

# FORM ADV: Uniform Application for Investment Adviser Registration

## Part 2A – Firm Brochure

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### Item 1: Cover Page

Name of Investment Adviser:	<b>Renaissance Technologies LLC</b>
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This brochure (the "Brochure") provides information about the qualifications and business practices of Renaissance Technologies LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). The Firm's registration does not denote a certain level of skill or training.

The information set forth herein has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact Renaissance Technologies LLC at (212) 829-4460. Additional information about Renaissance Technologies LLC is available on the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

Since the annual update of ADV Part 2A dated March 28, 2019, the following material amendments have been made:

Item 4, Advisory Business, Item 5, Fees and Compensation, and Item 11, Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading, have been revised to reflect that the RIDGE Funds have closed one series of interests and added two additional series of interests that will be subject to the management fees, performance allocations, and expenses set forth therein.

Item 5, Fees and Compensation, has also been revised to reflect additional expenses for the RIEF, RIDA, and RIDGE Funds and to clarify the respective expenses for the two Kaleidoscope Funds.

Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, has been amended to reflect updated language in offering memoranda and to disclose additional risks.

In addition, Item 9, Disciplinary Information, was amended on May 2, 2019, June 27, 2019, and August 20, 2020 to disclose information regarding a Spanish regulatory matter.

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#### **Item 4: Advisory Business**

Renaissance Technologies LLC ("Renaissance" or the "Firm") is an investment management firm, founded in 1982, that implements quantitative investment strategies on behalf of its clients. It acts as general partner, managing member, and/or investment manager to U.S. and non-U.S. private investment funds (the "Funds") and two institutional accounts ("Accounts") that invest in a variety of securities, futures, and derivatives contracts.

Renaissance is owned by two parent companies: Renaissance Technologies Holdings Corporation (with approximately an 82% stake) and RTC II Holdings LLC (with approximately an 18% stake). Each parent company is, in turn, owned by current and certain former principals of the Firm and certain related persons.

Renaissance uses quantitative analysis, specifically, mathematical and statistical methods, to uncover technical indicators that drive its automated trading systems. These systems, or models, are the product of an extensive research effort by Renaissance's technical staff who hold advanced degrees in mathematics and the sciences.

The Firm's quantitative analysis and trading activities are applied to mature, highly liquid, publicly traded instruments in the following asset classes: U.S. and non-U.S. equities, debt instruments, futures, forwards, and foreign exchange, as well as derivatives thereon.

Generally, the Firm provides its advisory services to affiliated collective investment pools that are part of four distinct master-feeder fund structures (the "Fund Families"): (1) the Medallion Funds, which employ a short-term, quantitative trading strategy across multiple asset classes; (2) the Renaissance Institutional Equities Funds (the "RIEF Funds"), which employ a net-long trading strategy in U.S. and non-U.S. equity securities that are publicly traded on U.S. securities exchanges (and certain derivatives thereon); (3) the Renaissance Institutional Diversified Alpha Funds (the "RIDA Funds"), which trade equity securities that are publicly traded on global securities exchanges and derivatives thereon as well as various instruments in the global futures and forwards markets; and (4) the Renaissance Institutional Diversified Global Equities Funds (the "RIDGE Funds"), which trade equity securities that are publicly traded on global securities exchanges and derivatives thereon. In addition, the Firm operates Renaissance Kaleidoscope Fund LLC ("Kaleidoscope") and Renaissance Kaleidoscope RF Fund LLC ("Kaleidoscope RF") (collectively the "Kaleidoscope Funds"), two funds of funds for employee and employee-related investors that currently invest in each of the Medallion, RIEF, and RIDA Fund Families.

Investors in each Fund Family choose among various feeder funds according to their domicile, tax status, and other attributes. Within certain Funds, investors may also choose among various series that have different fee structures and, in some cases, liquidity provisions or rights related to portfolio transparency. Two series of interests in the RIDGE Funds are structured to meet specific needs of two investors that are unable to participate in the gains, losses, or related income from a small number of securities that may be traded in RIDGE's portfolio. Beyond these offerings, the Firm does not tailor its advisory services to individual investor requirements. For the Accounts, the Firm accepts client-imposed investment guidelines and restrictions.

As of 12/31/2019, the Firm's regulatory assets under management totaled \$165,968,863,264. All assets are managed on a discretionary basis.

## **Item 5: Fees and Compensation**

The Firm's fees are set forth in each Fund's offering materials. They are not negotiable. Generally, clients are assessed (i) a management fee equal to a percentage of the net asset value of the client's interest in the Fund and, if applicable, (ii) performance-based compensation, which is calculated as a percentage of the client's net profits or net capital appreciation (realized and unrealized) allocated to the investor's account. Management fees, if applicable, are payable regardless of profitability and may be charged during periods of loss. All performance-based allocations, if applicable, are charged in accordance with Rule 205-3 under the Investment Advisers Act of 1940.

Fee schedules for each Fund Family are as follows:

### **Medallion Funds**

Management Fees	0.00%-5.00% of value of capital account	Annual fee, payable monthly in advance
Performance Allocation	0.00%-44.00% of net profits	Payable in arrears semiannually or upon redemption

Management fees (if applicable), calculated at an annual rate of 5% of the value of an investor's capital account, are paid to the Firm monthly in advance based on the value of each capital account at the beginning of that month. The management fee is calculated after taking account of any redemptions or distributions as of the end of the prior month, as well as new subscriptions for the month in which the fee is being calculated and paid. A performance allocation (if applicable), payable to the Firm as of June 30<sup>th</sup> and December 31<sup>st</sup> of each year, is calculated as a percentage of net profits (both realized and unrealized) allocated to each interest or share for the preceding six-month period. The percentage of the performance allocation may vary. A performance allocation (if applicable) will also be made upon the redemption of all or part of an interest or share if such redemption occurs on a date other than the close of a semiannual fiscal period. To the extent that losses are allocated to an interest or share, all such losses (except losses related to redeemed interests or portions thereof) must be recouped before the Firm is entitled to a performance allocation on subsequent gains. Once made, a performance allocation is nonrefundable.

In addition, interests in certain of the Medallion Funds are offered on a fee-free basis to (i) certain charitable organizations that are closely affiliated with an owner or employee of the Firm; (ii) the IRAs of current employees and direct and indirect owners of the Firm who are former employees and their spouses ("Qualified RF Investors") for which the beneficial owners must meet certain requirements; and (iii) an ERISA pension plan maintained by the Firm that permits participants to direct the investment of their individual accounts under such plan (also, a "Qualified RF Investor") for which the plan participants must meet certain requirements. Qualified RF Investors also include an entity (i.e., Kaleidoscope RF) that was specifically identified in the Prohibited Transaction Exemption issued by the U.S. Department of Labor to Renaissance on April 20, 2012, as being a permissible investor.

### **RIEF Funds**

Management Fees	0.00%-1.50% of net asset value	Annual fee, payable monthly in advance
Performance Allocation	0.00%-10.00% of net capital appreciation	Payable in arrears annually or upon redemption

Management fees (if applicable), calculated based on the net asset value of each interest at the beginning of each calendar month, are paid monthly in advance. Management fees are calculated after taking account of any redemptions or distributions as of the end of the prior month. Management fees attributable to a new capital contribution are not charged for the calendar month in which the new contribution is accepted (excluding, however, (a) transfers between RIEF Funds and (b) switches between offered series within a RIEF Fund).

A performance allocation (if applicable) is generally calculated at the end of each calendar year as a percentage of net capital appreciation (both realized and unrealized) in each interest. For the purpose of profit and loss allocation, only 50% of a new capital contribution is deemed invested for the contributing investor's account during the calendar month the contribution is accepted (excluding, however, (a) transfers between RIEF Funds and (b) switches between offered series within a RIEF Fund). A performance allocation (if applicable) will also be made upon the redemption of all or part of an interest before the end of a calendar year. Similar principles will apply to switches between series of a RIEF Fund and transfers to certain other Renaissance Funds, as appropriate. To the extent that an interest has net losses (except losses related to redeemed interests or portions thereof), all such losses must be recouped before the Firm is entitled to a performance allocation for that interest. No performance allocation, once made, will be refundable.

In addition, a series of interests in one of the RIEF Funds is offered on a fee-free basis to (i) the IRAs of current employees and direct and indirect owners of the Firm who are former employees and their spouses ("Qualified RF Investors") for which the beneficial owners must meet certain requirements and (ii) an ERISA pension plan maintained by the Firm that permits participants to direct the investment of their individual accounts under such plan (also, a "Qualified RF Investor") for which the plan participants must meet certain requirements. Qualified RF Investors also include an entity (i.e., Kaleidoscope RF) that was specifically identified in the Prohibited Transaction Exemption issued by the U.S. Department of Labor to Renaissance on April 20, 2012, as being a permissible investor.

### **RIDA Funds**

Management Fees	0.00%-1.00% of net asset value	Annual fee, payable monthly in advance
Performance Allocation	0.00%-10.00% of net capital appreciation	Payable in arrears annually or upon redemption

Management fees (if applicable), calculated based on the net asset value of each interest at the beginning of each calendar month, are paid monthly in advance. Management fees are calculated after taking account of any redemptions or distributions as of the end of the prior month. Management fees attributable to a new capital contribution are not charged for the calendar month in which the new contribution is accepted (excluding, however, (a) transfers between RIDA Funds and (b) switches between offered series within a RIDA Fund).

A performance allocation (if applicable) is generally calculated at the end of each calendar year as a percentage of net capital appreciation (both realized and unrealized) in each interest. For the purpose of profit and loss allocation, only 50% of a new capital contribution is deemed invested for the contributing investor's account during the calendar month the contribution is accepted (excluding, however, (a) transfers between RIDA Funds and (b) switches between offered series within a RIDA Fund). A performance allocation (if applicable) will also be made upon the redemption of all or part of an interest before the end of a calendar year. Similar principles will apply to switches between series of a RIDA Fund and transfers to certain other Renaissance Funds, as appropriate. To the extent that an interest has net losses (except losses related to redeemed interests or portions thereof), all such losses must be recouped before the Firm is entitled to a performance allocation for that interest. No performance allocation, once made, will be refundable.

In addition, a series of interests in one of the RIDA Funds is offered on a fee-free basis to (i) the IRAs of current employees and direct and indirect owners of the Firm who are former employees and their spouses ("Qualified RF Investors") for which the beneficial owners must meet certain requirements and (ii) an ERISA pension plan maintained by the Firm that permits participants to direct the investment of their individual accounts under such plan (also a "Qualified RF Investor") for which the plan participants must meet certain requirements. "Qualified RF Investor" also includes an entity (i.e., Kaleidoscope RF) that was specifically identified by the Department of Labor as a permissible investor in Series RF in the April 20, 2012, Prohibited Transaction Exemption, as subsequently amended.

## **RIDGE Funds**

Management Fees	0.00%-1.00% of net asset value*  *In two SRI Series, the investor is charged, in addition to an annual fee of 0.85% (payable monthly in advance), a flat annual fee of \$198,000, prorated monthly and payable in advance for each month in which the value of the investor's account at the beginning of such month is \$500 million or less (the "flat portion"). <sup>1</sup>	Annual fee, payable monthly in advance
Performance Allocation	0.00%-10.00% of net capital appreciation	Payable in arrears annually or upon redemption

Management fees (if applicable), calculated based upon the net asset value of each interest at the beginning of each calendar month, are paid monthly in advance. Management fees are calculated after taking account of any redemptions or distributions as of the end of the prior month. Management fees attributable to a new capital contribution are not charged for the calendar month in which the new contribution is accepted (excluding, however, (a) transfers between RIDGE Funds, (b) switches between offered series within a RIDGE Fund, and (c) the flat portion of the SRI Series 1 management fee).

A performance allocation (if applicable) is generally calculated at the end of each calendar year as a percentage of net capital appreciation (both realized and unrealized) in each interest. For the purpose of profit and loss allocation, only 50% of a new capital contribution is deemed invested for the contributing investor's account during the calendar month the contribution is accepted (excluding, however, (a) transfers between RIDGE Funds and (b) switches between offered series within a RIDGE Fund). A performance allocation (if applicable) will also be made upon the redemption of all or part of an interest before the end of a calendar year. Similar principles will apply to switches between series of a RIDGE Fund and transfers to certain other Renaissance Funds, as appropriate. To the extent that an interest has net losses (except losses related to redeemed interests or portions thereof), all such losses must be recouped before the Firm is entitled to a performance allocation for that interest. No performance allocation, once made, will be refundable.

In addition, a series of interests in one of the RIDGE Funds will be offered on a fee-free basis to (i) IRAs of current employees and direct and indirect owners of the Firm who are former employees and their spouses ("Qualified RF Investors") for which the beneficial owners must meet certain requirements and (ii) an ERISA pension plan maintained by the Firm that permits participants to direct the investment of their individual accounts under such plan (also a "Qualified RF Investor") for which the plan participants must meet certain requirements.

## **Kaleidoscope Funds**

Investors are not charged any direct management fee or performance allocation at the Fund level. However, the Kaleidoscope fund is responsible for its allocable portion of the management fee and performance allocation charged to investors in each of the underlying funds. Such fees and compensation are reflected in the performance returns of the underlying funds. It is possible that the Fund may be required to bear its pro rata share of performance allocations for one or more of the underlying funds, even if Kaleidoscope as a whole has not realized a profit.

In addition, interests in Kaleidoscope RF are offered free of direct or indirect fees to (i) IRAs of current employees and direct and indirect owners of the Firm who are former employees ("Qualified RF Investors") for which the beneficial owners must meet certain requirements and (ii) an ERISA pension

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<sup>1</sup> Former SRI Series 1 has been discontinued, and its assets have been transferred to SRI Series 2 and 3, which have different account holders.

plan maintained by the Firm that permits participants to direct the investment of their individual accounts under such plan (also a "Qualified RF Investor") for which the plan participants must meet certain requirements.

Any management fees and performance allocations for the Funds will be charged and allocated against investors' capital accounts according to the schedules set forth above.

For the Accounts, the Firm submits invoices for its advisory services.

The **Medallion Funds** bear the following expenses (comprising both expenses of the relevant feeder fund and its pro rata portion of the expenses of affiliated trading entities):

1. transaction costs and investment-related expenses incurred in connection with trading activities, including margin interest (if any), brokerage, clearing, and custodial expenses;
2. *in connection with specific transactions*, certain professional fees for independent accountants, attorneys, or other experts or consultants (note that Renaissance pays certain operating costs of the Funds, including, e.g., those incurred with respect to offering interests, auditing financial statements, and preparing tax returns, as well as professional fees of the Funds' attorneys unrelated to specific transactions and, if applicable, corporate services provider fees);
3. interest, fees, and costs of Fund-related borrowings;
4. interest due to investors in connection with redemptions;
5. certain operational and overhead expenses not paid by the Firm;
6. extraordinary expenses (e.g., litigation costs and indemnification obligations), if any; and
7. taxes and fees payable to governmental agencies or authorities.

The expenses borne by the **RIEF**, **RIDA**, and **RIDGE Funds** include but are not limited to the following (comprising both expenses of the relevant feeder fund and its allocable share of the expenses of the trading subsidiary), if applicable:

1. investment-related expenses, including prime brokerage charges, charges related to its securities lending arrangements, clearing and execution costs, dealer mark-ups, custodial expenses, investment-related research costs, and commitment fees and related charges, as well as any future agency lending arrangements;
2. legal, bookkeeping, accounting, administration, auditing, tax preparation, insurance, and related charges;
3. expenses associated with the continued offering of the Funds;
4. governmental compliance, filing, and related expenses, and, when applicable, Bermuda-related expenses;
5. other operational expenses, if any; and
6. extraordinary expenses (such as indemnification obligations), if any.

The **Kaleidoscope Funds** bear the following expenses, if applicable:

1. a pro rata share of the underlying Funds' investment-related expenses (including transaction charges and clearing, custody, execution, and dealer mark-up costs) and operational and extraordinary expenses, and taxes and fees payable to government agencies or authorities, if any, and
2. in the case of the Kaleidoscope fund, the fund's own legal, accounting, auditing, and tax preparation costs (if any), other operating charges, and extraordinary expenses, if any.

## **PLEASE REFER TO BROKERAGE PRACTICES FOR ADDITIONAL INFORMATION REGARDING THE FIRM'S BROKERAGE ARRANGEMENTS.**

The Firm has an affiliated broker-dealer, Renaissance Institutional Management LLC ("RIM"), which currently is the exclusive placement agent for the private placements of securities in the RIEF, RIDA, and RIDGE Fund Families. Neither the Firm, RIM, nor any of their supervised persons accept compensation for the sale of securities or other investment products.



#### **Item 6: Performance-Based Fees and Side-by-Side Management**

As described above, the Firm provides its advisory services to affiliated collective investment pools that are part of the Fund Families and the Kaleidoscope Funds. Within the Medallion, RIEF, RIDA, and RIDGE Fund Families, investors are able to select among various series, some of which charge a performance-based fee while others do not. The Accounts are traded based on the Medallion strategy; they are not charged performance-based fees.

Investors in all Funds, including any series within a Fund, invest through collective investment pools, and all series of interests within a Fund trade according to the same strategy, regardless of the type of fee that is assessed. Trading results are calculated pro rata and allocated in accordance with the terms for each series. Given the nature of the Firm's trading systems and strategies, no subset of investors, including those subject to performance-based fees, can be favored over another. (Within the RIEF Funds, a separate Fund trades for employee and employee-related accounts in a manner parallel to the trading vehicle for the other RIEF Funds.)

Among the Fund Families, and given the differences in trading strategies and fee structures, any potential conflicts regarding order placement or allocation are addressed systemically. The Firm operates the models for each of its Fund Families on separate machines that do not interact with one another. If a Fund and any other Firm-sponsored investment entity attempt to place orders in the same instrument, in the same direction, and at the same time, the Firm's systems do not combine the orders but randomly allow one order to go first. The Firm does not engage in post-trade allocations among orders placed by different Funds.

### **Item 7: Types of Clients**

As set forth above in Item 4, Advisory Business, Renaissance's clients include the Fund Families, the Kaleidoscope Funds, and the Accounts.

<b>Fund Family</b>	<b>Minimum Initial Investment<sup>2</sup></b>	<b>Minimum Investment Required to Maintain Account<sup>2</sup></b>
Medallion Fund Family	\$1,000, \$10,000, or \$25,000, as applicable, or as determined by Renaissance or the Fund's directors	\$1,000 or \$10,000, as applicable, or such lesser amount as Renaissance or the Fund's directors may permit
RIEF Fund Family	\$1,000, \$100,000, \$5,000,000, or \$50,000,000, as applicable, or, in special circumstances, such lesser amount as Renaissance may permit in its discretion	\$1,000, \$100,000, \$5,000,000, \$50,000,000, or \$100,000,000, as applicable, or such lesser amount as Renaissance may determine
RIDA Fund Family	\$1,000, \$5,000,000, or \$50,000,000, as applicable, or, in special circumstances, such lesser amount as Renaissance may permit in its discretion	\$1,000, \$5,000,000, or \$100,000,000, as applicable, or such lesser amount as Renaissance may determine
RIDGE Fund Family	\$1,000, \$5,000,000, \$50,000,000, or \$100,000,000, as applicable, or, in special circumstances, such lesser amount as the general partner may permit in its discretion	\$1,000, \$5,000,000, or \$100,000,000, as applicable, or such lesser amount as the general partner may determine
Kaleidoscope Funds <sup>3</sup>	\$1,000 or \$10,000, as applicable, or, in special circumstances, such lesser amount as Renaissance may permit in its discretion	\$1,000 or \$5,000, as applicable, or such lesser amount as Renaissance may determine

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<sup>2</sup> For the Medallion, RIEF, RIDA, and RIDGE Fund Families, the lowest minimum initial and maintenance investment thresholds set forth above apply to employee and employee-related investors. For certain RIEF, RIDA, and RIDGE Funds, the highest minimum investment and maintenance thresholds set forth above apply to investors in particular series who receive enhanced portfolio transparency.

<sup>3</sup> The Kaleidoscope Funds are restricted to employee and employee-related investors

## **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss**

As stated above, Renaissance uses quantitative analysis, specifically, mathematical and statistical methods, to uncover technical indicators with predictive value. This analysis is used to construct proprietary computer models that use publicly available financial data to identify and implement trading decisions. The Firm uses these computational trading models to seek appreciation of assets through speculative trading in securities-related and futures-related financial instruments.

Within the Medallion Funds, the Firm seeks to achieve appreciation of its assets through speculative investment and trading in a variety of both securities-related and futures-related instruments. Within the RIEF Funds, the Firm trades global equity securities that are publicly traded on U.S. securities exchanges and derivatives thereon with the objective of achieving a long-term risk-adjusted return that, on a gross basis, exceeds that of the Funds' benchmark index (the Standard & Poor's 500 Index with dividends reinvested) while attempting to maintain a relatively low beta to the Index of 0.4 or lower and lower volatility than the Index. The RIEF Funds are expected to have a long-term average leverage of approximately 2.5 to 1. Within the RIDA Funds, the Firm trades equity securities that are publicly traded on global securities exchanges and derivatives thereon as well as various instruments in the global futures and forwards markets, with the objective of maximizing long-term return while attempting to meet a standard deviation target. Within the RIDGE Funds, the Firm trades equities securities that are publicly traded on global exchanges and derivatives thereon, with the objective of maximizing long-term return while attempting to meet a standard deviation target. The Kaleidoscope Funds are funds of funds that seek to achieve capital appreciation with low volatility by investing in at least three investment vehicles sponsored by Renaissance (currently Medallion, RIEF, and RIDA).

Prospective investors in Medallion, RIEF, RIDA, RIDGE, and Kaleidoscope should be aware that their investments are speculative and volatile, involve a substantial degree of risk, and are suitable only for investors who can tolerate significant risk. Past performance is not indicative of future performance, and there is no assurance that any of the Funds will achieve their investment objectives, particularly in periods of market turmoil. Investors may experience a loss of some or all of their investments in any of the Funds, including losses amplified as a result of a Fund's use of leverage. Investors have limited liquidity rights, Fund positions and transactions will generally not be disclosed to investors, and investors do not participate in management decisions.

### **THE FOLLOWING IS A BRIEF SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH THE FIRM'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES:**

- The Firm's strategies and trading systems make extensive use of computers. The Firm directs the purchase or sale of investments for the Funds in accordance with computer-generated trades. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. In addition, Renaissance on occasion intervenes in its computer trading systems in the following circumstances: (i) in rare circumstances as a form of risk management when, in its view, risk is substantially higher than that perceived by the trading models; (ii) to manually input corrections or updates to the data or operational parameters used by the computer system; and (iii) to address regulatory-related matters. Renaissance may also decide to intervene based on other exceptional or compelling circumstances that arise. No assurance is given that the trading decisions based on computer-generated information (and/or, in certain cases, human intervention) will produce profits for the Funds.
- The activities of each of the Funds are speculative and involve a high degree of risk. Certain Funds' trading can be highly leveraged, and performance can be, and currently is, volatile. There is no assurance that the Firm's computational and risk management techniques and investment decisions will protect a Fund from significant losses. In addition, there is no assurance that the Firm's analytical techniques will protect a Fund from trading losses, which could be significant, if

the underlying patterns of market behavior studied by the Firm (which provide the basis for its statistical models) change in ways the Firm did not anticipate.

- Trading decisions made by the Firm for each Fund are based on a variety of statistical models, including forecast models, risk models, cost models, and beta models. As applicable, the profitability of a Fund depends on the accuracy of the underlying forecast and cost models; the risk control of a Fund relies on the accuracy of the risk models; and the market exposure of a Fund relies on the accuracy of the beta models. No assurance can be given of the models' accuracy. Flaws in these models hinder the Funds in achieving their investment objectives.
- A Fund's trading activities and, therefore, its profitability are affected by the trading activities of other market participants. Other participants may develop (or have already developed) statistical models or trading strategies similar to those used by Renaissance, which could lead to correlation in trading between the Fund and those other market participants. Any such correlation can have a negative impact on the profitability of the Fund's models, particularly when any of these market participants unwind, or partially unwind, their portfolios, as happens from time to time, including during periods of market turmoil.
- Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, currently, COVID-19 (commonly known as the "CORONAVIRUS"), which the World Health Organization has declared to be a pandemic. The epidemic or pandemic outbreak of an infectious disease, together with any resulting restrictions on travel, transportation, or production of goods or quarantines imposed, will likely have a negative impact on the business activity in some if not all of the countries in which a Fund may invest and on the national, regional, or global economy, thereby adversely affecting the performance of the Fund's investments.

A continued escalation in the CORONAVIRUS outbreak could see a continual and drastic decline in global economic growth. CORONAVIRUS has led to significant volatility in the global financial markets, and the CORONAVIRUS and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of a Fund's investments, the imposition of emergency or extraordinary regulatory restrictions on markets and trading activities, and significant interruption in the normal business activity of Renaissance and the Fund's other service providers (including financial intermediaries), which could materially harm the Fund's investments and negatively affect the performance of the Fund.

- U.S. and other financial markets around the world and their participants, including the financial intermediaries through which the Funds clear or execute their transactions or have contractual relationships with, can be adversely affected by unusual market turmoil such as the ongoing CORONAVIRUS pandemic in 2020. The occurrence of such upheavals and ensuing market, legal, regulatory, reputational, or other consequences is unpredictable, but can be expected to have an adverse effect on the Fund's business, trading, and profitability and restrict its ability to acquire, sell, or liquidate financial instruments at favorable times or prices (thereby also restricting the Fund's ability to generate cash to fulfill redemption requests).
- The prices of securities and of futures, forwards, and other derivatives are subject to unpredictable changes, which can be rapid and substantial. Such changes may result from, among other things, changing supply and demand relationships; changes in interest rates and stock-loan availability; currency fluctuations; government trade, fiscal, and economic policies; and other world events, including without limitation the outbreak of epidemics or pandemics, natural disasters, terrorist attacks, or military conflicts. Governments from time to time intervene in certain markets, often with the intent to influence prices. For example, in response to market conditions resulting from the CORONAVIRUS pandemic, various international regulators have recently imposed limits or prohibitions on engaging in short sales, which can impede a Fund's ability to fully execute its trading strategy. Governments or applicable regulatory authorities could also, for example, close markets or limit the markets' hours of trading.
- In addition, the Funds' financial intermediaries may encounter financial difficulties that could impair the Funds' operational capabilities or capital positions. If one of a Fund's financial

intermediaries becomes insolvent or bankrupt or unable to satisfy creditor claims, deliver securities in its custody, or execute transactions, the Fund will be subject to various risks of loss, the nature of which will vary depending on the financial intermediary's role, which may include without limitation, acting as a prime broker, an FCM, a securities lending counterparty, and/or a swap counterparty. The Funds rely on third parties to regularly assess the creditworthiness of counterparties and generally do not have access to information to enable them to anticipate the financial deterioration of a particular intermediary. The adverse consequences for a Fund of an intermediary's financial deterioration may be more severe if the Fund has multiple relationships with the intermediary acting in one or more of the capacities described above. This risk is magnified if the Fund deals with a financial intermediary and one or more of its affiliates, with multiple affiliates acting in different capacities. An additional layer of complexity is added if the various relationships involve multiple products with different insolvency treatments or service providers and counterparties in non-U.S. jurisdictions. Funds that conduct business with non-U.S. counterparties may also not be afforded certain of the protective measures provided by U.S. laws and regulations. Multiple relationships can make it more difficult for the Fund to recover assets from or assert claims against the financial intermediary and its affiliates.

- The Firm manages various Funds using materially different trading strategies. Inevitably, one Fund's trading will have some impact on another's. The Firm imposes periodic checks to attempt to ensure that the cross-impact of Medallion's trading is not materially adverse to the others'. To the extent that a material impact is detected, the Firm will attempt to address it by adjusting the trading of Medallion and/or one or all of the other Funds, which may have a negative effect on a Fund. Furthermore, if two Funds are seeking simultaneously to trade opposite each other in the same instrument, the Firm's cross-trading procedures delay the execution of the trade for one Fund under a prearranged algorithm.
- If a Fund and any other Firm-sponsored investment entity attempt to place orders in the same instrument, in the same direction, and at the same time, the Firm's systems do not combine the orders but randomly allow one order to go first, thus allowing one trading entity to enter the market before the other. In addition, the Firm has no control over the timing or manner in which orders are filled, and therefore, an order that enters the market first may not be filled first or may not be filled at all. The Firm does not engage in post-trade allocations among orders placed by a Fund and any other Firm-sponsored investment entity.
- Changes in existing law and government regulations can adversely affect the returns of the Funds or their ability to conduct business. For example, in response to volatile markets, a number of European regulators have recently imposed limits or prohibitions on engaging in short sales, which in turn can impede a Fund's ability to fully execute its trading strategy. New interpretations of existing laws and regulations might also cause a Fund to become the target of regulatory proceedings. In recent years, new laws and regulations have provided additional oversight of financial markets around the globe. These include more stringent registration and disclosure requirements and other heightened oversight requirements for private investment funds and their advisers; additional or increased restrictions with respect to certain trading techniques and related financial instruments (e.g., short sale restrictions, clearing and trading of over-the-counter derivatives, and enhanced speculative position limits); potential changes in the tax treatment of U.S. and non-U.S. investment vehicles and their advisers; the creation of a single systemic risk regulator with oversight and authority over substantially all of the U.S. financial system; and other substantial changes to the broader legal and regulatory framework in which such funds operate. Many of the changes are found in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"). While many provisions of the Dodd-Frank Act have become effective, some important implementing rules and regulations (including many relating to derivatives) have not yet been finalized or become effective, so their full impact is

unknown. The regulation of private investment vehicles and their transactions is also subject to future modification by further legislative, executive, or regulatory action as well as judicial review. In addition, federal, state, local, or foreign regulations may contain reporting or other disclosure requirements that may impose an onerous administrative burden on a Fund or require the disclosure of confidential information. As a result, a Fund may initiate certain holding limits or reduce the size of certain positions.

- Investments generally are valued by the Firm based on publicly available prices; however, in some circumstances there may be no independent valuation source available, and a different valuation will be applied with a view towards reaching a commercially reasonable result. There is no assurance that all such valuations will be correct or even available at any given time.
- The Firm may engage in hedging activities on behalf of a Fund to attempt to reduce risk. There is a substantial risk, however, that such hedges will not be effective in limiting losses. In fact, such hedges could result in a substantial loss, notwithstanding the fact that they were intended to reduce risk. Many hedging instruments (including but not limited to futures, forwards, swaps, and options) can encumber a small amount of cash relative to the magnitude of the risk assumed. Furthermore, many hedging instruments may result in a loss if the other party to the transaction does not perform as promised. In addition, the Firm uses various risk control measures – including adjustments to reserves and regular monitoring of counterparties – to attempt to reduce market, counterparty, and other risks. There is no assurance that these risk control measures will be successful. Moreover, governmental actions that inhibit a Fund's ability to engage in certain transactions can impede the Fund's ability to hedge its investments.
- The Funds' relationships with their financial intermediaries are governed by negotiated agreements that can be amended or terminated upon the occurrence of a variety of events such as the Fund's bankruptcy, failure to maintain required regulatory licenses or registrations, failure to deliver specified reports, or failure to meet certain tests related to net asset value. If such an event occurs, the counterparty may have the ability to immediately terminate the relationship or change certain terms of the agreement, such as applicable financing rates. Any such termination or amendment can have an adverse effect on the Fund's ability to continue to trade with that financial intermediary and on the profitability of the Fund.
- Investors may also incur tax-related risks and should discuss such risks with their tax advisers. Pending Internal Revenue Service audits with respect to the Medallion Funds' transactions in certain barrier options in previous years could ultimately result in additional income tax liability for persons who were Medallion investors in those years. The audits could also result in the imposition of dividend withholding tax-related liabilities on the Medallion Funds themselves, which liability could affect current or prospective investors. Separately, there are pending consultations between the Firm and the IRS concerning whether the fee-free nature of investments by Qualified RF Investors in the Funds associated with employees' IRA accounts or employees' 401(k) accounts could constitute taxable compensation to the relevant employees that would be subject to income tax and/or additional contributions to such retirement accounts that would be subject to certain excise taxes. While the Firm believes that the fee-free nature of Series RF investments does not constitute compensation or additional retirement account contributions, these consultations are ongoing and their outcome is as of yet unknown. For a more detailed discussion of these risks and other tax-related risks, eligible investors should refer to the applicable Fund's offering memorandum.
- The Funds rely on the Firm's information and data management systems and those of service providers, which can fail or be subject to interruption, damage, or destruction caused by natural or man-made occurrences, for example, natural disasters; quarantines and other mobility or access restrictions or prolonged loss of access to key personnel; computer, network, or telecommunications failures; usage errors by personnel; infiltration by unauthorized persons, including cyberattacks (some of which may not be detected for an extended period of time and some of which could be massive attacks aimed at a country's critical infrastructure and economic

systems); and terrorist attacks and other intentional acts of destruction. Any failure, interruption, damage, or destruction of the Firm's or a service provider's information technology or data management systems could have a material adverse impact on the Funds' operations and result in the theft, disclosure, or loss of sensitive information.

- If certain hardships or other extraordinary circumstances exist, including but not limited to substantial redemptions that the Firm believes would have a significant adverse and/or a significant and disproportionately unfair effect on nonredeeming investors or the Funds, the Firm may, in whole or in part, suspend or delay redemptions or delay redemption payments until such time as the Firm determines that such hardships or other extraordinary circumstances no longer exist.
- Under extraordinary circumstances, the Funds may find it necessary to establish a reserve for liabilities (contingent or otherwise) or withhold a portion of an investor's proceeds at the time of redemption from the Fund, in which case the reserved or withheld portion would remain at the risk of the Fund's activities. Such reserved or withheld amounts may be required to be maintained for a substantial period of time until the Firm determines that they are needed to cover liabilities or that removal of those reserves or withheld amounts (in whole or in part) is appropriate and in the best interest of the nonredeeming investors.

## **FOR A MORE COMPREHENSIVE DISCUSSION OF RISK, ELIGIBLE INVESTORS SHOULD REFER TO A FUND'S OFFERING MEMORANDUM.**

Each of the Fund Families encounters a specific set of risks based on its style of trading and investment objectives.

### **Medallion:**

- High Portfolio Turnover – The Medallion Funds may be subject to a high portfolio turnover rate, which can be expected to result in high transaction costs, which in turn can be expected to adversely affect the Funds' performance. In addition, the Funds' trading activities can generate taxable income for investors that is significantly greater or less than the investor's share of the net economic gain or loss in a Fund.
- High Leverage – The Medallion Funds may borrow, either directly or indirectly, to finance the acquisition of securities and will secure such borrowings with their assets. The amount of borrowing will vary and cannot be estimated. Leveraging enhances the ability of the Funds to acquire securities but also increases their potential exposure to losses.
- Non-U.S. Equity Risks – The Medallion Funds trade in global markets. Trading in equities on securities markets outside of the U.S. exposes the Funds to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable securities of U.S. issuers that are traded on U.S. exchanges. Additional risks include market closures for extended periods of time, freezing of accounts, and/or withholding of proceeds from dividends, corporate actions, or profits. Non-U.S. markets and non-U.S. issuers of securities may be subject to less stringent or different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities. Since non-U.S. securities are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.
- ETPs – The Medallion Funds trade ETFs, ETNs, and ETCs ("**ETPs**"). ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds, or other instruments and are generally designed to correspond to the return of the relevant benchmark index. In contrast, ETNs do not constitute an actual investment portfolio or actual assets and are unsecured debt obligations issued by financial institutions that are designed to

track the return of an index or underlying asset such as a commodity or currency. ETNs intended to track individual commodities or commodity indices are known as ETCs (hereinafter, references to “ETNs” include ETCs). The primary risks associated with ETPs are as follows: (i) ETPs may be unable to precisely replicate the performance of the index or assets to which they are linked as a result of expenses and other factors; (ii) ETPs are subject to market risk due to unfavorable fluctuations in the market price of the underlying assets or index components; and (iii) ETPs that are exposed to non-U.S. markets or instruments involve the risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic or political instability in other nations. ETNs are exposed to certain additional risks including the following: (i) an issuer can become insolvent; (ii) ETNs are generally less liquid than ETFs; (iii) ETNs may have wider bid-ask spreads than ETFs; (iv) substantial discrepancies between an ETN's market price and its indicative value (based on underlying reference net asset values) could result in losses to investors that purchase at a substantial premium to the indicative value; and (v) ETNs may be mandatorily redeemed at a price below an investor's original purchase price upon the issuer's (or a counterparty's) insolvency.

- Bitcoin Futures – The Medallion Funds are permitted to enter into bitcoin futures transactions, which Renaissance will limit to cash-settled futures contracts traded on the CME. The underlying commodity for these futures transactions, bitcoin, is a relatively new and highly speculative asset. Bitcoin and futures based on bitcoin are extremely volatile, and investment results may vary substantially over time. These instruments involve substantially more risk and potential for loss relative to more conventional financial instruments. Investments of this type should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments. Some of the risks associated with bitcoin are 1) its limited history; 2) the absence of any recognition of bitcoin as legal tender by any government; 3) the lack of any central authority to issue or control bitcoin; 4) its susceptibility to manipulation by malicious actors or botnets; 5) its susceptibility to forking; 6) its substantial price volatility; 7) its possible correlation to the price volatility of other distributed ledger assets; 8) the susceptibility of bitcoin spot exchanges to the risk of fraud, manipulation, and other malfeasance; 9) the undeveloped and evolving nature of bitcoin regulation; 10) the enhanced basis risk in bitcoin futures compared to other types of investment vehicles; 11) the possibility of exchanges or FCMs' imposing other requirements or limitations on bitcoin futures trading; and 12) increased regulatory scrutiny of participants in the crypto space. Any of these factors could materially and adversely affect the value of the Fund's investments.

#### RIEF:

- Currency Fluctuations – The RIEF Funds transact only in U.S. dollar-denominated securities, and currency fluctuations may affect dollar-denominated securities of non-US issuers traded on US exchanges or through ADRs.
- Market Exposure – The RIEF Funds attempt to keep their predicted beta to the Standard & Poor's 500 Index (with dividends reinvested) at less than or equal to 0.4. The Funds' success at achieving a realized beta of less than or equal to 0.4 over the long run depends on the accuracy of the Funds' beta model. There can be no assurance that any of these objectives will be achieved. The beta models in recent volatile markets have not performed as expected.
- Long Holding Periods – The Funds' portfolio is regularly exposed for long periods of time to market risks with respect to particular positions held. Given that market movements may be more difficult to predict over the long term than in the short term, these long holding periods exacerbate the potential risk of loss.
- Position Size – The RIEF Funds hold significant individual positions. Such large positions can be difficult to exit quickly without affecting their prices.



**RIDA:**

- Market Exposure – The RIDA Funds expect most returns over the long term to come as alpha as the RIDA Funds are intended to have (i) low correlation to the U.S. and global (i.e., U.S. and non-U.S.) equity markets and (ii) medium to low correlation to other asset classes. There can be no assurance that any of these objectives will be achieved. The beta models in recent volatile markets have not performed as expected.
- Long Holding Periods – The Funds' portfolio is regularly exposed for long periods of time to market risks with respect to particular positions held. Given that market movements are more difficult to predict over the long term than in the short term, these long holding periods exacerbate the potential risk of loss.
- Position Size – The RIDA Funds hold significant individual positions. Such large positions can be difficult to exit quickly without affecting their prices.
- Non-U.S. Equity Risks – The RIDA Funds trade in equities in securities markets outside of the U.S., which exposes the Funds to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and equity securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable equity securities of U.S. issuers that are traded on U.S. exchanges. Additional risks include market closures for extended periods of time, freezing of accounts, and/or withholding of proceeds from dividends, corporate actions, or profits. Non-U.S. markets and non-U.S. issuers of securities may be subject to less stringent or different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. equity securities. Since non-U.S. instruments are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.
- Standard Deviation – The RIDA Funds operate with a target for empirical standard deviation. There can be no assurance that this standard deviation target will be met. The target is not a guarantee or prediction of volatility.

**RIDGE:**

- Market Exposure – The RIDGE Funds seek to be market neutral by maintaining low long-term beta relative to capitalization-weighted equity market indices. There can be no assurance that this objective will be achieved. The beta models in recent volatile markets have not performed as expected.
- Long Holding Periods – The Funds' portfolio is regularly exposed for long periods of time to market risks with respect to particular positions held. Given that market movements may be more difficult to predict over the long term than in the short term, these long holding periods exacerbate the potential risk of loss.
- Position Size – The RIDGE Funds hold significant individual positions. Such large positions can be difficult to exit quickly without affecting their prices.
- Non-U.S. Equity Risks – The RIDGE Funds trade in equities in securities markets outside the U.S., which exposes the Funds to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and equity securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable equity securities of U.S. issuers that are traded on U.S. exchanges. Additional risks include market closures for extended periods of time, freezing of accounts, and/or withholding of proceeds from dividends, corporate actions, or profits. Non-U.S. markets and non-U.S. issuers of securities may be subject to less stringent or different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. equity securities. Since non-U.S. instruments are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.

- Standard Deviation – The RIDGE Funds operate with a target for empirical standard deviation. There can be no assurance that this standard deviation target will be met. The target is not a guarantee or prediction of volatility.

**Kaleidoscope:** For a description of the risks specific to the Kaleidoscope Funds, see the risk factors set forth above for Medallion, RIEF, and RIDA.

**THE FOLLOWING IS A BRIEF SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH INVESTMENT PRODUCTS TRADED BY THE FUNDS. FOR A MORE COMPREHENSIVE DISCUSSION OF RISK, ELIGIBLE INVESTORS SHOULD REFER TO A FUND'S OFFERING MEMORANDUM.**

Risks related to trading in **futures, forwards, and other derivatives** include but are not limited to the following:

- Volatility – Futures prices are highly volatile due to changes in supply and demand relationships; trade, fiscal, and monetary programs and policies of governments; U.S. and foreign political and economic events; national and international interest rates and rates of inflation, currency controls, devaluations, and revaluations; and sentiments of the marketplace. Governments may also intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. These factors could result in substantial losses for the Funds.
- Lack of Liquidity – Factors such as a small volume of buy and sell orders, market disruptions, such as when governments may take or be subject to political actions that disrupt their markets or when exchanges or regulatory agencies impose trading halts, “circuit breakers,” or other trading limitations or restrictions, can affect the futures markets making it difficult to trade or liquidate a position which could result in significant losses. The large size of positions that the Firm acquires for the Funds increases the risk of illiquidity.
- Margin – Low margin deposits normally required in futures trading permit an extremely high degree of leverage, which may result in gains or losses, including losses in excess of the amount invested by the Funds. Trading on a leveraged basis in volatile markets necessarily involves a substantial risk of sudden, significant losses.
- Non-U.S. Futures Trading – Trading foreign futures presents increased risks of exchange-rate fluctuations between the U.S. dollar and the functional currencies of futures contracts (which are also influenced by governmental controls, restrictions, or limitations on the underlying currency or the ability to settle transactions in that currency), counterparty nonperformance, and market disruption due to factors that include the absence of a clearinghouse system.
- Over-the-Counter ("OTC") Instruments – Certain privately negotiated derivative transactions that are not subject to clearing expose the Funds to increased risks, such as counterparty default (including failure to make required margin payments) or insolvency, adverse changes in market conditions, the substantial cost of creating and maintaining transactions, limited liquidity, and a lack of market transparency.
- Lack of Segregation of Assets by FCMs – If an FCM fails to segregate customer funds, there is a risk of loss in the event of its bankruptcy.
- No Intrinsic Value of Positions – Futures, forwards, and other derivatives have no intrinsic value; trading them is a "risk transfer" economic activity.
- Credit Default Swaps ("CDS") – If a Fund is a buyer under a CDS and no credit event occurs, the Fund may lose its investment and recover nothing; if it is a seller under a CDS, it is exposed to a risk of loss if a credit event occurs that could be worse than the loss it would have suffered if it had owned the obligations of the defaulting reference entity directly.

Risks to trading in **equities** include but are not limited to the following:

- Volatility – Securities prices are highly volatile due to changing supply and demand relationships, changes in interest rates, currency fluctuations, and government, trade, fiscal, and economic events.
- Currency Fluctuations and U.S. Dollar-Denominated Securities – Issuers of U.S. dollar-denominated securities are subject to currency fluctuations between the value of the U.S. dollar and the other currencies in which they transact business.
- Short Sales – There is a theoretically unlimited risk of an increase in the market price of securities sold short. The risks of short selling are also increased by lenders' ability to "re-call" securities borrowed by the Funds. Limitations or bans on short selling impede the Funds' ability to fully execute their trading strategies.
- Derivatives – Privately negotiated total return swaps and similar agreements based on the performance of equity securities expose the Funds to increased risks, including counterparty default, premature termination, adverse changes in market conditions, the substantial cost of creating and maintaining transactions, limited liquidity, and a lack of market transparency.
- Options – Sellers of uncovered call options assume the risk of a theoretically unlimited increase in the market price of the underlying security while sellers of uncovered put options assume the risk of a decrease in the market price of the underlying security possibly to zero. Buyers of options risk losing their entire investment.
- Securities Lending Agreements – These arrangements present counterparty credit risk, including insolvency, and the risk of counterparty default. In addition, the Funds have no control over how counterparties process and allocate fulfillment of requests to borrow securities.
- Effect of Redemptions – Significant redemptions necessitating a substantial reduction of portfolio positions in equity securities could make the remaining portfolio less liquid and more expensive to liquidate.

Risks of **fixed-income** trading include but are not limited to the following:

- Volatility – Prices of certain fixed-income securities can be highly volatile due to supply and demand relationships; government, trade, fiscal, and economic events; and changes in interest and prepayment rates.
- Interest Rate Fluctuations and Credit Ratings – The value of fixed-income instruments in which the Funds invest will generally change as interest rates fluctuate in the relevant financial markets, in addition to being affected by such factors as credit risk and financial condition relating to particular issuers. Also, credit ratings may not be reliable, and a given issuer may suffer a decline in its rating, leading to loss.
- Mortgage-Backed and Mortgage Passthrough Instruments – These investments involve the traditional risks inherent in fixed-income securities and certain additional risks, such as principal prepayment, indirect exposure to real estate markets, fluctuations in interest rates, risks affecting underlying assets and the ability of the underlying obligor to pay, and counterparty failure. Changes in the federal government's role with respect to government-sponsored enterprises and the mortgage market more generally may negatively affect the value of these securities.
- Possibility of Reduced Liquidity – Fixed-income securities traded over the counter may be less liquid and have the potential for wider bid-ask spreads.
- Short Sales – Short sales of fixed-income securities create the theoretically unlimited risk of an increase in the market price of the securities sold short.

- Repurchase and Reverse Repurchase Agreements – These instruments increase the risk of loss due to the use of leverage and potential counterparty nonperformance. The Funds rely on third parties to assess the creditworthiness of counterparties.
- Hybrid Instruments – These instruments combine features of a fixed-income security with those of a derivatives contract and entail both credit risk and the risk of nonperformance of the issuers of the hybrid instruments.

#### **Item 9: Disciplinary Information**

The Spanish National Securities Markets Commission (the “CNMV”) determined that Renaissance had entered into trades on behalf of funds that it manages in violation of a Spanish short selling ban on the securities of Liberbank, S.A. (“Liberbank”) in 2017. Renaissance reduced long positions in Liberbank after the short selling ban had taken effect. Although Renaissance had not engaged in a short sale, the CNMV determined that Renaissance’s reduction of long positions violated the short sale ban because it resulted in an increase in the net short position in Liberbank held by the funds Renaissance manages. Renaissance’s appeal of the CNMV’s determination to the Spanish Ministry of Economy and Enterprise was rejected on April 1, 2019. As a consequence, Renaissance paid the CNMV a fine equal to 150,000 euros on June 26, 2019. (The monetary fine as noted in Form ADV Part 1A was converted into U.S. dollars using the exchange rate on the date of payment.) On May 9, 2019, Renaissance filed an application with the Spanish National High Court (Case No. 787/2019) to appeal this decision, on the grounds that the CNMV and the Spanish Ministry of Economy and Enterprise had improperly broadened the scope of the Spanish regulation and of the ban beyond their intent and plain language in sanctioning Renaissance, given that Renaissance did not engage in a short sale transaction after the ban had taken effect. On June 18, 2020 (with notice of judgment given at the end of July), the Spanish National High Court rejected Renaissance’s appeal in a nonunanimous decision. On or before September 11, 2020, Renaissance plans to file a petition with the Spanish Supreme Court to pursue an appeal of this judgment.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Renaissance employs two management persons who are registered representatives associated with the Firm's affiliated broker-dealer, RIM. One serves as Vice President and Director. The other is the Firm's Chief Operating Officer.

Renaissance is registered with the Commodity Futures Trading Commission ("CFTC") as both a commodity pool operator and a commodity trading advisor. It is a member of the National Futures Association ("NFA"). Certain management persons are registered with the NFA as associated persons and/or principals of Renaissance.

RIM, a wholly owned subsidiary of Renaissance, is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc. RIM currently is the exclusive placement agent for the private placements of securities in the RIEF, RIDA, and RIDGE Fund Families.

Pursuant to a services agreement, the Firm provides certain administrative and operational services to several nonaffiliated management entities, including a former affiliate that serves as investment manager and/or general partner to certain private investment funds. This former affiliate and management entity is a registered investment adviser with the SEC. Pursuant to a fund administration agreement, Renaissance acts as administrator for the private investment funds managed by the former affiliate. As administrator, Renaissance is responsible for certain day-to-day administrative functions of the private investment funds, which include, without limitation, investor relations, fund accounting, and tax functions.

Pursuant to administrative services agreements, Renaissance serves as the administrator to those Medallion Funds organized in Bermuda. As administrator, Renaissance is responsible for certain day-to-day administrative functions of such Medallion Funds, which include, without limitation, investor relations and fund accounting functions.

Pursuant to a reimbursement agreement among Renaissance and the general partners of the RIDGE Funds (the "RIDGE GPs"), certain Renaissance employees provide various corporate services (e.g., legal, compliance, accounting, and investor relations) to the RIDGE GPs and the RIDGE Funds.

Renaissance and certain of its related persons act as sponsor, general partner, managing member, and/or investment manager/adviser of pooled investment vehicles, which are part of the master-feeder fund structures discussed above.

#### **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

Renaissance has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that is applicable to employees of Renaissance and its subsidiary RIM ("Employees"). The Code and other written policies set forth in the Firm's Code of Ethics and Compliance Manual require Employees to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients, including, among other things, policies and procedures that do the following:

- prohibit trading on the basis of material nonpublic information;
- prohibit Employees from taking personal advantage of opportunities belonging to clients;
- place limitations on personal trading by Employees and impose reporting obligations with respect to such trading;
- require Employees to obtain preclearance of transactions in private placements;
- prohibit Employees from participating in initial public offerings;
- impose limitations on the giving or receiving of gifts and entertainment;
- place limitations on political contributions by certain Employees and impose reporting obligations with respect to such contributions pursuant to "pay to play" rules; and
- restrict Employees' outside business activities.

The Chief Compliance Officer monitors compliance with these and all other aspects of the Code and related Firm policies.

The Firm will provide a copy of the Code to a client or prospective client upon request.

Renaissance and RIM seek investors to invest in affiliated Funds in which Renaissance also invests and for which it serves as general partner, managing member, or investment manager. In addition, because certain of the Funds advised by Renaissance invest in accordance with their investment objectives in other Funds for which Renaissance acts as general partner, managing member, and/or investment manager, Renaissance may be deemed to be recommending to such Funds that they buy securities in which Renaissance has a financial interest and/or securities that Renaissance also buys for itself (i.e., securities in other Funds). A particular Fund's relationship to other Funds advised by Renaissance is disclosed in such Fund's offering materials.

Employees may invest to a limited extent in the same securities recommended for the Funds and Accounts, subject to significant personal trading restrictions, including as applicable (i) an account approval requirement, (ii) an account reporting requirement, (iii) a preclearance requirement, (iv) a holdings and transaction disclosure requirement, (v) a holding period requirement, and (vi) a trading ban with respect to certain instruments. Exceptions may be granted only with the approval of the Firm's Chief Compliance Officer.

Renaissance's Employees, as described above, are subject to significant personal trading restrictions, including if applicable, a holding period requirement. This, coupled with the Firm's style of trading (described above in both Item 4, Advisory Business, and Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss), reduces the risk of an Employee's trading securities for his or her personal account(s) at or around the same time that a Fund is trading the same securities.

RIDGE's SRI Series 2 and 3 are designed to meet specific needs of two investors who are unable to participate in the gains, losses, or related income attributable to a small number of securities ("Excluded Securities") traded in RIDGE's portfolio. All gains, losses, or related income of the Excluded Securities ("Excluded Amounts") that would be allocated to an SRI Series investor are allocated to Renaissance instead. In turn, Renaissance may engage in hedging transactions for its own account away from RIDGE to attempt to offset the Excluded Amounts, which would require Renaissance to take positions in the Excluded Securities that are opposite from those that it takes for RIDGE's portfolio. These transactions and the potential conflict that may arise therefrom are described in RIDGE's offering documents.

## **Item 12: Brokerage Practices**

In selecting broker-dealers to execute transactions for its clients, the Firm seeks the best available overall terms, based on a variety of factors, including the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the competitiveness of commission rates; the borrowing terms or securities lending arrangements available from the broker; and the financial strength, integrity, and stability of the broker. Recognizing the value of these factors, Renaissance may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction or series of transactions. Renaissance regularly evaluates the placement of brokerage and the reasonableness of commissions paid. However, the Firm is not obligated to solicit competitive bids or seek the lowest available commission costs.

Renaissance does not currently receive any form of "soft dollar" compensation from its brokers and will use its best efforts to avoid receiving any in the future. To the extent that any "soft dollar" compensation is received, it will be in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended, and its receipt will be disclosed to investors.

The Firm does not consider client or investor referrals in selecting or recommending broker-dealers.

The Firm does not recommend, request, require, or permit clients to direct brokerage.

Renaissance does not aggregate orders across client accounts. The Firm operates the models for each of its Fund Families independently from one another. Separate machines are assigned to each Fund Family, and they do not interact with each other.

The Firm follows procedures designed to allocate trading opportunities fairly and equitably among the various Fund Families that it manages. If a Fund and any other Firm-sponsored investment entity attempt to place orders in the same instrument, in the same direction, and at the same time, the Firm's systems do not combine the orders but randomly allow one order to go first, thus allowing one trading entity to enter the market before the other. In addition, the Firm has no control over the timing or manner in which orders will be filled, and therefore, an order that enters the market first may not be filled first or may not be filled at all. The Firm does not engage in post-trade allocations among orders placed by a Fund and any other Firm-sponsored investment entity.



### **Item 13: Review of Accounts**

Renaissance monitors compliance with the investment objectives of its clients at weekly meetings attended by the most senior staff of its Research, Production Trading, Research Infrastructure, and Data departments. At these meetings, the previous week's performance and any matters that led to system adjustments may be reviewed and discussed. Proposed enhancements and changes to the Firm's computerized models are reviewed and approved when appropriate.

The Firm reviews client accounts on a periodic basis as set forth above. Additional reviews may be conducted at the request of senior management.

Investors in all Fund Families and the Kaleidoscope Funds receive monthly reports, which include Fund performance information and information about an investor's individual investment in such Fund. In addition, investors in the RIEF, RIDA, and RIDGE Fund Families have access to weekly Fund performance updates, monthly assets under management information, and monthly commentaries. Subject to certain enhanced confidentiality obligations and higher minimum investment requirements, investors in certain of the RIEF, RIDA, and RIDGE series have access to quarterly reports that include position-level transparency on a delayed basis.

All investors receive copies of the annual audited financial statements for the Funds in which they invest. In addition, investors in the RIEF, RIDA, and RIDGE Funds also receive quarterly unaudited financial statements.

**Item 14: Client Referrals and Other Compensation**

The Firm does not participate in arrangements whereby nonclients provide economic benefits to the Firm for providing investment advice or other advisory services to the Firm's clients.

As described in Item 10,: Other Financial Industry Activities and Affiliations, RIM is the exclusive placement agent for the private placements of securities in the RIEF, RIDA, and RIDGE Fund Families. In consideration of these services, the Firm pays RIM (pursuant to an Expense Sharing Agreement) for certain of RIM's expenses, plus an additional fee.

**Item 15: Custody**

The Firm may be deemed to have custody of the assets of its client Funds. The Firm utilizes qualified custodians to maintain the assets of the Funds. It engages public accountants registered with and subject to inspection by the Public Company Accounting Oversight Board to conduct annual audits and will, in accordance with SEC rules, distribute audited financial statements (prepared in accordance with generally accepted accounting principles) to Fund investors within 120 days of the end of each fiscal year (or 180 days in the case of Kaleidoscope Funds).

The Firm does not have custody of the Accounts.

The Firm produces monthly statements at the fund and investor level for the Medallion Funds, the Kaleidoscope Funds, and one feeder fund in the RIEF Fund Family that is designed for employee-related investors; account statements for investors in the other RIEF Funds, RIDA Funds, and RIDGE Funds are prepared by the Funds' administrator, The Bank of New York Mellon. Investors should carefully review their account statements. Qualified custodians for each Fund provide daily, weekly, and monthly account reports that are presented for review and reconciliation with the Firm's records.

**Item 16: Investment Discretion**

Subject in certain instances to restrictions contained in its investment management agreements described below, Renaissance will ordinarily be granted discretionary authority to determine the type and amount of securities to be purchased or sold for the Funds and Accounts and to select the counterparty to be used and the commission cost to be paid.

Renaissance exercises its investment authority on behalf of the trading entities within each Fund Family pursuant to provisions in each of the trading entities' limited partnership agreements, limited liability company operating agreements, or investment management agreements, as applicable. Renaissance exercises its investment authority on behalf of the Accounts pursuant to written investment management agreements, which include investment guidelines imposed by the Account owners.

Limitations on Renaissance's authority are guided by its responsibility to act as a fiduciary when handling clients' accounts, the obligation to seek best execution of clients' trades, and the Funds' offering documents.

### **Item 17: Voting Client Securities**

The Firm has authority to vote proxies on behalf of the Funds.

The Firm has established a two-tiered policy for voting proxies. For the RIEF, RIDA, and RIDGE Funds, which employ a long-term holding strategy, proxies will be voted, and the Firm will generally rely on the recommendations of its proxy adviser, Institutional Shareholder Services, Inc. ("ISS"). (If ISS does not have a recommendation, the Firm generally will abstain from voting.) For the Medallion Funds, which are traded pursuant to a high turnover strategy, the Firm will abstain from voting proxies, as it has concluded that under ordinary circumstances the voting of proxies for these Funds would not be in the best interests of its clients because (a) it would divert resources away from the implementation of its trading strategy and (b) given the Funds' high rate of turnover, it is unlikely that securities held on a particular record date would remain in the portfolio on the date of the vote.

Notwithstanding the above, in certain limited circumstances, the Firm may cast proxies for the Medallion, RIEF, RIDA, or RIDGE Funds without regard to the recommendations of ISS, if applicable. The Firm does not expect any conflicts in its proxy voting practices, but in the event that the Firm does vote, the Chief Compliance Officer will identify any potential conflict of interest inherent in the Firm's vote, determine whether any such conflict is "material" (as interpreted by the SEC), and address such conflict in the best interests of the Firm's clients.

Information about a particular vote cast and copies of the Firm's proxy voting policy and procedures are available to clients upon request.

The Firm is not authorized to vote client securities held in the Accounts. The beneficial owners of the Accounts will receive proxy materials directly and not from the Firm.

**Item 18: Financial Information**

The Firm does not require prepayment of fees six months or more in advance. Accordingly, no balance sheet is attached.

The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

The Firm has never been the subject of a bankruptcy petition.