PROSPER

STARS & STRIPES

April 21, 2022

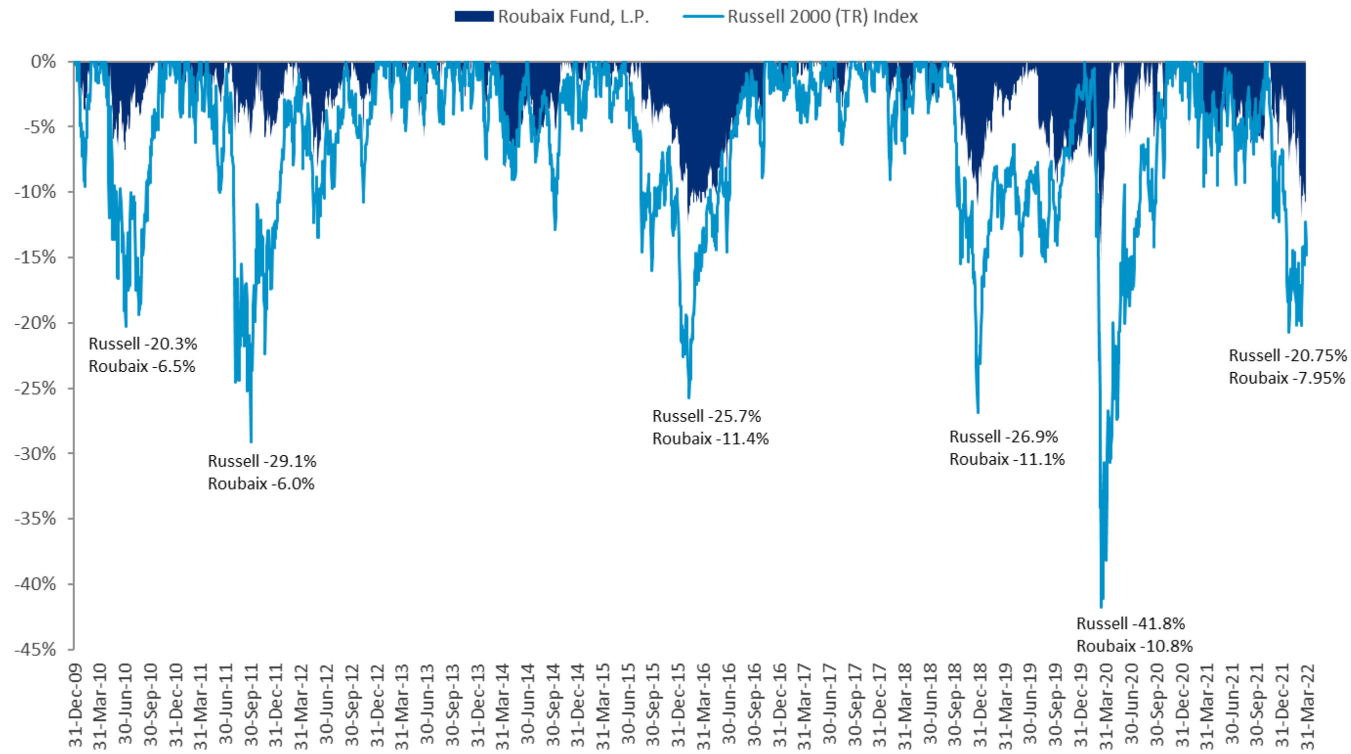
Dear Partners,

During the first quarter of 2022, Prosper Stars & Stripes lost -10.1% compared to losses of -7.5% for the long-only Russell 2000 Index (the "Russell")(i) and -0.3% for our 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 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). The end of period net exposure was 42.4% compared to a 43.5% average since inception in January 2010.

As of March 31, 2022	Roubaix Composite	Russell 2000 Total Return	HFRI Equity Hedge Index
Quarter to Date	(9.55%)	(7.53%)	(3.86%)
Year to Date	(9.55%)	(7.53%)	(3.86%
Trailing 1 Year	(5.92%)	(5.79%)	0.53%
Trailing 3 Years	14.36%	11.72%	10.19%
Trailing 5 Years	12.06%	9.73%	7.83%
Trailing 10 Years	10.56%	11.04%	6.34%
Since Inception (1/1/2010)	10.27%	11.73%	5.82%
Standard Deviation	8.75%	18.87%	8.43%
Sharpe Ratio	1.10	0.66	0.65
Downside Deviation	4.30%	12.37%	5.61%
Sortino Ratio	2.26	1.01	0.99
Maximum Drawdown	(10.25%)	(32.21%)	(14.58%)

ECONOMY & MARKETS

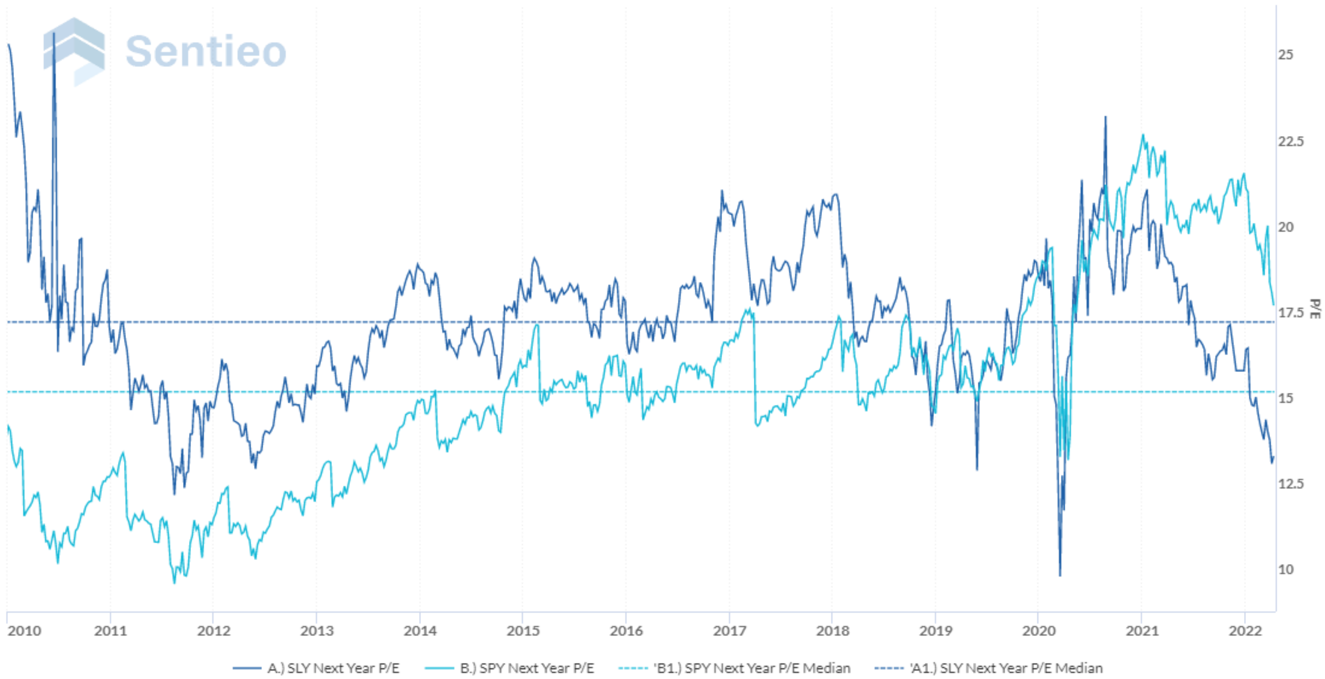
Markets declined to start the year driven by high inflation and central bank tightening around the world. Increasing bond yields drove outperformance of financials, while continued strength in commodity prices boosted energy and materials stocks. Conversely, technology, healthcare and other growth stocks were pressured by higher discount rates. January 27 would mark the low for the small cap Russell 2000 Index, which pushed the index into a bear market, having fallen more than 20% from its recent peak. This was the sixth bear market in our target universe since launching the strategy in January 2010. The Composite outperformed and generated positive alpha during this phase of the market drawdown. We capitalized on the declines through individual shorts that fell more than the overall market, while initiating and adding to the highest conviction long ideas on our focus list that fell to attractive levels. The cumulative daily gross drawdowns of Roubaix Fund, L.P. relative to the Russell are shown below, along with the drawdowns of each on the day of the peak bear market drawdown for the index:



Source: Roubaix Capital, LLC

During the first half of the quarter, we believed the U.S. small cap market had largely adjusted to the reality of headwinds from prolonged inflation and quantitative tightening. A positive narrative could be attributed to tailwinds from the end of the pandemic, a strong consumer, healthy corporate profit margins and easing of supply chain disruptions. The price to earnings multiple on fiscal year two estimates for the small cap S&P 600 Index (SLY) fell to 2012 lows and more than one standard deviation below its median level, indicating a degree of valuation support. At the same time, large cap S&P 500 Index (SPY) valuation remained near post-financial crisis highs, and more than one standard deviation above its own median level. Valuation and performance in the large cap market has been skewed by mega cap companies that continue to thrive, with the largest 8 stocks accounting for roughly 50% of the entire value of the S&P 500 Index (AAPL, MSFT, AMZN, FB, TSLA, NVDA, GOOG, GOOGL). This relationship left small cap valuation at an extreme discount to large caps that continues through today.

FY2 P/E Ratio of the large cap S&P 500 (SPY) and small cap S&P 600 (SLY)



Source: Sentieo

Further, the underlying market performance during Q1 was broadly more negative than the index returns implied. While the Russell was down 7.5% overall, nearly a quarter of the index constituents lost more than 25%. Additionally, approximately a quarter of the index ended Q1 down more than 50% from recent highs. The declines were driven by a variety of factors, including multiple compression from higher interest rates and a growing concern about the economic cycle when faced with difficult comparisons and rising costs. Roubaix's investment philosophy and process is based on the identification of a narrow focus list of unique long and short investment stories, but only allocating capital when the risk/reward is skewed in our favor relative to our internal price targets. Thus, the Fund shifted capital into focus list longs that we believe fell to attractive levels during the January collapse of growth stocks, and similarly exited many successful short positions.

The narrative pivoted once more on February 24 when Russia invaded Ukraine. Core inflation was already running higher than desired due to supply chain constraints, a tight labor market, rising costs of durable goods and sharply increasing home prices. The war catalyzed a secondary spike in non-core inflation as both Russa and the Ukraine are meaningful parts of the world's energy[1] and food supply chain,[2] respectively. The U.S. Federal Reserve was already behind the curve due to a misguided policy change in 2020 to target average inflation and an overemphasis on job recovery compared to price stability. The sudden increase in inflation expectations from rising commodity prices exacerbated pressure on the Fed to tighten monetary policy even faster. U.S. 10 year yields quickly rose ~50% to more than 2.5% and are now nearing 3% as we write this letter. This equates to the same yield level as when the Fed paused federal funds rate increases in early 2019, quickly eliminating three years of bond market gains.

[1] System Shock: Russia's War and Global Food, Energy, and Mineral Supply Chains, Wilson Center, April 13, 2022
[2] How Will Russia's Invasion of Ukraine Affect Global Food Security, International Food Policy Research Institute, February 24, 2022

The dramatic gains in US stocks since the lows of the pandemic met a rapid decline in the bond market this year,[3] driving investors to broadly recalibrate allocations. At the same time, recession risks created a countervailing concern. With such large macro forces in play, overall market returns were primarily driven by changes in investor's top-down views of the economy over the course of the quarter rather than individual company fundamentals. We believe the significant volatility in Q1 will continue as interest rates rise, quantitative tightening proceeds, and the repercussions of higher inflation impact consumer demand. We remain optimistic that our focus on fundamental stock selection will be a driver of returns over the remainder of the year as certain sectors and industries come under incremental pressure from slowing demand, higher costs and rising rates, while certain individual companies will likely prosper even in the face of recessionary concerns as they continue to execute on their long-term strategies.

LONG POSITION HIGHLIGHTS

	Roubaix Fund Composite – Gross Long Book				Russell 2000 Total Return Index
	Average Daily Exposure	Rate of Return	Total Contribution	Active Contribution(iv)	
Quarter to Date	91.45%	(11.51%)	(11.02%)	(3.61%)	(7.53 %)
Trailing 1Yr Annualized	90.45%	(5.65%)	(6.39%)	(0.01%)	(5.79%)
Trailing 3Yr Annualized	91.22%	24.96%	23.00%	10.70%	11.72%
Trailing 5Yr Annualized	89.30%	22.10%	20.23%	10.10%	9.73%

Long performance was challenging during the first quarter with all the pressure coming in March when growth stocks lagged for a second time. Our long portfolio tends to skew towards growth stocks as they typically embody more of the qualities that we look for in successful investments. During this period, higher interest rates drove a higher discount rate for future earnings, which has the largest effect on companies that have strong top line growth prospects but are currently unprofitable. More than a third of the companies that compose the Russell 2000 Index are unprofitable, which compares to just 3% unprofitable companies in the S&P 500 and 6% in the Nasdaq. While the average return of profitable companies in the Russell during Q1 was similar to that of the S&P 500 at -5.1%, the average return of unprofitable companies in the Russell was -17.1%. Of the ten largest long book detractors during the first quarter, eight were unprofitable in 2021. This factor was the single largest headwind for the Fund as we had taken advantage of the significant decline in such stocks in January to add to and build new positions in our highest conviction focus list growth stocks that became attractive investments based on our research and valuation framework.

The largest contributor to first quarter long performance was Allegheny Technologies (ATI). ATI is a stock that has remained on the Firm's focus list due to the strong growth and high margins in its value-added specialty metals business. Sales in this area have solid long-term trends as consistently increasing travel demand and the need for ever more fuel-efficient aircraft creates sustainable demand growth for ATI's metals. This market was severely disrupted by the 737 MAX crashes that completely curtailed production of Boeing's highest volume aircraft, and then by the travel declines and production cuts that occurred during the pandemic. We anticipated that the technical issues at Boeing would resolve themselves over time and that travel demand would surge after the pandemic. While the timing has been difficult at times, these trends are largely playing out and have set the table

[3] Bond Market Suffers Worst Quarter in Decades, WSJ, March 31, 2022

for ATI's business to grow strongly as production recovers in the years ahead. Further, we are encouraged by ATI's plan to fully exit its commoditized metals business and become a pure play in high value specialty metals. We expect ATI to generate between $625-650 million in 2025 EBITDA with a multiple of 10-12x, indicating a fair value range of $39-49 per share, substantially above the current price.

The second largest long contributor to first quarter performance was Shoals Technologies (SHLS). The company manufactures electric balance of systems solutions for solar energy projects. This market has seen rapid growth in recent years and the company has delivered some of the highest operating margins of any industrial company in the market. In addition, the company expects to sell similar systems into the accelerating rollout of electric vehicle charging stations. The advantage of using SHLS products is that they are in a 'plug and play' format which eliminates the need to use electricians to do this part of an install. With skilled labor shortages providing a major obstacle for many companies, this is a compelling lower cost solution. We also expected the company to benefit from energy inflation as higher prices for fossil fuels increases the attractiveness of alternative energy. While these factors are valid and propelled the shares during Q1, a separate issue recently emerged. The US is considering a tariff on imported solar modules that has created enough uncertainty to delay projects in the utility solar market.[4] While we anticipate this issue will eventually come to pass, the current uncertainty is not welcome as it represents the majority of SHLS' business. As a result, we exited our position subsequent to the end of Q1 and continue to monitor the unfolding regulatory situation.

The largest detractor in the long portfolio during the first quarter was Vicor (VICR), a company in which we have invested successfully multiple times over the past five years. VICR designs and manufactures power chips that use energy more efficiently to increase performance of the systems in which they are installed. Data centers have become one of the largest end markets for VICR chips to reduce their voracious power consumption amidst rapid expansion to support the shift to cloud and edge computing. Like SHLS, VICR is also expanding into the high growth electric vehicle market. The stock declined in the quarter as the technology sector underperformed overall, and on some concern about the production ramp of the company's new plant that is designed to meet these very large end market needs. Towards the end of the quarter, the stock declined further after a product unveil from Nvidia (NVDA), a key customer, did not include VICR's new chip. This raised questions about competition and renewed skepticism of the progress of the company's manufacturing expansion. While we continue to see VICR as extremely well positioned at the nexus of several high growth investment themes, we became wary of incremental near-term headlines and thus exited the position. We will continue to monitor the developing situation for a resolution to the above concerns, or a more attractive entry point.

SHORT POSITION HIGHLIGHTS

	Roubaix Fund Composite – Gross Short Book				Russell 2000 Total Return Index
	Average Daily Exposure	Rate of Return	Gross Contribution	Active Contribution	
Quarter to Date	(46.75%)	(5.69%)	0.68%	(2.01%)	(7.53 %)
Trailing 1Yr Annualized	(44.95%)	(8.22%)	(0.08%)	(0.81%)	(5.79%)
Trailing 3Yr Annualized	(45.24%)	10.09%	(7.08%)	(0.37%)	11.72%
Trailing 5Yr Annualized	(44.75%)	9.67%	(6.22%)	(0.80%)	9.73%

[4] Biden Probe Into Solar Imports Risks 65% of Planned U.S. Projects, Bloomberg, April 19, 2022

Short book returns were below our expectations during the first quarter relative to our historical outperformance during times of market stress. As noted earlier, the fund navigated the initial market decline in January successfully, propelled by significant alpha generation on our shorts. As we exited several successful shorts that reached our price targets, we had less favorable short investments when the next downtrend developed later in the quarter. Half of our negative short alpha came from a single stock, Tenneco (TEN), which is described in detail below. As we will discuss in the outlook later, we are confident in our short positioning in the current market environment and expect to turn this performance around over the course of the year.

The best performing short position in the first quarter was Arrival (ARVL). The company is one of many speculative stocks that came public via a special purpose acquisition vehicle (SPAC). Nearly all these companies used the lower level of regulatory scrutiny to come public with overly optimistic revenue projections while posting sizable losses. Like several others, ARVL used the accelerating electric vehicle market to pitch an interesting story. However, their commercial electric van remains very early in its life cycle and its potential for long-term success remains unclear at best. We are particularly skeptical of their plan to utilize micro factories, which goes against the clear logic to create manufacturing with economies of scale. During the first quarter they provided an outlook for the current fiscal year that included over $200 million in negative EBITDA while spending $400 million in capex. This is an extraordinary level of cash burn for a company with a market value of approximately $2 billion. While we remain suspicious of ARVL and other companies with a similar profile, we exited ARVL upon reaching our near-term price target and are awaiting a more attractive entry point to revisit our short position.

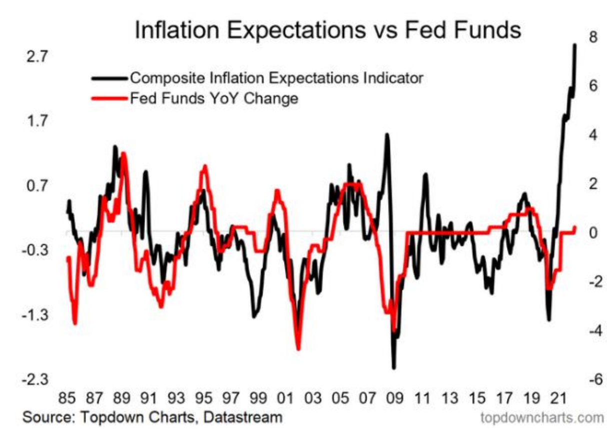
The second best short in the quarter was Opendoor Technologies (OPEN). The company was formed a few years ago and their business model is to purchase homes virtually, repair and then resell them. While many industries are transitioning to a low touch digital service model, real estate has proven to be challenging. Just recently, Zillow (ZG), the largest digital real estate company, abandoned its digital buying efforts due to rising losses despite the strong housing market.[5] With interest rates set to rise, we anticipated that affordability would start to see pressure and that this model would be exposed to losses unless home price appreciation accelerated even further. Recent data suggests the housing market is facing a combined headwind of higher costs and mortgage rates and we expect OPEN to continue to disappoint the market and remain short the stock.

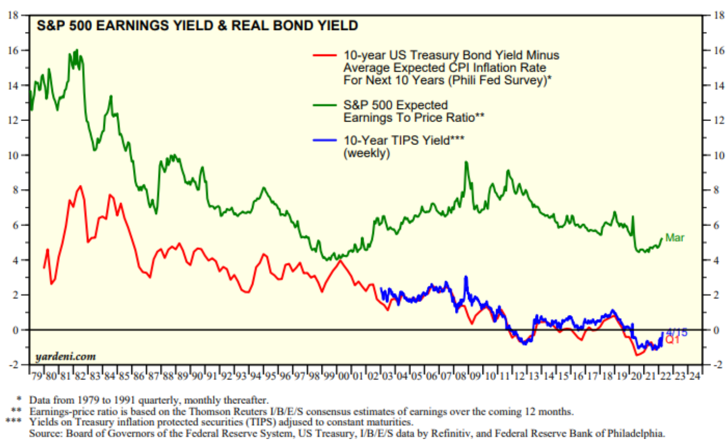
The largest detractor in the short portfolio during the first quarter was Tenneco (TEN). TEN is a supplier into the automotive market with a high mix of business related to the internal combustion engine. TEN has seen consistent pressure in recent years as the market shifts from gasoline and diesel engines towards electric motors. As is typically the case of a company facing a litany of headwinds, TEN has utilized significant balance sheet leverage to finance acquisitions to grow its core business in the face of a long-term decline in consumer demand. In addition to top line volume pressure, mature auto suppliers such as TEN routinely face annual pricing pressure from OEMs. Further, TEN is a large buyer of steel and other commodities that have seen rampant inflation over the past year due to supply chain constraints. During the first quarter, a private equity firm offered to acquire the firm at a significant premium, which forced us to exit our short at a time when the overall auto sector was coming under intensified selling pressure. What should have been a sizeable gain during the quarter turned into a significant loss due to M&A.

[5] Zillow Stock Plunges 4% After Company Exits Home Buying Business, CNBC, November 3, 2021

OUTLOOK

The most material change to the market narrative moving forward is the adjustments that will be required due to substantially higher interest rates. It was only a few months ago that short term rates were close to zero and long-term rates remained under 1%. The reality of accelerating inflation in early 2022 has finally moved bond yields sustainably higher.[6] This is not just a U.S. phenomenon, either. Inflation is reaching highs on a global basis as the prices of goods, energy, food, lodging, and wages are rising simultaneously.[7] Just last year the economic narrative included the considerable amount of negative yielding global debt, whereas now that era may be ending abruptly.[8] This shines a light on valuation across all asset classes that has been the primary driver of markets over the last several months. One simple illustration of the interactive repricing that is unfolding is that the earnings yield on the stock market is now less attractive than bond yields.[9] The question today is how much further markets can shift as signals build that a slowdown is underway, and a recession is now more likely. This in turn will shape investor views on whether the bad news is already priced into markets.





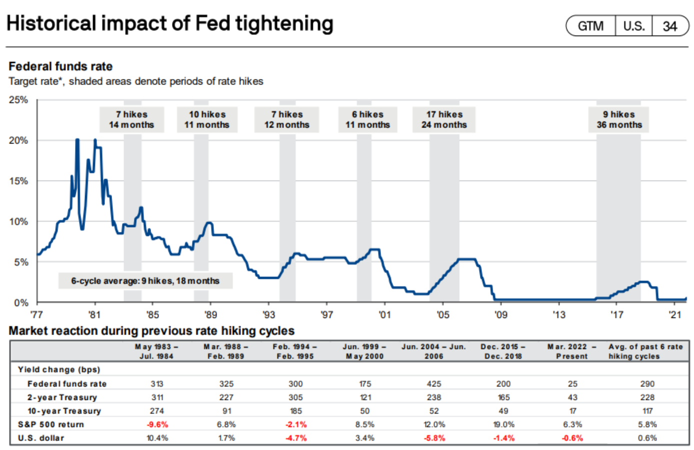
Sources: Charts To Watch, Investing.com, Equity Risk Premium, Yardeni Research

The economy also finds itself in a different phase as the pandemic finally recedes. The unemployment rate has fully recovered, and the labor market was even described by Fed Chairman Jay Powell as 'extremely tight' in a remarkable change where now inflation is a greater enemy than joblessness.[10] Consumers proved resilient during the pandemic, including spending on durable goods that certainly exceeded what would have been expected during a recessionary health crisis. While the strength in spending was a welcome surprise, there is now evidence that some of it has been pulled forward, creating a hangover effect for several industries. Higher costs for goods are starting to pressure the consumer's marginal propensity to buy homes,[11] autos,[12] and furnishings.[13] Companies with early reporting cycles have noted they are seeing consumers react to higher prices and the income pressures caused

[6] Bond Markets in Historic Downturn as Central Banks Battle Inflation, FT, March 23, 2022
[7] Globally, Inflation is Surging Amid Persistent Pandemic Disruptions and War in Ukraine, NYT, April 12, 2022 and Inflation Surges Heap Pressure on Global Policymakers, FT, April 14, 2022
[8] RIP sub-zero Yielding Bonds, FT, March 28, 2022 and End of An Era in Sight as Euro Area Borrowing Costs Sweep Above 0%, Reuters, April 1, 2022
[9] Stocks Are Pricey, Again. Why Your Shouldn't Expect Big Gains Soon, Barron's, April 2, 2022
[10] Restoring Price Stability, Federal Reserve, March 21, 2022
[11] Home Sales Fell 4% in March as Buying Costs Shot Up, Redfin, April 15, 2022
[12] CarMax's Awful Earnings Send a Warning to All Car Stocks, Barron's, April 12, 2022
[13] Everyone's Talking About the RH CEO's Ominous Macro Comments on the Company's Earnings Call, Bloomberg, March 30, 2022

by inflation. Economic cycles seem to be moving at an ever-faster pace and the current experience is looking like yet another example.[14]

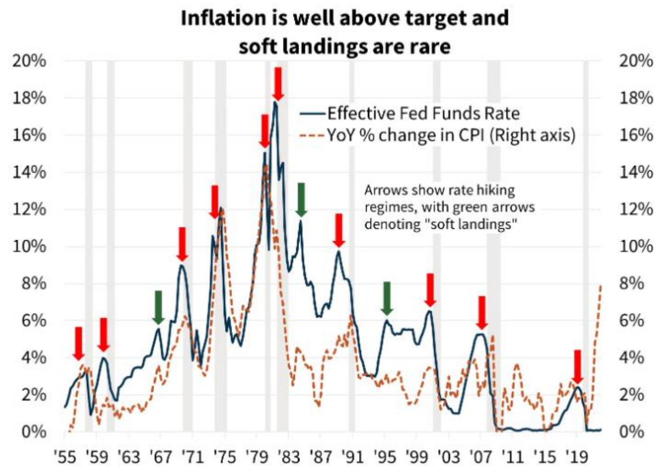
With the above two factors in mind, the third major shift underway is in monetary policy. The U.S. Fed has become very hawkish as they have begun to tighten policy. Even a previously considered 'dove' Lael Brainard opened her last speech lauding the inflation fighting legacy of Paul Volcker that 'runaway inflation would be the greatest threat to the continuing growth of the economy … and ultimately, to employment.'[15] The pace of quantitative tightening messaged by Federal Reserve board members and meeting minutes is likely to be both faster and greater than previously expected.[16] In turn, two year and ten year U.S. treasury yields have both increased substantially. The 2-year to 10-year yield spread has historically been an accurate predictor of recessions, and as such it inverted briefly during Q1, triggering speculation that we could face a recession by early 2023. However, the 3-month to 10-year yield curve, a measure preferred by some including Fed Chairman Jay Powell,[17] remains very steep, further clouding the market narrative. Monetary tightening[18] and oil price spikes[19] have also historically increased the odds of a recession, making the Fed's goal of a 'soft-landing' more difficult to achieve,[20] with one former Fed governor saying a hard landing is 'virtually inevitable.'[21] While that language sounds strong, the recession analysis provided by Fannie Mae, the government sponsored mortgage investor, came to a similar conclusion referring to the need to increase unemployment to cool inflation, poor housing affordability, and the fact that 'soft landings' are relatively uncommon.[22]



	May 1983 – Jul. 1984	Mar. 1988 – Feb. 1989	Feb. 1994 – Feb. 1995	Jun. 1999 – May 2000	Jun. 2004 – Jun. 2006	Dec. 2015 – Dec. 2018	Mar. 2022 – Present	Avg. of past 6 rate hiking cycles
Yield change (bps)								
Federal funds rate	313	325	300	175	425	200	25	290
2-year Treasury	311	227	305	121	238	165	43	228
10-year Treasury	274	91	185	50	52	49	17	117
S&P 500 return	-9.6%	6.8%	-2.1%	8.5%	12.0%	19.0%	6.3%	5.8%
U.S. dollar	10.4%	1.7%	-4.7%	3.4%	-5.8%	-1.4%	-0.6%	0.6%

Source: JP Morgan Asset Management; Credit Suisse

[14] After Rapid Recovery, Watch for Sudden Slowdown, WSJ, April 13, 2022
[15] Variation in the Inflation Expectations of Households, Federal Reserve, April 5, 2022
[16] Fed Signals Faster Pace of Rate Increases, Likely Bond Runoff, WSJ, April 6, 2022
[17] Powell Says Look at Short-Term Treasury Yield Curve for Recession Risk, Bloomberg, March 21, 2022 (Don't Fear) The Yield Curve, Federal Reserve, June 28, 2018
[18] How Likely is a Soft Landing? A Look at the History Since the 1960s, Piper Sandler, March 25, 2022 also cited by Will the Fed Cause a Recession, Bankrate, April 15, 2022
[19] Oil Prices Spike Before Recessions, Lead-Lag on YouTube, April 13, 2022
[20] Can the Federal Reserve Stamp Out US Inflation Without Causing a Recession, FT, April 13, 2022
[21] The Fed Has Made a Recession Inevitable, Bloomberg, March 29, 2022
[22] Inflation Rate Signals Tighter Monetary Policy and Threatens 'Soft Landing' Fannie Mae, April 19, 2020

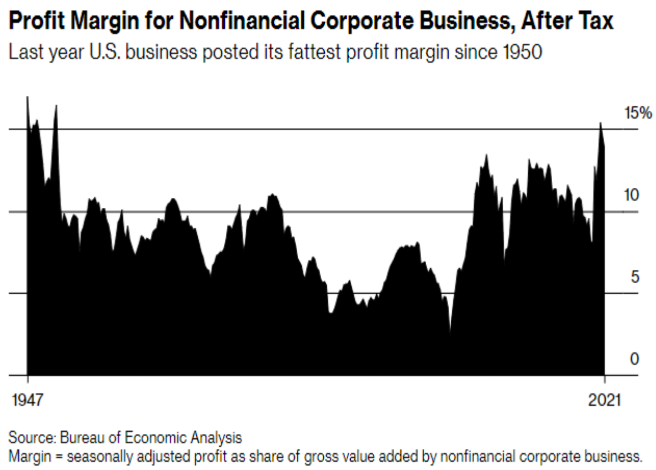


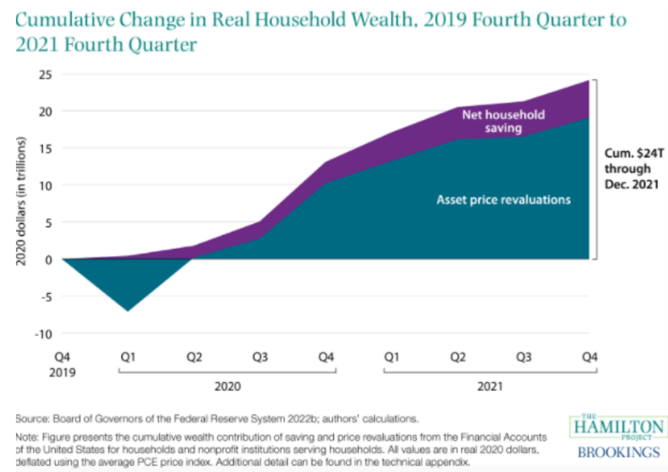
Source: Fannie Mae

Adding to the anxiety in the markets are several other risk factors. The war in the Ukraine is an unwelcome return to violence in Europe. Further, the implications are negative for food and energy supplies, adding to an already challenging inflation backdrop.[23] The massive swings in energy and food prices have hampered the ability of producers and lenders to finance their products, and this may drive even further upward pressure on prices. Inflation of this extreme nature can create an elevated level of unrest and political instability as it notably did in the early 2010s across the Middle East.[24] In addition, the extremely severe economic sanctions on Russia are highly likely to cause financial stress on that country and could drive unintended impacts across other parts of the global economy's interconnected financial system.[25] Lastly, China's zero covid policy and less effective vaccines have recently resulted in more large-scale lockdowns slowing, the world's second largest economy and heaping incremental pressure on already strained global supply chains.[26]

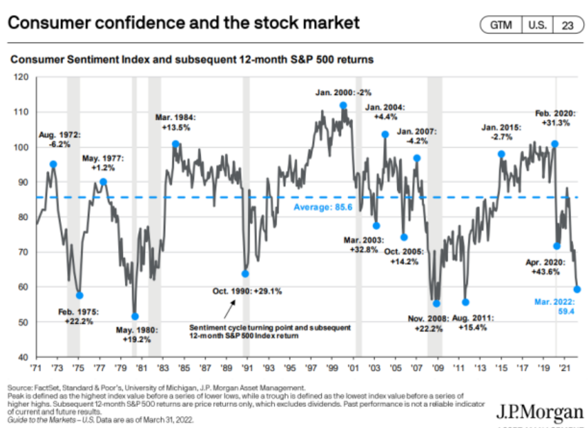
On the positive side, U.S. household and corporate balance sheets remain in good health.[27] Corporate profit margins are high and expected to rise to another record in 2022.[28] These factors create a cushion for the current challenges. In addition, continued wage growth and the potential for over a million workers to return to the labor force would be encouraging. Businesses do have the ability to raise prices and that may prove to be an advantage for stocks over other asset classes. Sentiment is also unusually bearish. Consumers, small businesses, and fund managers are all about as negative as they can be with their assessment of the economic outlook. Historically, this degree of negativity has preceded good market returns. Taken together, the markets are cautious for understandable reasons. With that in mind, we continue to follow our process to select individual longs and shorts that can add value throughout the cycle.

[23] What the War in Ukraine Means for Energy, Climate and Food, Nature, April 5, 2022
[24] Russia is Disrupting Food Prices Worldwide and it Could Cause Civil Unrest – It's Happened Before, Business Insider, March 9, 2022
[25] The Fed Should Be Ready to Backstop the Commodities Market, Washington Post, April 13, 2022
[26] Xi Jinping Says China Must Maintain Zero Tolerance for COVID, Fortune, April 14, 2022, China's Covid-19 Surge Shuts Down Plants in Manufacturing Hubs Shenzhen and Changchun, WSJ, March 14, 2022, What is China's COVID Endgame? Project Syndicate, April 13, 2022
[27] Robust Corporate Cash May Buoy Stocks After Rocky Quarter, Reuters, April 1, 2022
[28] Corporate Profits is at Level Beyond What We Have Ever Seen, and it's Expected to Keep Growing, MarketWatch, April 13, 2022





Source: Profits Soar as U.S. Corporations Have Best Year Since 1950, Bloomberg and Bolstered Balance Sheets, Brookings



JPMorgan Guide to the Markets, JP Morgan Asset Management, BofA Says Fund Managers Most Gloomy on Record on Recession Woes, Bloomberg

The downward pressure on growth stocks in the first quarter enabled us to reinvest in STAAR Surgical (STAA) at an attractive price. STAAR sells Implantable Collamer Lenses (ICL) that corrects several vision conditions with commercial success in many applications and geographies. We had high confidence the company would gain FDA approval of their EVO lens, and they did on March 28th. The EVO lens addresses myopia a condition that is expected to affect half of the global population by 2050.[29] With an addressable market in the billions of dollars, the company is barely scratching the surface of this opportunity. As a permanent substitute for glasses and contacts, the benefit to patients in terms of convenience, improved eyesight and even costs are substantial. The procedure has a very high consumer satisfaction rate with over 1 million implants worldwide.[30] In particular, the surgery is a meaningful improvement over alternatives such as Lasik, which removes part of the cornea. This makes Lasik surgery irreversible in addition to concerns raised about side effects.[31] A typical patient's eye can undergo three changes over its lifetime and STAA products can be implanted and replaced as needed. Sales are expected to near $300 million in 2022 with operating profit margins already in the mid-teens. The EVO lens will potentially add $100 million to sales from the U.S. market launch and margins will then have the potential to expand towards 30% over time. As

[29] STAAR Surgical Investor Presentation, SAAR Surgical, February 2022
[30] Breakthrough for Nearsightedness: Removeable Lens Implant Can Provide Freedom From Glass or Contacts, Medicalresearch.com, April 1, 2022
[31] Blurred Vision, Burning Eyes: This is a Lasik Success?, NYTimes, June 11, 2018

a profitable, fast growing medical device stock without direct competition in many of its products we expect STAA to appreciate further both in the near-term and in the years ahead.

Another position that we believe is likely to generate substantial gains this year is Napco Security Technologies (NSSC). NSSC's roots are in equipment for home and commercial security. Historically, both the company and its peers simply sold hardware into the market as needed. NSSC, however, has successfully added a high margin subscription service to its connected device offerings. In 2021, service revenues increased to ~30% of sales and the company's goal is for this to exceed 50% in the medium term. They have seen material success with a commercial fire alarm system as legacy 3G enabled products are being phased out as wireless carriers shut down 3G networks and customers are forced to upgrade to meet regulatory requirements. The company also has a positive outlook for its school security businesses, which have better prospects as long-delayed projects are more likely to proceed as state and local budgets have improved following the pandemic. Lastly, the company sees a longer term opportunity as more commercial buildings use network access for their locking needs, layering in yet another growing end market. We expect the market to appreciate the growth in recurring revenues from NSSC as its large pipeline converts into sales and drives subscription revenues with much higher margins. With a longer term perspective, we see $3.00 in earnings per share and a multiple in excess of 20x powering the stock higher as the market appreciates the uniqueness of this underfollowed stock.

As noted previously, we expect to see a hangover effect for several companies from fiscal and monetary policy that artificially boosted consumer income and asset prices during the pandemic. Spending on durable goods continues to run well above trend. Not only have unit sales been strong, but pricing has further boosted both revenues and margins as high demand nullified the need for discounts. We think companies that benefited from this are going to have a difficult transition back to reality. One example of this is America's Car-Mart (CRMT), a dealer of older model used cars to sub-prime customers. The company has disproportionately benefited from many of the pandemic trends. These included higher demand for used cars, a strong consumer, and extremely accommodative credit markets. We see all these drivers potentially reversing in 2022. This is occurring just as the company is expanding into a larger end market, which also validates the view that they are operating in a market niche that is already saturated.

Along these same lines, we see many companies that have been overearning due to the pull forward in demand catalyzed by the health crisis. Companies that sell into the work from home and leisure end markets are likely to face weaker demand than they can anticipate. This is being exacerbated by the supply chain and inflation woes as the Fed is raising interest rates in part to directly slow consumer spending. We have several short positions that we believe are likely to decline as this reality sets in, including gaming and streaming peripherals maker Corsair Gaming (CRSR), consumer discretionary supplier Fox Factory (FOXF) and omnipresent Wi-Fi manufacturer NETGEAR (NTGR). We also expect the pressures from rising interest rates to impact other companies that are dependent on supportive interest rates such as home service provider Frontdoor (FTDR) and loan analytics company Open Lending (LPRO).

Further, the labor shortage and the costs pressure from rising wages is a trend that we do not see ending even as the current pressures abate. Using automation and data to reduce the reliance on labor is a key theme for the Fund, including used car pricing software maker ACV Auctions (ACVA), food processing equipment manufacturer John Bean Technologies (JBT) and cloud-based business intelligence platform Domo (DOMO). We also see the trends towards more secure supply chains across industries as a long-term secular driver of spending. With the energy markets front and center currently, we expect intracoastal shipper Kirby (KEX) and liquified gas carrier operator Navigator (NVGS) to appreciate as the earnings power of these businesses improve due to the relative benefit of low cost north American natural gas. We also anticipate Mirion Technologies (MIR), which supports the nuclear energy and nuclear medicine markets, to benefit from greater support for nuclear power and from consistent growth in its healthcare end markets.

Our investment philosophy and process are built on the identification of unique long and short investment stories, and deploying capital when valuation creates a similarly compelling risk/reward scenario for the stock. When top-down factors drive markets over short-term periods, such as we saw in March, Fund performance overall tends to suffer as the unique fundamental characteristics of our longs and shorts are not appreciated by the market. However, we expect our long and short investment theses to find confirmation during earnings season and those stocks to outperform. We hope to see investors reward our longs that execute on their growth and margin acceleration goals, while penalizing shorts that face incrementally negative earnings revisions.

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 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

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All figures are unaudited. These figures are based upon 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 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.

ii. 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 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 consisted of two advisory accounts until February 29, 2020. 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 performance for a typical investor in the portfolio who invested at the beginning of the period and remained invested throughout the period. The performance for 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.

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.

More frequent performance information is available upon request.

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