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Q Describe your firm, its offerings and its mission.

Founded in 1986, RS Investments manages separate accounts and mutual funds for individuals and institutions. At the core of our business are multiple world-class investment management and research teams, each operating autonomously and offering our clients their unique perspectives. Our specialized investment teams cover the spectrum of major asset classes, including hard assets. Staffed with experienced professionals, each team employs distinct and well-defined investment processes. The dedicated research team approach assures that our clients benefit from process consistency, investment excellence, and choice across disciplines.

Q Describe your investment strategy and how it might be unique.

The RS Global Natural Resources strategy is a concentrated global all cap strategy diversified across commodities. The premise of the strategy is that natural resource companies with low cost “advantaged assets” create value across a commodity cycle irrespective of changes in commodity prices. We believe that over time stock price performance is reflective of the returns generated by advantaged assets, which is in turn a function of asset quality and geology, not commodity price. By identifying and purchasing companies that own advantaged assets across the natural resources spectrum at a discount to our calculation of net asset value, we believe we can gain access to a unique returns stream that compounds over time to the investors’ advantage. By investing in such companies with a strict valuation discipline, this approach has historically provided our investors with full exposure to the upside, while better protecting capital in the inevitable downside.

Q Describe how your investment products fit into a well-rounded asset allocation strategy.

Adding natural resource stocks or commodities to a portfolio may both improve returns and reduce overall

portfolio volatility as both asset classes have historically been less correlated to the overall market. In addition, commodities and natural resource stocks have historically been strongly correlated to inflation, thus providing a form of inflation protection to a portfolio. Finally, we believe natural resources or commodities offer an indirect means to gain access to the growth dynamics of emerging markets without taking on the concomitant risk associated with direct-market investments.

Q How has your firm adapted during the recent economic downturn?

Over the last three years, in particular, we have experienced extreme periods of market volatility, the likes of which the market has not seen in 70 years. Through this challenging time, our clients have benefited from the financial strength of our firm, which has allowed us to continue to reinvest in our most important resource, our people, and from our constant focus on aligning our interests with clients. Our history of results and continued investment in our core strengths serve as evidence that RS Investments is in a better position to meet our investors’ needs than at any other time in our long history.

AT A GLANCE

Firm name: RS Investments

Principals: MacKenzie Davis and Ken Settles,
Co-Portfolio Managers of RS Global Natural Resources

Employees: 91

Location: San Francisco and New York

Years in business: 25

Assets under management: \$19.8 billion

Minimum investment: \$2,500