PROSPER

STARS & STRIPES

January 28, 2025

Dear Investors,

During the fourth quarter of 2024, Prosper Stars & Stripes gained +2.6% compared to a total return of +0.3% for the long/short equity hedge fund peer group, represented by the HFRX Equity Hedge Index (the "HFRX")(i), and +0.3% for the long-only small cap Russell 2000 Index (the "Russell")(ii).
Prosper Stars & Stripes is the UCITS Fund launched in May 2015 designed to run pari passu to the Roubaix Fund Composite (the Composite)(iii), launched in January 2010, where its long/short equity peer group is represented by the HFRI Equity Hedge (Total) Index (the "HFRI")(iv).

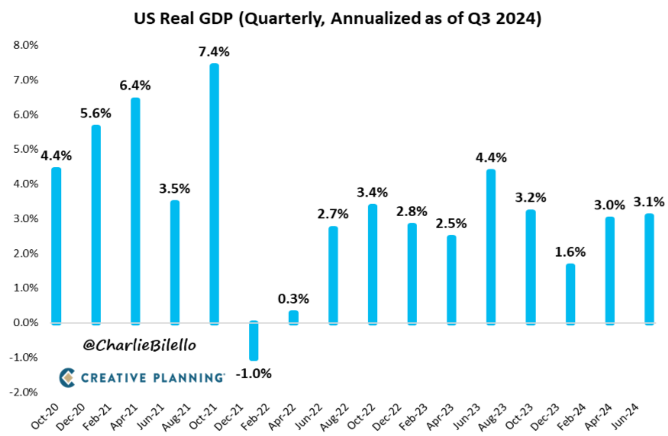
For the full year of 2024, the Composite generated a net return of +13.9% compared to a total return of +12.3% for the HFRI and +11.5% for the Russell. Average daily net exposure was 50.9% during the fourth quarter and 49.3% year-to-date, compared to a 43.6% average since inception in January 2010.

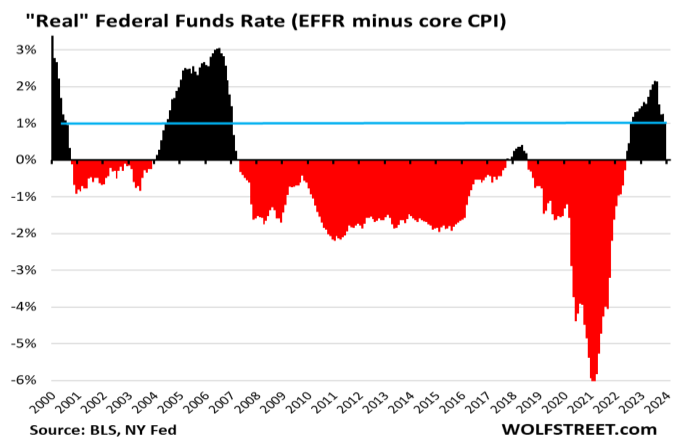
As of Dec. 31, 2024	Roubaix Composite(iii)	HFRI Equity Hedge Index(iv)	Russell 2000 Index Total Return(ii)
Quarter-to-Date	3.54%	1.44%	0.33%
Year-to-Date	13.93%	12.25%	11.54%
Annualized 3 Years	5.77%	3.96%	1.24%
Annualized 5 Years	14.62%	8.14%	7.40%
Annualized 10 Years	9.96%	6.33%	7.81%
Annualized Since Inception	10.27%	5.82%	10.33%
Standard Deviation	9.21%	8.35%	19.83%
Sharpe Ratio	0.97	0.57	0.53
Downside Deviation	4.82%	5.54%	12.92%
Sortino Ratio	1.89	0.86	0.83
Bull Beta to Benchmark		1.06	0.47
Bear Beta to Benchmark		0.09	0.11
Annualized Alpha to Benchmark		5.76%	5.78%

Historical results are not indicative of future performance.

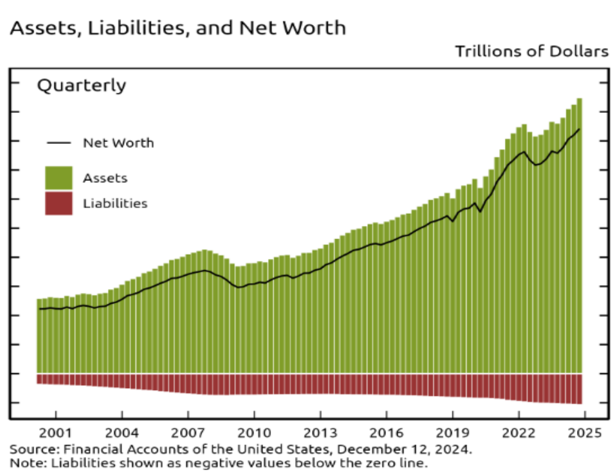
ECONOMY

Gross Domestic Product ("GDP") for 2024 is expected to show growth between 2.5% and 3.0%, a consistent result. These figures represent an economy that was able to remain resilient despite impacts of rate hikes that began in March 2022 that took the federal funds rate all the way from 0% to 5.5%[1] The real federal funds rate is restrictive and has been a concern for growth. The job market has resisted the pressure adding around 200K per month and unemployment remained historically low at 4.1%.[2] Consumer wealth continued to increase with net worth benefiting from the rise in asset prices and steady home prices.[3] Consumers have also benefited from the higher wage growth that has supported growth in real wages. Inflation has not fully retreated to the 2% target with jobs and net worth continuing to expand. This put upward pressure on U.S. bond yields. The reaction to interest rate cuts has defied the historical precedents with yields moving up, working against the intended impact of policy makers. The tension between solid growth and improving sentiment is working against the mechanics of inflation. We expect the flattening out of housing costs to help move inflation lower despite the strength seen in economy.[4]



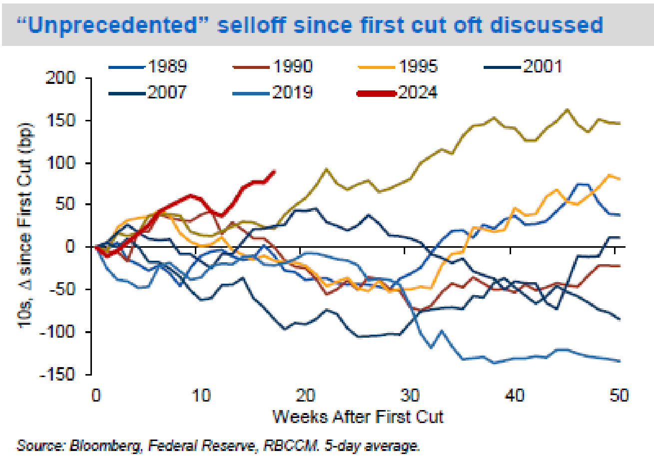


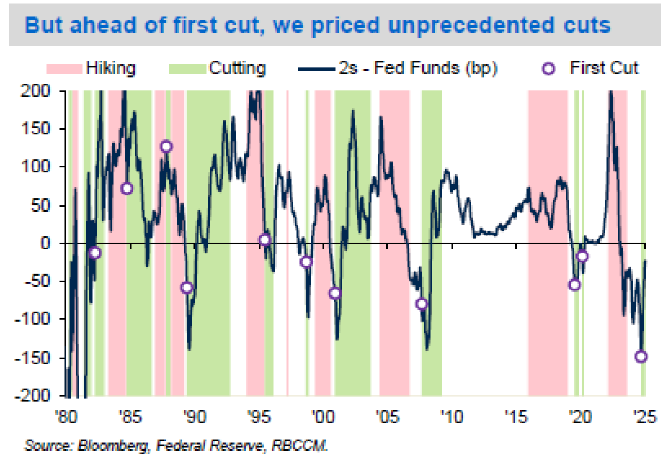
Source: 2024 The Year in Charts, Bilello Blog, Treasury Yield Curve Steepens, Wolfstreet December 27,2024



Source: Federal Reserve, Financial Accounts of the United States, Bilello Blog, 2024: The Year In Charts, January 13, 2025

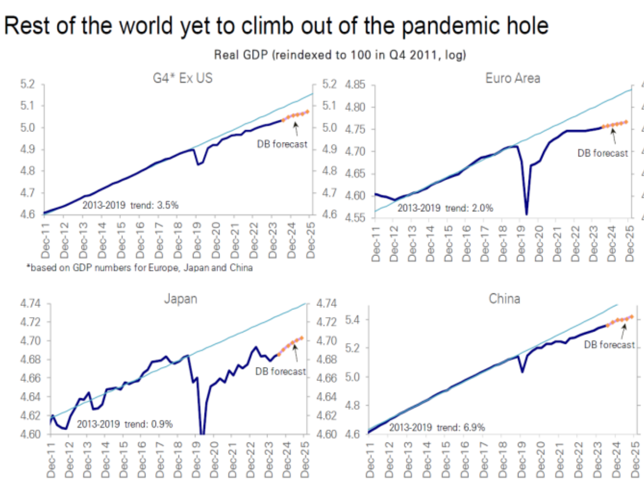
[1] A Timeline of the Fed's '22-'23 Rates Hikes & What Caused Them, The Street, April 12, 2024
[2] US Bureau of Labor Statistics, January 10, 2025
[3] Financial Accounts of the United States, Board of Governors of the Federal Reserve System, December 12, 2024, see also, MarketPlace, Thanks to Stocks and Real Estate, Household Wealth Is Higher Than Ever, December 16, 2024
[4] Nick Timiraos, X, writing 'rent growth on newly leased units has been running well below the pre-pandemic levels.' January 22, 2025

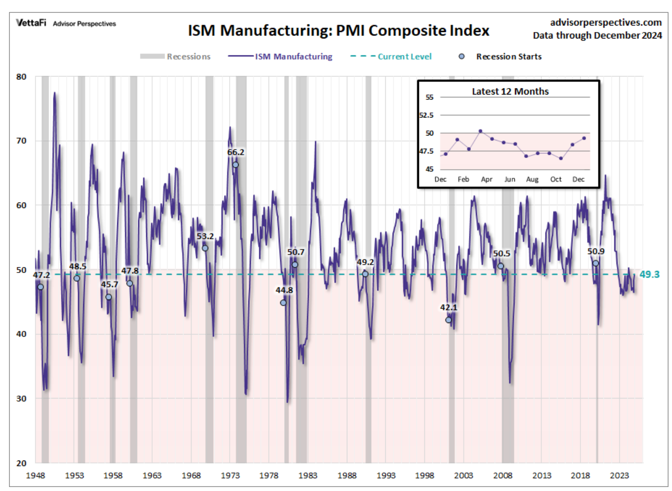




Source: RBC, US Rates Outlook, January 2025

Real GDP has not fully recovered outside of the U.S., with the Euro Area and China notably unable to get back to the real GDP trend line. It is worth noting the U.S. policy response was the strongest, particularly with the pandemic-era fiscal stimulus. The story is similar domestically on an industry level. While parts of the economy have done well, others have remained depressed and have been unable to find the growth rates that are typically associated with a good overall situation in GDP and employment. The clearest example of this is the manufacturing sector. The sector has been in a state of contraction since October 2022, the longest downturn this measure has experienced.[5] This long period of weakness creates a low base from which a recovery can more readily establish itself. Similarly, semiconductors unrelated to Artificial Intelligence ("AI") have been weak since the boom-bust cycle of the pandemic. Housing in the U.S. also remains depressed as poor affordability has left housing turnover at a low.[6] While none of these segments are charging higher, we believe the groundwork for improvement is in place.





Source: DB, Global Equity Strategy & Asset Allocation, 2025 Outlook What's Still to Come, Advisors Perspectives – [VettaFi](), ISM Manufacturing Index Contracts for 9th Straight Month, January 3, 2025

[5] We Expect the ISM Manufacturing Turn Above 50 in 2025, Fundstrat, January 22, 2025
[6] Just 2.5% of US Homes Changed Hands This Year, The Lowest Rate In Decades, Redfin, September 30, 2024

MARKETS

In the fourth quarter of 2024, U.S. equity markets experienced a period of volatility and mixed performance. Large cap stocks generally outperformed their smaller counterparts. The S&P 500 total return posted a gain of 2.4% for the quarter, and the Russell gained 0.3%.

Asset Class	Index	2023	1Q24	2Q24	3Q24	Oct24	Nov24	Dec24	4Q24	YTD
Small Cap	Russell 2000	16.9%	5.2%	(3.3%)	9.3%	(1.4%)	11.0%	(8.3%)	0.3%	11.5%
	Russell 2000 Growth	18.5%	7.5%	(2.9%)	8.4%	(1.3%)	9.9%	(8.4%)	1.7%	15.0%
	Russell 2000 Value	14.6%	2.6%	(3.7%)	10.1%	(1.5%)	8.1%	(8.5%)	(1.1%)	7.6%
Large Cap	S&P 500	26.3%	10.6%	4.3%	5.9%	(0.9%)	5.9%	(2.4%)	2.4%	25.0%
	S&P 500 Equal Wgt	13.7%	7.8%	(2.6%)	9.5%	(1.6%)	5.1%	(6.3%)	(1.8%)	12.8%
	S&P 500 Growth	30.0%	12.6%	9.7%	3.7%	(0.7%)	2.5%	0.8%	6.2%	36.0%
	S&P 500 Value	22.2%	8.0%	(2.1%)	9.0%	(1.2%)	5.1%	(6.8%)	(2.6%)	12.2%
	Nasdaq 100	54.9%	8.6%	8.1%	2.0%	(0.9%)	1.9%	0.5%	4.9%	25.6%
Bonds	U.S. High Yield	10.5%	0.9%	0.7%	5.7%	(1.0%)	1.2%	(0.8%)	(0.1%)	7.4%
	U.S. Aggregate	5.1%	(1.0%)	0.0%	5.3%	(2.5%)	1.0%	(1.7%)	(3.1%)	1.0%
	U.S. Treasury	3.7%	(0.9%)	(0.1%)	4.7%	(2.4%)	0.8%	0.7%	(0.9%)	2.7%
Blend	60% SPY/40% AGG	18.0%	5.9%	2.6%	5.7%	(1.6%)	3.9%	(2.1%)	0.2%	15.4%

Source: Copyright © 2024, S&P Global Market Intelligence, Roubaix Capital, LLC

Within the Russell 2000 Index, the Information Technology and Consumer Staples sectors rose and finished the year as the best performing sectors. Conversely, the Real Estate and Health Care sectors experienced a partial reversal of their strong third quarter performance. The month of November proved favorable for small caps, driven by post-election optimism regarding potential deregulation and corporate tax cuts under the incoming administration. December, however, largely negated November's gains. The Federal Open Market Committee ("FOMC") meeting in December delivered the anticipated 25 basis points ("bps") rate cut, but with a more hawkish Summary of Economic Projections ("SEP"). The SEP revealed a reduced median member forecast for 2025 rate cuts, down to 50bps from the previously projected 100bps in September. This shift altered market expectations for significant interest rate reductions, leading to weakness in small caps to close out 2024.

Russell 2000 Index Sectors	Weight	2023	1Q24	2Q24	Jul24	Aug24	Sep24	3Q24	Oct24	Nov24	Dec24	4Q24	YTD
Consumer Discretionary	9.7%	26.8%	5.5%	(5.9%)	9.9%	(3.0%)	3.1%	9.9%	(3.8%)	10.4%	(8.1%)	(2.4%)	6.5%
Industrials	17.8%	26.9%	8.7%	(4.2%)	10.1%	(3.3%)	1.8%	8.4%	(1.3%)	16.2%	(9.6%)	3.8%	17.0%
Consumer Staples	2.8%	18.9%	4.4%	2.3%	8.5%	(0.7%)	2.4%	10.4%	0.8%	11.8%	(6.4%)	5.5%	24.4%
Information Technology	13.8%	27.8%	12.8%	(2.9%)	5.2%	(1.6%)	0.8%	4.3%	(1.5%)	14.7%	(5.5%)	6.9%	22.1%
Financials	18.7%	11.4%	(1.4%)	(1.7%)	16.1%	0.3%	(1.1%)	15.2%	1.3%	12.4%	(9.1%)	3.4%	15.4%
Materials	4.3%	16.3%	4.4%	(4.2%)	9.8%	(4.4%)	3.1%	8.3%	(0.4%)	8.6%	(12.1%)	(4.9%)	3.0%
Real Estate	6.1%	13.0%	(1.8%)	(3.3%)	10.3%	3.0%	3.6%	17.7%	(2.2%)	4.8%	(7.8%)	(5.5%)	5.6%
Health Care	16.3%	8.2%	5.1%	(4.3%)	10.0%	0.4%	(0.8%)	9.6%	(2.7%)	5.6%	(9.9%)	(7.4%)	2.0%
Communication Services	2.7%	8.0%	(4.3%)	(0.6%)	13.0%	1.0%	3.1%	17.8%	(0.2%)	9.7%	(8.4%)	0.2%	12.3%
Energy	5.1%	12.0%	11.9%	(2.6%)	4.2%	(8.8%)	(3.6%)	(8.4%)	(3.1%)	8.8%	(7.5%)	(2.5%)	(2.6%)
Utilities	2.7%	(6.7%)	(3.5%)	0.1%	11.8%	(1.2%)	2.1%	12.8%	(2.8%)	7.1%	(8.4%)	(4.6%)	3.9%
Russell 2000 Index	**100.0%**	**16.9%**	**5.2%**	**(3.3%)**	**10.2%**	**(1.5%)**	**0.7%**	**9.3%**	**(1.4%)**	**11.0%**	**(8.3%)**	**0.3%**	**11.5%**

Source: Novus, Copyright © 2024, S&P Global Market Intelligence, Roubaix Capital, LLC

LONG POSITION HIGHLIGHTS

Roubaix Fund Composite – Long Book

As of Dec. 31, 2024	Average Daily Exposure	Rate of Return	Gross Contribution	Net Contribution(v)	Active(v)	Passive(v)	Russell 2000 Index Total Return
Quarter-to-Date	95.18%	6.44%	5.91%	5.39%	5.84%	0.08%	0.33%
Year-to-Date	92.37%	22.64%	19.85%	17.40%	8.87%	9.97%	11.54%
Annualized 3 Years	87.34%	9.15%	6.10%	4.73%	5.87%	0.30%	1.24%
Annualized 5 Years	88.67%	21.31%	18.31%	15.88%	10.99%	6.78%	7.40%
Annualized 10 Years	85.89%	17.09%	14.77%	12.97%	7.21%	7.06%	7.82%
Annualized ITD	80.10%	19.12%	14.87%	13.71%	6.45%	7.99%	10.33%

Historical results are not indicative of future performance.

The Composite's long book contributed to performance both during the fourth quarter and year-to-date in 2024. The long book's outperformance included a diverse range of successful investments during the year-to-date period: 29 individual investments yielded returns exceeding 20%, 12 individual investments achieved returns surpassing 50%, and 62 individual investments added positive active contribution.

The largest contributor to our long portfolio during the fourth quarter was Sportradar Group AG (SRAD or "Sportradar"). The company provides data and analytics to online sports betting ("OSB") operators to facilitate sports betting. It does this by signing multi-year sports right deals with leagues around the world. Sportradar has exclusive deals with the National Basketball Association ("NBA"), National Hockey League ("NHL"), and Association of Tennis Professionals ("ATP") among others. By providing mission-critical software and services at the intersection of the leagues and the betting companies, Sportradar is a "picks-and-shovels" company and has what we believe to be a healthy ecosystem. The company helps create deeper fan engagement for the sports leagues and repeat, high-value customers for the betting operators. In past letters, we've written about Genius Sports Ltd (GENI or "Genius"), which is the other data and analytics company in this oligopoly market. Like Genius, Sportradar is a founder-led company with the founder, Carsten Koerl, owning over 50% of the equity. Additionally, sports betting is a large and growing market that is expected to reach $128 billion in global revenues come 2028, a 9% CAGR from 2023. When Genius reached a valuation level we felt incorporated the positive story, we sold our position and reinvested our capital in Sportradar, where we believed the gap between the fundamentals and valuation was more attractive. Sportradar has pricing power, a key long criterion, and significant, imminent operating leverage as sales continue to grow double-digits on a fixed cost basis as sports rights are mostly locked in through the end of the decade. When the unusual discrepancy between the two stocks reversed again, we exited SRAD and took advantage of the weakness in the stock price of GENI.

The second largest contributor to our long portfolio during the fourth quarter was Mirion Technologies Inc (MIR or "Mirion"). Mirion is a leader in nuclear power (represents approximately 37% of their consolidated revenues) and nuclear medicine (represents approximately 20% of their revenues). In terms of market presence, the company stated they are the global number 1 in 17 out of 19 product categories across its two business segments. MIR came public as a SPAC, and we believe this contributed to its early history as a public company being choppy. Recently, we noticed a change in the company's communication with investors, confirmed by our due diligence call. The fundamentals have been attractive, a mid-single-digit ("MSD") to high-single-digit ("HSD") organic top-line growth company with EBITDA margins estimated to reach approximately 30%. Execution and communication were beginning to match the fundamentals. We have seen their leadership position in nuclear power benefiting from the AI data center buildout story. After the stock appreciated towards our initial target, we reduced our weight and subsequently exited the stock.

The largest detractor in our long book during the fourth quarter was STAAR Surgical Co (STAA or "STAAR"). We believe the EVO Vision Implantable Collamer Lens ("ICL") is a differentiated product (nearly 80% gross margins). The implantable, and replaceable, lens corrects for nearsightedness, or Myopia, a condition with no known cure and one that is expected to afflict 4.8 billion people, half the world's population, by 2050. The product has an excellent efficacy and safety profile with more than 3 million ICLs sold across 75 countries to date. STAAR has had success with its global market share rising from 5% in 2018 to 15% in 2023. Japan has had 32 out of the last 35 quarters of double-digit unit volume growth with EVO ICL share reaching 73% in 2023, up significantly from 8% in 2018. In South Korea, share has improved from 8% in 2018 to 17% in 2023. Unfortunately, STAAR's stock has not performed well over the last couple of quarters despite the company's differentiated solution in a large, growing global marketplace. Corrective eye surgery is an elective procedure and STAAR is a premium product option. In the company's most important market, China (58% of sales in 2023), sales have slowed from 25% growth in 2023 to 7% in Q3 2024. In the U.S., a developing market for STAAR, sales have slowed from 59% in 2022 to 16% in Q3 2024 as the company had to reboot its go-to-market strategy. The evidence, we believe, points toward macro weakness that has been well telegraphed in China and to a lesser extent in the U.S., where the company has taking significant share against the market rather than changes in the competitive dynamics. We believe the macro headwinds will prove temporary as the market is large and growing and STAAR strives to executive a multi-pronged sales strategy and product innovation playbook. That said, we chose to exit the stock in respect to our risk management parameters.

SHORT POSITION HIGHLIGHTS

Roubaix Fund Composite – Short Book

As of Dec. 31, 2024	Average Daily Exposure	Rate of Return	Gross Contribution	Net Contribution(v)	Active(v)	Passive(v)	Russell 2000 Index Total Return
Quarter-to-Date	(44.28%)	4.30%	(2.24%)	(2.56%)	(1.94%)	(0.76%)	0.33%
Year-to-Date	(43.11%)	8.73%	(3.38%)	(4.44%)	0.71%	(6.12%)	11.54%
Annualized 3 Years	(43.29%)	(1.12%)	(0.66%)	(1.31%)	(0.21%)	(2.08%)	1.24%
Annualized 5 Years	(44.20%)	2.59%	(3.02%)	(4.02%)	1.00%	(4.52%)	7.40%
Annualized 10 Years	(42.75%)	4.38%	(3.63%)	(4.46%)	0.36%	(4.26%)	7.82%
Annualized ITD	(36.50%)	5.85%	(2.97%)	(3.57%)	0.75%	(3.85%)	10.33%

Historical results are not indicative of future performance.

The Composite's short book detracted from performance during the fourth quarter and year-to-date in 2024; however, the year-to-date total return of investments in the short book was lower than that of the market, leading to positive active contribution in 2024.

The largest contributor to the short portfolio during the fourth quarter was Silvaco Group Inc (SVCO or "Silvaco"). Silvaco provides technology computer-aided design ("TCAD") software to streamline the integrated circuit ("IC") design process for semiconductor companies. Given our experience in the semiconductor industry, we had several concerns about this recent initial public offering ("IPO"). Silvaco was founded in 1984 and since 2010 had acquired 10 companies, yet its expected revenues in 2024 were $54 million. This is an unusually small level of revenues for a "mission critical" design software company to perhaps the most important industry in the world. Additionally, differentiated companies in large, growing markets have numerous ways to fund themselves in the private markets. These factors led to our skepticism about the company's claims. Silvaco also had a quarter of its sales in China, a country increasingly looking to serve its semiconductor market with local suppliers. In October 2024, Silvaco negatively pre-announced a shortfall in revenues due to indefinite order freezes from four Chinese customers as well as a pushout of a large customer order causing a reduction in Silvaco's full-year guidance. We covered the short during the quarter.

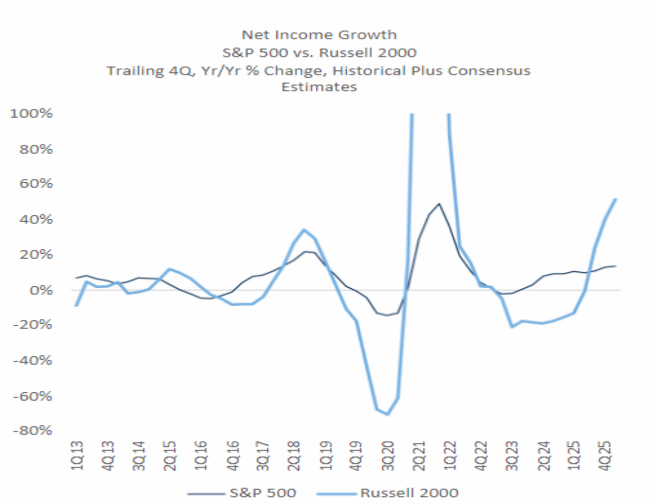
The second largest contributor to our short portfolio during the fourth quarter was Myriad Genetics Inc (MGYN or "Myriad"). Myriad is a diagnostic testing company with franchises in oncology (approximately 60% of revenues), women's health and pharmacogenomics. Although the company's core hereditary cancer testing business generates healthy free cash flow, it offers little growth prospects in our view. We believe that in a quest to diversify and grow, Myriad's management team executed a series of failed and dilutive acquisitions. Moreover, although we like many parts of the health care ecosystem, diagnostic testing is generally not one of them. Diagnostic testing is typically a scale business with smaller players routinely unable to build profitable businesses. Myriad expects mediocre EBITDA margins of approximately 4% in 2024 following two years of negative EBITDA margins. Also, diagnostic testing companies seem to be under constant pressure from payors thus having a tough time raising prices. Based on our understanding of the industry structure and company-specific issues, it was not a total surprise when United Healthcare removed Myriad's GeneSight from its coverage. MYGN management indicated this would create a $40 million revenue and $30 million gross profit hole in 2025. The stock reacted negatively, and we exited our short position.

The largest detractor in the short portfolio during the fourth quarter was Asana Inc (ASAN or "Asana"). Asana is a work management software company with a product designed to help enterprise customers set and track goals across areas like resource planning or product launches in a single application instead of across multiple different software products. We believe Asana's stock met several of our short criteria, including what we would deem as poor fundamentals, management turnover, and a large and growing list of competitors. The company's net revenue retention ("NRR") declined from 98% in Q2 to 96% in Q3. A sub-100% NRR can indicate a poor product-market fit, ineffective upselling and cross-selling, or a lack of sustainable growth. Further, there was a CFO transition announced in September suggesting results continued to be weak. Lastly, there are a number of workflow management companies, including competitors Monday.com, Smartsheet, Trello, Wrike, and Airtable, just to name a few. We believe the sentiment on the stock turned out to be quite low, so when ASAN reported better-than-feared Q3 results, even as billings missed and NRR deteriorated, the stock reacted positively. In accordance with our stop-loss framework, we closed our short position during the quarter.

OUTLOOK

Overall, 2024 was a good year for the U.S. economy and for U.S. equities; however, some industries remained stagnant and, in our view, are poised to improve. U.S. manufacturing, the non-AI semiconductor market, healthcare production, the U.S. housing industry, and commercial aerospace original equipment ("OE") production all stand out as having room for material improvements. While not all of these will recover at the same pace, they do provide potential support to the businesses that operate therein when a recovery eventually develops. Additionally, the global economy (ex-U.S.) has yet to fully recover from the pandemic impacts providing an opportunity for another potential tailwind when it does.

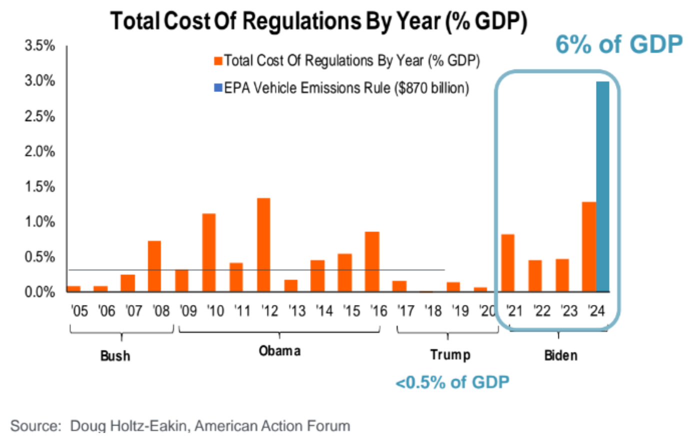
Small cap stocks have continued a long streak of underperformance. A few short months ago, expectations for lower interest rates were seen as a potential catalyst to help reverse this trend; however, with rates moving higher post the cuts to the Fed Funds rates, this driver is less clear. We believe other catalysts do remain in place though. For example, profit growth in small cap companies is forecasted to grow at a faster pace than large caps. If this plays out, we expect a better tone for small cap stocks. Valuations for small and mid-cap stocks are also more attractive than large caps when allowing for the exclusion of unprofitable stocks. Skepticism by investors over smaller cap stocks has increased and can be seen by a historically low allocation to small caps from multi-cap managers. In our view, this creates clear room for improvement.

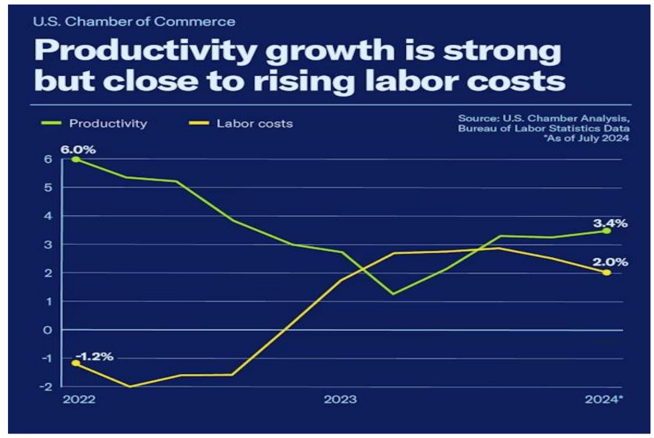


Source: RBC, Pulse of the Market, December 15, 2024 ; Factset, Lipper, BoA US Equity & Quant Strategy, X, January 14, 2025

Another catalyst we see is that the change in administration signals a pro-business attitude. There is also a chance for the ability to push through constructive policy due to Republican majorities in the House and Senate. Further, legal developments in 2024[7] and a more aggressive view on reducing excessive regulation[8] may result in changes that make doing business and investments easier in 2025 and beyond. In our view, the initial days of the administration show progress with executive orders[9] and large-scale investments[10] in U.S. industries. We believe the upside scenario is that the combination of less regulation and increased investment keeps productivity running at a high rate, benefiting the overall economy and U.S. businesses.

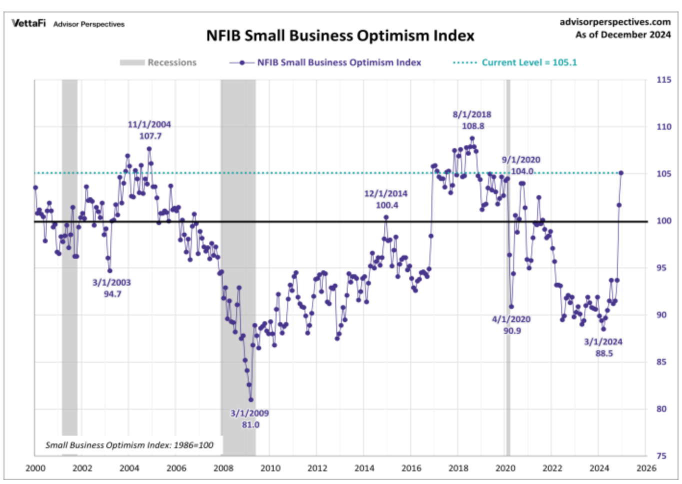
[7] Our Role in Shaping Chevron Deference in the Supreme Court, US Chamber of Commerce, June 2024
[8] Elon Musk and Vivek Ramaswamy: The DOGE Plan to Reform Government, WSJ, November 20, 2024
[9] A Running List of Trump's Planned Executive Orders, Actions, Proclamations and Legislation, Politico, January 21, 2025
[10] Trump Announces Private-Sector $500 Billion Investment in AI Infrastructure, Reuters, January 21, 2025

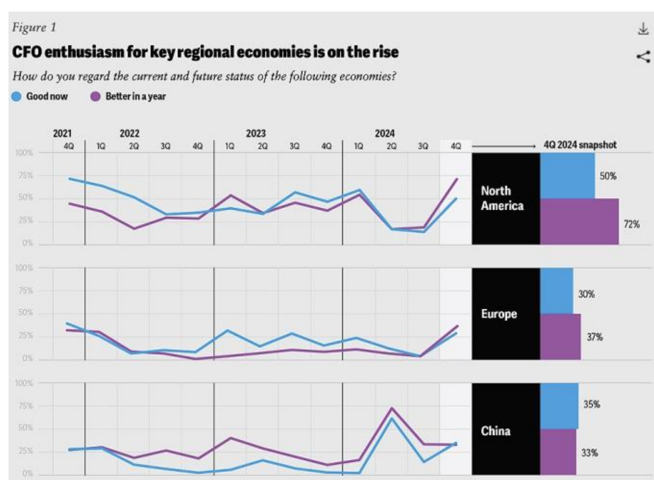




Source: 12 Top Charts to Watch in 2025, Piper Sandler, December 23, 2024, 2025 Economic Preview: A Year of Productivity Driven Growth, US Chamber of Commerce, December 19, 2024

We see the new year getting underway with a dose of optimism. Small businesses reported a dramatic increase in their outlook as measured by the National Federation of Independent Business ("NFIB"). Similarly, CEO[11] & CFO[12] confidence surveys have demonstrated enthusiasm for the year ahead. Notable business leaders have recently commented on this shift. Stanley Druckenmiller stated, "I've been in this business for 49 years, and we're going from the most anti-business administration to the oppositive. We do a lot talking to CEOs and companies on the ground. And, I'd say CEOs are somewhere between relieved and giddy. So, we're a believer in animal spirits."[13] Goldman Sachs CEO, David Solomon, similarly said, "There has been a meaningful shift in CEO confidence, particularly following the results of the U.S. election."[14] While the year has just started, merger and acquisition ("M&A") announcements[15] have picked up in another sign businesses are more confident in the outlook.





Source: Advisors Perspectives – VettaFi, NFIB Small Business Survey: Optimism Surges to Six-Year High, The Year in Preview: Chief Financial Officer Confidence Soars Heading into 2025, Deloitte, January 15, 2025

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[11] CEO Optimism Surges Post-Election, Chief Executive, January 2025
[12] The Year in Preview" Chief Financial Office Confidence Soars Heading in 2025
[13] Stanley Druckenmiller Says 'Animal Spirts' are Back in Markets Because of Trump with CEOs 'Giddy', CNBC, January 20, 2025
[14] There's Been a Meaningful Shift In CEO Confidence Since Trump\s Election, Says Goldman's Solomon, CNBC, January 15, 2025
[15] M&A Outlook 2025: Picking up Momentum, KPMG, and Healthy Returns: Biotech and Pharma M&A is off to a Good Start in 2025 – But Will It Last? CNBC, January 21, 2025

Even with all the optimism, there are several risks present on a macro level that could potentially influence 2025. High expectations for policy improvement may end up being difficult to meet. Making changes to government is always hard given embedded interests and general inertia. U.S. trade, immigration, and foreign policy are all expected to change course with the new administration. Some of these changes could be negative or have unintended consequences. U.S. inflation may hold at higher levels than desired, and this has played a part in keeping treasury yields higher than expected. The debt crisis in China looks perilous, government bond yields have fallen, and certain corporate yields have risen sharply implying the market is anticipating stress.

At the portfolio level, the Composite continues to see good opportunities in the commercial aerospace supply chain. This is a market that typically supports high margins due to the demands for high quality with a stringent set of qualifications. Remarkably, production of new aircrafts remain well below targets. At Airbus, production has been challenged by supply chain issues. Boeing has had similar supply chain issues exacerbated by accidents and poor leadership. With Airbus making progress and Boeing improving with a new CEO, we expect production rates to make material improvements in 2025. We believe PKE is a business that will materially improve as production rates rise. PKE's profits, as measured by EBITDA, are expected to triple from 2023 as commercial aerospace production increases to their goals and other existing programs grow.[16] We believe this delivers an opportunity for approximately $1.25 in earnings per share ("EPS") and a 20X multiple, resulting in a stock price in the mid-$20s. The Composite reinvested in two other unique aerospace companies, Albany International (AIN or "Albany") and Allegheny Technologies (ATI or "Allegheny"). Albany has two businesses, one making high strength composites for aerospace engine turbines and another that serves the paper industry. We think the company's aerospace business is a hidden gem and that the durability of the paper industry is under appreciated. Using what we deem as a reasonable, low double-digit EBITDA multiple, we see an opportunity for Albany's stock to appreciate back over $110. Allegheny is a company that has grown earnings over the past several years, driven by strength in the aftermarket and by improving its asset base. Most of the gains have come from pricing, but we now believe ATI will finally see volume growth, driving earnings towards $5.00 and supporting a stock price towards $90.

While the AI boom has supported massive earnings growth in a small set of exceptionally large companies, the rest of the semiconductor industry has not been as fortunate. Non-AI demand has remained tepid and has not recovered towards the trend line in growth. We have several stocks that we expect to benefit from an improving demand backdrop in 2025 that also have their own unique stories. Advanced Energy Industries Inc (AEIS) sells precision power products that ensure high quality and more efficient power, which is a large and growing need across multiple industries. As a key supplier of value-added components, the company generates mid-teens EBITDA margins that we believe can expand into the mid-20s with scale. Roughly half of sales go into the semiconductor market and the rest from a mix of industrial, medical, data centers and telecom. The company's long-term goal is to earn $15 in earnings per share in 5 years. Assuming the market will look to medium term earnings of $10, we believe the stock can appreciate towards $200. Lattice Semiconductor Corp (LSCC or "Lattice") is the leading independent designer of Field Programmable Gate Arrays ("FPGA") that enable a wide range of technology deployments from industrial sensors, to control and connection solutions in data centers to secure and high-speed communications. These devices use low power, are reliable, secure, and have a small footprint. The company's CEO is an industry veteran with a record of accomplishment of success and who has a compensation package heavily tied to the stock price. Company sales fell by a third in the downturn, and we believe sales will return to 20% growth and 30%+ profit margins. In addition to a cyclical recovery, the company's new product platform has launched, and we believe EPS can reach $2.50 in the medium term, creating an opportunity for the stock to rise back into the mid-$80s.

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[16] Park Aerospace Corp Company Presentation, FY 25 Q3, January 9, 2024

The consumer recovery post-pandemic has been lopsided. Spending on services has recovered with areas such as travel leading the way. However, spending on goods has not been as fortunate. Bigger ticket consumer discretionary purchases have been weak.[17] The most impactful example of this is home sales where the combined turnover, new and existing homes, has suffered from a lack of affordability.[18] This market is heavily influenced by interest rates, and as we have seen, interest rates have not cooperated. While we do not submit to have an answer on when interest rates will be more favorable, there are several companies that we see with large earnings growth, and they only require a modest improvement from depressed levels. One example is Lantham Group Inc (SWIM or "Lantham"). The company sells factory-built fiberglass pools. These are much faster to install, have little maintenance costs, and have a significantly lower total cost of ownership. Pool starts are down more than 60% from the highs set in the early 2000s and down 50% from the recovery that occurred in the early 2020s.[19] Fiberglass pools have a low but growing share of the market, exceeding 20% in 2022. The company is on track to earn 20%+ EBITDA margins and generates substantial earnings and cash flow, even on a modest recovery in sales.[20] At mid-teens earnings multiple, we believe SWIM can trade over $10 per share. Two other consumer discretionary companies with a similar set up but completely different end markets are Holley Inc (HLLY or "Holley") and Brunswick Corp (BC or "Brunswick"). Both companies are challenged by end markets that have failed to expand since the pandemic. Both are busy with self-improvement plans, and we believe both have substantial earnings leverage on modest improvement in the end markets. With consumer confidence accelerating to the upside in 2025 and positive wealth effects still in place, we see the asymmetry favoring these stocks this year.

The Composite continues to invest on the short side in themes that also have company specific drivers. The massive growth in the GLP-1 drugs combined with a growing social and political awareness has shed a light on some of the techniques food companies have used to drive sales growth. Food has been engineered to drive more consumption, and while this playbook has been successful, we believe the use of drugs that reduce consumption and public attention on the issue will impact future sales growth. We see companies such as Campbell's Co (CPB or "Campbell's Soup"), Treehouse Foods Inc (THS), and WK Kellogg Co (KLG) as specifically at risk among others that we are short. Another theme that we expect will have traction in 2025 is the ongoing share losses of internal combustion engine ("ICE") vehicles to electric vehicles ("EV"). We believe EVs have inherent advantages compared to ICE vehicles and the suppliers into this market are facing near term and long-term profit declines. We view Phinia Inc (PHIN) and Garrett Motion Inc (GTX) as two businesses that will potentially face ongoing cost and revenue pressures large enough to erode company profits for the foreseeable future. We also expect the focus on reducing wasteful government spending to drive short returns in companies including Science Applications International Corp (SAIC) and Bluebird (BLBD). SAIC will face scrutiny on government contract work and the high margins from government from electric bus contracts for BLBD and unlikely to be sustainable.

INVESTMENT PHILOSOPHY

We believe the most important drivers of equity value over time are the strength or weakness of a company's business model, the advantages or challenges created by their financial structure, and the quality of the fiduciaries involved. We identify what we believe are the best long and short narratives in the small and mid-cap universe of U.S. stocks and track them on a focus list. Our list is dynamic as we evaluate new companies entering our market cap range due to price changes, IPOs, spin-offs and other corporate developments. Likewise, we eliminate stocks from our focus list when the long thesis plays out and they become too large for our approach, or if the short thesis

[17] Shoppers Are Staying Away from Big Ticket Items, Bank of America Says, Investopedia, October 10, 2024
[18] Just 2.5% of US Homes Changed Hands This Year, The Lowest Rate in Decades, Redfin, September 30-, 2024
[19] Hayward, Investor Presentation, May 2023
[20] Lantham Group, Zephyr Hills Site Visit, November 20, 2024

drives the stock price to a level at which it transforms into a special situation with vastly decreased liquidity and/or increased price volatility. Base, bull and bear case price targets are derived from two year forward valuation, while also considering longer term trends discounted back appropriately. We deploy capital when these differentiated narratives present themselves with a compelling risk/reward profile compared to other stocks in our portfolio.

We concentrate our efforts on smaller companies due to their inherent structural inefficiencies that drive greater price dispersion, in turn enabling higher alpha generation on both longs and shorts. The investment landscape continues its trend of consolidating investment management and advice at ever larger financial institutions. The cost benefit of increased scale has an inverse effect on the ability of investment managers to buy and sell smaller stocks when considering reasonable liquidity parameters. Further, the rapid growth in passive and quantitative investing is reducing the amount of competition from fundamentally driven active stock pickers overall. As an increasing share of daily trading volume shifts to passive from active mandates, there is even less economic benefit to sell side equity research. This in turn reduces the amount of published information, particularly in smaller stocks with lower trading volume. Importantly, we think these inefficiencies are not just persistent, but should move even more in our favor over time.

Smaller companies are likely to remain a reliable source of mispriced investment opportunities that are either overlooked or are not practical investments for larger firms. We believe our structured fundamental investment process allows us to uncover such unique ideas and generate value through stock selection on both long and short investments. We tend to concentrate individual stock positions in 30-50 longs and 30-50 shorts to maximize the value of our research, and likewise do not utilize ETFs or options to hedge. Position level weights are optimized for exposure to changing fundamental factors, catalysts and risks. To manage overall portfolio risk, we avoid leverage on the long side, maintain consistent net exposure, and remain disciplined with our price targets and stop-loss levels. We believe our strategy is amongst the leaders in small cap l/s equity with a decade of compelling net returns, low volatility, and consistent capital preservation in weak markets.

Thank you for your ongoing support,

Christopher E. Hillary

IMPORTANT INFORMATION

All figures are unaudited. These figures are based on estimates. Estimates are subject to change. Historical results are not indicative of future performance.

i. HFRX Equity Hedge Index : Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50%, and may in some cases be substantially entirely invested in equities, both long and short. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. HFRX Equity Hedge Index is rebalanced on a quarterly basis and is composed of funds that have at least USD 50 million under management and have been actively trading for at least twenty-four months.

ii. The Russell 2000 Total Return Index is Russell Investments' Composite Index of 2000 small-cap stocks, a widely recognized, unmanaged index of common stock prices. The benchmark index may or may not hold substantially similar securities to those held by the Composite, and thus little correlation may exist between the Composite returns and that of the Index. The Index is not available for direct investments; therefore, its performance does not reflect the expenses associated with active management of an actual portfolio. The return for the Index includes gross dividends reinvested into the index.

iii. The performance referenced in this letter shows the historical performance of the Roubaix Fund Composite (the "Composite") unless otherwise noted. The accounts in the Composite have investment objectives, policies, and strategies that are substantially similar. The Composite was composed of the Roubaix Fund, L.P. ("Roubaix Fund") and another pooled investment vehicle from 2010 to February 29, 2020 and is presently composed of the Roubaix Fund and Roubaix Offshore Fund, Ltd. ("Offshore Fund") since February 1, 2022. Accounts contained in the Composite are actively managed and characteristics may vary. Net performance for the typical investor reflects the deduction of 1.15% annual management fee, 15% annual incentive allocation, and other expenses and includes gross dividends and other income reinvested in the portfolio. Net performance figures reflect the performance of a typical investor in the portfolio who invested at the beginning of the period and remained invested throughout the period. The performance of an individual investor may vary based upon various investor-specific factors including, without limitation, the investor's eligibility to participate in new issues. Advisory fees are deducted monthly while incentive fees are deducted annually and over time each will reduce the net return on a compounded basis. A fee schedule can be found on Form ADV, Part 2A for Roubaix Capital, LLC. On October 1, 2015, Roubaix replaced Independence Capital Asset Partners, LLC as General Partner to Roubaix Fund, L.P. (formerly Independence Capital Small Cap Fund LP) and as investment manager of the separate account, both of which historically comprised the Composite. The management, investment objective and strategy of the Composite has remained substantially the same since the Composite's inception on January 1, 2010.

iv. The HFRI Equity Hedge (Total) Index tracks funds that maintain positions both long and short in primarily equity and equity derivative securities. Equity hedge managers would typically maintain at least 50% exposure, and may in some cases be entirely invested in, equities-both long and short. HFRI Equity Hedge (Total) is a fund-weighted index and reflects monthly returns, net of all fees, of funds that have at least $50 million under management or have been actively trading for at least twelve months. The Index is not available for direct investment.

v. Roubaix utilizes Novus for portfolio attribution. The Novus Framework decomposes contribution into four factors: market (contribution attributable to market benchmark), category (contribution attributable to the specific sector benchmark), security (contribution attributable to stock selection), and trading (contribution attributable to position liquidation). Within the Novus Framework, we define "Passive Contribution" as equivalent to Market contribution, which is synonymous with 'Beta' to the relevant portfolio benchmark. We define "Active Contribution" as equivalent to Security + Trading + Category contribution, which is synonymous with portfolio manager 'Alpha'. Definitions of additional attribution terms discussed in this letter can be found in the pitch book for the Roubaix Strategy, which has preceded or accompanied this letter. The net contribution for the Longs and Shorts were converted to account for fees and expenses. The methodology for this Gross-to-Net conversion involves dollarizing the difference between Gross and Net returns using AUM for that month. The Gross exposure is then normalized down to 100%, and the dollarized net fees are allocated pro rata by subcategory size, i.e., Long/ Short and Sector. Importantly, the summation of subcategory net returns may differ to the Fund- level net return due to mathematical differences in subcategory compounding.

More frequent performance information is available upon request.

THIS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY INTERESTS IN ANY FUND MANAGED BY ROUBAIX. SUCH AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY INTERESTS MAY ONLY BE MADE PURSUANT TO DEFINITIVE SUBSCRIPTION DOCUMENTS BETWEEN A FUND AND AN INVESTOR.