



LEA 02	Disclosures Monetary	Reason Gateway	Principle PRI 1,2,3
<p><i>By providing investors the ability to make informed decisions, the company is committed to transparency in its reporting of ESG risks and opportunities. The company's ESG reporting is based on the most material ESG risks and opportunities, and is subject to audit by an independent third-party auditor.</i></p>	<p>Type of engagement Individual/internal staff engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional action <input checked="" type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	
	<p>Type of engagement Collaborative engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional action <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements 	
	<p>Type of engagement Service provider engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional action <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider engagements 	

RI TRANSPARENCY REPORT

2013/14

AWJ Capital Partners LLC

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	-	n/a							✓
OA 07	Governance, management structures and RI processes	-	n/a							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

AWJ Capital Partners LLC

Reported Information

Public version

Organisational Overview

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

- Fund management
- Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%
- Other, specify
- Execution and advisory only services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

6

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			57	242	414
Currency	USD				
Assets in USD			57	242	414

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	>50%	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08.2	Additional information. [Optional]
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AWJ's portfolio is globally invested (typically 50-65% U.S., 20-30% Europe and 15-25% Asia).

OO 09	Voluntary	Descriptive	General
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FIRM AND STRATEGY

AWJ Capital Partners, LLC ("AWJ") is an asset management firm investing in those companies that are "solving" for the issues associated with burdened resources (water, agriculture, energy) borne of several critically important global trends including population growth, exploding size of the middle class, urbanization, a move toward higher protein diets and climate change. With 7+ years experience in researching, creating investment strategies and investing in "solutions" companies, AWJ seeks to invest on behalf of institutional clients through hedged, long only and private equity investment vehicles. With presence in New York, NY, Minneapolis, MN and Melbourne, Australia, AWJ's team of investment professionals has over 94 years of combined experience.

AWJ's initial investment strategy was a successful global, absolute return, long/short equity fund which it managed for 12+ years. However, based on our extensive research and investment experiences over the past 7 years, AWJ believes that we have started the initial stage of a multi-year (possibly decades) global reallocation of capital as corporations seek to become more efficient with respect to their most important inputs: water, agriculture and energy. The scope and size of this reallocation is in trillions of dollars. By way of example, in just the energy area alone, ExxonMobil states in a recent report, in 2040, global energy demand will be approximately 700 quadrillion BTUs greater than in 2010 (35% growth). Importantly, energy efficiency will satisfy approximately 71% of this future energy demand. This is not energy savings; it is a reallocation of capital.

In AWJ's opinion, this reallocation of capital related to water, energy and agricultural inputs will impact all industries and companies of every size. There will be both massive winners and losers. AWJ believes this is the most compelling investment opportunity we have seen in each of our respective 25+ year careers - and now is an optimal time to invest in this area. As such, we now devote all of our time to investment strategies in this investment area ("sustainable solutions investing").

FUNDS OFFERED

AWJ offers two funds: AWJ GSF Hedged and AWJ GSF Long Active.

The drivers of returns, long portfolio construction and stock selection are the same for both fund offerings. The key differences are: 1) the opportunity to profit in the hedged fund (as opposed to avoid losses in the long only fund) from the companies who are seeing capital move away from their businesses due to lack of movement toward efficiency; and 2) the long only fund has demonstrably higher returns and higher volatility (although higher, the volatility is similar to MSCI All Country World Index ("MSCI ACWI")). Both funds benchmark to the MSCI ACWI.

INVESTMENT DRIVERS

Underpinning AWJ's pragmatic investment strategies is the principle that creating efficiencies with respect to essential inputs like energy, water and agriculture is no longer a laudable goal but rather an economic imperative. Corporations, of every size, in every industry, globally have awakened to the fact their balance sheets, cash flows, profit margins, sales and share prices are directly impacted by the burdens being placed on these input resources (water, agriculture, energy).

As such, corporations have concluded that it is in their economic self-interest to ensure that they are not held hostage to the vagaries of dramatic price fluctuations and/or the inability to gain access to these critical input resources. In order to retain competitive advantage companies have to improve the efficiency with which they use these input resources. Importantly, they have begun to and will continue to spend to achieve these goals. This reallocation of capital has begun and will continue at an accelerated pace which will therefore result in profound impacts on industries and companies of

all market capitalizations around the globe.

AWJ believes that the companies that provide products, services and technology which allow other companies, governments and consumers to be more efficient in their use of "burdened resources" (water, agriculture, energy) will be the direct beneficiaries of this massive spending cycle which has just begun. The sheer volume of public and private spending being directed toward the methods and mechanisms to achieve improved efficiency is creating a new, clearly defined, global spend cycle and therefore a new and highly significant opportunity for those investment managers investing with an eye toward this reallocation of capital.

AWJ seeks to invest in those companies providing the "solutions" (1200 companies currently exist globally across all market capitalizations). Importantly, our focus and research expertise also allows us to have insights into which sectors and companies will be the losers from this fundamental reallocation of capital taking place. AWJ has the ability to either avoid these companies (long only) or be short these companies (hedged) which are poorly positioned.

This is not a niche investment opportunity. In AWJ's opinion, it is larger than the multi-decade technology cycle of spending.

AWJ also believes that investing with an eye toward the reallocation of capital (long "solutions" companies and avoid/short those companies who ignore the drive toward efficiency) is the most efficient form of ESG investing and will be good for the world.

INVESTMENT UNIVERSE

Globally there exist 1200 plus companies that are "solving" for issues associated with burdened resources (300+ water, 450+ energy efficiency, 450+ agriculture). It is important to note that these companies are not necessarily water, agriculture or energy companies; rather they come from every industry imaginable and happen to be "solving" for issues in these three areas. For example, a software company that helps regulate municipal traffic flow is a technology software company and yet is clearly solving for energy efficiency issues. Moreover, these solution companies are located in every geography and are of every market capitalization.

INVESTMENT PROCESS

Our investment strategy is predicated on a structural change - a spend cycle by corporations, governments and consumers to solve for issues associated with burdened input resources because they view it as in their economic self interest. As such, our hedged strategy is long biased 30-70% net long and our long only strategy is typically 95-100% long.

In both our long only and hedged strategies, we are long a subset of the 1200 companies globally that are providing solutions for burdened resource issues. These companies are evidencing revenue acceleration as they see demand for their "solutions", margin expansion and accelerated earnings growth. We avoid (in the long only fund)/short (in the hedged fund) those companies that are seeing capital move away from their industry or company specifically for failure to move in a direction that is more efficient. It is worth noting that the long holdings in our hedged and long only funds are equally split between growth and value investment ideas. However, all the companies we are long are benefitting from spending to solve for burden resource issues.

One of the most important drivers of our returns has been our ability to be invested across all three areas of interest: water, agriculture and energy efficiency. Each of these areas is being burdened by the same set of global trends and yet each sector has very different risk reward characteristics. Importantly, the timing of the spend cycle to create efficiency around the three areas can be very different. From 2010-2012, energy efficiency solutions companies saw lackluster growth as several emerging industries (LED and solar) struggled with excess capacity. As such, stocks prices fell. If our strategy was singularly tied to energy efficiency, our performance may have suffered. However, we were able to move away from these areas and overweight water and agriculture.

Beyond sector and subsector target allocations (with overweighting toward areas of definable

spending acceleration), we also allocate to meet geography (50-65% U.S., 20-30% Europe, 15-25% Asia) and market capitalization (20-40% large cap, 20-40% mid cap, 20-40% small cap) targets.

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Hedge funds
- Cash
- None of the above

OO 11.3

Additional information. [Optional]

Our AWJ GSF Hedged strategy currently has 8 total underlying managers through which the firm incorporates ESG issues into its investment decisions and portfolio construction process. AWJ GSF Hedged has 3 managers investing in the agriculture space, 1 manager investing in the water space and 4 managers investing in the renewable/alternative energy space including a manager focused exclusively on solar. Similarly, our AWJ GSF Long Active strategy currently has 5 total underlying managers. Our allocations in this strategy are made relatively equally between the water, agriculture and energy efficiency areas including solar. Overall, our portfolio construction decisions demonstrate AWJ's disciplined approach to implementing PRI through our managed asset classes.

OO 12	Mandatory	Gateway	General
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OO 12.1

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

AWJ Capital Partners LLC

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes
 No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 No

OA 02.5 Additional information. [Optional]

Although AWJ's responsible investment policy and other guidance documents are not currently publicly available, we are happy to provide them upon request or discuss our responsible investment philosophy and strategies in detail. However, we do have a section on our website titled "Sustainable Commitment", which broadly defines our belief that ESG criteria are important elements of analyzing risk and opportunities in the investment process. Additionally, we include a section called "Research", which includes several thought pieces, white papers, letters and reports AWJ has written over the last few years discussing our approach, focus, beliefs and outlook toward sustainable/burdened resources investing. Our website is www.awjpartners.com.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes
- No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

- Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Chairman**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No