PROSPER

STARS & STRIPES

November 4, 2026

Dear Investors,

During the third quarter of 2026, Prosper Stars & Stripes generated a net return of (8.4%) compared to a total return of (7.2%) for the long-only small cap Russell 2000 Index (the "Russell")[i], and a total return of (1.7%) for the long/short equity hedge fund peer group represented by the HFRX Equity Hedge Index (the "HFRX")[ii].
Prosper Stars & Stripes is the UCITS Fund launched in May 2015 designed to run pari passu with the Roubaix Long/Short Strategy ("Roubaix Long/Short" or "Roubaix L/S")[iii], launched in January 2010, where its long/short equity peer group is represented by the HFRI Equity Hedge (Total) Index (the "HFRI")[iv]. Average daily net exposure was 45% during the third quarter compared to a 44% average since inception in 2010.

Year-to-date in 2026, Roubaix Long/Short is up 14.7% net, compared to 13.7% for the Russell 2000 and 7.2% for the HFRI, generating positive long alpha and positive short alpha with an average daily net exposure of 47%.

As of September 30, 2026	Roubaix Long/Short	Russell 2000	HFRI Equity Hedge
Third Quarter	(7.3%)	(7.2%)	(2.1%)
Year to Date	14.7%	13.7%	7.2%
Annualized 1 Year	16.1%	16.2%	10.3%
Annualized 3 Years	14.0%	17.7%	14.4%
Annualized 5 Years	9.2%	6.3%	7.2%
Annualized 10 Years	11.8%	9.8%	8.4%
Annualized Since Inception	10.7%	10.8%	6.6%
Standard Deviation	10.4%	19.5%	8.4%
Sharpe Ratio	0.89	0.57	0.64
Downside Deviation	5.5%	12.6%	5.5%
Sortino Ratio	1.70	0.86	0.96
Bull Beta		0.49	1.12
Bear Beta		0.12	0.17
Annualized Alpha		5.6%	5.1%

ECONOMY

U.S. GDP grew at an improved pace in the third quarter, rising to 3.4%.[1] The corporate economy and the AI buildout remained the strengths. The scale of investment in AI is enough to register at a macro level, as the capex announcements by the major players exceed $1 trillion in the near term, compared to nominal GDP of $33 trillion. One forecast assumes AI-investment-to-GDP runs at 3.5% per year, making the buildout larger than the U.S. canal, rail, electrification, highway and telecom/internet investment booms.[2] Perhaps not surprisingly, this immense buildout is helping corporate earnings.

Fed Chairman Kevin Warsh had previously commented that AI will enable a productivity boom that would justify rate cuts.[3] He and others have referred to the Alan Greenspan era, when an investment boom and productivity growth helped keep inflation in check – at least for a period. A productivity boom is the ultimate promise of AI for businesses and the economy alike. However, these improvements typically take time and can struggle to meet optimistic prognostications, certainly in the short run. There are also key differences: The technology boom of the late '90s, the era Warsh referred to, overlapped with the disinflationary force of globalization, which is not the case today with tariffs and the building out of secondary supply chains adding to cost pressures.

With that in mind, perhaps it is not surprising Warsh changed his tone during the quarter. His Jackson Hole Symposium speech[4] officially signaled a greater focus on inflation. He described the strong investment cycle, robust growth in corporate profits, and low unemployment as evidence of strong economic growth. With the full employment mandate met and no near-term concerns about economic growth or a downturn, inflation of 3.7% (compared to the Fed's 2% target) is viewed as the problem. As a result, the Fed hiked rates on September 16, solidifying that monetary policy is tightening, saying the Fed "removed a dose of accommodation."[5] This officially put the Fed in line with the shift in market expectations that has been dramatic this year. Now, market forecasts and those of the Fed have both shifted from expectations of policy easing at the start of 2026 to tightening for 2026 and into 2027. This is not just a U.S. cycle. Interest rates from central banks are rising as well, with 42 global central bank hikes this cycle.

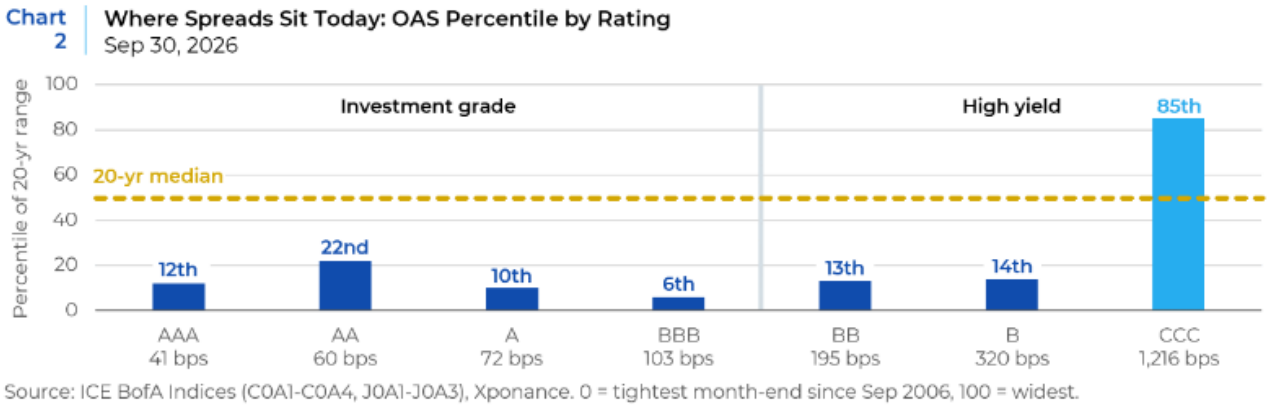


Sources: J.P. Morgan, Guide to the Markets – U.S. 4Q 2026, as of September 30, 2026 (Left) | BofA Global Research, The Flow Show, October 2026 (Right)

[1] WSJ, US Economy Accelerated This Summer Despite High Gas Prices, October 29, 2026
[2] Brookings, Financing the AI Buildout, September 2026
[3] WSJ, Kevin Warsh Pitched a Case for Fed Rate Cuts. His Future Colleagues Are Skeptical, April 20, 2026
[4] Federal Reserve, In Our Time, August 28, 2026
[5] WSJ, Warsh Takes Hawkish Turn With Rate Rise and Hints of More to Come, September 16, 2026

Another critical driver of the economy is energy markets. Oil prices have been high and rising since the conflict in the Middle East began in February. The conflict has lasted longer than leadership communicated – as is typical when conflicts escalate. The Strait of Hormuz, through which roughly a quarter of the world's oil trade[6] flows, has been violently contested all year with attacks re-escalating in October.[7] While core inflation excludes energy prices in U.S. CPI, most other global measures include it. This creates pressure on global central banks to tighten policy, which in turn impacts global growth rates. Further, energy prices trickle through to core inflation, particularly if prices remain high as businesses are forced to raise prices to offset their increased costs.[8] With the conflict extending, this pressure builds as well as pressure to increase energy supplies, presumably from higher-cost sources. Higher energy costs also impact consumer budgets and spending habits. Increasing interest rates and energy costs put more tension into the ultimate outcome of the conflict for energy prices and inflation.

There is also an aggregate impact of the aforementioned factors. In credit markets, Treasury yields have been on the rise in the U.S. and globally.[9] The costs of servicing the national debt has exceeded defense spending since last year[10], a symbolic change in the budget for a great power. There are signs of stress elsewhere in developed markets. The situation in France exemplifies this problem, as a rising yield spread to German bonds, social unrest, and forthcoming elections have brought discussions about credit default swaps back into the financial narrative.[11] Additionally, the rapid expansion of corporate credit to finance the AI buildout is challenging the capital markets to find matching demand, with CDS spreads widening meaningfully for the hyperscalers and chipmakers.[12] The combination of government fiscal deficits, AI financing, and usual credit market supply is creating a changing market dynamic. This is illustrated by the widening spread of high yield bonds to the rest of the market, with CCC spreads near the high end of their historical range, whereas the rest of the high yield and investment grade market spreads remain tight,[13] which may signal a change in the credit market's attitude toward risk at the same time that overall yields globally are steadily on the rise.



Source: Xponance, Fixed Income Review & Outlook

[6] IEA, Strait of Hormuz Fact Sheet, February 2026
[7] PBS, Iran Says 7 Oil Tankers Damaged in Strait of Hormuz, October 22, 2026
[8] WSJ, How Energy Is Driving Inflation – And How It's Not, September 11, 2026
[9] JPMorgan, Global Bond Yields at Multi-Decade Highs: Implications for Consumers, Equities and More, October 19, 2026 and IMF, Rising Sovereign Yields Raise the Fiscal Stakes – Higher Borrowing Costs Are Adding to Fiscal Pressures at a Time of High Debt, October 14, 2026
[10] Peter G Peterson Foundation, Interest Costs on the National Debt, and longer form discussion on geopolitical implications from, Hoover Institution, Ferguson's Law: Debt Service, Military Spending, and the Limits of Power, February 21, 2025
[11] Bloomberg, French Bond Stress Deepens as Spreads Widen to 15-Year High, October 22, 2026
[12] Bloomberg, Wall Street's AI Debt Machine Is Starting to Choke on Supply, October 28, 2026
[13] Xponance, The Bill Comes Due: Q3 Fixed Income Review and Outlook, October 23, 2026

MARKETS

U.S. small caps declined in Q3, with the Russell 2000 falling 7.2%, reducing its year-to-date gain to 13.7%. The largest market driver was rising interest rates, which weigh heavily on small caps due to higher rate-sensitivity. The Fed raised rates by 25 basis points in September, its first hike in three years. Treasury yields rose across the curve, with the 10-year closing the quarter at 5.3%, its highest level since 2002, and the 30-year Treasury reached 5.6%, its highest level since 2007. Higher oil prices added to the pressure, as renewed fighting involving Iran and the Strait of Hormuz deepened inflation and rate concerns.

Asset Class	Index	2025	1Q26	2Q26	Jul26	Aug26	Sep26	3Q26	YTD	1 Yr
Small Cap	Russell 2000	12.8%	0.9%	21.5%	(3.0%)	1.0%	(5.3%)	(7.2%)	13.7%	16.2%
	Russell 2000 Growth	12.9%	(2.8%)	25.7%	(5.9%)	1.7%	(5.2%)	(9.3%)	10.8%	12.1%
	Russell 2000 Value	12.4%	4.9%	17.1%	0.0%	0.3%	(5.2%)	(4.9%)	16.8%	20.4%
Large Cap	S&P 500	17.9%	(4.3%)	15.2%	(0.1%)	2.7%	(0.3%)	2.3%	12.7%	15.7%
	S&P 500 Equal Weight	11.2%	0.6%	11.3%	1.1%	2.0%	(4.8%)	(1.9%)	9.9%	11.4%
	S&P 500 Growth	22.1%	(8.1%)	21.7%	(1.6%)	3.2%	1.9%	3.6%	15.8%	18.4%
	S&P 500 Value	13.2%	(0.0%)	7.9%	2.1%	2.1%	(3.1%)	1.0%	9.0%	12.5%
	Nasdaq 100	20.8%	(5.9%)	27.7%	(6.6%)	4.2%	3.3%	0.6%	20.8%	23.8%
Bonds	U.S. High Yield	8.6%	(0.4%)	2.1%	(0.2%)	0.9%	(2.7%)	(2.0%)	(0.3%)	0.9%
	U.S. Aggregate	7.2%	0.0%	0.7%	(1.3%)	0.4%	(2.6%)	(3.5%)	(2.8%)	(1.9%)
	U.S. Treasury	3.8%	0.1%	0.3%	(1.2%)	0.3%	(2.2%)	(3.1%)	(2.7%)	(1.9%)

Source: Copyright © 2026, S&P Global Market Intelligence, Roubaix Capital, LLC

Ten of the eleven Russell 2000 sectors declined in the quarter, with Industrials, Information Technology, and Consumer each falling by double-digits. Energy was the lone gainer, up 6.5%. Within Technology, performance diverged. The SOX semiconductor index fell over 11% while software (IGV ETF) gained by over 17%. Despite the quarter's weakness, Information Technology and Energy remain significant outperformers year-to-date.

Russell 2000 Index Sectors	Weight	2025	1Q26	2Q26	Jul26	Aug26	Sep26	3Q26	YTD	1YR
Consumer Discretionary	11.2%	(1.0%)	(5.1%)	16.1%	(0.8%)	(2.1%)	(8.0%)	(10.6%)	(1.5%)	(5.8%)
Industrials	15.6%	18.9%	5.2%	27.6%	(7.4%)	(2.0%)	(5.8%)	(14.5%)	14.7%	12.8%
Consumer Staples	1.7%	(4.3%)	2.5%	10.0%	2.1%	(3.8%)	(5.9%)	(7.5%)	4.3%	(0.6%)
Information Technology	11.7%	9.7%	(5.1%)	57.7%	(11.9%)	(0.3%)	0.5%	(11.7%)	32.2%	26.7%
Financials	18.4%	7.9%	(1.0%)	16.8%	2.2%	(1.1%)	(6.4%)	(5.4%)	9.4%	10.7%
Materials	3.9%	31.5%	6.2%	3.0%	(6.9%)	7.6%	(9.4%)	(9.3%)	(0.8%)	4.4%
Real Estate	5.8%	3.5%	(0.2%)	18.6%	1.2%	(4.6%)	(6.4%)	(9.6%)	6.9%	8.8%
Health Care	20.6%	26.7%	(4.2%)	23.8%	(2.6%)	6.0%	(4.1%)	(1.0%)	17.5%	38.9%
Communication Services	1.7%	17.4%	(0.7%)	15.8%	(3.9%)	(0.4%)	(3.3%)	(7.5%)	6.3%	11.1%
Energy	6.4%	1.4%	37.6%	(10.1%)	5.5%	8.2%	(6.7%)	6.5%	31.8%	33.4%
Utilities	3.0%	15.5%	2.3%	0.6%	(0.4%)	(0.3%)	(5.9%)	(6.5%)	(3.8%)	(5.2%)
Russell 2000 Index	100.0%	12.8%	0.9%	21.5%	(3.0%)	1.0%	(5.3%)	(7.2%)	13.7%	16.2%

Source: Novus, Copyright © 2026, S&P Global Market Intelligence, Roubaix Capital, LLC

LONG POSITION HIGHLIGHTS

Roubaix Long/Short: **Long Book**

As of September 30, 2026	Average Daily Exposure	Gross Contribution	Alpha[v]	Beta[v]	Russell 2000 Total Return
Third Quarter	90%	(8.0%)	(1.6%)	(6.6%)	(7.2%)
Year to Date	91%	21.0%	8.1%	12.8%	13.7%
Annualized 1 Year	92%	23.1%	7.5%	15.4%	16.2%
Annualized 3 Years	92%	21.3%	4.9%	16.1%	17.7%
Annualized 5 Years	89%	11.4%	5.8%	5.5%	6.3%
Annualized 10 Years	89%	17.7%	8.1%	9.0%	9.8%
Annualized ITD	81%	15.4%	6.3%	8.7%	10.8%

Roubaix long book generated negative alpha and absolute performance in Q3, with (8.0%) gross contribution, driven by July's volatility and reversion of year-to-date outperformers. Despite the third quarter reversal, the long book has generated meaningful alpha year-to-date.

Alpha Teknova (TKNO) was the largest long contributor during the quarter. The company sells the reagents and consumables that labs need for cell therapy production, synthetic biology, and other processes. Customers use its bacterial culture media and buffers to grow cell lines or produce target proteins. Teknova is a company we have followed since its June 2021 IPO. It has several characteristics that make it a good fit for our portfolio. It is a classic "picks & shovels" business. Teknova sells critical consumables across every stage of drug development: preclinical, clinical, and commercial. These consumables represent a trivial share of the cost of bringing an approved drug to market, giving Teknova pricing power. For regulatory reasons, switching costs are very high once a customer qualifies Teknova's solutions in its process. The company also operates in a high-growth market, with the cell and gene therapy market expected to grow 15 to 20% annually from 2025-2030. Company fundamentals are improving, as sales inflected higher in Q2, growing 18% year-over-year. The company pre-announced its 3rd quarter results showing further acceleration to 19-21% on October 20, 2026.[14] The company used the strengthening sales outlook to raise $40 million of capital, putting the balance sheet in a position to play offense into the industry recovery. The post-pandemic hangover in life sciences appears to have run its course, with both biotech funding and FDA drug approvals rising year-over-year. We believe Teknova is well positioned to benefit, with 2026 sales expected to be $46 million against capacity for approximately $200 million and incremental margins of 70%. We believe Teknova's valuation remains attractive relative to its larger peers, particularly given its higher growth rates.

Neogen (NEOG) was the second-best long contributor during the quarter. The company sells diagnostic test kits and related products to food and animal feed producers and processors. Its products detect foodborne pathogens, spoilage organisms, natural toxins, food allergens, and ruminant byproducts. Neogen sells mission-critical solutions in a razor-and-razorblade model, with over 90% of its revenues recurring at high margins. Most kits are single-use consumables built on proprietary antibodies and RNA/DNA detection methods. The CDC estimates that roughly 800 reported foodborne outbreaks a year cause about 15,000 illnesses, 800 hospitalizations, and 20 deaths, and the USDA puts the annual cost of foodborne illness at over $75 billion. Neogen's products are designed to protect its customers from these headlines. The opportunity exists because of a poorly executed acquisition of 3M's food

[14] Teknova Announces Preliminary Third Quarter Financial Results, October 20, 2026

safety division, which closed in September 2022. It exposed weak operating discipline and burdened its balance sheet with significant debt. We believe the agent of change is Mike Nassif, who became CEO in August 2025 and rebuilt the leadership team with a new CFO, Chief Commercial Officer, Global Food Safety Officer, and Chief Supply Chain Officer. We believe the turnaround is in its early stages, with five straight quarters of core organic sales growth. At its recent investor day, management laid out a path to high-single to low-double digit sales growth and 30% EBITDA margins by FY 2031.

Applied Aerospace & Defense (AADX) was the largest detractor from our long book during the quarter. The company designs, engineers, and manufactures components and subsystems for defense and space applications. It supports over 150 platforms and more than 2,250 products, spanning structures, missile bodies, landing gear, and radomes, including the THAAD missile program and Anduril's collaborative combat aircraft (CCA) program. Aerospace & defense represents another of our favored archetypes: a sector with secular growth, high barriers to entry, and long asset lives. Applied Aerospace is sole-sourced on approximately 85% of its revenues, and 88% of revenue is tied to IP-enabled processes. Together, these support attractive EBITDA margins in the low-to-mid 20% range. Defense and space budgets are growing rapidly, particularly in the U.S. 45% of Applied Aerospace's revenue is tied to missiles, munitions and space and launch systems. Applied Aerospace shares declined alongside broader sector weakness, and we exited the position after it reached our stop-loss threshold. As of the date of this letter, we have re-initiated a smaller position as we believe the risk-reward profile and potential catalysts have become more favorable.

SHORT POSITION HIGHLIGHTS

Roubaix Long/Short: **Short Book**

As of September 30, 2026	Average Daily Exposure	Gross Contribution	Alpha[v]	Beta[v]	Russell 2000 Total Return
Third Quarter	(45%)	0.0%	(3.6%)	3.3%	(7.2%)
Year to Date	(44%)	(3.4%)	2.9%	(7.2%)	13.7%
Annualized 1 Year	(45%)	(3.3%)	3.6%	(8.3%)	16.2%
Annualized 3 Years	(45%)	(4.5%)	2.5%	(8.6%)	17.7%
Annualized 5 Years	(44%)	(1.3%)	1.6%	(4.4%)	6.3%
Annualized 10 Years	(45%)	(4.3%)	0.4%	(5.4%)	9.8%
Annualized ITD	(37%)	(3.0%)	1.1%	(4.3%)	10.8%

Roubaix short book was flat in Q3, with (3.6%) alpha, as the index fell 7.2%. The short book remains a positive contributor to alpha year-to-date, despite a challenging third quarter.

Planet Labs (PL) was the largest contributor to our short book during the quarter. The company designs, builds, launches, and operates hundreds of satellites that capture, on average, over 3,000 images for every point on Earth's landmass. It then applies machine learning and artificial intelligence to turn that imagery into insights which it sells to customers as recurring software revenue. Planet Labs differentiates its approach by building satellites with commercial electronics rather than traditional over-engineered, bespoke space-hardened designs which lowers its

cost. The stock had returned approximately 150% year-to-date through May. We initiated a short position in early June at approximately 25x NTM EV/Sales, a valuation we believed reflected overly optimistic expectations. The evidence that the stock was near an inflection was that sales were growing over 50% year-over-year, but its remaining performance obligations (RPO) grew only 9%. Planet Labs faces intense competition from Airbus, BlackSky, Vantor, Satellogic, and the United States Geological Survey (USGS).

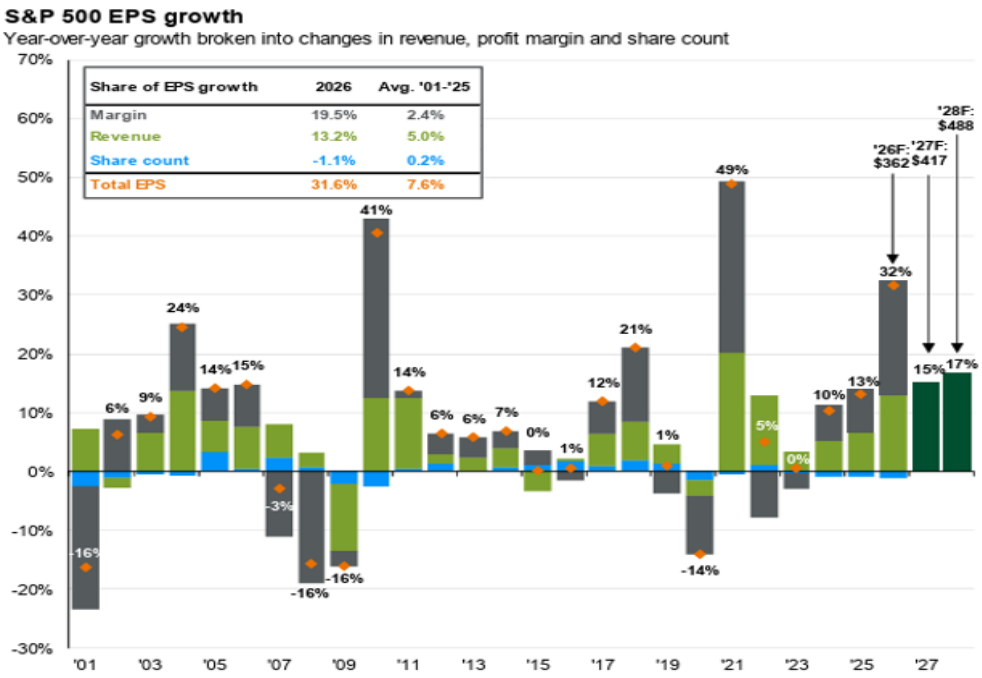
Legence (LGN) was the second-best short contributor during the quarter. The company provides engineering, installation, and maintenance services for mission-critical systems in commercial buildings. It offers building owners and managers integrated solutions for mechanical, electrical and plumbing (MEP) systems, pitching a single point of accountability, fewer change orders, and faster turnaround to lower the total cost of maintaining those systems. High-growth end markets, including data centers, technology, life sciences, and health care, made up 50% of FY 2025 revenue. Data center work for customers like Amazon, Google, Microsoft, and SpaceX has been a big driver of its record $4.0 billion backlog, up approximately 100% year-over-year in Q2. Legence balanced our thematic exposure in our long book as a lower quality asset with more risks. It operates with low margins (12% EBITDA), in highly competitive markets with fewer points of differentiation. The stock returned roughly 130% year-to-date through early May. When we began shorting it in mid-May, it traded at 15x NTM EBITDA, a valuation we believed to be out of sync with the quality of the business.

Figma (FIG) was the largest detractor in our short book during the quarter. The company sells a shared, browser-based workspace where companies design their software: screens, buttons, and flows that customers tap through in an app or website. Software stocks have spent much of the year under the threat of the "SaaSpocalypse," the fear that generative artificial intelligence (GenAI) and AI agents will make traditional software business models obsolete. GenAI could also disrupt Figma's model by reducing the number of seats, and by weakening pricing power on those seats. These concerns have yet to show up in the financial results. Sales grew 48% year-over-year in Q2, and net dollar revenue retention was a very healthy 136%. Because the narrative around Figma's business model remained better than we anticipated, we covered our position during the quarter.

OUTLOOK

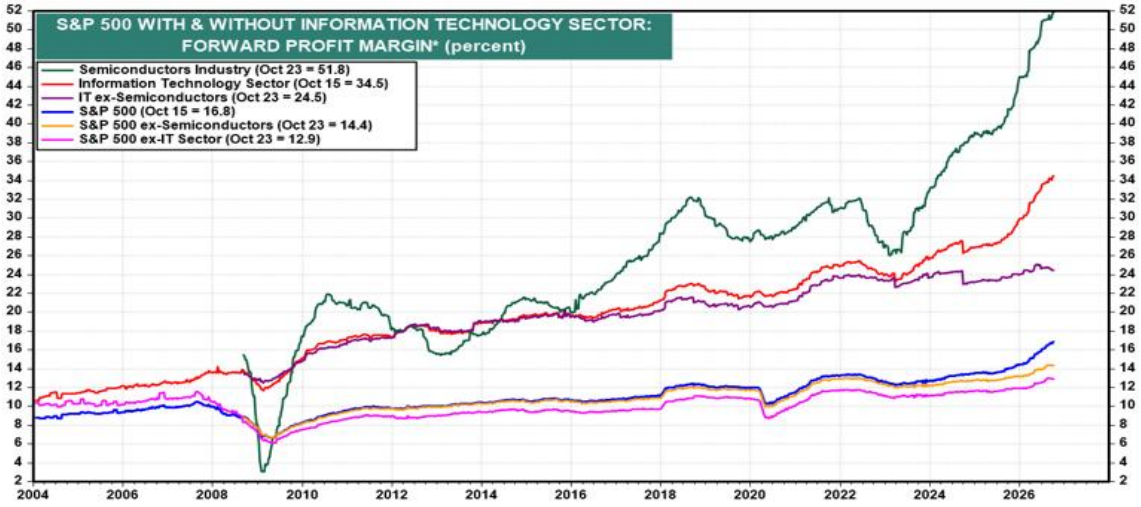
The current backdrop is one of the most dynamic we have seen. Beginning with the positive. Profit growth and cash flow are a cornerstone of fundamental investing and the overall market. Consensus estimates call for S&P 500 earnings growth of 36% in 2026, and even excluding one-time gains, growth is forecast to be nearly 30%.[15] What makes this more notable is that estimates are still rising. Forecasts typically start high and are trimmed modestly throughout the year, but this year the revisions have increased. This profit cycle is also unusual in its source. Past expansions of this magnitude were historically helped by easy comparisons that follow a recession, and this one has not.

[15] JPMorgan, What Risks? Earnings Are UP and to the Right, October 9, 2026



Source: J.P. Morgan, Guide to the Markets – U.S. 4Q 2026, as of September 30, 2026

The earnings story does have its blemishes, starting with how narrow it is. The WSJ reports that just two companies, Micron and Nvidia, account for a third of the earnings growth this quarter.[16] Record profit margins tell a similar story because semiconductors are the driver. FactSet projects a Q3 2026 net profit margin of 14.9% for the S&P 500 (excluding one-time gains), the second-highest in their records dating back to 2009.[17] The chart below from Ed Yardeni shows how extreme the tech sector's margins have become: Semiconductor margins have roughly doubled from about 25% to 50%, lifting the whole technology sector to a margin in the mid-30s.[18] Markets cheer earnings growth, but also fear a boom-bust cycle and still struggle with the age-old market question of what is already priced in.

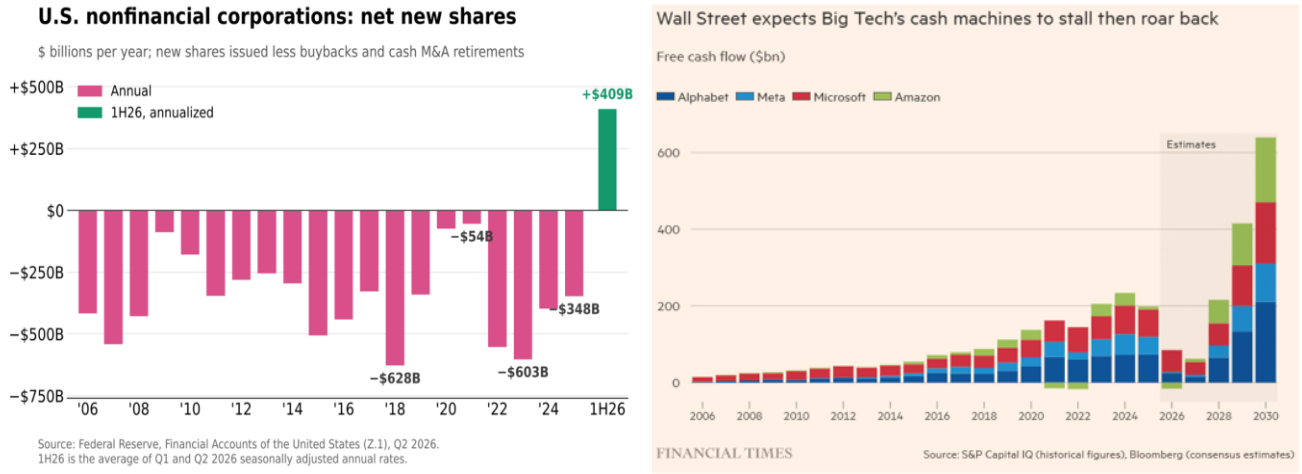


Source: Yardeni Research, S&P 500/400/600 Profit Margins, Data as of October 23, 2026

[16] WSJ, Two AI Chipmakers Make up 34% of America's Earnings Boom, October 24, 2026
[17] FactSet, S&P500 Reporting Second-Highest Net Profit Margin in More than 15 Years for Q3 2026, October 26, 2026
[18] Ed Yardeni, Is AI Useless?, October 26, 2026

Small cap earnings are forecasted to be similarly strong to large caps, which is notable for several reasons. First, small caps have far less exposure to semiconductors and technology. Technology makes up 38% of the S&P 500 but just 13% of small caps.[19] One layer deeper, semiconductors account for 16.8% of large caps versus only 2.7% of small caps.[20] As a result, small caps depend more on steadier, slower profit growth and companies finding margin improvements without the explosive gains driving technology. We see this tension as both a risk and opportunity for our stock picking.

While the earnings outlook is very strong, the rest of the macroeconomic backdrop is more complex. First, the cost of capital is rising. The risk-free rate is up as the U.S. Fed and global central banks are in a tightening cycle. Bond yields in the U.S. and worldwide are at multi-decade highs[21]. Moreover, credit spreads are also widening from a very low base, adding to the cost of capital. This comes just as the AI investment cycle has turned some of the most cash generative companies in history into capital consumers, intensifying the competition for capital. Record-setting equity raises from Alphabet[22], SpaceX[23], and Meta[24] are setting the pace, with Anthropic and OpenAI preparing to come to market as well. At this scale, the U.S. market is set to move from decades of net buybacks funded by excess cash flow to net stock issuance, a fundamental change in longstanding supply-demand dynamics.[25] There are some negative signs as OpenAI appeared to face market pushback in its latest funding round.[26] The tension driving stock moves is how tightly the aggressive capex plans are tied to the credit and capital markets. The buildout phase is now more complex and more dependent on market sentiment. This debate will persist given how important these companies and themes are to the market, and it includes the expectation, correct or not, that the hyperscalers will return to generating massive cash flows once this period of accelerated investment ends.[27]



Sources: Federal Reserve, Financial Accounts of the United States (Z.1), Q2 2026 (Left) | FT, AI is Revolutionizing the Stock Market, June 2026 (Right)

Just as funding costs for government and business are rising, the geopolitical backdrop is becoming more difficult. In the Middle East, the ongoing conflict with Iran and the closures of the Strait of Hormuz have put steady upward

[19] State Street, SPDR Portfolio S&P600
[20] ETFDb, Tech Scarcity Keeps S&P 600 From Capturing AI Momentum, October 8, 2026
[21] JPMorgan, Global Bond Yields at Multi-Decade Highs: Implications for Consumers, Equities and More, October 19, 2026
[22] WSJ, How Google's $80 Billion Equity Plan Compares to the Biggest Ever, June 2, 2026
[23] CNBC, SpaceX is Poised to be the Biggest IPO Ever, May 20, 2026
[24] Reuters, Meta Eyes Record $97.5BN Equity Raise to Fund AI Expansion, October 26, 2026
[25] CNBC, Paul Tudor Jones Says 2027 Could be Really Challenging for the Stock Market, October 13, 2026
[26] WSJ, OpenAI Raises Less Than Half of $30 Billion Target in Latest Round, October 30, 2026
[27] FT, AI is Revolutionising The Stock Market, Big Tech no longer prints money; it needs it. What will that mean when confidence dips? June 12, 2026

pressure on energy prices. In Ukraine and Russia, repeated attacks on energy infrastructure are adding to supply chain pressure and point to higher energy costs until the conflicts are resolved. A resolution could be a strong positive catalyst just as an escalation[28] could do the very opposite. There are specific threats from Iran to aggressively target U.S.[29] and allied military[30] and civilian infrastructure,[31] following past attacks that caused significant damage. This is a fast-moving variable with an uncertain timeline, with a tangible impact on financial markets.

The U.S. midterm elections are another factor for near-term market sentiment. Democrats won control of both chambers of Congress, resulting in divided government and setting the stage for a change in policy priorities. The tone is likely to shift away from the pro-business, deregulatory policies that have been a partial support to markets. Furthermore, key states including Texas and Ohio elected Democratic governors, replacing Republican incumbents. A key campaign point was more regulation on data centers which increases risks to the pace of permitting in 2028 and beyond.[32] However, a divided government tends to produce gridlock, which has historically been a reasonable backdrop for stocks.

We continue to seek compelling long and short ideas, focusing our investments on sectors and themes where we believe stock picking offers the best opportunity to differentiate. Healthcare is one of those sectors. We maintain a stable of ideas that we track closely, waiting until we judge the timing is right. A current example of that process is OrthoPediatrics (KIDS), which we have owned multiple times since the company went public in 2017. The company addresses the pediatric niche in the large orthopedic market. Small companies often succeed by serving an unmet need, an opportunity that usually exists because larger companies do not see a big enough market to justify building a solution. This is exactly the case for OrthoPediatrics. Over time, the company has built the products, tool sets, and institutional expertise to meet the nuanced needs of younger patients, including implants sized for smaller anatomies and techniques that account for bones that are still growing. More recently, the company's pipeline investment has produced what management calls a "super cycle" of new products.[33] This is showing up in the financials, as the most recent quarter delivered accelerating sales growth. The company is now EBITDA positive and expects margin expansion and free cash flow in 2027 as sales continue to scale. Even after a strong rally, we believe the stock trades at a reasonable EV/S for a company exploiting a high-growth niche, with accelerating sales, expanding margins, and a shift from cash flow consumption to generation. We believe continued growth in sales and earnings could support further appreciation, with potential strategic interest representing an additional source of value over time.

We have also consistently invested in aerospace & defense. Commercial aerospace has been a bright spot for many years, as the growth, margins, and the value-added components the companies manufacture present investing opportunities. Over the past couple of years, defense has become more attractive. The U.S. defense budget has grown, and current conflicts have both drawn down munitions stockpiles and highlighted the military's need to modernize and create a domestic supply chain. One company at the nexus of these trends is Elmet (ELMT), which went public in 2026 and has rapidly improved and accelerated its business. On September 14, 2026, the Department of War announced a $450 million investment in the company to accelerate production of tungsten and

[28] WSJ, US Warns Gulf of Possible Short, Intense Renewal of Iran War After Midterms, October 28, 2026
[29] Bloomberg, Iran Threatens Wider US Strikes Even as Talks Make Progress, October 31, 2026
[30] WSJ, How Iran Battered US Bases and Caused Billions in Damage, October 30, 2026
[31] Reuters, Iran's Precision Strikes Picked Apart Gulf Infrastructure, Blunting US War Plans, October 15, 2026
[32] Yahoo News, Democrat Victories Cloud Outlook for AI Data Center Rollout, November 4, 2026
[33] OrthoPediatrics, Third Quarter 2026 Financial Results, October 27, 2026

molybdenum in support of more than 100 Department programs.[34] In October, the company detailed the impact, forecasting 2031 revenue of more than $1.5 billion at an average gross margin of 20%.[35] These figures imply roughly $125 million in EBITDA, an extraordinary increase from $24 million in 2025.

Our approach to short investing frequently focuses on companies facing increased competition. Small- and mid-cap companies often struggle to compete with larger, better-positioned rivals. A recent example is Mobileye (MBLY), an early leader in autonomous driving technology. It built a strong customer list and rode the rising enthusiasm for autonomous vehicles, as Intel acquired it in 2017 for $15 billion. Five years later, Intel spun out Mobileye back to the public market with a price in the mid-$20s. The stock posted gains for a couple of years, but has since declined approximately 75%, showing the market's concerns about the company's prospects. Mobileye has to compete with the autonomous platforms of Alphabet, Nvidia, and Tesla: mega-caps that have demonstrated commercial success with autonomous vehicles at scale.[36] Architecture trends are also moving away from Mobileye's distributed approach toward a centralized one. Mobileye is highly dependent on a few customers as well: Volkswagen is among its top four, which together account for 74% of sales. That concentration makes losing a customer, and negotiating on price, especially difficult. With these risks and weak overall auto sales, we expect the pressure points to persist and show up in Mobileye's sales. Compounding them, Mobileye's founder announced he would step down as CEO, suggesting that either he or the board has concerns about the company's trajectory.[37]

INVESTMENT PHILOSOPHY

We believe the most important drivers of equity value are the company's business model, financial structure, and quality of management. 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 dynamic Focus List. Base, bull, and bear case price targets are derived from two-year forward valuations, while also discounting back longer-term trends. 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 both long and short. 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. Further, the rapid growth in passive and quantitative investing is reducing competition from fundamentally-driven active stock pickers. As an increasing share of trading volume shifts to passive from active mandates, there is even less economic benefit to sell-side equity research, reducing the amount of published information, particularly in smaller stocks. Importantly, we believe 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 unique ideas and generate value through stock selection on both long and short investments. We tend to concentrate in 30-50 long and 30-50 short positions to maximize the value of our research. We do not utilize ETFs or options to hedge. Position sizes are optimized for exposure to changing fundamental factors, catalysts, and risks. To manage overall portfolio risk,

[34] Department of War, Investment in the Elmet Group to Secure America's Tungsten Supply Chain, September 14, 2026
[35] The Elmet Group, Securing Critical Supply Chain, October 2026
[36] Yahoo!Finance, RBC Just Downgraded Mobileye, Citing Threat From Nvidia, October 23, 2026
[37] Reuters, Mobileye Founder's Decision to Step Down as CEO, Weak Forecast Hit Shares, July 23, 2026

we avoid leverage, maintain consistent net exposure, and remain disciplined with price targets and rational stop-losses. Over more than a decade, our small cap long/short equity strategy has produced net returns characterized by relatively low volatility and general resilience during periods of market stress.

Thank you for your ongoing support,



Christopher E. Hillary

IMPORTANT INFORMATION

This letter is intended for current and prospective accredited investors and is not for public distribution. The information contained herein reflects the opinions, projections, and holdings of Roubaix Capital, LLC ("Roubaix" or "Roubaix Capital") as of the date of publication, which are subject to change without notice at any time after the date of issue. Roubaix Capital does not represent that any opinion or projection will be realized. All information provided is for informational purposes only and should not be deemed as investment advice or a recommendation to purchase or sell any specific security. While the information presented herein is believed to be reliable no representation or warranty is made concerning the accuracy of any data presented. This communication is confidential and may not be reproduced.

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

i. 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 Roubaix L/S, and thus little correlation may exist between Roubaix L/S returns and that of the Index. The Index is not available for direct investment; 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.

ii. The 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.

iii. The performance referenced in this letter shows the historical performance of Roubaix L/S unless otherwise noted. Roubaix L/S 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. The accounts in Roubaix L/S have investment objectives, policies, and strategies that are substantially similar. Accounts contained in Roubaix L/S 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. On October 1, 2015, Roubaix Capital replaced Independence Capital Asset Partners, LLC as General Partner to Roubaix Fund (formerly Independence Capital Small Cap Fund LP) and as investment manager of the separate account, both of which historically comprised Roubaix L/S. The management, investment objective and strategy of Roubaix L/S has remained substantially the same since Roubaix L/S'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 Capital 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 Roubaix L/S, which has preceded or accompanied this letter.

THIS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY INTERESTS IN ANY FUND MANAGED BY ROUBAIX CAPITAL. 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.