

**Arabesque SICAV**

*Société d'investissement à capital variable*

Registered office : 4, rue Thomas Edison, L-1445 Strassen

R.C.S. Luxembourg: B 188.325

(the “Fund”)

**NOTE:**

**This notice must be sent to investors immediately, pursuant to § 298(2) KAGB.**

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**NOTICE TO THE SHAREHOLDERS OF THE FUND DATED 10 DECEMBER 2020**

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This document is important and requires your immediate attention.

*Unless otherwise defined in this document, all capitalised terms have the same meaning as capitalised terms used in the visa-stamped prospectus dated 7 December 2020 (the “Prospectus”).*

**RE: Change of service providers of the Fund and various amendments to the Prospectus**

Dear Shareholder,

We are writing to you, in your capacity as shareholder in the Fund, to notify you of the following amendments reflected in the revised Prospectus dated 11 February 2021 (the “**Revised Prospectus**”), available free of charge upon request or during normal business hours at the registered office of the Fund :

1. the appointment of Pictet & Cie (Europe) S.A. as depositary of the Fund (the “**New Depositary**”), in replacement of DZ PRIVATBANK S.A. (“**DZ**”) and the entering by the Fund into a depositary agreement with the New Depositary;
2. the appointment of FundPartner Solutions (Europe) S.A. as management company of the Fund (the “**New Management Company**”) in replacement of IPConcept (Luxembourg) S.A. (“**IPC**”) and the entering by the Fund with the New Management Company into a Management Company Services Agreement including the functions of central administration and registrar and transfer agent which will not be delegated;
3. the consequent change of the registered office of the Fund from 4, rue Thomas Edison, L-1445 Strassen to 15, avenue J.F. Kennedy, L-1855 Luxembourg;
4. information about the New Depositary and the New Management Company;

5. recast of section “*Calculation of the net asset value per share*” to notably insert a definition of the terms “Business Day”, “Valuation Day” and “Calculation Date”;
6. amendment of sections “Issue of shares” and “Redemption and exchange of shares” for clarification purpose;
7. removal of the terms “bearer shares” throughout the prospectus since the Fund will no more issue bearer shares and current bearer shares are dematerialized;
8. the change of name of the two sub-funds of the Fund as follows:

Former sub-fund name	→	New sub-fund name
Arabesque SICAV – Arabesque Systematic	→	Arabesque SICAV – Global ESG Momentum Flexible Allocation
Arabesque SICAV – Arabesque Sustainable Global Equity	→	Arabesque SICAV – Global ESG Momentum Equity

9. in Annex 1 regarding Arabesque SICAV – Global ESG Momentum Flexible Allocation:
  - a) amendment of section “*Investment Objectives*” to reflect the fact that the sub-fund will use from now on as benchmark the MSCI ACWI Index for performance comparison only;
  - b) amendment of section “Investment Policy” as follows:

***“Investment policy***

*The Sub-Fund will seek to be mainly invested in*

- *equities and equity related securities (such as, but not limited to, ordinary or preferred shares, rights, certificates, ADR, GDR, notes) issued by companies worldwide that are contained in the Arabesque Investment Universe. and/or*
- *cash and cash equivalents (money market instruments, money market undertakings for collective investment).*

*Depending on market conditions and the Fund Manager’s conviction, it is understood that investments in equities and equity related securities may vary between 0% and 100% of the net assets of the Sub-Fund.*

*The Sub-Fund will normally hold up to 150 stocks selected from the Arabesque Investment Universe. Under normal market conditions, the maximum position size of any single stock should be 1% of the Sub-Fund’s net assets, without being a constraint. To allow for the impact of market appreciation, this maximum position size could rise to as much as 1.25% of the Sub-Fund’s net assets before the position size is reduced. If for any reason the portfolio deviates from the above-mentioned guideline, position sizes will be adjusted to bring the Sub-Fund back into the 1% target weighting. The individual stocks are selected*

*by a systematic investment process that considers fundamental information as well as technical analysis.*

*The choice of investments will neither be limited by geographical area (including emerging markets), by economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single economic sector and/or in a single currency.*

*For the avoidance of doubt:*

- It is possible that under exceptional market conditions and for a limited amount of time, the Sub-Fund will invest less than 51% of net assets into equities and equity related securities; and.*
- The balance between 100% and the percentage value of net assets invested into equities and equity related securities from the Arabesque Investment Universe will be invested into cash, money market instruments or money market UCIs (within the 10% limit mentioned below).*

*The Sub-Fund's investments in units or shares of UCIs shall not exceed 10% of its net assets. There is no restriction on the permitted types of eligible target funds in terms of the target funds to be acquired for the Sub-Fund.*

*For hedging and for investment purposes, and within the limits set out in Article 4 "General investment principles and restrictions" of the articles of incorporation of the Fund, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. However, in normal market conditions, the Fund Manager intends to use mainly option rights, swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1)(e) of the Law of 17 December 2010. These derivatives may only be used within the limits of Article 4 of the Articles of Association. Further details on techniques and instruments can be found in the Sales Prospectus in the section entitled "Information on derivatives and other techniques and instruments".*

*As at the time of issue of this Sales Prospectus and notwithstanding any provisions to the contrary herein, the Sub-Fund does not use Securities Financing Transactions ("SFT") or Total Return Swaps ("TRS") which fall under the scope of Securities Financing Transaction*

*Regulation (EU) 2015/2365 (“SFTR”). Whenever this situation changes, the Prospectus will be updated accordingly.*

*All investments stipulated in Article 4(3) of the Articles of Association, along with investment in Delta 1 certificates to commodities, precious metals and indices thereto, provided these are not financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of ESMA Guideline 2014/937, are limited to a total of 10% of the net Sub-Fund assets”.*

- c) recast of section “*Commitment Approach*” for clarification purpose;
- d) insertion of a new section “*Subscription, redemption and exchange of any share*”; and
- e) clarification of the first sentence of section “*Use of income*”.

**10.** in Annex 2 regarding Arabesque SICAV – Global ESG Momentum Equity:

- a) amendment of section “*Investment Objectives*” to reflect notably the fact that the sub-fund will use from now on as benchmark the MSCI ACWI Index for performance comparison only;
- b) amendment of section “*Investment Policy*” as follows:

**“*Investment policy*”**

*The Sub-Fund is an equity fund.*

*The Sub-Fund will mainly invest in equities and equity related securities (such as, but not limited to, ordinary or preferred shares, rights, certificates, ADR, GDR, notes) issued by companies worldwide that are contained in the Arabesque Investment Universe.*

*The Sub-Fund will normally hold up to 150 stocks selected from the Arabesque Investment Universe. Under normal market conditions, the maximum position size of any single stock should be 1% of the Sub-Fund’s net assets, without being a constraint. To allow for the impact of market appreciation, this maximum position size could rise to as much as 1.25% of the Sub-Fund’s net assets before the position size is reduced. If for any reason the portfolio deviates from the above-mentioned guideline, position sizes will be adjusted to bring the Sub-Fund back into the 1% target weighting.*

*The individual stocks are selected by a systematic investment process that considers fundamental information as well as technical analysis.*

*The choice of investments will neither be limited by geographical area (including emerging markets), by economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single economic sector and/or in a single currency.*

*Even though the Sub-Fund aims to be fully invested in equities and equity related securities from the Arabesque Investment Universe at all times, on an ancillary basis (i.e. up to 49% of its net assets), the Sub-Fund may invest in any other type of eligible investments, such as, but not limited to, money market instruments, undertakings for collective investment (UCIs, within the 10% limit mentioned below) and cash.*

*The Sub-Fund's investments in units or shares of UCIs shall not exceed 10% of its net assets. There is no restriction on the permitted types of eligible target funds in terms of the target funds to be acquired for the Sub-Fund.*

*For hedging and for investment purposes and within the limits set out in Article 4 "General investment principles and restrictions" of the articles of incorporation of the Fund, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. However, in normal market conditions, the Fund Manager intends to use mainly option rights, swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1)(e) of the Law of 17 December 2010. These derivatives may only be used within the limits of Article 4 of the Articles of Association. Further details on techniques and instruments can be found in the Sales Prospectus in the section entitled "Information on derivatives and other techniques and instruments.*

*As at the time of issue of this Prospectus and notwithstanding any provisions to the contrary herein, the Sub-Fund does not use Securities Financing Transactions ("SFT") or Total Return Swaps ("TRS") which fall under the scope of Securities Financing Transaction Regulation (EU) 2015/2365 ("SFTR"). Whenever this situation changes, the Prospectus will be updated accordingly.*

*All investments stipulated in Article 4(3) of the Articles of Association, along with investment in Delta 1 certificates to commodities, precious metals and indices thereto, provided these are not financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of ESMA Guideline 2014/937, are limited to a total of 10% of the net Sub-Fund assets."*

- c) recast of section "Commitment Approach" for clarification purpose;
- d) insertion of a new section "Subscription, redemption and exchange of any share"; and
- e) clarification of the first sentence of section "Use of income".

(together the “**Amendments**”).

The Amendments listed under item 1 to 4 above concern directly the change of service providers and are hereafter referred to as the “**Migration**”.

## **BACKGROUND OF THE MIGRATION**

The decision to modify the operational and organizational structure of the Fund, aims at establishing a configuration in line with the future development of the Fund, *i.e.* investing and entering into the markets of other countries especially regions outside Europe and at anticipating regulations that are permanently being implemented in the financial industry.

In order to be more competitive and in line with market standard, the Fund has decided to appoint the New Depositary and the New Management Company.

Information on the New Depositary and the New Management Company respectively, its directors, key officers, as well its constitutive documents and main applicable policies are available for consultation on the respective website: [www.pictet.com](http://www.pictet.com) and [www.group.pictet/fps](http://www.group.pictet/fps).

## **IMPACT OF THE MIGRATION ON THE FEES CHARGED TO THE FUND**

The costs and expenses related to the Migration will be borne by both the Fund Manager of the Fund, *i.e.* Arabesque Asset Management Ltd, and the sub-fund Arabesque SICAV – Global ESG Momentum Flexible Allocation.

The fees payable to the new service providers will be lower than the fees payable to the current service providers.

## **OPERATIONAL IMPACT OF THE MIGRATION ON SUBSCRIPTION / REDEMPTION / CONVERSION ORDERS OF SHARES IN THE FUND:**

By derogation to the relevant provisions of the Prospectus, you are informed that any orders for subscription / redemption / conversion of shares in the Fund shall be suspended between 8<sup>th</sup> and 10<sup>th</sup> (inclusive) February 2021.

**If you do not agree with the planned changes described herein, please note that you have the opportunity to redeem your shares, free of redemption fees as foreseen in the prospectus, if any, until 5 February 2021 2:00 pm.**

**All the amendments to the Prospectus listed under item 1 to 10 above will take effect on 11 February 2021.**

This letter and all its attachments and terms shall be governed and construed in accordance with the laws of the Grand Duchy of Luxembourg.

The Board of Directors