



Dear Investors,

The first quarter of 2023 continued in the same manner as 2022, with substantial volatility in financial markets. For most of the quarter, interest rates and inflation were the main concerns for markets, but in early March, equities had to deal with a potential banking crisis, which caused a large spike in volatility. The uncertainty in the banking system caused the VIX to spike to 30, allowing RS Low Beta Opportunity Fund to sell elevated premiums once again. By the end of March, equity markets had recovered some of the losses, and the S&P 500 finished up for the quarter. Whether this rally was the start of a new bull market or merely another bear market rally is still unknown. Regardless, it was a great quarter for RS Low Beta Opportunity Fund, as the Fund closed at an all-time high, up 8.65% for the quarter.

In our end of 2022 letter, we projected 2023 to be a “Can’t Wait” year for the fund, which has been evidenced so far by the Fund’s performance. The current market conditions are ideal for the Fund’s strategy, as it allows us to generate outsized returns with only a fraction of the risk. Over the long run our correlation to equities is relatively low. From a risk standpoint, the Fund continues to have a 1-2% monthly buffer. From a reward standpoint, our income generation has 2 components:

1. Our put sales will generate 0.5 to 1.2% per month (In a sideways to up market, we will be on the higher end of this monthly income).
2. Given the structure of continuously rolling our puts, the entire AUM of the fund is always in short term treasuries. In 2023, and in our opinion the next few years, we should make an additional 3-5%/year from our treasuries.

Last year, one of the highlights of the Fund’s strategy was displayed. Not only did we buffer a large portion of the decline in equities, but the Fund also had a much smaller drawdown than many Fixed Income products. The strategy of RS Low Beta Opportunity Fund performs best as markets begin to stabilize, and the last few quarters have illustrated this. As seen in the chart below, since markets began to stabilize in the middle of 2022, the performance by RS Low Beta Opportunity Fund has been one of significant outperformance.

Trailing Quarters	S&P 500's Performance	RS Low Beta Opportunity Fund's Performance
1 (1Q23)	7.03%	8.65%
2 (4Q22 through 1Q23)	14.61%	19.26%
3 (3Q22 through 1Q23)	8.56%	15.11%

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