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# Responsible Investment Statement



## About J8

J8 Capital Management LLP (“J8”) was founded in 2012 and is an investment management. Strong corporate governance, a mature risk management framework, and the highest levels of compliance make J8 a sophisticated and trusted partner. J8 believes in glass box transparency. It offers highly liquid, diversified and uncorrelated, cost efficient systematic investment solutions. They focus on capital preservation, attractive risk-adjusted returns, superior diversification benefits, and merit stand-alone investment.

J8 also offers an umbrella fund structure where in some mandates J8 delegates the portfolio management to specialist external managers.

## Responsible investment

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.

FCA: J8 Capital Management LLP is authorised and regulated by the Financial Conduct Authority ([FCA](#)) in the United Kingdom.

ICO: J8 is registered with the Information Commissioner’s Office since 17<sup>th</sup> January 2017. The ICO is the UK’s independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals.

AIMA: J8 is a member of the Alternative Investment Management Association ([AIMA](#)).

UNPRI: J8 is a [Signatory](#) of the United Nations Principles for Responsible Investment since 4<sup>th</sup> December 2017. J8 believes that following and implementing the Principles makes the company better and its services more valuable. By incorporating environmental, social, and governance (ESG) factors into our investment process we believe to better manage risk and generate sustainable, long-term returns.

## Implementation

J8 implements the Principles and ESG issues in all investment processes, operations, and products.

## J8 strategies

J8 offers and manages a number of investment strategies with J8 Global Absolute Return Strategy being J8's main investment strategy.

## J8 SICAV

The J8 Umbrella Funds SICAV plc ("J8 SICAV") is domiciled in Malta and managed by J8. J8 SICAV is an umbrella fund structure with a number of sub-funds. The portfolio management of some of these sub-funds has been delegated to external portfolio managers.

## Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

J8 addresses ESG issues in the investment policies of its mandates, assesses the capability of its inhouse and external managers to incorporate ESG issues and asks service providers to do the same.

## J8 strategies

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.

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.

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."

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.

J8 strategies do not trade equities or investment products containing or referencing equities. J8 strategies trade futures only.

## J8 SICAV

Where an external portfolio manager trades equities or other investment products containing or referencing equities, J8's risk

management and compliance instructs the external portfolio manager to avoid exposure to companies that are known to have made repeated and severe violations of human rights, environmental norms, labour rights, and anti-corruption measures or that produce landmines and cluster bombs.

### Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

J8 SICAV: 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.

### Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

J8 SICAV: J8 excludes companies from the eligible investment universe if they do not disclose ESG issues properly or that are less transparent. J8 asks for information from companies regarding the adaptation and/or

adherence to relevant norms, standards, code of conduct, or international initiatives.

### Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

J8 promotes ESG issues and ESG expectations with its service providers. By example, J8 trusts it will influence industry bodies or the investment industry itself in accepting ESG issues and principles.

### Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

J8 participates in industry forums, conferences, or workshops where ESG is addressed and continues to look for opportunities of engagement.

### Principle 6: We will each report on our activities and progress towards implementing the Principles.

J8 will report on its progress in implementing the Principles and ESG issues in its day-to-day investment management activities. J8 is committed to be fully transparent about its responsible investment activities.

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Past performance is not indicative of future returns.

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