the Adviser’s view, a negative price momentum. The combination of both effects typically leads to a “Moderate Growth” bias of the Fund’s stock portfolio. In certain instances, the Fund may use derivatives, such as options and futures contracts, as a substitute for direct investment in equity securities. This would be done to facilitate the periodic rebalancing of the Fund’s portfolio in order to maintain its target allocation and assist in managing cash. (Source: https://arabesque.com/docs/systematicusa/Arabesque_Systematic_Funds_Prospectus.pdf - pg 2) The Fund’s sustainable equity universe consists of around 1,100 liquid US stocks that have passed Arabesque S-Ray® screening described above.

Proxy Voting Information

Proxy Voting Guidelines or Policies: [Open external link in new window]

Proxy Voting Records: The Fund is required to file annually its proxy voting record on Form N-PX with the SEC. Form N-PX is required to be filed by August 31 of each year and when filed will be available by request by calling the Fund at (844) 567-2134 or www.sec.gov.

Specific Screening Information by Category

Environment
- Climate / Clean Technology: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- Pollution / Toxics: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Other Environmental**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies

**Social**

- **Community Development**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Diversity & Equal Employment Opportunity**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Human Rights**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Labor Relations**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Conflict Risk**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies

**Governance**

- **Board Issues**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Executive Pay**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies

**Products**

- **Alcohol**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Animal Welfare**: Combination of Positive and Restricted/Exclusionary Strategies - Combination of strategies
- **Defense/Weapons**: Restricted/Exclusionary Investment - Additionally, companies that generate more than 5% of their revenues from weapons, gambling or tobacco are excluded from the universe.
- **Gambling**: Restricted/Exclusionary Investment - Additionally, companies that generate more than 5% of their revenues from weapons, gambling or tobacco are excluded from the universe.
- **Tobacco**: Restricted/Exclusionary Investment - Additionally, companies that generate more than 5% of their revenues from weapons, gambling or tobacco are excluded from the universe.

**Other**

- **Other/Qualitative**: Arabesque S-Ray®: Arabesque S-Ray® is Arabesque’s proprietary tool that allows anyone to monitor the sustainability of nearly 7,000 of the world’s largest corporations. Through machine learning and big data, S-Ray® systematically combines over 200 ESG metrics with news signals from over 50,000 sources across 15 languages. Processing over 150 million data points daily, it can be used to evaluate listed companies against their Global Compact score, ESG Score, and user defined customizable preferences. Arabesque Bespoke Solutions: Arabesque Bespoke Solutions is our unique service which offers tailor-made products based on investors’ individual preferences. Our modular and flexible investment approach allows us to create customized solutions for clients, reflecting different requirements including regional exposure, investment style, and industry preferences. Arabesque Bespoke Solutions is available for portfolios in excess of certain thresholds via a robust set of processes allowing investors to test and build tailor-made products with respect to ESG integration, business activity and balance sheet screening, legal set-up, and pay-off profiles. Our indices are calculated by independent third party providers. We also make our investment strategies available as segregated managed accounts.
- **Description of Shareholder Engagement**: The Fund's Board of Trustees has adopted the Adviser’s proxy voting procedures and has delegated the responsibility for exercising the voting rights associated with the securities purchased and/or held by the Fund to the Adviser, subject to the Fund's Board of Trustees’ continuing oversight. In exercising its voting obligations, the Adviser is guided by general fiduciary principles. It must act prudently, solely in the interest of the Fund, and for the purpose of providing benefits to the Fund. The Adviser has delegated its proxy voting activities to an external service provider, Institutional Shareholder Services (â€œISSâ€) and has adopted the proxy voting guidelines of ISS. ISS votes at company meetings on behalf of the Adviser in line with its voting policy and in a way that is consistent with a hierarchy of external global principles, overlaid with ISS developed regional principals which have themselves been based on external local market standards. ISS seeks to apply a standard of generally accepted good governance practice on behalf of proxy voting clients while also factoring in relevant regional differences in governance practice. Further details can be found in ISS’s Voting Policy Guidelines which is updated from time to time. The Fund is required to file annually its proxy voting record on Form N-PX with the SEC. Form N-PX is required to be filed by August 31 of each year and when filed will be available by request by calling the Fund at (844) 567-2134 or on the SEC’s website at www.sec.gov. (Pg 26: https://arabesque.com/docs/systematicusa/Arabesque_Systematic_Funds_SAI.pdf)
Performance Data

Data provided by: Bloomberg - Information current as of July 31, 2020

Year-to-date rate of return: -0.24%

1-year rate of return: 0.37%

3-year rate of return: 6.93%

5-year rate of return: --

10-year rate of return: --

Previous year rate of return: 15.32%

Management fee: 0.75%

Expense ratio: 0.95%

Standard deviation: 16.41%

Benchmark used: MSCI USA | External link

Disclaimer: INVESTMENT CONSIDERATIONS 43 Grosvenor Street, London W1K 3HL info@arabesque.com

www.arabesque.com There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including the potential loss of principal. STOCK MARKET: The risk that the market value of a security may fluctuate, sometimes rapidly and unpredictably. The prices of securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. LARGE CAP: Companies may be unable to respond quickly to new competitive challenges such as changes in technology, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion. SMALL AND MID-CAP: Securities of small or mid-capitalization companies may be subject to more abrupt or erratic market movements than securities of larger, more established companies. Generally the smaller the company size, the greater the risk. Small and mid-capitalization companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. ASSET-ALLOCATION. The Adviser’s asset allocation decisions between equity securities, on the one hand, and cash instruments, on the other hand, will not anticipate market trends successfully. For example, investing too heavily in common stocks during a stock market decline may result in a failure to preserve capital. Conversely, investing too heavily in cash instruments during a period of stock market appreciation may result in lower total returns. CREDIT: It is the risk that an issuer will not make timely payments of principal and interest. A credit rating assigned to a particular debt security is essentially the opinion of an NRSRO as to the credit quality of an issuer and may prove to be inaccurate. The cash allocation for the Fund is held overnight with the Fund’s certain counterparties. The Fund will hold no more than 25% of the Fund’s NAV with any single counterparty. In case there is a default overnight at the institution where cash is held, the Fund may incur losses. INTEREST RATE: The cash allocation of the Fund is held overnight with the Fund’s counterparties. In case rates fall below zero, the Fund might incur costs for holding cash. INDEXES: There may be significant differences between the Fund’s investments and the indexes referenced herein. For instance, the Fund may use leverage and invest in securities that have a greater degree of risk and volatility, as well as less liquidity, than those securities contained in such indexes. Fund investors may also be subject to a lock-up which further limits the Fund investor’s liquidity relative to an investment in one or more of the securities comprising any index. It should not be assumed that the Fund will invest (or has invested) in any specific investments that comprise any index, nor should it be understood to mean that there is a correlation between the Fund’s returns and the returns of any index. The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US. You cannot invest directly into an index. An investor should consider a Fund’s investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the Funds can be found in the Fund’s prospectus. To obtain a prospectus, please call (Toll Free (844) 567-2134) or write to the Fund at 4400 Computer Drive, Westborough, MA 01581-1722. Please read the prospectus carefully before investing. The Funds are distributed by Foreside Funds Distributors LLC. Arabesque Asset Management Ltd is the investment advisor for the Fund.

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