July 14, 2022

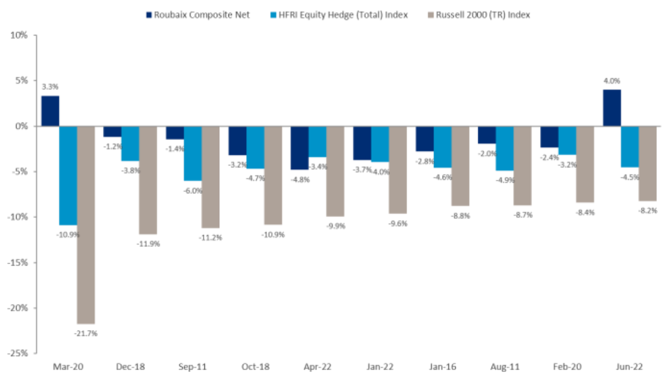
Dear Partners,

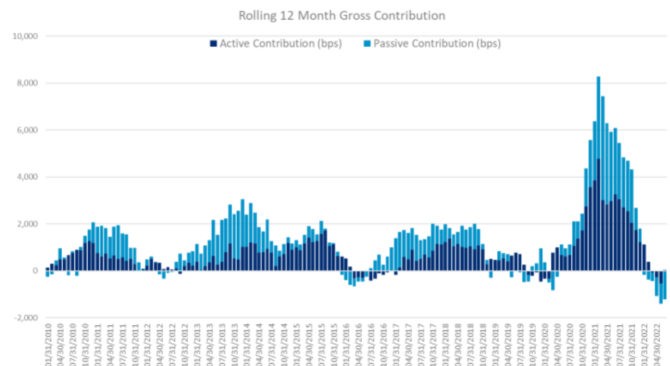
During the second quarter of 2022 Prosper Stars & Stripes lost -3.3% compared to losses of -17.2% for the long-only Russell 2000 Index (the "Russell")(i) and -4.4% for our long/short equity hedge fund peer group, represented by the HFRX Equity Hedge Index (the "HFRX")(ii). On a year-to-date basis, Prosper Stars & Stripes generated a net return of -13.1% compared to losses of -23.4% for the Russell and -4.7% for the HFRX.
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 40.8% compared to a 43.5% average since inception in January 2010.

As of June 30, 2022	Roubaix Composite	Russell 2000 Total Return	HFRI Equity Hedge Index
Quarter to Date	(2.66%)	(17.20%)	(8.30%)
Year to Date	(11.97%)	(23.43%)	(12.28%)
Trailing 1 Year	(12.66%)	(25.20%)	(12.51%)
Trailing 3 Years	12.05%	4.19%	6.33%
Trailing 5 Years	11.03%	5.16%	5.46%
Trailing 10 Years	10.43%	9.35%	5.87%
Since Inception (1/1/2010)	9.82%	9.82%	4.93%
Standard Deviation	8.88%	19.11%	8.54%
Sharpe Ratio	1.04	0.56	0.54
Downside Deviation	4.42%	12.69%	5.79%
Sortino Ratio	2.06	0.84	0.81

The second quarter was the worst in the history of the Russell 2000 Index since its inception in 1979 and contained 3 of the 10 largest monthly drawdowns since the Composite's inception in January 2010. During these 10 months of extreme downside volatility, the Composite has posted an average net loss of just -1.4% relative to the average index loss of -10.9%. Additionally, in all but one of these months the Composite posted a better return than our HFRI hedge fund peer group, whose average monthly net loss was -5.0% (see first chart below).

Second quarter outperformance was driven by substantial alpha generation on both sides of the portfolio, largely offsetting the negative alpha from Q1. Looking at performance monthly, March's weak alpha of -5.8% was more than offset by alpha generation of +6.8% in June. Taken together, the Composite's rolling 12 month alpha bottomed in May 2022 and quickly returned to positive territory in June 2022. While we share your frustration during short-term periods of underperformance as incurred in Q1, we also believe in the long-term success of Roubaix's investment philosophy and process that has now proven itself over six bear markets in just our 13th year running the strategy. While past performance does not guarantee future results, Roubaix continues to deliver its mandate to investors of an equity like return over the cycle with substantially lower volatility than the market and stronger absolute returns than our hedge fund peer group. Lastly, short periods of underperformance have historically been followed by years of strong, consistent alpha generation and absolute returns (second chart below).





Source: Roubaix Capital, LLC, Novus, Hedge Fund Research

ECONOMY & MARKETS

Financial markets came under increasing pressure in the second quarter as global interest rates rose at a rapid pace. Investors became accustomed to a multi-decade bull market in bonds that continually drove interest rates lower. Despite multiple business cycles since the early 1980s, inflation has been unable to sustainably exceed the U.S. Federal Reserve's (the "Fed") 2% long-term target since the early 1990s. With loose monetary policy seemingly having no negative consequences on inflation, the Fed was able to be much more aggressive with its policy tools to counter each successive financial market downturn and maintain a keen focus on generating job growth. This relationship between policy and inflation culminated in the Fed's announcement in 2020 that it would shift its 2% absolute inflation target to a 2% average over the cycle, implying a willingness to let inflation run at an elevated level for a longer timeframe.[1]

Ironically, this announcement marked the cyclical low for inflation. The economy quickly rebounded to full employment from the pandemic lows while supply chain disruptions proved more sustainable than transitory. The added stress from higher energy and food prices accentuated by the war in Ukraine drove inflation to levels not seen since the early '80s. This has put the Fed in crisis mode to avoid the problems that arise when inflation becomes endemic. Persistent high inflation inherently erodes consumer purchasing power, slows economic growth, and discourages new investment. Thus, there is an urgency this tightening cycle for the Fed to act even faster[2] and

[1] Federal Open Market Committee Announces Approval of Updates to its Statement on Longer-Run Goals and Monetary Policy Strategy, Federal Reserve, August 27, 2020
[2] High Inflation Calls for Timely and Decisive Central Bank Action, BIS, June 26, 2022

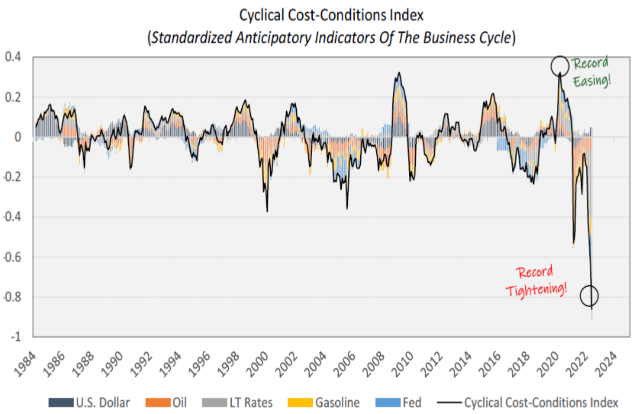
to err on the side of tightening too much vs. pausing to wait and see the impact.[3] As a result, Fed policy is making a recession more likely.[4]

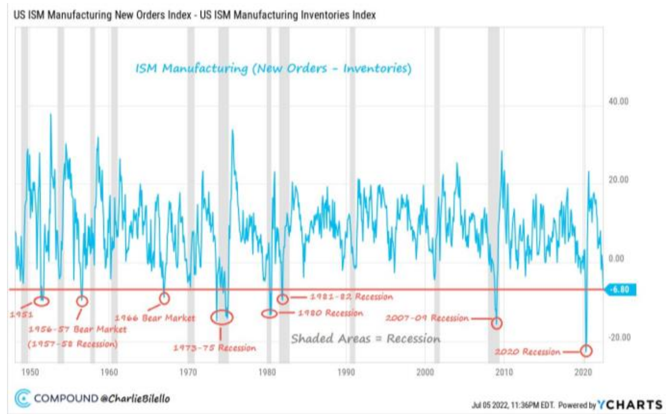
Source: US Inflation Hit 9.1% in June Putting Further Pressure on Fed, FT, July 13, 2022; Bond Bull Market 'has come to an end', Guggenheim's Minerd Says, FT, May 3, 2022

The Fed's shift to fight inflation, even at the expense of the job market, is a marked shift in their mandate.[5] The Fed would also welcome lower stock and asset prices, again marking a pivot from the intentions of quantitative easing[6] and making it less likely that Wall St. can outperform Main St. during this part of the cycle. The inverted yield curve, which briefly occurred earlier in the year, is now more persistent and is a historical harbinger of a looming recession. U.S. manufacturing survey data continues to decline, which has also proven to be an accurate indicator of future economic and earnings weakness. Further, the U.S. housing market, a key cyclical component to the economy, has softened as mortgage rates have more than doubled to almost 6%[7] creating an affordability problem not seen since the Great Financial Crisis.[8] The market declines themselves are another reason to believe a recession is either underway or highly likely. With this economic backdrop, U.S. consumer, small business and executive confidence have all decreased materially. The wealth effect from falling equity and bond prices, among others, is likely to put further pressure on growth.

Internationally, China continued its zero-Covid strategy, slowing global growth and disrupting supply chains. The war in Ukraine kept upward pressure on food and energy prices through most of the quarter, especially in Europe due to their dependence on Russian natural gas. The European Central Bank also has a difficult job to contain inflation in the face of low growth and high debt levels, with stress in the sovereign debt markets reemerging following years of negative interest rates.[9] The strong dollar adds further risk to international markets in addition to putting pressure on U.S. multinational earnings. In emerging markets, we have already begun to see the traditional knock-on effects of the higher costs of food and energy in social unrest, which only adds additional risks to markets if the current backdrop persists.[10] Certainly, the list of risks and challenges have accumulated this year.

[3] For the Fed, Easing Too Soon Risks Repeat of Stop-and-Go 1970s, WSJ, July 10, 2022
[4] Monetary Policy and Recession Probabilities, Federal Reserve, July 12, 2022, noting a 60% chance of recession if monetary policy tightens into the current backdrop
[5] Fed's Inflation Fight Spells Pain Ahead for 'Tight' Labor Market, Bloomberg, June 15, 2022
[6] If Stocks Don't Fall, The Fed Needs to Force Them, Bill Dudley, Bloomberg, April 6, 2022
[7] A Housing Correction is More Likely Than Catastrophe, Barron's, June 30, 2022
[8] Housing Affordability Index Drops to Lowest Level Since 2006, WSJ, July 8, 2022
[9] The ECB Needs a Formidable Tool Against Fragmentation, Washington Post, July 10, 2022
[10] Costly Food and Energy Are Fostering Global Unrest, Economist, June 23, 2022





Source: What in the World Happened in Q2, Piper Sandler; The Last 5 Times the Spread Between New Orders and Inventories was this negative, the US was already in a recession, [Compound,](#) July 5, 2022

Inverted Yield Curve (10-Yr minus 2-Yr) and Recessions (1976 - 2022)

Recession Start	Recession End	Inverted Yield Curve Before Recession?	First Yield Curve Inversion	Lead vs. Recession Start (Months)
Feb-80	Jul-80	Yes	Aug-78	18
Aug-81	Nov-82	Yes	Sep-80	11
Aug-90	Mar-91	Yes	Dec-88	20
Apr-01	Nov-01	Yes	May-98	35
Jan-08	Jun-09	Yes	Dec-05	25
Mar-20	Apr-20	Yes	Aug-19	7
?	?	?	Apr-22	?
Average Lead Time				**19**

COMPOUND @CharlieBilello

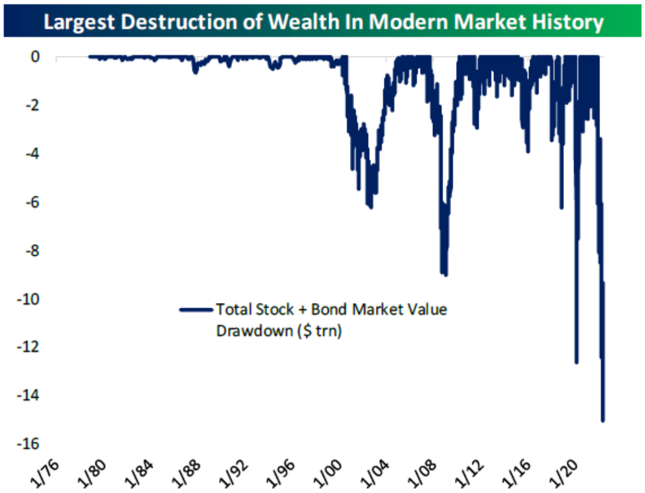
Recessions Tend To Lead Bear Markets

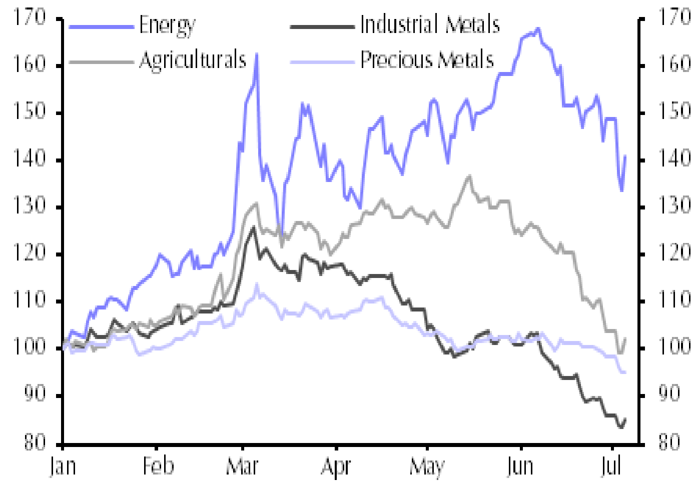
Bear Market Start Date	Recession Start Date	Days Between Bear Market & Recession	Total Drawdown
10/28/1929	8/1/1929	88	-86%
	7/1/1953	No Bear Market	
10/21/1957	8/1/1957	81	-22%
	4/1/1960	No Bear Market	
5/28/1962	No Recession		-28%
8/29/1966			-22%
1/28/1970	12/1/1969	58	-36%
11/27/1973	11/1/1973	26	-48%
	1/1/1980	No Bear Market	
2/22/1982	7/1/1981	236	-27%
10/19/1987	No Recession		-34%
	7/1/1990	No Bear Market	
3/12/2001	3/1/2001	11	-49%
7/9/2008	12/1/2007	221	-57%
3/12/2020	2/1/2020	40	-34%
6/16/2022	?	?	?
Average		95 Days	-40%

Source: Recession or Inflation, Which Matters More, [Bianco Research](#), July 8, 2022

For the markets themselves, stocks and bonds both fell sharply during the second quarter as interest rates moved higher. The S&P 500 eventually followed the Nasdaq and Russell 2000 into bear market territory during Q2. With bonds also declining, investors faced the steepest losses in total wealth on record.[11] The boom in IPOs and SPACs[12] that symbolized the era of easy money has turned into a rout this year. Other new asset classes including crypto currencies and NFTs have also experienced substantial losses. Energy and other commodity prices were the standout performers through the end of the second quarter, although demand questions recently delivered a 20%+ blow to most commodity prices, which in turn should cool inflation.

[11] Would you call the largest destruction of wealth in modern market history a 'soft landing?' [Bespoke](#), June 15, 2022
[12] How SPACs Went Splat, [FT](#), July 5, 2022

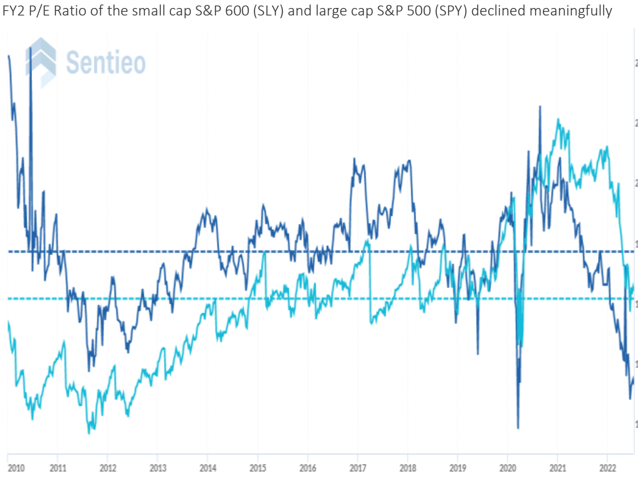


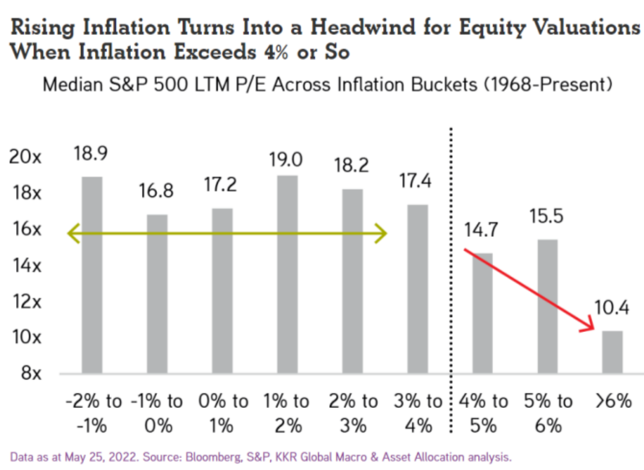


Source: Bespoke, June 15, 2022; Strong US Dollar to remain headwind for prices, Capital Economics, July 8, 2022

Falling stock prices in Q2 were driven by lower valuation multiples as earnings estimates modestly improved during Q1 earnings season. The small cap S&P 600 index de-rated to less than 11x FY2 earnings from 17x at the beginning of the year, while large cap S&P 500 valuation fell to 15x from 22x. Should earnings estimates remain at the current level of mid-to-high single digit growth this year, corporate profit margins would rise to yet another historical record. It was not until later in the quarter that retailers with a January fiscal year end, including Walmart, Target and Restoration Hardware, issued the first major warnings of a potential slowdown in consumer demand. Since then, several strong companies such as META,[13] Google,[14] Nike[15] and ServiceNow[16] have warned that they also anticipate challenging demand, suggesting many others will follow along that trajectory. The first half of this bear market has been mainly about the valuation contraction in the face of higher discount rates. We believe this process has likely run most of its course and now transitions to the phase where an earnings recession plays out.

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





Source: Sentieo; 'Walk, Don't Run', KKR, June 16, 2022

[13] Mark Zuckerberg Issues Dire Economic Warning to Meta Employees, Barron's July 3, 2022
[14] Google CEO Pichai Says Company Will Slow Hiring through 2023 in Memo to Employees, CNBC, July 12, 2022
[15] Nike Stock Dives as Wall Street Jeers Margin Outlook, MarketWatch, June 29, 2022
[16] ServiceNow Sinks After CEO Warns Global Tech Firms Won't Be Able to Outrun Strong Dollar, CNBC, July 12, 2022

LONG POSITION HIGHLIGHTS

	Roubaix Fund Composite – Gross Long Book				Russell 2000 Total Return Index
	Average Daily Exposure	Rate of Return	Total Contribution	Active Contribution(v)	
Quarter to Date	85.29%	(15.25%)	(14.40%)	1.48%	(17.20%)
Year to Date	88.35%	(25.00%)	(23.83%)	(2.19%)	(23.43%)
Trailing 3Yr Annualized	91.01%	15.58%	14.28%	9.62%	4.19%
Trailing 5Yr Annualized	89.12%	17.04%	15.64%	10.02%	5.16%

The largest contributor to second quarter long performance was Agilysys (AGYS). The company sells hardware and software to the gaming and lodging industry that increases efficiency. The investment story has developed over several years, beginning with a CEO change in 2017. After right sizing the business, the company increased investments in its next generation products. These tools enable clients to run with fewer employees and give customers the benefit of fast touch free check in, payments and other digitally enabled services. The company's sales mix is improving as software sales are growing faster than the overall business. We expect a positive flywheel effect to drive revenues and margins higher, the key financial drivers to long-term outperformance. The return to travel and leisure following the pandemic is well underway and we believe the health of Agilisys' customers will support increased spending on the company's products. Thus, AGYS remains a top 10 position.

The second largest long contributor to second quarter performance was Ollie's Bargain Outlet (OLLI). As a closeout retailer, the company has been under pressure from a lack of inventory. At the start of the pandemic there was concern that consumer demand would fall significantly and retailers reduced orders. Of course, the story changed rapidly, and demand proved to be more resilient due to the general desire of consumers to spend, the rapid recovery in the overall economy and the benefit of fiscal and monetary stimulus. This again reduced the opportunity for Ollie's closeout business model to thrive. Lastly, supply chain disruptions proved to be a longer lasting headwind and again put pressure on OLLI inventory. Now, all these headwinds have reversed into tailwinds. Major retailers have reported much higher than expected inventories and signaled their desire to right size.[17] Some are even considering just allowing consumers to keep unwanted items to avoid the costs of returns.[18] We see OLLI as a prime beneficiary of this trend and maintain a position. Likewise, we feel another long position, Liquidity Services (LDQT),[19] will benefit from these same drivers.

The largest detractor in the long portfolio during the second quarter was ACV Auctions (ACVA). ACVA's technology makes the used car buying and selling process more efficient for its car dealer customers. With inspections highly automated and standardized, the company has rapidly gained share within its marketplace. ACVA tools enable customers to drive efficiencies in both processes and decision making that maximize the profit of each used vehicle. The company has shown an ability to scale, with certain geographies already generating high margins. Our view was that ACVA would be able to grow through the current weakness in the used car market. However, we are concerned that the falling prices of used cars, a weakening consumer, and tightening lending standards make the current backdrop difficult to navigate, particularly as investors are likely to remain impatient with companies that are

[17] Angst Over US Inventory Pileups is Belied by Still Solid Sales, Bloomberg, June 27, 2022
[18] Just Keep Your Returns: Stores Weigh Paying You Not to Bring Back Unwanted Items, CNN, June 26, 2022
[19] Retail Inventory Glut Means Big Business for Liquidators, Modern Retail, June 24, 2022

generating losses. As a result, we exited the position after the end of the quarter and will continue to monitor it for a better entry point in the future.

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	(44.93%)	(24.06%)	12.34%	3.73%	(17.20%)
Year to Date	(45.84%)	(28.39%)	13.11%	1.64%	(23.43%)
Trailing 3Yr Annualized	(45.13%)	(1.10%)	(2.59%)	1.26%	4.19%
Trailing 5Yr Annualized	(44.82%)	3.09%	(3.71%)	0.02%	5.16%

The best performing short position in the second quarter was Digimarc (DMRC). DMRC is a stock the Strategy has successfully shorted multiple times. As per our process, we track a series of stocks in our short company focus list and allocate capital when the risk-reward is attractive. DMRC has long promised to displace the traditional barcode with a digital watermark. While there are benefits to their solution, adoption of the product has not meaningfully advanced. Recently, the company has emphasized other labelling products that are meant to make recycling easier. This too has been long on promises and short on delivery. The company has burned cash for years and is expected to do so for years to come. A new CEO, who is a fund manager and investor in the company, has promised to improve results. So far, the lack of commercial acceptance has been a reality for this management team just as much as the previous one. Overall, we think companies that are burning cash are good potential shorts particularly when the economy is weakening and financial conditions are tightening. After the stock depreciated and reached what we think is a reasonable level, we exited the position.

The second best short in the quarter was CONMED (CNMD). The company has grown through acquisitions and operates in an orthopedic surgery product market where they compete against significantly larger enterprises. This is the type of set up that we look for in shorts where the risk of rising competition looms. We saw just that in one of the company's key products, Buffalo Filter, with more commercial effort being exerted by Stryker to participate in this healthy market. In another division, AirSeal, we believed the opportunity for further gains has shrunk due to the company's own success. With a relatively high valuation at the time, we shorted the stock in anticipation of competitive concerns as well as the overall de-rating of stocks that we observed across growth sectors like healthcare. However, as the stock declined to what we estimate is a reasonable level, we exited our short position.

The largest detractor in the short portfolio during the second quarter was America's Car-Mart (CRMT). CRMT sells used cars to low income subprime consumers. Used car prices rose as much as 40% during the pandemic, which was the extraordinary outcome of a confluence of factors that are now unwinding, making a 30% decline likely.[20] Of course, used car prices typically fall every year as cars depreciate. New car production was held back during the pandemic by the global supply chain disruptions. Initial Chinese lockdowns kept certain car parts from being readily available, a challenge that continues to recur. Chips were in short supply both from lockdowns and booming demand for a wide range of durable goods and other technology products. Now, auto supply is expected to recover

[20] Used Car Prices – Will They Crash? KPMG, 12, 2021

and looks like a bright spot for manufacturing activity even as the economy slows. Credit standards loosened significantly during the pandemic, and we believe consumers will struggle to qualify for similar loans as job losses rise, real incomes fall (i.e. wages rising slower than inflation), and lenders are forced to be more cautious.[21] To date CRMT has not seen any slowdown in its business nor weakening in its losses on car loans. We think both factors will work against the stock and send it lower. Already signs are growing that a credit cycle is turning against CRMT with subprime delinquencies rising along with car repossession rates.[22]

Exhibit 1. An unprecedented leap in the used-car index in mid-2021
New- and used-vehicle indices (U.S.), 1990-2021

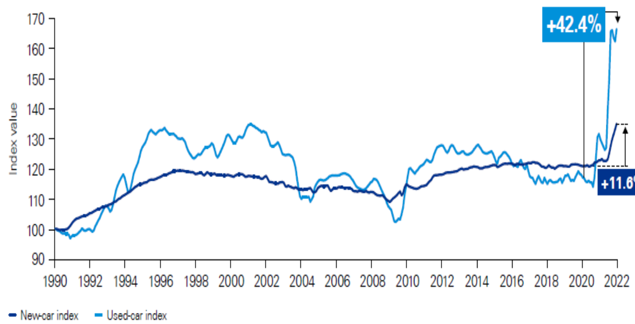
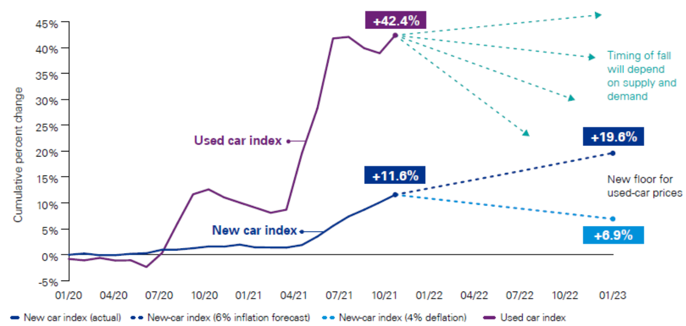


Exhibit 8. Used car prices will ultimately converge with new car prices
Cumulative percent change in new and used vehicle indices, Jan 2020 to Dec 2022 (forecast)

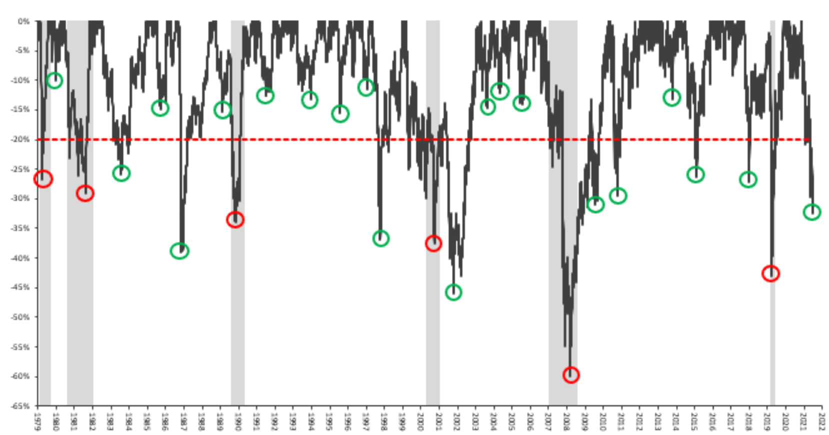


Source: Used Car Prices – Will They Crash? KPMG, 12, 2021

OUTLOOK

With bear markets underway, the key debate moves to the magnitude and length of the downturn. For the Russell 2000, drawdowns without a recession have averaged -23% while those declines averaged -38% during the six recessions since the inception of the index in 1979. For the S&P 500, those same figures are -20% and -33%, respectively. At the June 2022 low, the Russell drawdown was -32.5%, fairly close to the recession level average. The S&P peak drawdown was -23.6% in June, so we feel there is likely further to go as the recession unfolds. Of course, these are averages and there are periods when the declines for each index were greater, but the historical examples suggest that the selloff in small caps has progressed meaningfully on both an absolute and relative basis.

Russell 2000 Drawdowns (Using daily closing prices) from Prior Peak (Bear Market -20% Red - - - Line)
Green Circles Without Recessions and Red Circles With Recessions
Gray Bars Denote Recessions



Source: Stifel, Roubaix Capital, LLC as of June 30, 2022

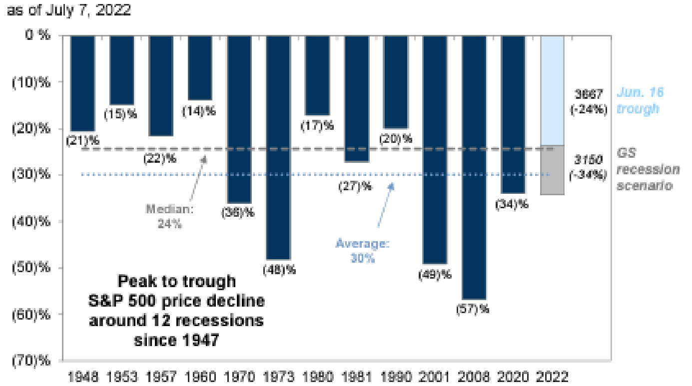
[21] Auto Credit Availability Begins to Tighten in May, Cox Automotive, June 10, 2022
[22] Car Repos Are Exploding. That's a Bad Omen, Barron's, July 8, 2022

In terms of corporate profits, a typical recession has historically driven a 15% decline in S&P 500 earnings. With estimates still calling for mid-single digit earnings growth in 2022 and 2023, there is room for profit expectations to fall. We believe negative earnings revisions will gain momentum during the imminent second quarter earnings season as the main challenge has shifted from supply chain costs to demand weakness. Companies may update their full year outlooks, and with the increasingly difficult backdrop, more companies than usual should guide lower. Given the reluctance to be cautious so far, we could see a scenario where both Q2 and Q3 earnings seasons require an adjustment to the reality of this phase of the business cycle.

Exhibit 7: Sales, margins, and EPS during historical recessions
as of July 7, 2022; sales and margin declines based on EPS peak and trough

		Peak to trough decline		
	Recession length	S&P 500	ex. Financials, Utilities	
Recession	(quarters)	LTM EPS growth	Sales growth	Margin change
1970	4	(8)%	5 %	(83)bp
1974	5	(13)	7	(110)
1980	2	(3)	6	(51)
1981	5	(13)	(2)	(71)
1990	2	(20)	9	(174)
2001	3	(23)	(7)	(177)
2008	6	(45)	(2)	(153)
2020	2	(14)	(3)	(99)
Median	4	(14)%	2 %	(105)bp
2023 recession scenario	**4**	**(11)**	**(0)**	**(126)**
2023 baseline	**0**	**6**	**4**	**3**

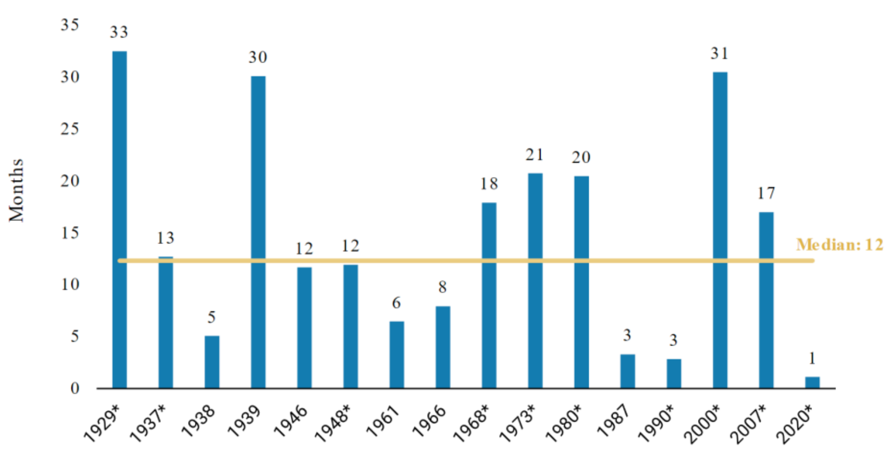
Exhibit 6: Decline in recession scenario would be slightly more severe than average
as of July 7, 2022



Source: US Weekly Kickstart – Slowdown or Recession, GS, July 8, 2022

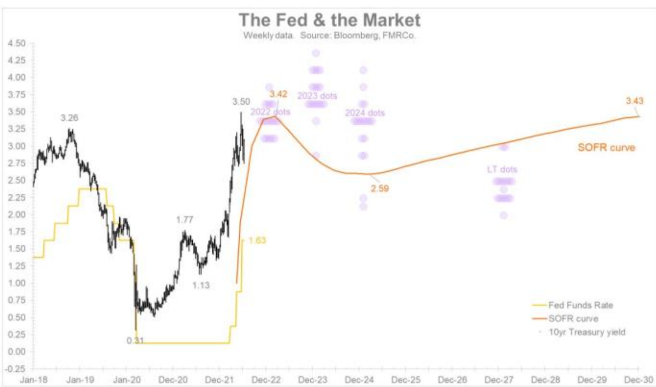
Historically, markets have declined for about one year from peak to trough during a recession. The S&P 500 peaked in December 2021, suggesting to us that the market will could find a bottom sometime later this year or in the first half of next year. This would line up with weaker Q2 and Q3 earnings seasons forcing estimates lower. Of course, none of these guideposts are certain, but we think the case can be built for the next 3-6 months creating a cyclical bottom in profits and the markets and thereby set the stage for a more constructive outlook.

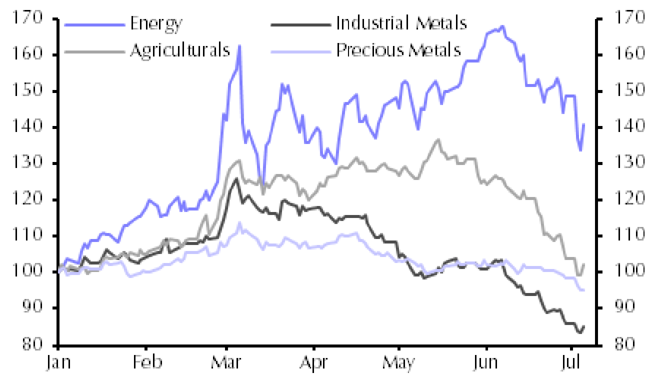
Duration of Bear Markets



Source: Strong Dollar Just Another Headwind for Earnings, Leaving Unfinished Business for the Bear, Morgan Stanley, July 11, 2022

As ever, there are conflicting pressures in the markets. The high rate of inflation that is pressuring global central banks into action may have already peaked. Commodity prices have recently fallen sharply, signalling relief is on the way for everything from copper to wheat to oil and gasoline. Market based expectations on longer term inflation have also retreated towards normal levels. U.S. 10 year treasury yields have followed suit, declining to ~3% in early July to ease the pressure on discount rates for stocks. The futures market is now expecting the Fed to cut rates by at least half of a percent in late 2023 as inflation falls and the economy slows. The market is already anxious to be more bullish when the Fed eventually ends its tightening cycle. With that in mind, we continue to identify unique longs and shorts for the current market as well as looking ahead to how the markets will look as we move through the rest of the year and into 2023 as the economic and corporate profit downturn play out.





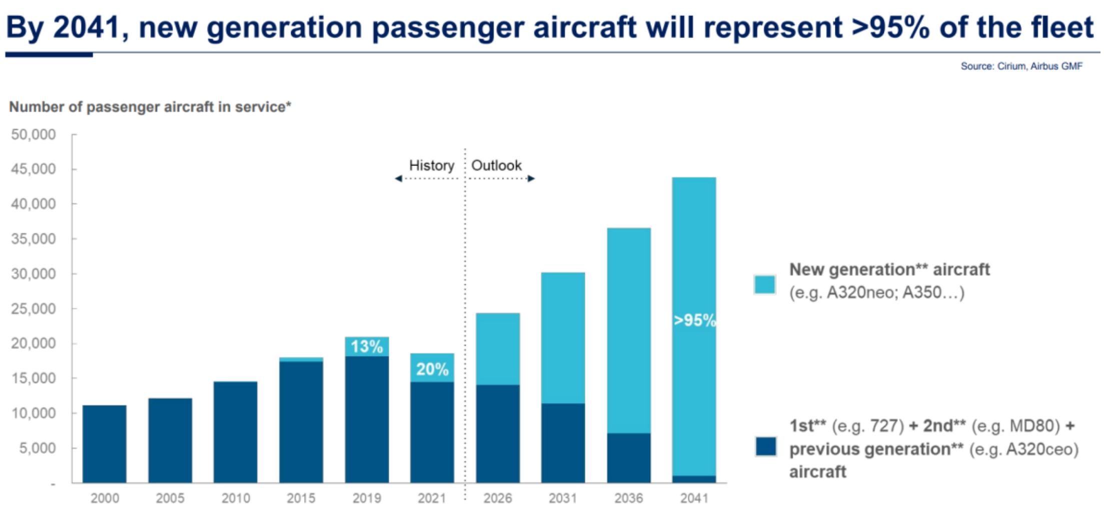
Source: Fidelity; Strong US Dollar to remain headwind for prices, Capital Economics, July 8, 2022

Looking at our long portfolio, we are focused on stocks that we believe can grow through and then beyond the current downturn. Since this is always our typical process, we can continue to use our focus list of stocks to repopulate the Strategy as necessary. Our largest position is currently Napco Security Technologies (NSSC). We have owned this stock at multiple times over the years and we now feel the prospects for the company are as strong as they have ever been. NSSC is benefitting from several drivers. First, they sell sophisticated security systems that increase school safety.[23] With state and local budgets in good shape and an ongoing emphasis on school safety, we think this piece of the business will grow nicely in the years ahead. Second, one of the company's strongest selling products is a wireless radio deployed into commercial buildings for communications to fire safety. With telecom carriers sunsetting 3G equipment, placements of Napco's radios have been growing rapidly to meet regulatory requirements. Third, Napco's model has been shifting towards high margin monthly recurring service revenue from low margin hardware sales. The initial goal was to reach $50 million in annual recurring service revenues and the company believes they are running ahead of schedule to reach $150 million by 2026. NSSC is on pace to grow 20% this year and mid to high teens next year. The company has demonstrated they can already deliver high margins at ~15% and we think meaningful improvement to 20%+ is likely as service revenue scales. The company has more than $1 in net cash on the balance sheet and a high level of insider ownership around 20%+. All these characteristics fit our process and are more relevant now as the market deals with fresh economic headwinds. With long run earnings potential of $3.00 we think the stock can meaningfully appreciate from the current level.

Another area where we anticipate improving trends is in commercial aerospace. This market has been depressed for years - first due to the accidents and subsequent grounding of the Boeing 737 MAX, and then by the collapse in air travel due to the pandemic. Both issues have been resolved, and airlines are now posting record profits on the

[23] School Shootings Drive Sales of Locking Systems and Alarms, WSJ, July 6, 2022

back of a full recovery in traffic and higher prices. As such, we expect the commercial aerospace industry to grow through the economic downturn as they ramp up production to work through a long backlog of delayed orders. Our largest position that benefits from this trend is Park Aerospace (PKE). They are a producer of light weight aerospace composites and their largest end market customer is Airbus, who is aggressively increasing production.[24] We believe PKE will earn around $0.50 this year and then grow at approximately 20% a year thereafter. PKE has earned high margins (22% EBIT) and we think they will build on this as revenue scale higher. PKE also has high insider ownership which we like to see as part of our evaluation of the fiduciaries. With over $5.00 in net cash on the balance sheet and with the company having returned more than $10/share in dividends since our initial investment, we expect the stock to eventually trade at a 20x P/E multiple (ex-cash) and appreciate meaningfully from the current price of ~$12.



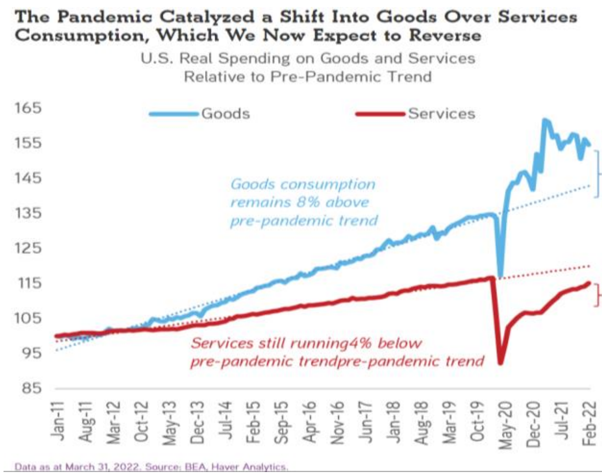
Source: Airbus Global Market Forecast, July 8, 2022

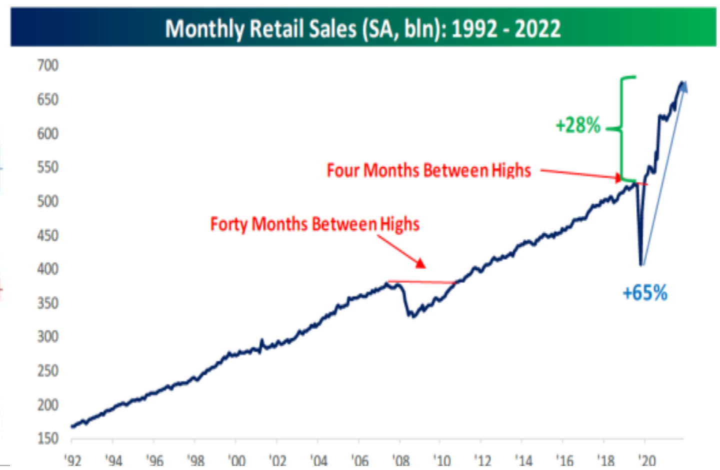
Our short book continues to be comprised of a series of what we feel are alpha generating short opportunities that are a mix of company specific, thematic and cyclical characteristics. With the free money era over, we continue to target the stocks of companies that consume large amounts of capital and have dubious business prospects. One example of this is Matterport (MTTR). The company came public via a SPAC which has been a good indicator of weaker fiduciaries that share overly optimistic forecasts to justify lofty valuations. In the case of MTTR, they have pitched their product as creating a digital twin as a way for companies to better understand their physical footprints and to create a parallel copy in the metaverse. While there are some practical uses for a 3-D image, such as their largest end market, real estate (which is entering a cyclical downturn), the applications beyond this are unclear. To date, the company has not gained material traction. Even bullish forecasts for the company do not anticipate profitability until 2025 and we think that will either be delayed materially or not happen at all as the company is required to invest more to prove out its business model to potential customers.

We also continue to believe the hangover from the pandemic driven consumption boom will have a difficult unwind. Too many companies allowed themselves to believe that the abnormally strong demand environment was normal. Consumers benefited from a multitude of tailwinds during the pandemic, including direct stimulus checks and reduced costs from less travel, commuting and broadly socializing outside of the home. This was augmented by rising asset prices across all markets, including equities, bonds, real estate and even crypto. As a result, we think

[24] Airbus Aims for 50% Increase in A320 Production by 2025, Simple Flying, May 5, 2022

the unwind of these demand drivers will be challenging to top line growth and margins for companies such as Canada Goose (GOOS), Guess (GES), Yeti (YETI) and Levi Strauss (LEVI). All these companies have given guidance for a good finish to 2022. These forecasts were trend following and now may meet the reality that the consumer's discretionary income is being squeezed by higher spending on necessities like food and energy. Further, with the economy outlook dragging asset prices lower, we see more headwinds to spending as the year unfolds. In addition to the basic headwind from a Covid hangover, we believe these short investments will face incremental pressures, including risky geographic exposure to Europe for LEVI and GES, and a higher risk to a slowdown from the mid to high end consumer coming into play for GOOS and YETI.





Source: Walk Don't Run: Mid Year Update 2022, KKR, June 16, 2022; Bespoke, June 15, 2022

We believe the market will continue to afford us more opportunities on the long and short side as the year progresses. The very fact that we are exiting the zero bound of interest rates, reversing quantitative easing, and raising interest rates at very rapid rate alone is a great challenge. Add to that the unwind from the pandemic beneficiaries, the collapse of overinflated asset prices, the spike in commodity prices, and a heighted level of geopolitical risk and social malaise, the market has quite a lot of issues to work through this year. For businesses, managing inflation is easier than managing decreased demand. We think an earnings decline is already underway and an economic recession will make this profit cycle even more severe. This time around, the Fed is tightening into a slowdown contributing to tighter financial conditions. This makes the chance of a policy error higher and continues the narrative of booms follows by busts enabled by extremes in monetary policy.

For the markets, the price action that has occurred year to date has done a meaningful amount of the work needed to get closer to a bottom, but we do think it will still take time for earnings expectations to align with reality. Also, most unwinds during tightening cycles have resulted in something breaking, and while certain speculative assets classes have been very weak, the sell-off to date has been relatively orderly. Therefore, we have conservatively positioned the portfolio for more potential downside volatility but are also optimistic that markets can begin another expansion cycle as the length and depth of the downturn becomes more apparent. As such, we believe our focus on small cap stocks will reward investors as they have a strong track record relative to large caps when exiting recessions.

Major Index Performance In The Rebounds Coming Out of Recent Recessions					
S&P 500 Trough	S&P 500 High W/in 12 Months Post Recession	S&P 500	Dow Jones Industrial Average	Nasdaq 100	Russell 2000
3/27/80	11/28/80	43.1	30.7	NA	71.3
8/12/82	6/22/83	66.9	60.3	NA	109.8
10/11/90	8/28/91	34.2	29.2	75.5	48.4
9/21/01	1/4/02	21.4	24.6	48.6	31.8
3/9/09	1/19/10	70.0	63.8	81.6	89.1
3/23/20	3/17/21	77.6	77.6	88.4	133.1
% of Times Outperformed the S&P 500			17%	100%	100%

Source: RBC US Equity Strategy, June 21, 2022

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 was composed of the Roubaix Fund, L.P. (“Roubaix Fund”) and another pooled investment vehicle from 2010 to February 29, 2020 and is presently composed of the Roubaix Fund and Roubaix Offshore Fund, Ltd. (“Offshore Fund”) since February 1, 2022. Accounts contained in the Composite are actively managed and characteristics may vary. Net performance for the typical investor reflects the deduction of 1.15% annual management fee, 15% annual incentive allocation and other expenses and includes gross dividends and other income reinvested in the portfolio. Net performance figures reflect 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.

v. Roubaix utilizes Novus for portfolio attribution. The Novus selection framework is an attribution decomposition, splitting a return stream into two components: Passive (i.e., Beta) and Active (i.e., Alpha). Passive is the sum of the Market and Category components, while Active is the sum of the Security and Trading components.

More frequent performance information is available upon request.

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