



Dear Investors,

From extremely low volatility to a mini crash, a 50-basis point rate cut from the Fed, and all-time highs in the market, the third quarter of 2024 had it all. A quarter like this allows RS Low Beta Opportunity Fund to stand out in all these extremes, as the Fund's week-to-week and month-to-month performance remained consistent. The Fund's net return for September was 1.33%, bringing the return for the quarter to 2.6% and our year-to-date net return to 7.25%. The Fund is on pace with projected returns laid out in our 2023 end of year letter. Considering current market conditions, the strategy in this Fund remains a necessary piece of any portfolio.

While there was a lot going on prior to the third quarter of 2024, the world became an even crazier place during the past three months. Between the US election being too close to call, the turmoil in the Middle East, and the need for the Fed to balance both inflation and a potential recession with the speed of its rate cuts, the VIX experienced a rise of 35% in Q3. While a rise in volatility like this is not unprecedented, having it occur during a quarter where equity markets rose is extremely rare. That said, the Fund has taken advantage of selling higher volatility and enters the fourth quarter well positioned with both a higher-than-normal monthly buffer as well as a greater-than-normal expected return if the markets were to go sideways. Regardless of what equities do in the final quarter of 2024, we remain very positive on the Fund's outlook for the remainder of the year and into 2025.

We also have exciting news to share regarding a new fund that we launched in the third quarter of 2023. While having a strategy like RS Low Beta Opportunity Fund that consistently hits singles and provides steady returns with relatively low risk has been and remains our focus, we always had a plan to launch a strategy with a higher return profile. Over the summer, RS Crypto Income Fund was launched. This new strategy is a separate and new fund in which we will deploy a similar core strategy of selling puts without using leverage to generate income. While RS Low Beta Opportunity Fund uses options on the S&P 500 index, RS Crypto Income Fund will generate its income by selling options on an ETF tracking Bitcoin, which has a much higher implied volatility. Similar to RS Low Beta Opportunity Fund, income will be generated with a fraction of the risk of direct exposure to the underlying asset class. With the recent approval of ETF's tracking Bitcoin, the risk/reward for investors looking to generate income in this asset class without taking the full exposure of the underlying is favorable. Due to the higher implied volatility of options in this asset class, we aim to generate 30%+ annual returns for investors if the underlying asset were to be unchanged for the year.

If interested in learning more about RS Crypto Income Fund please do not hesitate to reach out, and as always, we appreciate your trust.

David Rosenblum & Brian Shapiro