Dear Investors,

Financial markets began the fourth quarter of 2023 in similar fashion to how the previous quarter ended, with a down month, resulting in three down months in a row. November was a different story, as a soft jobs report and a lower-than-expected CPI led to a large rally in the financial markets over the final two months of the year. As mentioned in our third quarter letter, due to the S&P 500's decline in September, RS Low Beta Opportunity Fund entered the fourth quarter with a higher-than-average beta exposure. As the rally continued and the Fund was able to monetize the higher premiums sold when the VIX was elevated, our beta has now reverted back to the mean. This is fully in line with our strategy, and it enabled RS Low Beta Opportunity Fund to provide investors with a net return of 4.11% in the fourth quarter and a total net return of 16.54% in 2023.

In our end of year 2022 letter, we projected 2023 to be a "can't wait" year for the Fund. While this played out favorably, we don't think that our momentum was limited to 2023 and are extremely optimistic about the Fund's outlook over the coming years. As mentioned in several of our quarterly letters, our income generation has 2 components:

1. The premium generated by our put sales.
2. Due to the nature of always closing/rolling expiring puts and never taking assignment, the full AUM of the Fund is invested in short-term treasuries.

In 2024, and in our opinion in the next few years, we should make an additional 3-5%/year from our treasuries, which when combined with our core strategy of put selling, should generate strong annual returns for investors (as seen in the chart below). The strategy will continue to target a buffer of at least 1-1.5%/month protection versus the S&P 500 on the downside.

The strategy of RS Low Beta Opportunity Fund performs best as markets stabilize (after a big down or big up move), and over the past six quarters, the Fund has captured over 90% of the S&P 500's performance, while taking substantially less risk. This has always been the core thesis of the Fund, as we take less risk than equities and have a much better return profile than fixed income. While 2023 saw the S&P 500 recover all of 2022's losses, we believe a lot of these gains were at the expense of future years' returns in that index. If we are accurate in our thinking, the next 5-10 years should see much more modest stock market returns for broad-based indices. This would be favorable to the Fund's strategy as sideways markets are where our outperformance is at its peak. For 2024, the expected net return of the Fund should be as follows:

S&P 500	**Low End**	**High End**
-15%	0%	5%
-10%	3%	8%
-5%	7%	12%
0	8%	13%
5%	9%	14%
10%	10%	15%
15%	11%	16%

We appreciate your trust and as always, please do not hesitate to reach out to us with any comments or questions.

David Rosenblum & Brian Shapiro