PROSPER

STARS & STRIPES

October 17, 2022

Dear Partners,

During the third quarter of 2022, Prosper Stars & Stripes generated a net return of +1.3% compared to losses of -2.2% for the long-only Russell 2000 Index (the "Russell")[i] and -0.1% 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 -12.0% compared to losses of -25.1% for the Russell and -4.8% 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 33.6% compared to a 43.3% average since inception in January 2010.

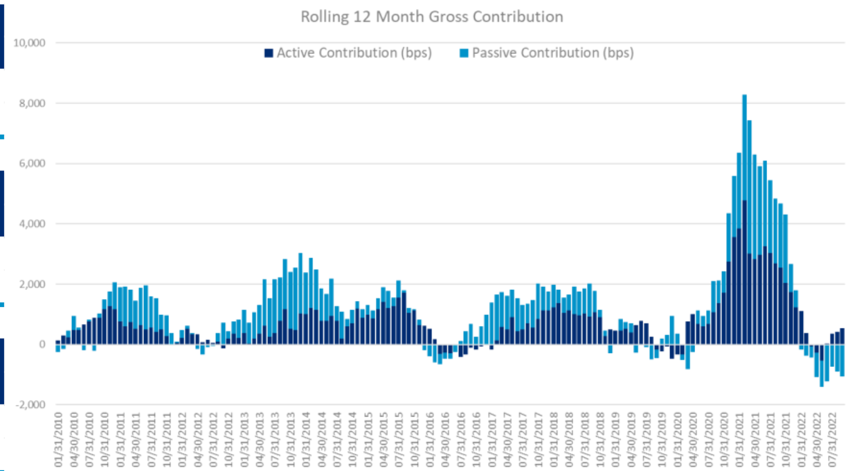
As of September 30, 2022	Roubaix Composite	Russell 2000 Index	HFRI Equity Hedge Index
Quarter to Date	1.59%	(2.19%)	(2.34%)
Year to Date	(10.57%)	(25.10%)	(13.81%)
Trailing 1 Year	(6.77%)	(23.50%)	(13.25%)
Trailing 3 Years	14.79%	4.29%	6.24%
Trailing 5 Years	10.38%	3.54%	4.37%
Trailing 10 Years	10.47%	8.55%	5.32%
Since Inception (1/1/2010)	9.75%	9.43%	4.68%
Standard Deviation	8.99%	19.35%	8.54%
Sharpe Ratio	1.02	0.53	0.51
Downside Deviation	4.57%	12.96%	5.85%
Sortino Ratio	2.02	0.8	0.75

The Composite performed strongly again in the third quarter, generating gross alpha on both sides of the portfolio during a volatile period. After what seemed like years of small cap underperformance, the Russell 2000 Index finally outperformed the S&P 500 Index during Q3, while growth also outperformed value overall. As we frequently discuss, our investment philosophy and process have a moderate bias to growth stocks on the long side and value stocks on the short side, which provided a tailwind to Q3 results. Within the quarter itself, it was a tale of two halves with initial enthusiasm about a potential U.S. Fed interest rate pivot driving strong July returns, while the appropriate reversal of this narrative drove similarly weak returns in September. The Composite was able to strongly outperform the market in July on the long side through more than 230 basis points of gross alpha generation, while the short book generated an alpha of more than 100 basis points during the September market reversal. On a trailing 12-month basis, the Composite's gross alpha generation once again surpassed 5%, firmly putting our 1Q22 struggles behind us.

	% Chg Q3 2022		
	Value	Core	Growth
Russell 2000	-4.6%	-2.3%	0.4%
S&P 500	-5.8%	-4.9%	-3.9%

	% Chg YTD 2022		
	Value	Core	Growth
Russell 2000	-21.3%	-24.9%	-29.1%
S&P 500	-16.5%	-23.9%	-30.4%

	% Chg vs. 52wk High		
	Value	Core	Growth
Russell 2000	-27.1%	-30.8%	-36.9%
S&P 500	-19.1%	-25.2%	-31.8%



Source: Novus, Roubaix Capital, LLC

We regularly compare our results to those of our peers, both our direct competitors in the U.S. long/short equity universe, as well as long-only mutual funds. We respect that our current and prospective clients have a multitude of options within their equity allocation, some of which look better or worse over short time periods depending on the point of the economic cycle. The longest expansion cycle in U.S. history that ended at the onset of the pandemic was challenging for hedged equity relative to long-only managers due to lower net exposure in a bull market. Two years later and we are now in the second economic downturn and sixth bear market in U.S. small cap stocks since our inception in 2010. Through these cycles, we would highlight that based on Morningstar data through September 2022, the Roubaix Composite's annualized return net of all fees, and reflecting an average net exposure of ~40%, would have been the top performing long-only mutual fund in the Morningstar small cap blend category on a trailing 5-year basis, the second best on a 3-year basis, and third best on a 1-year basis.[1] While past performance does not guarantee future results, the preceding table shows that Roubaix continued to deliver its mandate to investors of an equity like net return over the investment cycle with substantially lower volatility than the market and stronger absolute returns than our hedge fund peer group.

ECONOMY & MARKETS

Asset Class	Index	1Q22	2Q22	Jul22	Aug22	Sep22	3Q22	YTD	vs. 52wk High
Small Cap	Russell 2000 Growth	-12.7%	-19.2%	11.3%	-0.9%	-9.0%	0.4%	-29.1%	-36.9%
	Russell 2000	-7.5%	-17.3%	10.6%	-2.0%	-9.7%	-2.1%	-25.1%	-32.0%
	Russell 2000 Value	-2.5%	-15.3%	9.6%	-3.1%	-10.3%	-4.6%	-21.3%	-27.1%
Large Cap	S&P 500 Growth	-8.5%	-20.8%	12.8%	-5.4%	-10.0%	-3.9%	-30.4%	-31.8%
	S&P 500	-4.6%	-16.1%	9.2%	-4.1%	-9.2%	-4.9%	-23.9%	-25.2%
	S&P 500 Value	-0.2%	-11.3%	5.9%	-2.8%	-8.4%	-5.8%	-16.5%	-19.1%
Bonds	U.S. High Yield	-4.7%	-9.5%	6.7%	-4.3%	-3.7%	-1.7%	-15.3%	-18.4%
	U.S. Aggregate	-5.8%	-4.6%	2.5%	-3.0%	-4.1%	-4.7%	-14.4%	-16.5%
	U.S. Treasury	-6.5%	-3.7%	1.6%	-2.6%	-3.4%	-4.4%	-13.9%	-14.9%
Blend	60% S&P 500 / 40% Agg	-5.1%	-11.5%	6.5%	-3.7%	-7.2%	-4.8%	-20.1%	-21.7%

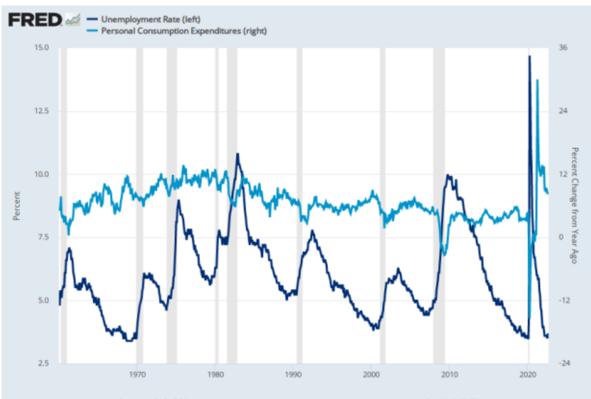
Russell 2000 Index Sectors	Weight	1Q22	2Q22	Jul22	Aug22	Sep22	3Q22	YTD	vs. 52wk High
Energy	6.1%	42.1%	-12.5%	12.4%	5.7%	-12.4%	4.1%	29.5%	-24.7%
Utilities	3.4%	3.2%	-3.9%	4.9%	-1.8%	-10.3%	-7.6%	-8.4%	-15.4%
Consumer Staples	3.4%	-7.2%	-3.0%	3.5%	0.3%	-11.1%	-7.7%	-16.9%	-17.5%
Financials	17.2%	-6.9%	-12.3%	9.1%	-2.9%	-7.6%	-2.2%	-20.2%	-23.9%
Materials	4.0%	-1.3%	-17.5%	8.7%	-0.5%	-12.5%	-5.3%	-22.9%	-27.7%
Industrials	14.8%	-5.9%	-16.0%	13.2%	-3.9%	-11.0%	-3.2%	-23.5%	-28.3%
Health Care	18.8%	-14.3%	-18.7%	10.1%	1.9%	-5.0%	6.5%	-25.8%	-37.1%
Real Estate	6.3%	-4.7%	-19.9%	8.9%	-7.0%	-13.5%	-12.4%	-33.2%	-33.6%
Consumer Discretionary	10.2%	-17.2%	-21.2%	13.3%	-2.4%	-11.1%	-1.6%	-35.8%	-41.7%
Information Technology	12.8%	-13.8%	-21.7%	11.3%	-4.8%	-9.9%	-4.5%	-35.5%	-40.5%
Communication Services	2.7%	-6.7%	-27.3%	6.8%	-4.2%	-13.1%	-11.0%	-39.6%	-50.3%
Russell 2000 Index (IWM)	100.0%	-7.5%	-16.8%	10.3%	-2.0%	-9.6%	-2.3%	-24.9%	-30.8%

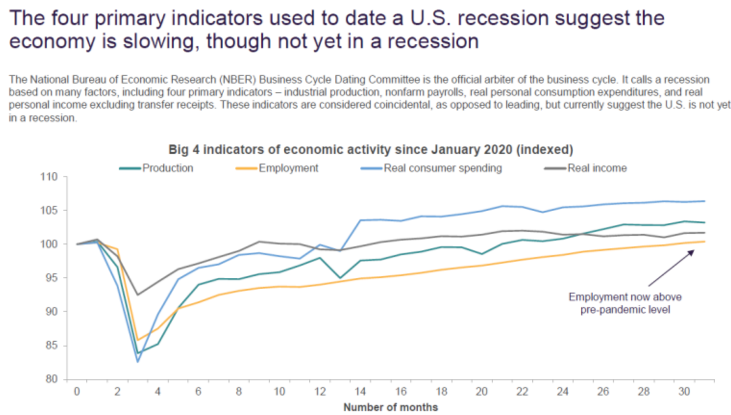
Source: Novus, Sentieo, Roubaix Capital, LLC

Markets were turbulent during the 3rd quarter as the investing backdrop created headwinds for asset prices. A contraction in GDP that began in the beginning of the year continued into the second quarter. GDP declines of this

[1] Source: Morningstar; Regulation of mutual funds registered under the Investment Company Act of 1940 provides certain protections for investors that are not received by private fund investors.

nature have historically been associated with a down cycle, driving debate about whether the economy had already entered a recession.[2] However, negative GDP is not enough to meet the definition of recession, which is more broadly based. Economic factors including changes in employment and consumer spending both indicate the expansion continued. The economy's resilience in the face of soaring inflation, rapid interest rate increases, and extreme pessimism from consumers was impressive. In fact, the job market went through the quarter with the unemployment rate at exceptionally low levels.

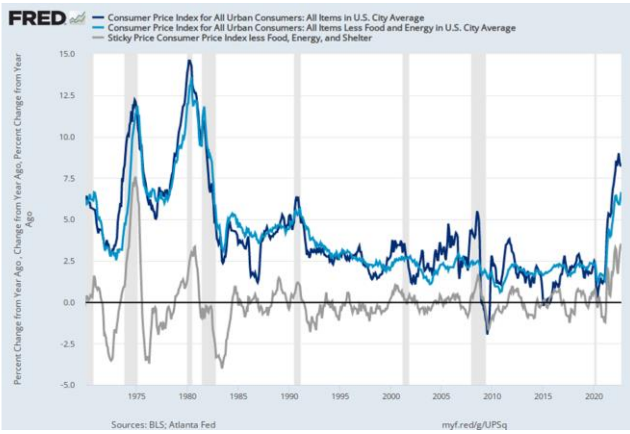




Source: Federal Reserve Bank of St. Louis; Truist Market Navigator, October 4, 2022

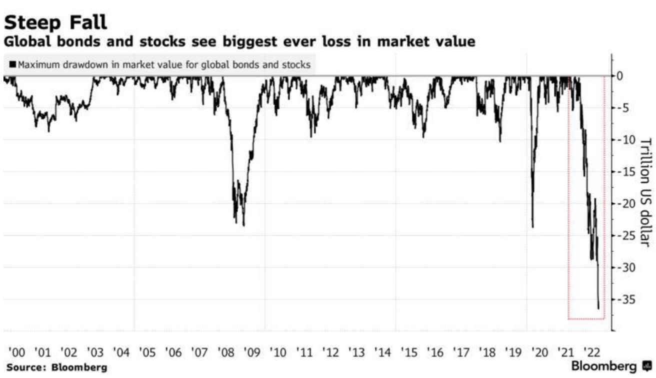
Inflation has been the big story of 2022. The rate of inflation took off at end of 2021 and accelerated during 2022. The argument that early signs of increasing inflation was 'transitory' became an albatross for the central bank. With it, the long bull market in bonds dating back to the early 1980s ended abruptly. Persistently low inflation and ever lower bond yields had enabled global central banks to pursue aggressive monetary policies to fend off every crisis and economic downturn, including the pandemic, without severe consequences. However, the pace and magnitude of global inflation in 2022 ended this era of low rates with no punishment. Central banks around the world have not only been forced to end prior accommodative policies, but to enact extremely restrictive policy to avoid inflation becoming endemic as it did in the 1980s. Policy makers have indicated that while a recession can be difficult in near term, it has lower costs than higher inflation over the long term. Federal Reserve Chairman Powell phrased it this way, "the changes of a soft landing are likely to diminish, no one knows whether this process will lead to a recession, or, if so, how significant that recession would be."[3]

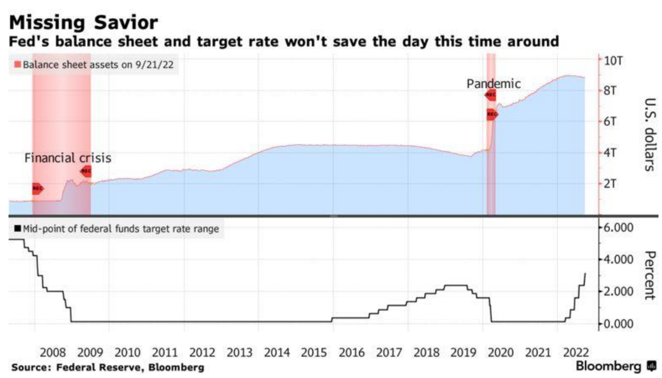
[2] US Economy Shrank in the First Half of 2022, Updated GDP Confirms, MarketWatch, September 29, 2022
[3] Federal Reserve Chair Jerome Powell Says Inflation Fight May Cause a Recession, PBS, September 22, 2022



Source: Federal Reserve Bank of St. Louis; chartr.co, Inflation: How Have Prices Changed in the US Since 2020?, October 14, 2022

With this as a backdrop all asset classes came under increasing pressure during the third quarter. Stocks and bonds have both had significant year-to-date losses. The losses were historically large in both absolute dollars and on a percentage basis. This is not all that surprising as the era of zero percent interest rates and negative yielding bonds[4] drove an abrupt and massive shift in the basic framework for capital markets. Outside of the energy sector, which was buoyed by supply disruptions from the war in Ukraine, investors faced ~15%+ year-to-date losses across large caps, small caps, growth, value, high yield, and government bonds alike. For equities, the broad selloff that began in high multiple stocks earlier this year due to higher discount rates has spread to include declines in cyclical stocks as the likelihood of a recession appeared to increase.





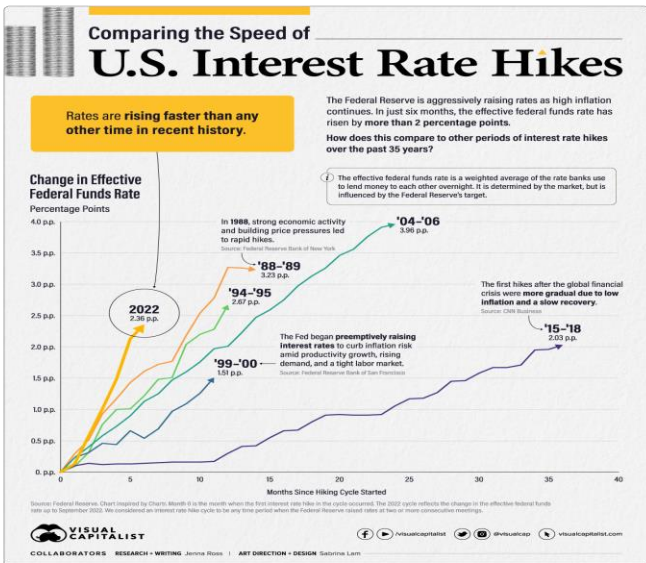
Source: Raging Markets Selloff in Five Charts, Bloomberg, October 1, 2022

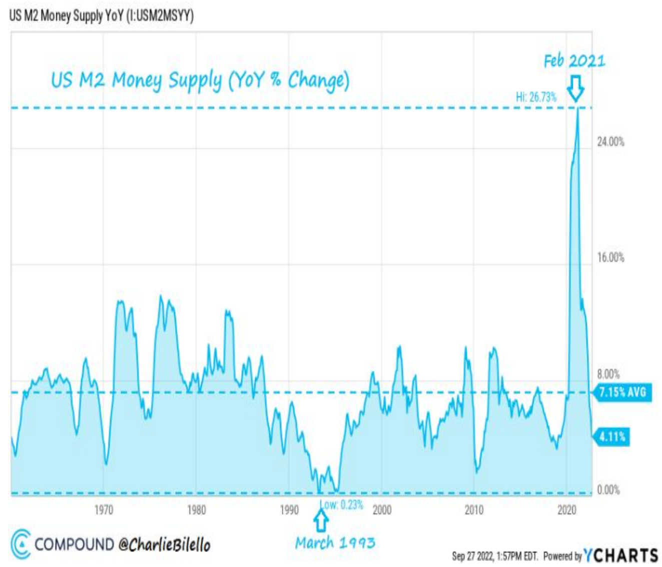
With markets weak during the quarter and the year, investors have looked for reasons for optimism. One area of constant attention is whether the central bank will pause or pivot in its move to raise rates to fight inflation. At some point, we believe this narrative will take over. High frequency data points are already building a case for disinflation. However, recent data on key drivers of inflation such as wages, shelter and other 'sticky' measures remain at or near highs. This kept the Fed resolutely focused on reducing inflation in the third quarter, even at the expense of the other side of its dual mandate – full employment. Fed Chairman Jerome Powell used the weight of the Jackson Hole Symposium in August to make this point with maximum clarity. The speech was unusually short and blunt to leave less room for market interpretation. The key points of his speech have since been consistently repeated by all other Fed officials to leave little doubt that the current policy framework is to tighten enough to reduce demand, even if it causes a recession:

[4] Eurozone's Negative Yielding Debt Pile Has Almost Disappeared, Reuters, October 3, 2022

> *"Restoring price stability will take some time and requires using our tools forcefully to bring demand and supply into better balance. Reducing inflation is likely to require a sustained period of below-trend growth. Moreover, there will very likely be some softening of labor market conditions. While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses. These are the unfortunate costs of reducing inflation. But a failure to restore price stability would mean far greater pain.[5]"*

The result is that the current tightening cycle is now the fastest in history, and, as expected, money supply growth has turned negative. This is also occurring while the U.S. Fed and other central banks shift away from the quantitative easing policies of the Great Financial Crisis of 2008 to quantitative tightening. As a result, we have the concerning set up of a synchronized global tightening cycle into the beginning of a recession.

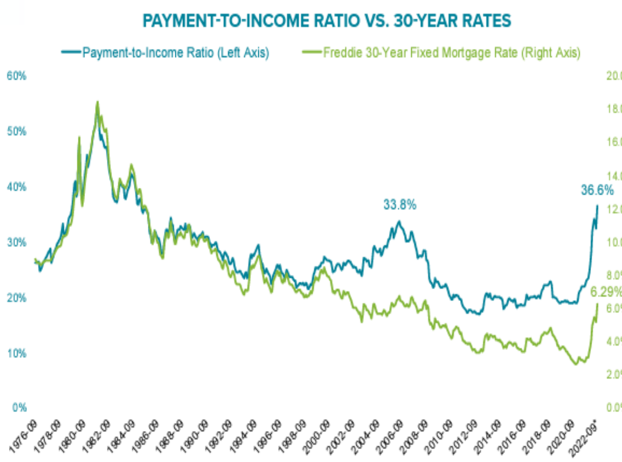


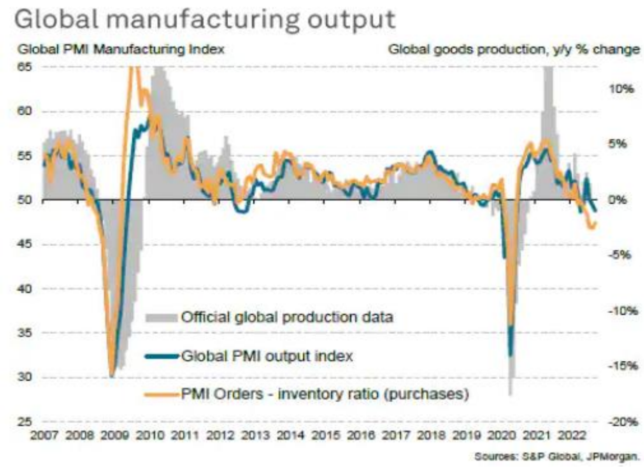


Source: Visual Capitalist, October 6, 2022; Compound Advisors, October 6, 2022

The impact of the rate hikes and tighter policy has already had certain impacts on the economy. One clear example is housing. Ever lower mortgage rates due to a zero interest rate policy combined with the pandemic driven surge in demand to flee urban areas and work from home. The resulting spike in housing prices is now facing a requisite increase in mortgage rates, driving affordability to a lower level than during the financial crisis. Other cyclical areas of the economy are also showing weakness. Demand for durable goods continued to weaken in the third quarter as the pandemic induced boom shifted to a pandemic hangover. Manufacturing data also weakened consistently, setting a negative tone as demand softens and supply chains improve. What all this implies is that the economy is entering a cyclical downturn while policy is squarely focused on fighting inflation to the detriment of growth.

[5] Monetary and Price Stability, Jerome Powell, Board of Governors of the Federal Reserve System, August 26, 2022





Source: Black Knight, August Mortgage Monitor, October 3, 2022; S&P Global, Global Manufacturing Falls Into Contraction, October 4, 2022

LONG POSITION HIGHLIGHTS[6]

As of September 30, 2022	Roubaix Fund Composite – Gross Long Book Average Daily Exposure	Rate of Return	Total Contribution	Active Contribution(v)	Russell 2000 Total Return Index
Quarter to Date	80.49%	(0.53%)	0.18%	1.59%	(2.19%)
Year to Date	85.70%	(25.40%)	(24.50%)	(0.66%)	(25.10%)
Trailing 3Yr Annualized	90.15%	17.76%	22.36%	14.06%	4.29%

The largest contributor to third quarter long performance was Napco Security Technologies (NSSC), a security hardware company that is transitioning to a high-margin subscription model. We have successfully invested with NSSC several times over the past five years and remain invested as of the date of this letter because the outlook and the evolution of the business model creates a compelling risk/reward profile even after the stock's recent appreciation. First, state and local budgets are strong and school safety remains a high priority for public and private education. NSSC is a leader in networked school safety systems and should continue to see strong order growth for the foreseeable future. Secondly, the sunsetting of legacy 3G wireless infrastructure is driving an upgrade cycle for wireless fire radios in commercial buildings. One of NSSC's bestselling products addresses this need. Overall, NSSC has found tremendous success in shifting towards higher margin monthly recurring service revenues. Initially, the company's goal was to reach $50 million in annual recurring service revenues, and they delivered. The target has now increased to $150 million by 2026.[7] The combination of an improving mix and the benefits of scale in the hardware business underscore a high rate of margin improvement. NSSC has more than $1 in net cash per share 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 still meaningfully appreciate from the current level.

[6] Data reflects gross performance; net performance for the Composite can be found in the table on page 1 of this letter
[7] Q4 2022 NAPCO Security Technologies Inc Earnings Call, August 29, 2022

The second largest long contributor to third quarter performance was restaurant chain Kura Sushi (KRUS). We sold out of our original KRUS investment in late 2021 as the share price reached to our $80 price target from our initial buy at ~$12. We initiated a new position in KRUS when shares fell ~50% from that level by late January 2022. The stock more than doubled again to a new high just short of $100 in August, a level at which we once again exited our position. The company has a small footprint of just 38 sushi restaurants relative to the potential for at least 10x more locations over time. The sushi market is fragmented with most competitors run by 'moms & pops.' This gives KRUS a unique opportunity to bring best practices, scale, and a fresh concept to grow revenues for the next decade. They offer quality food at an affordable price with a unique experience. The food is delivered via a conveyor belt and plates are returned by the patrons in a gamified way which reduces the need for increasingly high-cost staff. KRUS has already shown the ability to deliver excellent margins at the restaurant level, and scale from more locations and continued strong same store sales will build on this over time. We regard KRUS as one of the best plays on consumer spending and will wait to see if the market offers us another opportunity to reinvest at an attractive risk/reward level.

The largest detractor in the long portfolio during the third quarter was Certara (CERT). Certara is a leader in the bio-simulation market. Their product is used by major healthcare companies to increase the odds of identifying and progressing drugs. With drug development and trial expenses running into the billions, the cost of failure is extremely high. Of course, the benefits of success are even greater. This makes CERT a key enabler of life aiding and lifesaving drug development. Another reasons we are optimistic on CERT is the FDA is a customer. This signifies that CERT has become a standard not just for the drug companies themselves, but for the regulator seeking a more efficient means to evaluate and approve new therapies based on a consistent methodology. The stock price has underperformed recently for several reasons. CERT carries a high multiple relative to the market, and high multiple stocks have seen consistent pressure this year as interest rates and risk premiums have risen. Another area of concern is that as financial conditions tighten, smaller drug development companies may have less access to capital to fund growth. CERT also reported softer second quarter results largely due to timing issues, but this can be difficult to prove until forthcoming results Q3 confirm it. Lastly, CERT still has a high level of sponsor ownership, creating a share supply overhang on the stock. We have chosen to retain a position in CERT and believe the stock's 20%+ sales growth potential combined with robust 30% operating margins in a nascent industry are now very attractive at a valuation of 23x 2023 expected earnings.

SHORT POSITION HIGHLIGHTS[8]

	Roubaix Fund Composite – Gross Short Book				Russell 2000 Total Return Index
As of September 30, 2022	Average Daily Exposure	Rate of Return	Gross Contribution	Active Contribution	
Quarter to Date	(40.87%)	(4.75%)	1.72%	0.54%	(2.19%)
Year to Date	(44.16%)	(31.79%)	14.65%	2.26%	(25.10%)
Trailing 3Yr Annualized	(44.62%)	(3.33%)	0.51%	2.93%	4.29%

The best-performing short position in the third quarter was Traeger (COOK), the wood pellet grills manufacturer. The company came public towards the end of the consumer spending boom for home related products. Demand was high as interest rates were low, the economy was growing, consumers were investing in at home experiences

[8] Data reflects gross performance; net performance for the Composite can be found in the table on page 1 of this letter

and had stimulus checks to spend. The company pitched the market on share gains from competing propane grills in an overall growing category. We thought growth was likely to disappoint in a post-c=Covid world as the demand boom shifted back to normal for long duration products like grills. We were also skeptical that industry leader Weber came public around the same time to also try and capture a high valuation and positive investor sentiment. Finally, we identified COOK's weak financial structure as it carries a meaningful amount of debt. As we expected, results at COOK (and the industry) have slowed materially. With it margins have compressed as the rush to meet demand resulted in a bull whip effect where higher inventories meet less demand. With the stock falling sharply to our bearish targets, we exited the short position but continue to identify other companies that we believe have room to decline on similar drivers.

The second best short in the quarter was Opendoor Technologies (OPEN), an iBuyer of residential real estate. We have shorted this stock several times during the year to express bearishness on the U.S. housing market. The company was formed a few years ago and their business model is basically to flip homes. As mortgage rates spiked and housing affordability hit all-time lows, we believed the company would have poor prospects. The stock rapidly declined after we shorted it for a third time during Q3 and we once again took our gains. With mortgage rates continuing to rise the stock has fallen further. The company's leadership has also become unusually combative with critics posting frequent remarks on social media and getting into a heated exchange with a host on CNBC[9]. We will continue to monitor OPEN to see if it again presents an attractive risk/reward opportunity but believe the investment has become a special situation with extreme volatility and high short interest where the stock can disconnect from fundamentals. Thus, we believe our time is better spent elsewhere to identify additional short candidates in the broader housing complex.

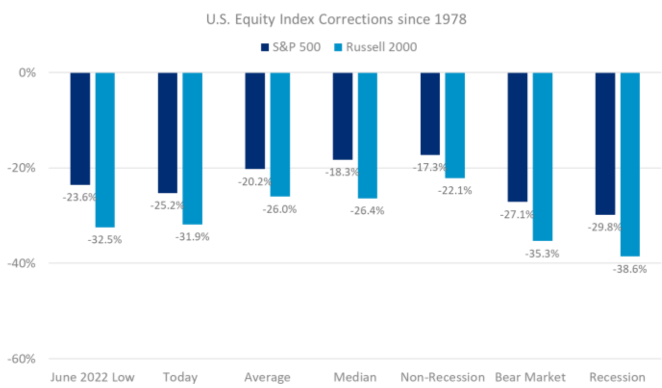
The largest detractor in the short portfolio during the third quarter was SmileDirectClub (SDC), one of the leaders in 'invisible' braces. Following a period of strong sales growth, we expected momentum to slow and eventually reverse. We also anticipated worsening profitability and perhaps the need to raise funds. The share price traded against us after reporting Q2 results that we viewed as supportive of our thesis. The company meaningfully missed analyst estimates for both sales and profits, and their outlook was reduced by an even larger amount. While the stock traded off initially, it quickly recovered and then surged. This was part of a broader move in the market at a time where short squeezes once again took priority over fundamentals. We exited the stock due to our stop-loss discipline, and the stock has subsequently resumed its decline. While we are disappointed to not have monetized our fundamental views on the stock, we do believe it is important to respect our risk management parameters.

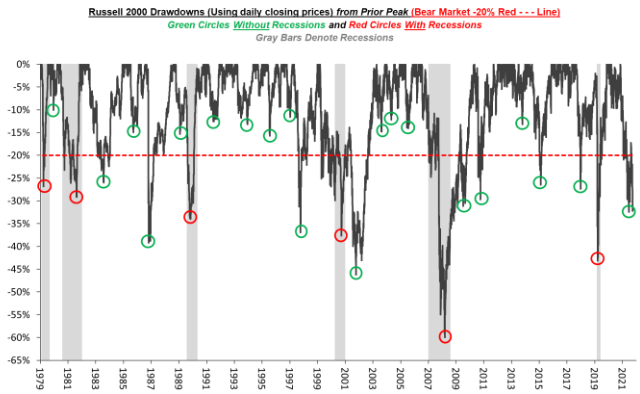
OUTLOOK

The clear question for the markets today revolves around the eventual magnitude and duration of the bear market. While no two cycles are exactly alike, we can begin to observe the key drivers of the current market in historical context. Market corrections for the Russell 2000 Index since its inception in 1978 have seen an average drawdown of -26%, with a -22% decline in non-recessionary periods and -39% during recessions. The S&P 500 has fared better in the same timeframe with an average correction of -20%, a non-recessionary decline of 17%, and a recession loss of -30%. While averages are just that, we feel there is further downside for the S&P 500 and Russell 2000 in a recessionary scenario. In addition to overtly tighter monetary policy to combat inflation, we should also be exiting a period characterized by excess, symbolized by the 2021 boom in IPOs, SPACs, meme stocks, housing, durable goods and risk assets, all supported by excessive policy support. This means the possibility of a severe bear market

[9] CNBC Tech Check, September 23, 2022

such as the one that occurred in 2008 cannot be ruled out, when the Russell 2000 and S&P 500 both experienced a drawdown of almost 60%.





Source: Stifel Equity Strategy, Sentieo, Roubaix Capital, LLC as of September 30, 2022

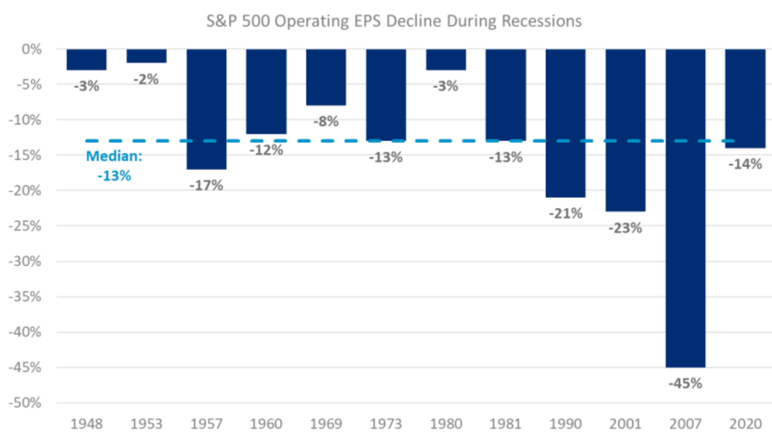
Continuing the top-down approach to evaluate the outlook for markets, earnings growth is always a key driver of stock prices. Growth remained strong through the first half of 2022, but estimates weakened through the third quarter, particularly when excluding an atypical spike in energy sector profits. The U.S. economy has not had a classic earnings cycle for some time, as the last two market cycles were instead defined by crises. The pandemic in 2020 resulted in the most extreme monetary and fiscal policy reaction since WWII. The housing and financial crisis in 2007/2008 was a systemic risk event and fears of a repeat of the Great Depression similarly drove an extreme monetary policy response. In fact, then Fed chairman Ben Bernanke recently won the Nobel Prize for economics for this practical application of a novel monetary policy technique - quantitative easing. The WSJ Editorial Board summarized the irony of this award with the context for the current situation:

> *"Suppressing interest rates to historic lows and flooding the economy with bank reserves via quantitative easing distorted markets for every form of credit in ways economists still don't understand – and then the Fed did the same only more so when the pandemic hit in 2020. The long-term effects on financial stability are only now coming into view as Chairman Jerome Powell's Fed fights the inflation it helped to ignite.[10]"*

This means that investors and corporations must manage through this economic and profit downcycle without policy support. Looking at past profit cycles, the median historical decline in S&P 500 earnings is 13%. With trailing S&P 500 earnings likely to peak around $220/share this year, this would imply trough earnings of roughly $190/share in a recession scenario, compared to a current 2023 bottom-up EPS estimate of $241/share. We think the market must lower expectations for 2023 results given the building evidence of a slowdown from so many factors. These include the Fed's stated goal to decrease demand through monetary policy, the inverted yield curve, food and energy price spikes, recessionary conditions in Europe, weakening manufacturing surveys, a very weak US housing outlook, the strong U.S. dollar, China's ongoing zero Covid policy and property crisis, and the brewing U.S.-China trade war's potential effects on leading edge technology production. We believe this will become apparent to the market by early next year as Q4 earnings results are reported and companies provide their first 2023 outlook. We can anticipate this shift as CEOs are already uniformly preparing for a recession. The KPMG CEO Outlook taken

[10] Ben Bernanke Wins a Nobel, in Theory, WSJ, October 10, 2022.

from a survey of 1,325 global CEOs shows an astounding 86% anticipate a recession.[11] 71% of these executives expect a recession will impact earnings by up to 10%, very close to what the historical cycles imply. With interest rates and equity risk premiums rising there is a downward bias on market multiples. Applying a multiple in the mid to high teens then implies a downside of 10-30% for U.S. equities in an average recession next year.



S&P 500 Trailing 12 Month EPS Contraction

P/E Multiple	-30%	-25%	-20%	-15%	-10%	-5%	0%
	154	**165**	**176**	**187**	**198**	**209**	**220**
10x	1,540	1,650	1,760	1,870	1,980	2,090	2,200
12x	1,848	1,980	2,112	2,244	2,376	2,508	2,640
14x	2,156	2,310	**2,464**	**2,618**	**2,772**	2,926	3,080
16x	2,464	2,640	**2,816**	**2,992**	**3,168**	3,344	3,520
18x	2,772	2,970	3,168	3,366	3,564	3,762	3,960
20x	3,080	3,300	3,520	3,740	3,960	4,180	4,400

S&P 500 2022E EPS

P/E Multiple	154	165	176	187	198	209	220
10x	-57%	-54%	-51%	-48%	-45%	-42%	-39%
12x	-49%	-45%	-41%	-38%	-34%	-30%	-27%
14x	-40%	-36%	**-32%**	**-27%**	**-23%**	-19%	-14%
16x	-32%	-27%	**-22%**	**-17%**	**-12%**	-7%	-2%
18x	-23%	-17%	-12%	-6%	-1%	5%	10%
20x	-14%	-8%	-2%	4%	10%	16%	22%

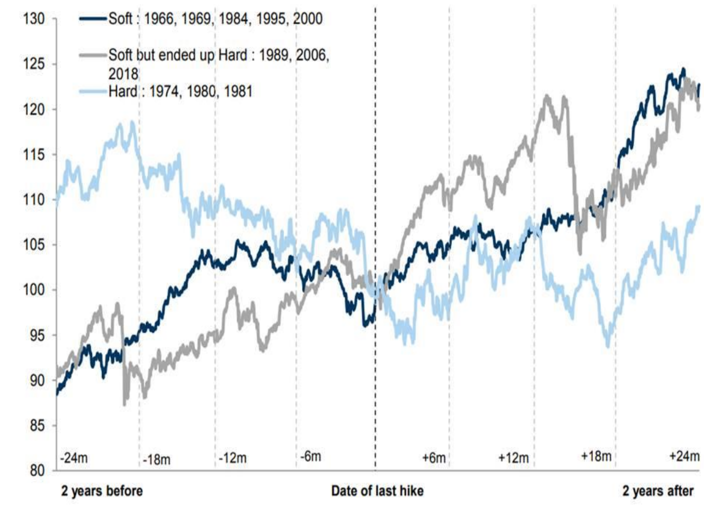
Source: Factset, Roubaix Capital, LLC

The next parameter to evaluate is the timing of such a potential market bottom. The earnings cadence discussed above suggests the market likely needs to wait until Q4 earnings results before 2023 estimates are revised appropriately lower. Another benchmark is to look at past bear markets and recessions. On average, bear markets with a recession have lasted 16 months. Of course, each recession is different. Using January 2022 as the starting point for the current bear market would forecast a bear market trough by mid-2023. Next, monetary policy historically works with a lag, so the impact of this year's significant rate hikes is also likely to be more strongly felt as the economy moves into 2023. The inverted yield curves are another signal. Of these measures the strongest is when the inversion reverses, which will only come with a shift in central bank policy. With the Fed still hiking, it will take time for the narrative to shift from fighting inflation to fighting unacceptably low growth and high job losses. The market is currently pricing in at least two more sizeable rate hikes this year, so we think the Fed would appear unlikely to pivot until its February 1 rate decision at the earliest. Taken together, we think the market could bottom sometime in the first half of 2023 before the next expansion cycle.

[11] KMPG 2022 CEO Outlook, [KPMG](). [The Conference Board]() on October 13, 2022 published a similar survey with nearly identical findings. Their survey of 136 CEOs found 98% were preparing for a US recession and 99% for a EU recession.

S&P 500 Bear Markets (defined by 20% Peak to Trough Decline): 1929 - Present						
Bear Market Period	Length of Bear Market (Months)	NBER Recession	Length of Recession (Months)	S&P Start	S&P End	% Change
Jan 2022 to Oct 2022	9	?		4819	3568	-26%
Feb 2020 to Mar 2020	1	Feb 2020 to Apr 2020	2	3394	2192	-35%
Sep 2018 to Dec 2018	3			2941	2347	-20%
May 2011 to Oct 2011	5			1371	1075	-22%
Oct 2007 to Mar 2009	17	Dec 2007 to Jun 2009	18	1576	667	-58%
Mar 2000 to Oct 2002	31	Mar 2001 to Nov 2001	8	1553	769	-51%
Jul 1998 to Oct 1998	3			1191	923	-22%
Jul 1990 to Oct 1990	3	Jul 1990 to Mar 1991	8	370	295	-20%
Aug 1987 to Oct 1987	2			338	216	-36%
Nov 1980 to Aug 1982	22	Jul 1981 to Nov 1982	16	142	102	-28%
Sep 1976 to Mar 1978	18			109	86	-20%
Jan 1973 to Oct 1974	21	Nov 1973 to Mar 1975	16	122	61	-50%
Dec 1968 to May 1970	17	Dec 1969 to Nov 1970	11	109	69	-37%
Feb 1966 to Oct 1966	8			95	72	-24%
Dec 1961 to Jun 1962	6			73	51	-29%
Aug 1956 to Oct 1957	14	Aug 1957 to Apr 1958	8	50	39	-21%
Jun 1948 to Jun 1949	12	Nov 1948 to Oct 1949	11	17	14	-21%
May 1946 to May 1947	12			19	14	-28%
Nov 1938 to Apr 1942	36			14	7	-46%
Mar 1937 to Mar 1938	12	May 1937 to Jun 1938	13	19	9	-54%
Jul 1933 to Mar 1935	20			12	8	-34%
Sep 1932 to Feb 1933	5	Aug 1929 to Mar 1933	43	9	6	-41%
Sep 1929 to Jun 1932	33	Aug 1929 to Mar 1933	43	32	4	-86%
Average With No Recession	**12**					-29%
Average With Recession	**16**					-42%
Average All	**14**					-36%
Median With No Recession	**7**					-26%
Median With Recession	**16**					-39%
Median All	**12**					-29%
COMPOUND						@CharlieBilello

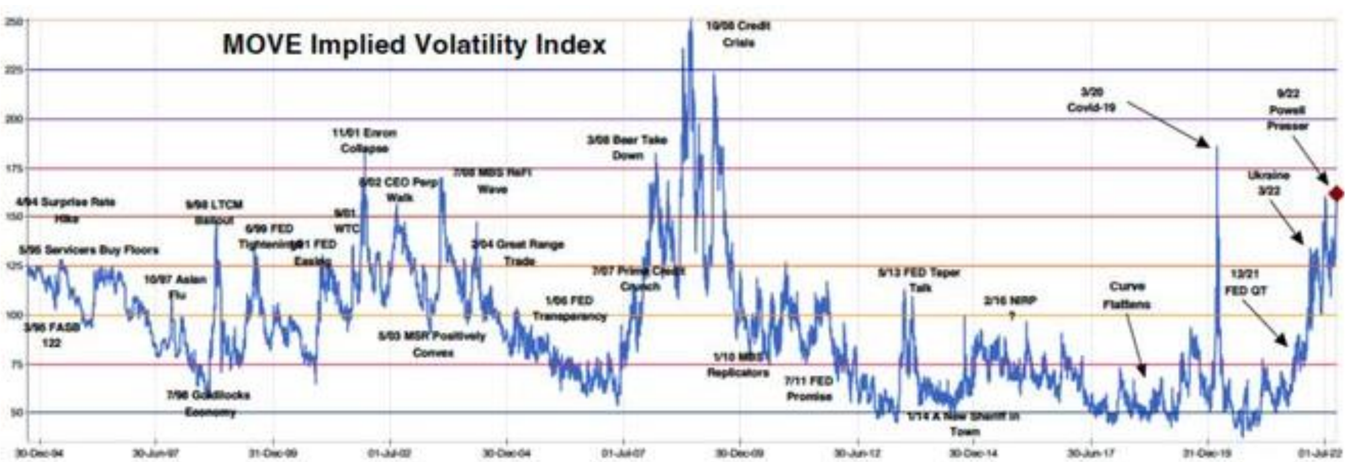
Exhibit 13: Profile of S&P 500 performance around historical landings
S&P 500, Real total return



Source: Datastream, Goldman Sachs Global Investment Research

Source: [Compound Advisors](), October 6, 2022; [Goldman Sachs](), Bear Repair – The Bumpy Road to Recovery, September 7, 2022

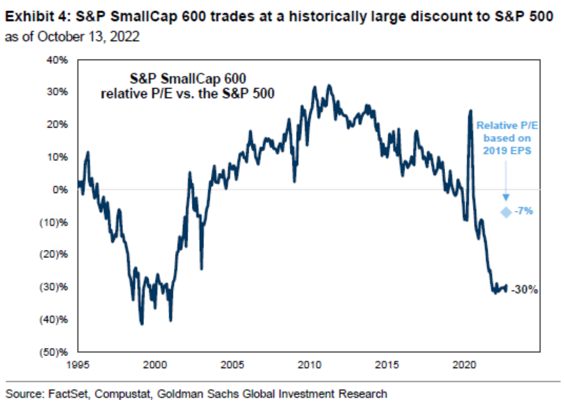
Markets can deviate from any of these fundamental and historical parameters, particularly if policy changes sooner. The clear driver of this would be a financially stability concern. One example of how this would look has already occurred in the UK where forced pension fund selling of government bonds created a rapid repricing where selling begot more selling. Despite being committed to tighter monetary policy and quantitative tightening, the BOE offered to buy government bonds to abate the impact of forced selling.[12] For the most part, market declines in the U.S. and elsewhere have been orderly. Credit spreads and equity volatility have increased but not to a point of panic. The one important area that is concerning is the volatility in the U.S. Treasury Market. The MOVE Index has reached levels that have historically coincided with major market events.

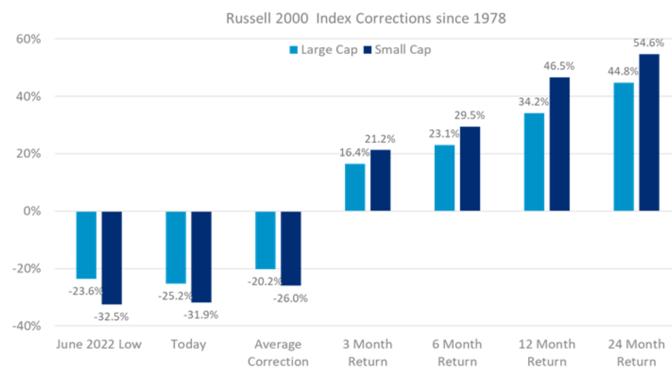


Source: Stocks Won't Find Bottom Until Fed Nears End of Rate-Hike Cycle, [MarketWatch](), October 5, 2022

[12] Bank of England Official Says $1 Trillion in Pension Fund Investments Could've Been Wiped Out Without Intervention, [MarketWatch](), October 6, 2022

There are some encouraging data points. The market sell-off for the S&P 500 and the Russell 2000 have already reached 25% and 32%, respectively, at lows. This suggests that most of the market declines have occurred if the average or something thereabouts is a good guidepost. Investor sentiment has remained extraordinarily negative in 2022. Some technical indicators such as high levels of put buying and the number of stocks trading below their moving averages also imply very low expectations. The valuation for small caps are historically attractive relative to large caps, but we still see a need for estimates to decline across the board. Nonetheless, the value case for the market improves as prices fall and the relative value of small cap stocks looks compelling to us even when adjusting for lower earnings results in 2023. Further, the overall market, and small caps in particular, typically stage a remarkable recovery shortly after corrections and bear markets. While we see a need for estimates to decline and an increasing likelihood of another financial market crisis[13], both of these potential events will likely catalyze more attractive prices and a policy shift. This means we are actively managing our short opportunities while building our portfolio for the eventual market turn.





Source: What is Cheap, GS, October 14, 2022; Stifel Equity Strategy, Roubaix Capital, LLC

The Composite has remained invested in secular growth stories that continue to exhibit attractive risk/reward profiles. We discussed NSSC earlier in the letter as one example of a stock with idiosyncratic growth and margin drivers. We have also previously reviewed how Anterix (ATEX) intends to monetize its wireless spectrum enabling utilities to operate a smart grid that promises safer and more secure operation of power transmission. While new contracts have been slower than we anticipated to materialize, we think the contracts will come through and validate the ATEX business model. Cryoport (CYRX) is our preferred way to invest behind the growth in cell and gene therapy through their unique cold storage and logistics business. The strong pipeline of drugs potentially entering the market over the next several years creates layered revenue growth that should enable industry leading margins at scale. Another top position worth noting is Archaea Energy (LFG). We invested in the company due to its growing portfolio of waste-to-energy assets which have become more attractive as natural gas prices have risen. As we write this letter, the company was acquired by BP, validating our thesis.

We also continue to believe that commercial aerospace production will accelerate through any potential recession next year, and for several years thereafter. Therefore, we feel that Park Aerospace (PKE) should be a primary beneficiary of the visible growth in Airbus production in particular. While Boeing suffered from the 737MAX safety issues, Airbus is correcting a poor decision to cut production by 1/3 during the pandemic, which resulted in extreme disruptions to the entire supply chain. As such, PKE has had difficulty running its operations at a consistent capacity due to the timing of order delays from its primary engine clients due to supply chain concerns outside of PKE's

[13] Risk of Financial Accidents is on the Rise, FT, October 12, 2022

purview. There are finally signs that supply chains are improving for commercial engine manufacturers. We feel that this and any labor market weakness forecasted by U.S. Fed policy should allow PKE to properly staff up to meet accelerating demand. Thus, we believe PKE can benefit from the secular growth in the industry while also returning their own productivity to historical levels.

Supply chain improvement is not unique to aerospace, and disinflationary trends are generally underway in the global economy as supply disruptions normalize and input costs starts to fall. Spot rates for domestic and international freight have returned to pre-pandemic levels, so we feel it is only a matter of time before those declines make their way through the contract market. A slowdown in economic growth in China and lower demand in Europe due to particularly high energy prices has driven prices of industrial metals far off their highs. We think large companies will be very slow to pass this near-term cost relief onto customers and instead will harvest these benefits through higher margins. We believe companies such as Orion Engineered Carbons (OEC), Chase Corporation (CCF) and H.B. Fuller (FUL) in our portfolio to benefit as a result. All of these stocks carry low valuations due to cyclical risks, but we feel their niche end markets to afford them a degree of pricing power and growth that are superior to what economic prospects suggest.

We also think the automobile industry to eventually recover to a normalized level. Auto production has been running at a recessionary rate in 2021 due to supply chain constraints. Now as we potentially enter a recession where auto production would normally decline precipitously, we think the industry is in a position to potentially grow through any short-term decline in customer demand as they rebuild inventory levels. Allegro MicroSystems (ALGM) makes power chips that increase the electric efficiency of vehicles. They expect to outgrow the industry due to the increasing need for efficiency, and they should do so with relatively strong 20%+ EBIT margins. We believe a 20x FY2 earnings multiple is attractive for such a high-margin secular growth stock. We are also invested in Gentherm (THRM), where production has been depressed for their heated and cooled seats due to the automotive chip shortage. We believe this headwind should reconcile itself during 2023, enabling the company to accelerate production growth and achieve a margin recovery to the low teens. THRM also has a promising HVAC product that uses 30% less energy in electric vehicles and could grow to a material part of sales over several years. With EPS heading to $4.00+ we feel the stock can find footing as the 2023 and 2024 outlook becomes clear over the next two quarters.

A new position for the Composite is Neogen (NEOG). The company is one of the leaders in food and animal safety. They provide tests to ensure livestock remain healthy and that food producers meet quality and safety standards. The long-term increases in population and modernization of diets have provided tailwinds to the industry growth. Further, consumers and governments alike demand safe food. Any incidents of food contamination are costly for companies and upsetting for customers. In this day and age, animal health is an even greater concern as awareness about animal-to-human transmission puts a focus on ensuring livestock are not a source of disease. Historically NEOG has carried a very high valuation due to its consistent growth, high margins and scarcity value and that has prevented us from investing in the stock. This year, the company merged with 3M's food and animal health business, which more than doubled the size of the company and further increased its margin potential. As part of the merger, 3M shareholders received equity in NEOG, which put severe selling pressure on NEOG as a small cap stock when the deal finalized and large cap 3M shareholders sold en masse. With shares now down ~75% from highs and several insiders buying stock, we believe the timing is finally right for investment. The free cash flow power of the combined company over the next 3+ years is ~ $1.00 per share. This makes the ~$12 current price attractive as NEOG executes on the merger and the business continues to grow.

Looking at short investment opportunities, the Composite has identified several themes. One of those is the expected sharp slowdown in the European economy. The business conditions there face myriad challenges. The energy price increase is the clearest issue where prices on the continent hit record highs due to the conflict in Ukraine, overlayed with an unbalanced suppy picture that was exacerbated by long-term underinvestment in traditional energy production due in part to ESG policies. The Composite was short ESAB Corporation (ESAB), a recent spinoff, due to its high exposure to European industrial markets which are undergoing a sharp decline. We recently closed this position due to the stock declining to our view of near-term fair value. Other positions that are shorts for the Composite with outsized exposure to Europe include staffing firm ManpowerGroup (MAN), cleaning products companies Tennant (TNC) and Diversey (DSEY), apparel maker Guess (GES), and luxury eCommerce platform MYT Netherlands (MYTE).

We also anticipate further pressure on U.S. consumer spending. Real wages have been declining for some time as wage growth remains far below inflation. Non-discretionary costs such as energy and food are also eating into disposable income. With mortgage rates making fresh highs almost daily, the pressure on higher-cost durable and discretionary goods is even greater. As a result, we are anticipating a downward earnings cycle to be pronounced for companies such as building supplier AZEK Company (AZEK), furniture manufacturer Lay-Z-Boy (LZB), foodservice equipment maker Middleby (MIDD) and pool supply retailer Leslie’s (LESL). All of these businesses benefited from surprisingly strong consumer demand during the pandemic which now serves as a strong headwind. Benefits from stimulus checks are behind us and inflation has forced input costs and selling prices structurally higher, which in itself should pressure consumer demand. We believe it will be very challenging for these companies to plan for a rapid decline in demand and margins will likely suffer more than expected, driving negative revisions for the rest of this year and 2023.

Overall, the market narrative has largely shifted to when, not if, a recession will occur. Within this backdrop, the Fund continues to deploy capital to long investments with visible growth prospects that should be independent of the timing or magnitude of a recession. On the short side, the Composite continues to rotate through our focus list names that face a combination of secular and cyclical pressures that will only be exacerbated by a recession. Overall, we believe volatility will remain at elevated levels, which should provide ample opportunity to identify new long and short investments as the timing, magnitude and duration of a potential recession becomes more clear over the coming months. Specific to Roubaix Capital, we have once again added meaningful alpha during the bear market this year, and are confident in our ability to navigate the market bottoming process. Relative to our predominantly large cap focused peers, we would remind current and prospective investors that small cap stocks are now at the largest relative discount from both an absolute price level and valuation perspective since the financial crisis.

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. Definitions for attribution terms discussed in this letter can be found in the pitch book for the Roubaix Strategy, which has preceded or accompanied this letter.

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 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.