PROSPER

STARS & STRIPES

January 15, 2020

Dear Partners,

During the fourth quarter of 2019, Prosper Stars & Stripes gained 1.1% compared to a return of 2.6% for the HFRX Equity Hedge Index (the “HFRX”)(i) and 9.9% for the Russell 2000 Total Return Index (the “Russell”)(ii). For the full year, Prosper Stars & Stripes Fund gained 2.2% net of fees compared to returns of 10.7 % for the HFRX and 25.5% for the Russell. The end of period net exposure was 45.8% compared to a 43.2% average since inception.

The conclusion of 2019 marks the 10th anniversary of the launch of our fundamental long/short equity strategy focused on small and mid cap U.S. stocks. We are proud of this achievement and look forward to many more years. Since the inception of the strategy on January 1, 2010, the Composite has generated a cumulative net return of 119%, which is almost double that of our long/short equity peer group as measured by HFRI Equity Hedge (Total) Index (the “HFRI”)(iii) at 58%. Likewise, adjusting the Russell to the Roubaix Fund Composite (the “Composite”)(iv) net exposure, Roubaix has also significantly outperformed our small cap benchmark’s total return of 83%.

Long performance kept pace with the market during both the fourth quarter and full year of 2019. Long performance for the full year came from a diverse set of positions led by InMode (INMD), Pegasystems (PEGA), UFP Technologies (UFPT), Stepan (SCL) and Cubic (CUB). However, a small group of our largest long positions underperformed the market during the year, including Park Aerospace (PKE), TransMedics (TMDX) and Anterix (ATEX). These three positions cost approximately 100 basis points of absolute performance and 300 basis points of alpha during 2019. We remain invested in these core longs as we anticipate a combination of earnings growth and catalysts to drive significant appreciation in 2020 and beyond.

Short performance was challenged by a rising market during the year, including the fourth quarter. The Russell 2000 Index began 2019 with an 11% rise in January. This strong start was in part a reaction to the weakness that occurred in December, and also due to the U.S. Federal Reserve (the “Fed”) pivoting on monetary policy. Those gains proved resilient and the Russell 2000 Index built towards a total return of more than 25% for the full year. Of note, the strong appreciation of equity markets in 2019 was not driven by earnings growth. For large caps, profit growth is expected to be flat in 2019 while small cap earnings are forecast to decline. Thus, market appreciation was entirely driven by multiple expansion and fund flows. These factors tend to drive the strongest performance in the weakest companies. That made it more challenging than usual to find success on the short side, resulting in negative gross short alpha of ~5% from stock selection for the full year.

This is not the first period of short-term weakness for the Fund, but it is the first year since our inception that the Fund has produced negative alpha. While this most recent episode is certainly disappointing, we are confident in the philosophy and process that has served our investors well over the past decade. We see material upside in many of our core long positions where fundamental outlooks continue to improve. We also believe several short opportunities have arisen from the market rally in our core focus areas, which we believe should drive improved performance in 2020.

ECONOMY & MARKETS

U.S. equity markets were strong during the fourth quarter of 2019. Stocks built on gains as progress was made on trade, industrial data showed signs of bottoming, and global central banks continued to ease. Just in the past few weeks, many of the key short-term risks were resolved. First, the US and China agreed to a 'phase one' trade deal that does not appear to be very substantive but marks a positive shift in the tone towards reconciliation as opposed to escalation. Second, the US government avoided the political theater and spending delays that would have come without a budget agreement. Third, the election in the UK was decisively in favor of Brexit and stabilizes another global geopolitical variable. Despite improving sentiment, earnings growth in the second half of 2019 has not been strong. For large caps there was little to no growth. Following years of steady improvement, margins have seen pressure from labor costs and weaker international demand. For small caps, where we focus, the results were even weaker. Small cap stocks suffered an earnings recession in the second half of the year as net profits declined nearly 10%. This in part explains the relative underperformance of small versus large cap stocks during the year.

Looking ahead, weaker earnings growth in 2019 creates an easier comparison for small caps with current estimates indicating earnings growth could reach double digits in 2020. This would provide a welcome catalyst for small caps to improve performance. Despite full valuations by historical standards, small cap stocks now trade at a historic discount to large cap stocks on a relative basis. The economic backdrop also provides some support. The US consumer remains robust, and housing data finished the year on a high note, demonstrating the impact of lower rates and a healthy job market. Likewise, a combination of central bank easing and trade reconciliation has stabilized global manufacturing was the impetus for recession worries over the summer.

As the market's focus moves farther into 2020, there are a few key drivers that could shift this narrative. First, the U.S. presidential election. A strong economy and rising markets make it likely the president will be reelected despite ongoing political challenges, including the current impeachment process. However, the political backdrop has proven to be much less predictable in recent periods. Second, the durability of this recovery routinely comes into question. It now stands as one of the longest and strongest expansions in history which tends to encourage calls for its demise, ensuring an ongoing debate. Finally, the fading tailwind of fiscal stimulus will be an issue. The US government is running a very high deficit despite an economy that is running at full employment. Questions about the effectiveness of policy in the current backdrop will be an open question for policy makers and markets in future periods.

LONG POSITION HIGHLIGHTS

The best performing long position during the fourth quarter was InMode (INMD), which was also the best performer in Q3. INMD is a manufacturer of non-invasive and minimally invasive aesthetic surgical devices. This market can be lucrative as consumers are willing to spend to slow the aging process and improve their appearance. Due to the company's small size and non-US domicile, its IPO did not trade strongly. With an impressive growth rate of 55% and an operating profit margin of 41%, we saw an excellent investment opportunity. Recall, we prefer to invest in companies that have a solid business models with strong or improving financial metrics. Clearly INMD possesses both. We exited INMD when the stock quickly doubled to reach our price target amidst broader discovery by the market.

The second best long position in the quarter was Vicor (VICR), a manufacturer of electrical power components. A theme that we see playing out across technology and industrials is the demand for more powerful, efficient, and smaller electronic components and systems. The need is increasing from the demands of data centers, vehicle electrification, autonomous driving and the edge computing that is going to define the internet of things and the so called 4th industrial revolution.[1] And ever more broadly, the need to reduce power usage is a pressing need as it pertains not on to functionality, but also cost and environmental concerns. Vicor is the leader in 48-volt power architecture that enables more efficient use of power across applications. Today, the company's largest customer is a key supplier of the computing power in data centers. The explosion of end points is driving the need for more efficient power. Vicor's products enable just this. After the third quarter report, VICR indicated that they see a positive inflection in bookings, a leading indicator for revenues and profits. The company was mired in a slowdown that engulfed the entire electronics supply chain through much of 2019. With comparisons easing on an industry basis and Vicor's customers starting a new investment cycle, we expect this is the first of many strong quarters for VICR as they sit at the beginning of a multi-year spending cycle driven multiple factors.

The largest detractor in the long portfolio during the fourth quarter was TransMedics (TMDX). TMDX is solving a large unmet need for a large population of patients. In short, the need for organ transplants far exceeds the supply of organs. There are many reasons for this but the issue that TMDX addresses is that nearly 90% of the organs that are available from donors are not used. The standard of care currently utilizes a simple cooler and ice to store and transport a donor organ. This leaves the organ at risk of deteriorating and makes it impossible for a transplant physician to evaluate the quality of the organ. The TMDX Organ Care System (OCS) perfuses the donor organ with fluid and oxygen and holds it at the proper temperature. This not only extends the amount of time the organ can be stored and transported, it also allows physicians to evaluate the health of the organ by physically interacting with a breathing lung, a beating heart, or a liver producing bile. This functionality greatly increases the supply of organs for life extending transplants.[2] The company is currently commercial in lung and anticipates the approval for the larger heart market by mid-2020. The roadmap is then for approval of liver, the largest transplant market by volume, to follow in 2021. The company has a consumable business model that generates revenue on every transplant operation. Thus, their decent margins at current low revenue run rates imply very high levels of profitability as the company scales. Companies that save lives, have little to no competition and the potential to earn 25%+ operating margins often command high enterprise value to sales multiples of 8-10x or more. TMDX currently trades at less that 4x our estimate of 2021 sales. With commercial revenues and development milestones in 2020, we see the opportunity for TMDX to appreciate quite materially, and it remains one of our largest positions.

---

[1] For a discussion of some of these points, see, "Solving Automotive Electrification Challenges with a Decentralized 48-V Power Architecture," Electronic Design, December 27, 2019

[2] A very recent article on January 13, 2020 from The Tampa Bay Times titled, "A New Tool Changes the Way Doctors Transplant Organs," makes the case that the Transmedics tools are 'helping us save more lives, increase the number of transplants we do, and decrease the number of complications with organ function after transplant,' quoting the director of Advanced Organ Disease and Transplantation Institute at Tampa General, one of the top 10 facilities in the US for organ transplants

SHORT POSITION HIGHLIGHTS

The best performing short position in the fourth quarter was Albany International (AIN). AIN has historically been a successful long for the Fund. Their legacy machine coating business sells into paper manufacturing end markets. Due to secular headwinds, this segment has been run to generate cash to fund growth of their engineered composites division. AIN is the sole sourced supplier of advanced composite material for the GE LEAP engine. The growing usage of composites to make aerospace components lighter is a theme that is still in the fund today, and one that we expect to play out for many years ahead. However, AIN stock appreciated materially, and in our view, the value of the composite business was fully discounted in the stock price. Further, recent outperformance in the secularly challenged machine coating business is not sustainable. Lastly, a significant piece of the company's aerospace sales goes to the Boeing 737-MAX. With Boeing suspending production of the 737-MAX,[3] we see another tangible risk to AIN's 2020 outlook.

The second best short in the quarter was Digimarc (DMRC). The company for years has championed a new product label called digital watermarking that they hope will ultimately replace the ubiquitous barcode. The watermark is much easier for machines to read during check out, can contain more information, and is not visible to consumers. However, adoption of the technology has been incredibly slow. Over the past several years, two competitive solutions have demonstrated greater commercial success. First is RFID chips from Impinj (PI) that carry substantial data and enable cashier-less checkouts with retail partners. Along similar lines, Amazon Go stores have gained popularity as Amazon customers simply walk into a store, take what is wanted, and walk out. Cameras see the products taken and then those are purchased automatically via the Amazon app. We see these two solutions as a far more robust options for enterprise customers and the consumers they serve.[4] This explains the lack of traction at DMRC. Before competition strengthened, DMRC had limited traction and now with alternatives growing faster, the window of opportunity is closing on the company. We remain short the shares as we see at least 25% further downside.

The largest detractor in the short portfolio during the fourth quarter was Covetrus (CVET), which was our largest short contributor to Q3 performance. As a reminder, CVET is a recent spin out from Henry Schein (HSIC), and came public with over $1 billion in net debt and a story full of promises but low on substance. Specifically, the company presented itself as a fast growing software company targeting veterinarians' technology needs. While they do have a software segment, they are investing heavily to grow it despite a lack of profitability. The balance of CVET's business, and all their profitability, is a slow to no growth veterinary distribution business that is being disintermediated by a growing shift to e-commerce. This thesis largely played out during Q3 as revenue and profits missed expectations and the multiple compressed dramatically. We covered our short position at the time with a sizeable gain, but then revisited the short position in early November after the company abruptly announced the resignation of the firm's CEO, just two months after his father resigned as Chairman of the Board. As both men were founders of the veterinary software business that was the entire growth narrative of the company, this signaled to us that the business prospects had deteriorated even further. In fact, we were correct as the company guided down full year expectations again a week later. Unfortunately, this announcement was apparently "not as bad as feared", and the stock spiked over 30%. We were loath to cover our position with such a loss when

---

[3] See, "Boeing's 737-MAX Problems Take a Toll on Manufacturing Employment," Barron's January 8, 2019
[4] In 2020, the profile of the Amazon technology may expand as CNBC reported on September 30, 2019, titled, "Amazon is in Talks to Bring its Cashierless Go Technology to Airports and Movie Theaters"

fundamentals continued to weaken, to the point that the CFO abruptly resigned in mid-December and the head of the supply chain was more recently let go.[5] We maintain that our original thesis was correct and remain short shares on the abnormal strength in the stock.

OUTLOOK

As 2020 gets underway, the backdrop for the economy still looks positive. The debt markets remain supportive of risk-taking, which underpins demand for equity assets. Short-term rates have declined due to Fed cuts, and the U.S. 10-year yield remains below 2%, extraordinarily low from a historical perspective. While a large amount of global debt has negative yields, a more constructive global growth outlook has reduced the amount by ~40% into the end of the year.[6] Likewise, mortgage and corporate interest rates have returned to lows, as has the spread between corporate debt and treasuries. This enables businesses to borrow at very favorable rates and serves as an endorsement from the credit markets of a positive outlook for business conditions. The global cyclical slowdown that began about a year ago is tentatively concluding, in large part due to broad based central bank support. Domestically, job growth remains strong and unemployment is at multi-decade lows. Without a shock to the system, the economy should continue to grow at a moderate pace and prolong what has already become the longest economic expansion in history.

While estimates always vary and largely prove optimistic, earnings growth estimates for 2020 are in the high single to low double digits. J.P. Morgan estimates that the S&P 500 Index will grow profits by 10% in 2020 with strong contributions from several sectors. They also noted, "cyclically sensitive and smaller companies are expected to deliver stronger growth recovery over the next year, even though their performance has lagged and valuation continues to look significantly cheaper versus more defensive and higher quality peers."[7] With more of a small cap focus, Jefferies estimates that 2020 small cap earnings growth will be in the mid-teens.[8] They see smaller companies benefiting from a recovery in housing and energy and similarly see room for small cap stocks to outperform based on drivers including narrowing credit spreads and comparative underperformance. We see these points as benefiting our long positions in 2020 but of course we remain focused on our company specific drivers.

As such, we see material upside for our largest long positions. Beginning with Park Aerospace (PKE), we believe this is a business that has earnings power of approximately $1.00 in 3 years and more than $6 in net cash. That makes the ~$17 stock price very attractive for a fast growing, high margin, value-add composite supplier to the growing aerospace end markets. Recall, PKE's largest end customer is Airbus which benefits from the production halt at Boeing and has a decade of production visibility. Further, the industry trends are in place for the increased use of lightweight materials to improve the overall efficiency of air flight by reducing weight and fuel consumption. Higher airplane efficiency benefits the bottom line and reduces the environmental impact of air travel, which is an increasing area of focus for all constituents. Very few companies grow in the teens and can earn operating margins of 20% plus. Lastly, with the just

---

[5] See, "Portland Based Covetrus Announces Another Senior Management Change," Portland Press Herald, January 7, 2020
[6] Mohamed El-Erian included updated figures in his recent article, "Retreat of Negative Rates Isn't an All-Clear for Investors," Bloomberg December 29, 2019 where the amount fell from a peak of nearly $18 trillion to $11 trillion.
[7] "Early Signs of Recovery – Business Cycle and Fundamentals at an Inflection," J.P. Morgain, October 28, 2019
[8] See "JEF's SMID-Cap Strategy: Our Fearless 2020 Forecast," December 6, 2019 and / or similar commentary from Jefferies and others in "Small-Cap Stocks are Breaking Out," Barron's December 6, 2019

announced merger between Hexcel (HXL) and Woodward (WWD), PKE is the only pure play US composite manufacturer remaining.[9] PKE could reasonably trade at more than 20x earnings plus the value of its cash, affording over 50% upside from the current stock price. If PKE can deploy its cash constructively, we would expect greater value to be created from its cash balance.

Anterix (ATEX) has put together the largest ownership of spectrum ideally suited for a closed loop high speed communications system for use by enterprises. The leading use case is for utilities to build a high speed data network to enable IoT applications on the electric grid that would potentially mitigate the risk of power line damage causing fires. Given the loss of life, property damage and the corporate failure of PG&E, the need to act decisively to upgrade the electric grid is clear. In addition to the actual losses and damage, power is now being turned off preemptively due to a lack of better solutions, which is costly, inconvenient and in some cases dangerous. PG&E has already told customers to expect preventative blackouts for at least a decade. Across the country and in California the solution running on Anterix's spectrum "could help keep the lights on for more residents. Utilities are testing devices that can communicate in real time or turn off power to broken lines before they cause problems."[10] Further, private enterprise networks reduce the risk of cyberattacks on key infrastructure such as the electric grid, protection from which grows in importance every day. This issue has increased urgency as the first disruptive cyberattack on the U.S. power grid occurred in early 2019.[11] Our research leads us to believe approval of the ATEX plan is imminent and we see the potential for the stock to more than double as the exceptional economics of their business model become apparent to the market.

As discussed earlier, we think the lifesaving solutions provided by TMDX, along with their high margin razor / razorblade model, will create meaningful value this year and beyond. Another stock that we see finding its cadence in 2020 is Rogers (ROG). ROG is one of the few high margin suppliers to several rapidly growing end markets. ROG materials are key to the performance of electric vehicles as well as advanced driver-assistance systems (ADAS) such as automatic emergency braking and adaptive cruise control. Regardless of one's view of the next generation of automobile, the penetration rates of both key systems will increase substantially in the years ahead.[12] ROG also supplies materials that enhance the performance of 5G network infrastructure that is being rolled out at a higher pace and being adopted faster than the previous generation of technology.[13] These two trends are likely to result in revenue acceleration for ROG in 2020 and put them back on track for their longer term margin goal that will produce $10+ earnings per share. We think a stock with accelerating growth on the back of secular trends in technology with the potential to earn 20% EBIT margins can command a 20x or better earnings multiple. This would put the stock on track to exceed $200 over time, for a return of more than 50%.

As for risks, the strong market appreciation and steep valuation creates a hurdle for stocks in 2020, and downside risks to the economy remain. The modest trade deal could fail to materialize and/or take a step back if promises from either side are not maintained. The recovery in the industrial economy is tentative

[9] "Aerospace Suppliers Woodward, Hexcel to Merge," WSJ January 12, 2020
[10] See NPR, "Are Blackouts the Future for California?" October 21, 2019
[11] "Report Reveals Play-by-Play of First U.S. Grid Cyberattack," E&E News September 6, 2019
[12] "Rising Road-Safety Concerns Impact ADAS Demand Worldwide," Electronic Design, December 9, 2019 and "Electric Vehicle Penetration and its Impact on Global Oil Demand," Columbia University Center for Global Energy Policy, December 18, 209
[13] See, "Ericsson Forecasts Global 5G Subscribers to Reach 2.6 Billion in 2025," RCR Wireless, November 2019, writing, "over the next six years, 5G subscription uptake is expected to be significantly faster than that of LTE."

and the cycle was shallow, which detracts from the potential strength of the expected rebound in 2020. With interest rates and unemployment both back near lows, a scenario where rates would rise by the end of the year is not out of the question. We also have the U.S. presidential election to discount as the year moves on. Certainly, there will be times when politicians from the left will gain ground. Given how favorable policies have been for business under the current administration, a perceived change in direction would presumably increase risk aversion. Lastly, markets have appreciated without the support of earnings growth. A higher multiple with lower growth can make the market more susceptible to declines.

As such, we are pleased to see many of our targeted short ideas presenting themselves with a more favorable set up. Recall, we maintain a dynamic focus list of longs and shorts that best fit our investment philosophy. We begin by targeting the long and short investment stories, and then value those equities to identify a price at which they are also favorable investments. The sharp market appreciation in 2019 has swept certain stocks higher that do not warrant that appreciation based on the fundamentals. For example, the inexorable trend of shopping moving to online from in store continues to claim new victims. We have identified Rite Aid (RAD) and Duluth Holdings (DLTH), among others, as particularly exposed to negative brick and mortar trends while also having layers of company specific challenges that we believe will drive the stock prices lower.

Another trend we see is the challenge that legacy high cost businesses have in this day and age where the pace of innovation and change is accelerating. In particular, the technology giants Google, Amazon, Apple and Microsoft are formidable competitors in any market they enter. While these companies may have had a somewhat narrow end market focus in the past, today we can see them entering new markets in seemingly constant fashion. One such example is home security, where two of the four giants now offer a very compelling suite of home security and home automation solutions. We think this makes it harder by the day for a company such as ADT (ADT) to compete. Similarly, these giants are committed to building businesses in and around the connected car. For consumers, this is good news as the utility of the maps, navigation and voice assistance have been killer applications that are integrated into our everyday lives. This has become a secular threat to companies like Cerence (CRNC) that has a very high market share for voice controlled interfaces in autos today.

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 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 relative 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 $125 million 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

The information contained herein reflects the opinions, projections and holdings of Roubaix Capital, LLC ("Roubaix") as of the date of publication, which are subject to change without notice at any time subsequent to the date of issue. Roubaix 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 upon estimates. Estimates are subject to change. Historical results are not indicative of future performance.
The performance referenced in this letter shows the historical performance of the Roubaix Fund Composite (the "Composite")[iv], unless otherwise noted.

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 Hedgemanagers 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. You cannot directly invest in the Russell 2000 Total Return Index.

iii. 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.

iv. The accounts in the Composite have investment objectives, policies and strategies that are substantially similar. 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. The performance for an individual investor may vary based upon the investor's eligibility to participate in new issues. As of December 31, 2019 the Composite consisted of two advisory accounts, one of which is a separate account. Fees for separate accounts may vary based on negotiated terms. Fee schedule can be found in Form ADV, Part 2A. You cannot invest directly in the Composite. Individual account performance may differ from the performance of the Composite.

More frequent performance information is available upon request.

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