



Illustrative Questionnaire for the Due Diligence of Practices for Responsible Investment

INSTRUCTIONS

The questions in this due diligence questionnaire are based on the United Nations-supported Principles of Responsible Investment (UN PRI) Hedge Fund Responsible Investment Due Diligence Questionnaire ('HF RI DDQ'). The questions track those in the HF RI DDQ, but in an AIMA DDQ format.

As the HF RI DDQ is a public document, there are no requirements that either the person filling in this form or the recipient be an AIMA member. However, copyright in the questions remains with UN PRI.

If you choose to alter any of the questions or the set answer formats (where applicable), you should remove the AIMA branding as well. Additional questions can be added to this DDQ in the area provided in section 5 of this DDQ, without needing to remove the AIMA branding. Additional rows for further questions can be added by clicking the '+' symbol at the lower right hand corner of the table.

The original HF RI DDQ and related UN PRI publications may be accessed [here](#).

NAME OF INVESTMENT MANAGER RESPONDING:

J8 Capital Management LLP

DATE OF THIS DDQ:

05 December 2017

NAME OF CONTACT PERSON AT INVESTMENT MANAGER:

Sandy Chu, Tillmann Sachs

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RESPONSIBLE INVESTMENT

1. POLICY

1.1	A	Does the investment manager have a policy addressing its approach to the incorporation of environmental, social and governance (ESG) factors within the investment process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No, and an explanation is provided below, but the rest of this DDQ has been left blank. Click here to enter text.
	B	Provide a copy of the policy.	Publicly available
	C	Indicate the coverage of the policy by asset class, funds, strategy and AUM.	The Policy/statement covers our investment strategy and process and risk management with respect to ESG issues and the Principles.
1.2		What is the investment manager's rationale for adopting a policy to incorporate responsible investment (RI) into the investment decision-making process?	J8 believes the key to excellence is ethical and responsible behaviour in all its investment activities and affairs. Ethical and responsible behaviour benefits all stakeholders alike, not least investors, employees, and our social and natural environment in which we operate and interact with.
1.3		To which normative codes and initiatives is the investment manager a signatory or a voluntary adherent (e.g., the PRI, national stewardship codes, HFSB Hedge Fund Standards, CFA's Asset Manager Code of Professional Conduct, AOI Hedge Fund Principles 2014)?	Signatory of UNPRI since 4 December 2017.

2. GOVERNANCE

2.1		Please indicate the methods of investment manager internal oversight (e.g., oversight by investment committee, firm management, board of directors, etc.) and reporting of RI incorporation across the investment manager's organisation.	Oversight by Compliance Officer, COO, and Management
2.2		Please describe how the investment manager has organised RI responsibilities within its investment team(s) and indicate whether the investment manager employs RI professionals.	RI is incorporated in our systems design. External managers and service providers are asked to adhere to ESG issues and the Principles.
2.3		Please explain what RI training is provided by the investment manager to its employees.	Review of the Principles and implementation recommendations.
2.4		Does the investment manager annual employee performance review or remuneration metrics reflect any component for the inclusion of RI?	<input type="checkbox"/> Yes, and a description is provided below. <input checked="" type="checkbox"/> No, and an explanation is provided below. As RI is part of and incorporated into our systematic investment process, no single employee can be attributed directly for the successful RI implementation.

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3. INVESTMENT PROCESS

3.1	<p>A Please describe what ESG data, research, third-party consultants, resources, tools and practices the investment manager uses.</p>	<p>J8’s investment process is systematic in nature and J8 strategies trade a broadly diversified portfolio of global liquid futures, forwards, swaps, other derivatives, and sovereign cash bonds. J8’s investment policies, strategies, and processes adhere to the UNPRI Investment Practices (see also https://www.unpri.org/about/pri-teams/investment-practices) and are incorporated in J8’s strategy, product, and risk management by design.</p> <p>J8’s policy does not allow holding futures into delivery or taking delivery. This is to avoid affecting the price-building mechanism and exposing investors to unwanted liquidity risk.</p> <p>Trading futures always involves the buy and sell back before expiry in order to avoid physical delivery. It therefore has no long-term impact on production levels. J8 pays particular attention to ESG issues with futures on agricultural products. J8 only considers those agricultural futures part of its eligible investment universe that show deep, mature and liquid markets. J8 does not trade futures that are more illiquid where a lack of market liquidity could lead to investors having a substantial influence on price. J8’s risk management system is designed to stay within the speculative position limits stipulated by the Commodity Futures Trading Commission (CFTC) (see also http://www.cftc.gov/IndustryOversight/MarketSurveillance/SpeculativeLimits/index.htm). Where J8 invests by way of swap transactions on commodity indices or transacts in other products that contain or reference agricultural commodities, it ensures that the cumulative exposure per single market is also below that speculative position limit. J8 wants to avoid that its speculative trading in commodity futures will cause “sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity.”</p> <p>When J8 invests in a commodity index or strategy, J8 selects indices that rebalance their allocations of the different commodities frequently. This mean reverting effect allows for greater long-term price stability. When trading commodity futures directly, J8 also rebalances frequently to achieve that same effect. J8 only invests in such commodity indices or strategies where all the underlying positions and weightings are transparent and published. To J8 investors, J8 offers full transparency on the futures positions it trades within its funds or segregated managed accounts.</p> <p>J8 strategies do not trade equities or investment products containing or referencing equities. J8 strategies trade futures only.</p>
	<p>B How are these incorporated into the investment and risk management process?</p>	<p>The Principles and ESG issues are incorporated in the strategy development and design.</p> <p>J8’s investment policies, strategies, and processes adhere to the UNPRI Investment Practices (see also https://www.unpri.org/about/pri-teams/investment-practices) and are incorporated in J8’s strategy, product, and risk management design.</p>

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3.2	Have there been any changes to the investment manager's RI incorporation process over the past 12 months (e.g., additional resources, information sources)?	<input type="checkbox"/> Yes, and the changes are described below. <input checked="" type="checkbox"/> No, and an explanation is provided below. J8's investment process is systematic and has not changed over the past 12 months.
3.3	Please explain how active ownership practices, both voting and engagements, are integrated into investment decisions.	J8 strategies do not trade equities or products referencing equities. However, for external managers under our J8 SICAV umbrella: Where an external portfolio manager trades equities or other investment products containing or referencing equities, J8 has no direct contact with invested companies. J8's policy requires investment to be consistent with the Principles, and J8 monitors and records the exercise of voting rights, and supports shareholder resolutions that call for greater transparency and engagement in ESG issues.
3.4	Please provide examples where ESG risks and opportunities were incorporated into the investment manager's investment decisions over the past 12 months.	As J8 did not invest in or hold any equities, the question does not apply.

4. MONITORING AND REPORTING

4.1	Please describe what metrics (internal and/or external) the investment manager uses to measure its progress in the incorporation of RI into the investment process.	RI parameters are part of our systematic investment process and incorporated by design. In particular we incorporate the CFTC speculative position limits and UNPRI Investment Practices on commodities in our design, among other using rebalancing commodity investment strategies and indices.
4.2	Does the investment manager assess its fund(s)' exposure to climate risk, and measure and monitor the carbon footprint of its investment portfolio?	<input type="checkbox"/> Yes, and a description of the assessment process is set out below. <input checked="" type="checkbox"/> No, and, an explanation is provided below. As we trade futures only and do not hold equities, this question is not applicable.
4.3	A Does the investment manager report to its investors on ESG activities and portfolio ESG risk assessments?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No, and, as a consequence, (b)-(d) below have been left blank and an explanation as to why not has been provided below. Click here to enter text.
	B How often does the investment manager provide such reports?	<input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Other (please explain): Click here to enter text.
	C In what format(s) does the investment manager provide such reports? (tick all that apply)	<input type="checkbox"/> Group meetings/calls <input type="checkbox"/> One on one meetings/calls <input checked="" type="checkbox"/> Written reports <input type="checkbox"/> Newsletters <input type="checkbox"/> Other (please explain): Click here to enter text.
	D Please provide examples of such reports.	Publicly available

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5. ADDITIONAL RESPONSIBLE INVESTMENT QUESTIONS

Further Question	Add a question below: Click here to enter text.	Click here to enter text.
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