



Dear Investors,

After a strong equity rally in the first quarter, the second quarter began with some volatility due to geopolitical events in the Middle East. The Fund welcomed this pullback, which allowed us to add exposure at much higher VIX levels than we had over the previous months. While we would have preferred the recovery in the S&P 500 to take longer (markets recovered from April's 4.2% selloff by mid-May), RS Low Beta Opportunity Fund was still able to continue its steady stream of income generation, recording a monthly return of 1.11% in June, and finishing the quarter with a 2.6% return for the second quarter.

Between geopolitical events, a US Presidential election, and some uncertainty in what the Fed will do with interest rates, one would think the upcoming months should lead to some market volatility. So far, equities have brushed off these fears and it has been risk-on, but at some point valuations will come into play and earnings will have to keep up with the market's expectations. While we do not think we are in for a crash in the S&P 500, we are in the camp that a healthy pullback will occur, and the Fund is positioned well for this. While over a long period of time the strategy targets a buffer of 1-1.5%/month protection versus the S&P 500, due to the nature of our risk decreasing after big market rallies, we enter the third quarter with a higher-than-normal buffer.

Regardless of what equities do in the second half of 2024, we remain very positive on the Fund's outlook for the remainder of the year. If markets continue to grind higher, and more importantly, volatility remains muted, the Fund's 2024 return will be on the lower end of projected returns that were laid out in our end of 2023 letter. But, if the next 6 months involve a few spikes in the VIX, the Fund can finish the year on the higher end of projected returns.

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