

## Rosefinch Announcement | 2022 Oct 28<sup>th</sup>

### Rosefinch becomes UNPRI signatory



On October 28th, 2022, Rosefinch Fund officially became signatory to United Nations Principles for Responsible Investment (UNPRI), becoming one of more than 20 public fund management companies in China to sign the principles and commit to implementing the six responsible investment principles.

Traditionally, people's analysis of companies focuses on corporate cashflow, financial profits, or valuation multiples. However, the world has changed. As greenhouse gas emissions cause global warming, rising sea levels, hazy air pollution, and rapid expansion of the wealth gap, the world is seeing tearing of social fabric, incessant resource extractions, and constant increase in consumption. These impacts are making people realize that earth may be facing enormous disasters.

In 2004, the United Nations first proposed ESG that asked companies to place sustainable development as an important priority, not only pursuing economic benefits but also considering Environmental, Social, and Governance factors. These are the ESG concepts that are frequently discussed in China in recent years. Two years later, then United Nations Secretary-General Kofi Annan initiated the establishment of the United Nations Principles for Responsible Investment (UN PRI), aimed at helping investors understand the impact of ESG on investment value, encouraging and supporting signatories to adopt the six responsible investment principles and collaborate on implementation, integrating into investment strategies, investment decisions, and ownership decisions in order to promote the sustainable development of the global financial system.

After more than ten years of rapid development, ESG has become a mature concept overseas. As of November 7th, 2022, more than 5,200 institutions worldwide have become signatories to PRI, including over 4,000 investment management institutions and over 700 asset owners. In China, the ESG investment concept has also gained increasing attention. The outbreak of the COVID-19 pandemic in 2019 has driven the development of ESG investment concepts in China. Currently, more than 110 institutions from mainland China have become signatories to PRI, including more than 20 public fund companies.

Rosefinch Fund has always practiced ESG concepts, adhering to active asset management and incorporating ESG factors into the investment decision-making process. Currently, all investment projects' ratings are above Wind ESG's BB-rating. The company believes that ESG investment will promote the growth of a new generation of entrepreneurs and create greater social benefits.

In October 2022, to further our corporate vision to “sustainably create value”, Rosefinch Fund established the "Rosefinch Fund Management Co., Ltd. Responsible Investment Guidelines": Rosefinch recognizes that practicing responsible investment is one of the best ways to shoulder social responsibility. Rosefinch commits to actively implementing the six responsible investment principles and help channel investment assets towards listed companies that adhere to ESG investment principles, such as those companies that contributes towards China’s ambitious goal of “Carbon-neutral by 2060.” Rosefinch commits to integrating ESG factors into investment decision-making and analysis, risk assessment, and active ownership of assets. The company will actively cooperate with responsible investment institutions at home and abroad to jointly promote and advocate for long-term and sustainable ESG investment concepts.

And so it was on October 28th, 2022, after long-term efforts, Rosefinch Fund officially signed PRI, becoming one of more than 20 public fund management companies in China to sign the principles and commit to implementing the six responsible investment principles. We at Rosefinch commit to adhering to the six United Nations responsible investment principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

The era of rampant and indiscriminate development has come to an end, and the future will be an era of high-quality and sustainable development. Whether it is a real-economy company or a financial market asset management institution, only by practicing the concept of sustainable development and embracing the trend of our times can we have meaningful longer-term achievements.

This is what we believe in, and this is what we are doing.

*We endeavor to provide timely English version of Rosefinch’s publications. For any English translation of the original Chinese article, in case of any discrepancy, the Chinese version takes precedence.*

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