



Dear Investors,

The fourth quarter of 2020 continued where Q3 left off, with the S&P 500 experiencing quite a bit of volatility in the weeks leading up to the election. In fact, heading into the election, during September and October, equity markets experienced steep declines (over 6% in those 2 months alone, which seems like a decade ago, rather than a few months ago), leaving the S&P 500 basically unchanged for the year coming into election day. However, following the election, the markets rebounded strongly. This rebound set the stage for future upcoming performance for RS Low Beta Opportunity Fund, and that began to evidence itself with a gross return of 2.91% in Q4.

As mentioned in both our Q2 & Q3 letters, the Fund performs best over future months once the market has begun to stabilize, even if the overall market doesn't continue to rise in those future months. Therefore, in any short term period, our gains may not pace exactly with other indices, but we see that performance consistently add back over time. After a crash-like March, the market had a V-shape recovery from April through August. Since then, on a gross basis, the fund has averaged 1%/month returns. We believe we are still in the early innings of this "stabilization" period, which bodes well for the Fund into 2021.

We always manage the Fund with a longer term point of view, but to provide insight to how we envision 2021, we believe the Fund is set up to experience average monthly returns between 0.65-1.25%. The returns will not necessarily be linear, but with the S&P 500 closing 2020 at 3756, if 2021 experiences a range of 3200-4300 (approximately 15% both directions), we would expect our average monthly return to fall in the range noted above.

Since we launched RS Low Beta Opportunity Fund in 2019, the market has experienced extreme moves in both of our first 2 years. While we have made money in both of those years and we have consistently been profitable since inception, the Fund is setup to perform best as the extreme moves stabilize. While we generate income from selling options on the S&P 500, our returns are not fully reflective of that index. RS Low Beta Opportunity Fund is an alternative investment that generates income in all market environments. The fund will always have less risk than 100% direct equity exposure, as well as a higher return profile than cash and bonds at these low rates. As markets calm down and the moves become less extreme, the fund is designed to outperform equity markets with significantly less risk than equities.

While the fund performed well during a once in a decade market decline during 2020, the resultant V-shape and rapid uptrending market did not give enough time to outperform, due to how quickly our exposure was lowered in the rebound. So, in an effort to manage under this type of market environment, we are instituting a change to where our minimum exposure will rise to a beta of 0.12

(from 0.05 in 2020). Since in a flat market we will outperform any asset class from bonds to stocks, this will only increase our outperformance in this type of market environment. We feel that this move will allow us to capture a larger portion of up moves, and it should have a minimal impact on our overall average beta throughout the year, as well as our average monthly buffer. In summary, this does not change the low beta profile of RS Low Beta Opportunity Fund. It simply may reduce the monthly buffer during 1 or 2 months of the year, which in sideways and up markets will have no negative effects, and in a big down market, allows us to maintain a higher beta for the ensuing recovery (whether that recovery is immediate or takes longer in time).

For 2021, the gross return of the Fund should be as follows:

<b>S&amp;P 500</b>	<b>Low End</b>	<b>High End</b>
-15%	5%	10%
-10%	7%	12%
-5%	9%	14%
0	10%	15%
5%	9%	14%
10%	9%	14%
15%	7%	12%

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