

RS Fund Manager LP

Website Disclosures pursuant to Articles 3, 4 and 5 of the EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR)

EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR) disclosures relating to RS Fund Manager, LP

Sustainability-related disclosures

As RS Fund Manager, LP (the “AIFM”) manages certain alternative investment funds (the “Funds”) that have been registered for marketing under the Alternative Investment Fund Managers Directive (2011/61/EU) (the “AIFMD”) in one or more member states of the European Economic Area (“EEA”), the AIFM is required by the Sustainable Finance Disclosure Regulation (Regulation 2019/2088) (the “SFDR”) to make certain disclosures on its website, including information about the AIFM’s policies on the integration of sustainability risks into its investment decision-making process; its approach to adverse sustainability impacts; and the consistency of its remuneration policies with the integration of sustainability risks. For these purposes, sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

No consideration of sustainability adverse impacts

The AIFM screens against certain industries that would have potentially negative sustainability impacts, and a consideration of environmental, social and governance (“ESG”) factors forms part of the AIFM’s investment decision making process (as described further in relation to sustainability risks below). However, as the Funds managed by the AIFM are not designed to be ESG focussed investment products, and the AIFM’s primary focus is achieving compelling risk-adjusted returns for the Funds, the AIFM is not currently subject to any binding obligation in the Funds’ investment strategies to make investment decisions on the basis of the results of any sustainability impact assessment.

Policies on the integration of sustainability risks into the investment decision-making process

Sustainability risks can be relevant to a variety of sectors and can directly impact on the rates of return of investments of the Funds. The AIFM recognises that sustainability risks may impair the value of the investments of the Funds managed by the AIFM, including the loss of the entire amount invested.

When considering a prospective investment, the AIFM will consider the potential impact of sustainability risks on the prospective financial performance of a proposed investment. In evaluating an investment, the AIFM: (i) aims to identify any sustainability factors that it believes can have a material and adverse effect on an investment and/or its investment performance (*i.e.* sustainability risks); and (ii) to the extent that any such sustainability risks are identified, assess these risks as part of an investment determination. Sustainability risks consist of one category of risk among others taken into account by the AIFM when making investment decisions including market risk, sales risk, refinancing/exit risk, operations and management risk, and construction risk.

The AIFM has engaged and receives investment advice from its affiliate RoundShield Partners LLP, in respect of prospective investment opportunities for the Funds managed. The AIFM receives and considers information on relevant sustainability risks of an investment opportunity as part of the investment recommendations made by RoundShield Partners LLP.

Where the AIFM, on the basis of the investment advice recommendations it receives from RoundShield Partners LLP, has identified sustainability risks, the AIFM may take steps to mitigate such risks. With the assistance of RoundShield Partners LLP, the AIFM will monitor sustainability risks and opportunities throughout the investment lifecycle of the Funds managed.

Consistency of remuneration policies

Persons discharging the AIFM's portfolio management functions receive a fixed remuneration. Although the AIFM's general partner employs non-investment staff which may receive variable remuneration, such variable remuneration is not linked directly to the performance of the Funds and is assessed by reference to other relevant metrics, appropriate to their respective roles. As such, considerations of financial risks to the Funds, including sustainability risks are not currently relevant to the AIFM's remuneration policies.

In accordance with the Funds' constituent documents, and subject to the terms therein, the AIFM may pay carried interest to certain persons affiliated with the Funds, generally once the Funds' returns exceed a prescribed threshold. Any carried interest paid by the AIFM is variable and is based on the performance of the Funds. As sustainability risks are a type of financial risk, the AIFM acknowledges that failure to consider such risks could have an adverse impact on the performance of investments and the performance of Funds managed by the AIFM. Accordingly, to the extent that sustainability risks have an adverse impact on performance of the Funds, this is likely to be reflected in the overall level of carried interest distributed.