



Dear Investors,

The third quarter of 2020 started off with a strong follow-through from Q2, with the S&P 500 rallying over 12% in the first 2 months. August had the feel of the market getting overheated, as not only was the market up 16 of the 21 trading days, but the VIX was increasing during this period as well, something that is completely counter intuitive and relatively unprecedented. While this unique market event limited gains in August, it did allow us to re-position for September, as well as subsequent quarters into 2021.

The S&P 500 was overdue for a pullback, which finally started in early September. This caused volatility to remain elevated for the entire month. On a relative basis, September was the best month to date for RS Low Beta Opportunity Fund. While the S&P 500 fell almost 4%, the Fund's gross return for September was 1.05%.

For the quarter, RS Low Beta Opportunity Fund's gross return was close to 4%, and we envision this type of performance to continue in Q4. While volatility has picked up (and should continue through the presidential election), the market has stabilized compared to earlier this year. As we pointed out in Q2's letter, our strategy performs exceptionally well in the subsequent months once the market has started to stabilize.

While the Fund generates its income from selling options in the S&P 500, returns are not directly correlated to the market. This was seen in September, a month where the fund made money while the market had a decent pullback. Viewing RS Low Beta Opportunity Fund against other asset classes as well, with the Fed committing to keep interest rates low for the coming years, fixed income, an asset class that many feel has low risk, has now become an asset class we view as having equal or higher risk than our strategy. Additionally, we believe future earnings from investments in general fixed income instruments will have a lower return profile than they have had over the past few decades.

RS Low Beta Opportunity Fund is an alternative investment that is set up to be less risky than fixed income in the current interest rate environment. In addition, the Fund will provide a better return than both cash and bonds. The Fund has less risk than equities, and in market environments when equities are slightly up or down, the Fund's return will significantly outperform the market.

We appreciate your trust and as always, please don't hesitate to reach out to David or Brian with any comments or questions.

David Rosenblum & Brian Shapiro

RS Low Beta Opportunity Fund