PROSPER

STARS & STRIPES

August 19, 2025

Dear Investors,

During the second quarter of 2025, Prosper Stars & Stripes generated a net return of +9.6% compared to a total return of +8.5% for the long-only small cap Russell 2000 Index (the "Russell")[i], and a total return of +5.0% for our long/short equity hedge fund peer group, represented by the HFRX Equity Hedge (Total) Index (the "HFRX")[ii].
Prosper Stars & Stripes is the UCITS Fund launched in May 2015 designed to run pari passu to the Roubaix Fund Composite (the Composite)[iii], launched in January 2010, where its long/short equity peer group is represented by the HFRI Equity Hedge (Total) Index (the "HFRI")[iv].

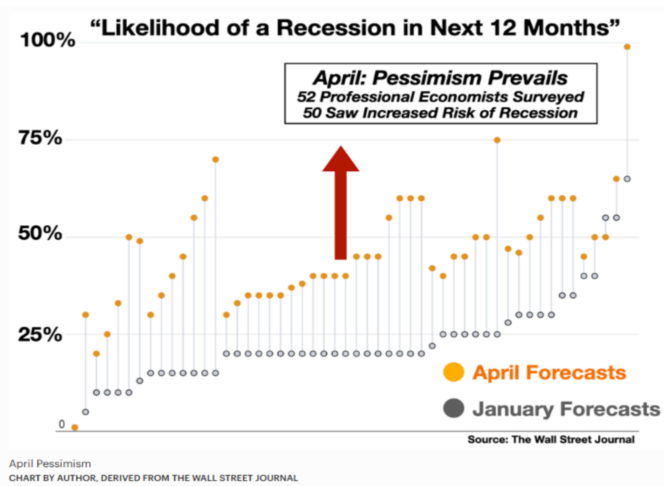
For the first half of 2025, the Composite generated a net return of (0.8%) compared to a total return of (1.8%) for the Russell and +5.9% for the HFRI. Average daily net exposure was 44.3% during the second quarter and 45.1% year-to-date, compared to a 43.6% average since inception in January 2010.
The Composite demonstrated strong outperformance relative to its net exposure during the quarter. This marked a significant improvement compared to the earlier part of the year, when it had experienced notable underperformance. By the end of the period, the Composite had largely recovered, regaining the ground lost to the Russell at the start of the year.

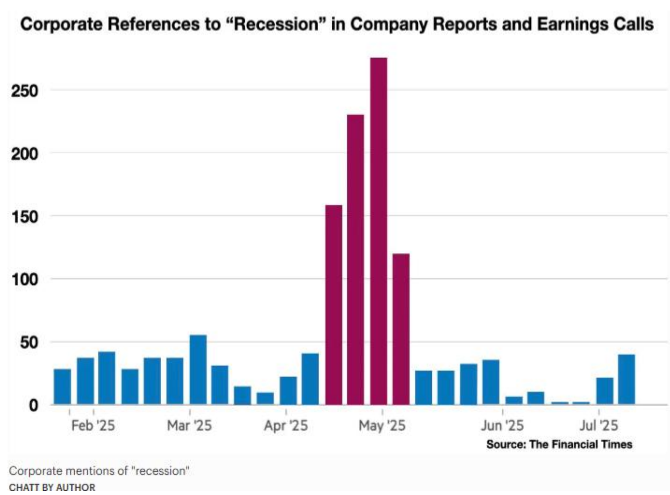
As of Jun. 30, 2025	Roubaix Composite	HFRI Equity Hedge Index	Russell 2000 Index Total Return
Quarter-to-Date	9.81%	7.61%	8.50%
Year-to-Date	(0.84%)	5.95%	(1.79%)
Annualized 1 Year	7.09%	11.63%	7.68%
Annualized 3 Years	10.05%	10.46%	10.00%
Annualized 5 Years	11.85%	10.12%	10.04%
Annualized 10 Years	9.31%	6.54%	7.12%
Annualized Since Inception	9.86%	6.02%	9.85%
Standard Deviation	9.44%	8.33%	19.75%
Sharpe Ratio	0.91	0.59	0.51
Downside Deviation	5.13%	5.51%	12.92%
Sortino Ratio	1.70	0.89	0.79
Bull Beta to Benchmark		1.06	0.47
Bear Beta to Benchmark		0.09	0.12
Annualized Alpha to Benchmark		5.11%	5.40%

Historical results are not indicative of future performance.

ECONOMY

The U.S. Economy faced many headwinds during the second quarter. The clearest issue was the uncertainty caused by tariff shock delivered on Liberation Day.[1] The high rates set were wholly unexpected and forced a complete recalibration of expectations. The rates on the tariffs were so high that the situation somehow escalated from a trade war to a trade embargo.[2] With these risks front and center, economists and business leaders feared the worst, and the odds of a recession skyrocketed and became the base case.[3] Forecasts for a recession quickly exceeded 50% with a few seeing it well over 70% when similar forecasts at the start of the year showed average or below average odds of a meaningful slowdown.[4] Businesses could not help but take these risks into account, with the tariff induced slowdown being the primary risk cited by companies on conference calls.





Source: Forbes, Where's The Recession? The Failures of Economic Forecasting, July 30, 2025

GDP as reported in late July grew 3% - a strong result, particularly given the pervasive anxiety and pessimism during the quarter.[5] The first quarter's contraction was driven by a surge in imports ahead of tariff increases, setting the stage for a rebound in the second quarter.[6] Job and wage growth have maintained a steady level. While there has been some slowing in private sector payrolls, reported by ADP[7], this has not yet translated into overall labor market weakness. Real wages continue to rise, as incomes have been outpacing inflation – a positive development for U.S. consumers.

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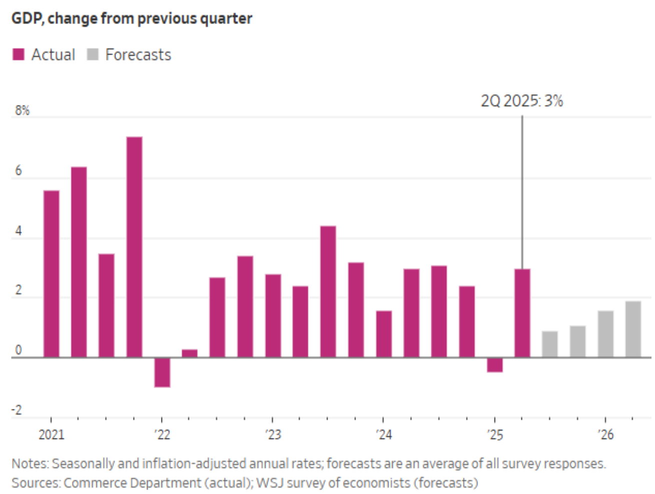
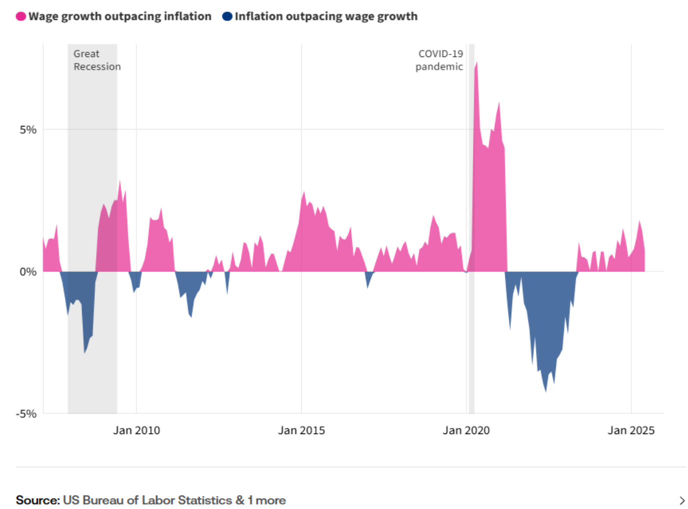
[1] WSJ, Markets Tumble As Donald Trump's Tariff Liberation Day Arrives, April 3, 2025
[2] Barron's, US Tariff on Chinese Goods Wont Be Anywhere Near 145%, April 22, 2025, writing Those tariffs are 'an embargo on both sides' that effectively ends trade between the US and China, Bessent said.
[3] Reuters, Global Brokerages Raise Recession Odds, JP Morgan Sees 60% Chance, April 4, 2025
[4] Forbes, Where's The Recession – The Failures of Economic Forecasting, July 30, 2025, citing JPM among others that in January wrote, 'the fundamentals point to low odds of a recession and assessed just a 20% chance of a recession in 2025, only slightly above the unconditional 12-month probability of a recession occurring at any given time'
[5] WSJ, US Economy Rebounds in the Second Quarter, July 30, 2025
[6] Reuters, US Economy Shrinks In First Quarter As Tariffs Unleash Flood of Imports, April 30, 2025
[7] Bloomberg, ADP Private Payrolls Fall for the First Time in Two Year, July 2, 2025





WSJ, U.S. Economy Rebounds in Second Quarter, USA Facts, Are Wages Keeping Up With Inflation

MARKETS

U.S. equities delivered a decisive recovery in Q2 2025, sharply reversing the declines seen in the first quarter. The S&P 500 led the large-cap segment with an impressive 10.9% total return, propelled by a robust 18.8% quarterly performance from the S&P 500 Growth index, while Value stocks lagged, gaining just 3.0%. The technology-heavy Nasdaq 100 surged 17.8%, underscoring the market's renewed appetite for growth-oriented names. Small caps rebounded as well; the Russell 2000 climbed 8.5% in the quarter, with the Russell 2000 Growth index rising 12.0%. However, Value within small caps trailed, returning just under 5.0%. Overall, Q2 2025 was marked by a strong rotation back into U.S. equities after a weak start to the year. Technology and industrials drove much of the outperformance, while value-oriented and defensive sectors lagged. Fixed income continued to provide stability, but the defining story of the quarter was the strength and breadth of the U.S. equity market rebound.

Asset Class	Index	1Q25	Apr25	May25	Jun25	2Q25	YTD	1YR
Small Cap	Russell 2000	(9.48%)	(2.31%)	5.34%	5.44%	8.50%	(1.79%)	7.68%
	Russell 2000 Growth	(11.09%)	(1.57%)	6.34%	6.15%	12.00%	(0.42%)	9.76%
	Russell 2000 Value	(7.74%)	(4.25%)	4.16%	5.06%	4.96%	(3.16%)	5.46%
Large Cap	S&P 500	(4.27%)	(0.68%)	6.29%	5.09%	10.94%	6.20%	15.16%
	S&P 500 Equal Wgt	(0.67%)	(1.55%)	4.31%	3.43%	5.34%	4.63%	12.43%
	S&P 500 Growth	(8.44%)	2.35%	9.38%	6.43%	18.78%	8.75%	19.71%
	S&P 500 Value	0.21%	(2.77%)	2.95%	3.78%	2.99%	3.21%	9.60%
	Nasdaq 100	(8.14%)	1.39%	9.18%	6.38%	17.77%	8.18%	15.78%
Bonds	U.S. High Yield	1.23%	0.23%	1.75%	1.84%	3.74%	5.03%	10.89%
	U.S. Aggregate	2.74%	0.62%	(0.61%)	1.46%	1.28%	4.05%	6.16%
	U.S. Treasury	0.59%	0.97%	(1.11%)	1.27%	0.87%	1.47%	5.31%
Blend	60% SPY/40% AGG	(1.47%)	(0.16%)	3.53%	3.63%	7.08%	5.34%	11.56%

Source: Copyright © 2025, S&P Global Market Intelligence, Roubaix Capital, LLC

The sector breakdown in the Russell 2000 highlights this rebound, with Information Technology posting the strongest quarterly gain at 18.9%, followed by Industrials at 15.3% and Materials at 13.0%. Growth and cyclical sectors were clear standouts, mirroring trends across the large-cap universe. In contrast, sectors such as Real Estate, Utilities, Energy, and Consumer Staples registered losses of 1.9%, 1.5%, 0.9%, and 0.5% respectively. Health Care also continued to underperform, edging up just 2.6% in the second quarter and remaining down 6.0% year-to-date.

Russell 2000 Index Sectors	Weight	2024	1Q25	Apr25	May25	Jun25	2Q25	YTD	1YR
Consumer Discretionary	10.1%	6.7%	(14.9%)	(3.6%)	9.9%	3.3%	9.5%	(6.8%)	0.1%
Industrials	17.1%	17.0%	(11.0%)	(1.2%)	9.8%	6.4%	15.3%	2.6%	15.4%
Consumer Staples	2.3%	24.3%	(0.2%)	1.0%	2.1%	(3.6%)	(0.5%)	(0.7%)	15.5%
Information Technology	14.7%	21.9%	(17.3%)	(0.6%)	10.6%	8.1%	18.9%	(1.7%)	9.4%
Financials	19.3%	15.4%	(4.2%)	(2.6%)	3.8%	5.4%	6.6%	2.1%	21.7%
Materials	3.8%	3.1%	(6.7%)	(0.2%)	7.3%	5.5%	13.0%	5.4%	8.7%
Real Estate	6.1%	5.6%	(3.0%)	(6.4%)	2.3%	2.4%	(1.9%)	(4.9%)	5.8%
Health Care	15.9%	2.0%	(8.4%)	0.2%	(2.0%)	4.6%	2.6%	(6.0%)	(4.7%)
Communication Services	2.6%	12.3%	(12.0%)	(4.7%)	2.7%	11.5%	9.1%	(4.0%)	13.3%
Energy	4.8%	(2.6%)	(12.9%)	(14.1%)	8.5%	6.3%	(0.9%)	(13.7%)	(22.9%)
Utilities	3.2%	3.7%	5.3%	0.3%	(1.3%)	(0.5%)	(1.5%)	3.7%	11.3%
Russell 2000 Index	100.0%	11.5%	(9.5%)	(2.3%)	5.3%	5.4%	8.5%	(1.8%)	7.7%

Source: Novus, Copyright © 2025, S&P Global Market Intelligence, Roubaix Capital, LLC

LONG POSITION HIGHLIGHTS

Roubaix Fund Composite – Long Book

As of Jun. 30, 2025	Average Daily Exposure	Rate of Return	Gross Contribution	Active[v]	Passive[v]	Russell 2000 Index Total Return
Quarter to Date	92.97%	14.96%	13.94%	5.36%	8.26%	8.50%
Year to Date	92.89%	(2.05%)	(1.71%)	(0.19%)	(1.19%)	(1.79%)
Annualized 1 Year	93.31%	13.72%	12.89%	5.33%	7.29%	7.68%
Annualized 3 Years	88.13%	19.31%	15.25%	6.50%	8.41%	10.00%
Annualized 5 Years	88.91%	21.23%	17.88%	8.82%	8.87%	10.04%
Annualized 10 Years	86.79%	16.09%	14.07%	7.05%	6.60%	7.12%
Annualized ITD	80.51%	18.29%	14.23%	6.22%	7.64%	9.86%

Historical results are not indicative of future performance.

The Composite's long book delivered strong performance during the second quarter and regained ground for the year-to-date in 2025. This quarterly strength was driven by a diverse range of successful investments: 20 individual holdings generated returns exceeding 20%, 4 surpassed 50%, and 43 contributed positively to active returns. This broad-based success is consistent with the Composite's historical pattern of generating gains across multiple positions within its long book. The diversified nature of these positive contributors highlights the investment strategy's emphasis on capitalizing on a variety of market opportunities.

Magnite, Inc. (MGNI or "Magnite") was the top contributor in our long book during the second quarter of 2025. The company provides technological solutions that automate the purchase and sale of digital advertising ("ad") inventory. Magnite operates as a supply-side platform ("SSP"), helping publishers – such as websites, mobile apps, and connected TV services – manage, price, and optimize their ad space in real time. On the other side of the market are demand-side platforms ("DSPs"), which enable advertisers and agencies to buy digital ad impressions across these channels. MGNI caught our attention for several reasons. First, as the leading, independent SSP, the company provides mission critical solutions to its customers. Second, there is a long tail transition occurring in TV advertising as the market shifts ad dollars from linear to streaming. Magnite has not lost a client since at least 2019 and counts most major streaming service providers as customers, including Netflix, Amazon, and Disney. Third, we believe Magnite's Display and Video ("DV+") business will be a primary beneficiary of the Department of Justice's ("DOJ") antitrust case against Google. Remedies in the case are expected to be announced on September 22, 2025. Currently, Google holds approximately 60% of this market, while Magnite has the second-largest share at about 6%. For every 1% increase in market share, MGNI's management believes EBITDA would increase by roughly $50 million. For context, Magnite's EBITDA was approximately $200 million in fiscal year ("FY") 2024. We were able to purchase MGNI at a very attractive valuation – less than 6.5x FY2026 EBITDA. Additionally, Magnite boasts approximately 30% EBITDA margins. Given our expectations for upcoming catalysts, we believe MGNI is worth at least $30 per share, at roughly 16x FY2026 EBITDA.

Agilysys, Inc. (AGYS or "Agilysys") was the second-best contributor to our long book in Q2 2025. The company provides point-of-sale ("POS") and property management ("PMS") software to the hospitality industry, serving hotels, resorts, cruise lines, and casinos. We have followed the business closely for years and have owned it multiple times. AGYS checks several key boxes. First, its software is embedded in its customers' operations, driving long-term stickiness and pricing power. Second, it operates in a large total addressable market ("TAM") of roughly $16 billion. While its share is small, it is growing rapidly, leveraging a modern, cloud-native product against legacy competitors that are underinvesting in both technology and customer service. Third, we believe the business is led by a standout CEO, Ramesh Srinivasan, who has been at the helm since January 2017 and owns approximately 2.9% of outstanding shares through open-market purchases and stock options. A temporary software implementation issue pressured the stock, giving us what we viewed as an attractive entry point. We remain bullish, as we believe AGYS has an open-ended growth trajectory. Our bull-case price target is $150 per share, reflecting 12x FY2026 sales.

Ranpak Holdings Corp. (PACK or "Ranpak") was the largest detractor in our long portfolio during the second quarter of 2025. The company's core paper-based protective packaging solutions ("PPS") business operates under a razor/razorblade model: Ranpak provides distributors and end customers PPS systems at a nominal cost, then sells high-margin, proprietary paper consumables designed to work exclusively with those systems. In addition, Ranpak operates a smaller but rapidly growing automation solutions ("AS") segment, representing less than 10% of revenue. This business provides end-of-line systems that automate box-sizing and dunnage insertion. We saw two good drivers for the company. First, a material-conversion opportunity. In this case, shifting from plastic to paper packaging – a secular trend that the company benefits from. Second, the revenue model appeared to be improving on an increasing mix of "quasi-recurring" revenue. The thesis strengthened when Amazon, Ranpak's largest customer, signed a comprehensive agreement that included taking an equity stake. However, several factors weighed on the stock's performance. Despite generating strong EBITDA margins of approximately 25%, Ranpak's capital-intensive model limits free cash flow ("FCF") conversion. Combined with high net leverage (about 3.3x) and a sub-$500 million market cap, these challenges overshadowed the positive aspects of the story. Additionally, early in Q2, market sentiment was pressured by heightened tariff concerns. Following our stop-loss parameters and reassessment of the near-term risk/reward, we exited the position.

SHORT POSITION HIGHLIGHTS

Roubaix Fund Composite – Short Book

As of Jun. 30, 2025	Average Daily Exposure	Rate of Return	Gross Contribution	Active(v)	Passive(v)	Russell 2000 Index Total Return
Quarter to Date	(48.67%)	6.74%	(3.62%)	0.24%	(4.33%)	8.50%
Year to Date	(47.79%)	(3.45%)	0.70%	0.27%	(0.54%)	(1.79%)
Annualized 1 Year	(45.82%)	8.76%	(4.67%)	(1.16%)	(5.43%)	7.68%
Annualized 3 Years	(43.62%)	9.22%	(4.67%)	(0.73%)	(5.91%)	10.00%
Annualized 5 Years	(44.45%)	6.53%	(4.56%)	0.29%	(5.90%)	10.04%
Annualized 10 Years	(43.37%)	4.67%	(3.73%)	0.05%	(4.17%)	7.12%
Annualized ITD	(36.87%)	5.42%	(2.83%)	0.75%	(3.76%)	9.86%

Historical results are not indicative of future performance.

The Composite's short book detracted from absolute performance in both the second quarter and year-to-date 2025. However, the losses were less severe than those of the broader market, resulting in a lower total return relative to the benchmark. This outperformance versus the market translated into a positive active contribution over both periods.

Helen of Troy Limited (HELE or "Helen of Troy") was the largest contributor in our short book during the second quarter of 2025. The company is a consumer-packaged goods ("CPG") firm with a diversified portfolio spanning categories such as Home & Outdoor and Beauty & Wellness. We have held a negative view of the company for some time, as we believe management was overly reliant on acquiring second-tier brands and was underinvesting in innovation. As consumers have become more price sensitive and selective with their spending, Helen of Troy's brand strength deteriorated while leverage rose, an unfavorable combination. We successfully shorted HELE about a year ago, and our successful short during Q2 is an illustration of how our process allows us to reinvest with names from our focus lists. We previously noted that then-CEO Noel Geoffroy used the cautionary phrase "reset and revitalize" to describe the company's status in Q2 2024. Geoffroy stepped down effective May 2, 2025, after approximately 14 months in the role, signaling continued fundamental pressure. After achieving solid returns, we exited our short position during the quarter.

Azenta, Inc. (AZTA or "Azenta") was the second-best contributor in our short book during the second quarter of 2025. The company operates in the life sciences sector, with a particular focus on sample management solutions (around 48% of FY24 sales) and multiomics (approximately 39% of FY24 sales). Azenta serves pharmaceutical and biotechnology companies, research hospitals, and government institutions. One of our preferred financial measures of business quality is operating profits (EBIT margins). Typically, we expect life science companies to have EBIT margins exceeding 15%. Azenta, on the other hand, has EBIT margins under 7%, which raised a red flag for us. Additionally, the life sciences industry is currently facing pressure from reduced spending at the National Institutes of Health ("NIH"), a challenging biotech funding environment, weakness in China, and uncertainties around the effectiveness of newer modalities such as mRNA and cell and gene therapies ("CGTs"). When Azenta's stock price declined by about 40%, we took our gains and exited the short position.

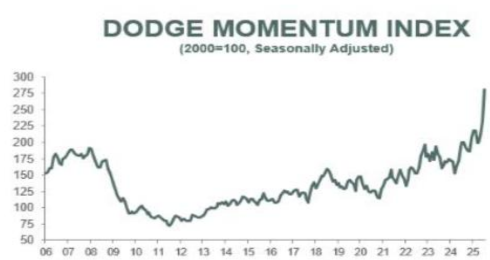
Sphere Entertainment Co. (SPHR or "Sphere") was the largest detractor in our short portfolio during the second quarter of 2025. The company operates two primary business units: the Sphere entertainment venue in Las Vegas, NV, with a capacity of approximately 17,500, and MSG Networks ("MSGN"), a regional sports network focused on the greater New York City metro area. While the Las Vegas Sphere has garnered rave reviews from fans and stands out as a technological marvel, we believe its unit economics are complex and challenging. The venue's construction cost approximately $2.3 billion, and the development of 'Postcard from Earth' alone incurred expenses of around $80 million over nearly 15 months. Given Las Vegas's intensely competitive entertainment market and heightened economic sensitivity, we believe the path to sustainable profitability is uncertain. MSG Networks, the company's other major asset, controls content distribution rights to broadcast partners. However, we see the continued unraveling of the traditional cable bundle as placing significant strain on MSGN's business model. We believe the sustainability of these assets' value is increasingly doubtful. Additionally, Sphere carries roughly $1.3 billion in debt and is consuming cash at a substantial rate. Moreover, the majority owner, the Dolan family, has a notable history of eroding shareholder value, further amplifying risk. Unfortunately, during the quarter, the company announced a series of debt transactions that the market perceived positively. As a result, we exited our short position in line with our stop-loss framework, preserving capital while remaining cautious on the company's outlook.

OUTLOOK

The third quarter is ongoing with a more constructive outlook. We believe there are several reasons to be optimistic, including several pro-business policies included in the fiscal package passed on July 4th. The bill allows full and immediate depreciation of capital expenditures on structures, a full write-off of equipment purchases compared to the previous partial allowance, increased deductions for research and development ("R&D") expenses, and more lenient rules for interest deductions. Combined, these provisions create clear incentives for greater domestic R&D and manufacturing, as the ability to expense these costs will reduce cash tax rates. Evidence that these changes are influencing corporate decision-making is becoming apparent as we progress through earnings season, which has positive implications for productivity in 2026.[8] We expect businesses to take advantage of a better economic backdrop and higher cash incentives to increase spending and investment in 2026. One recent encouraging data point for non-residential investment plans is the Dodge Momentum Index ("DMI"), a monthly measure that tracks the value of non-residential building projects entering the planning stage. We are actively monitoring this indicator to see if its positive signal broadens as companies finalize plans for 2026.

OBBB Capex-Related Tax Changes

Component of Capex	New Depreciation Schedule	Old Depreciation Schedule	Effective Dates	% Total Capex
Mfg Structures	100%	Straight Line, 39 Years	2025-2028	5.6
Equipment	100%	60%	Permanent	38.3
Domestic R&D	Fully Expensed	5-Yr Amortization	Permanent	19.6
Software	100%	60%	Permanent	17.5

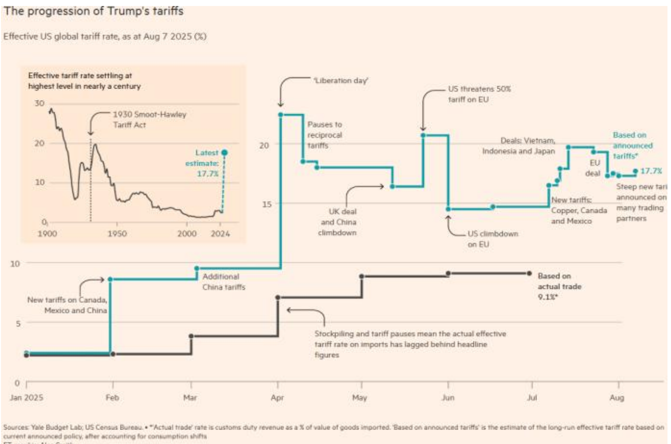


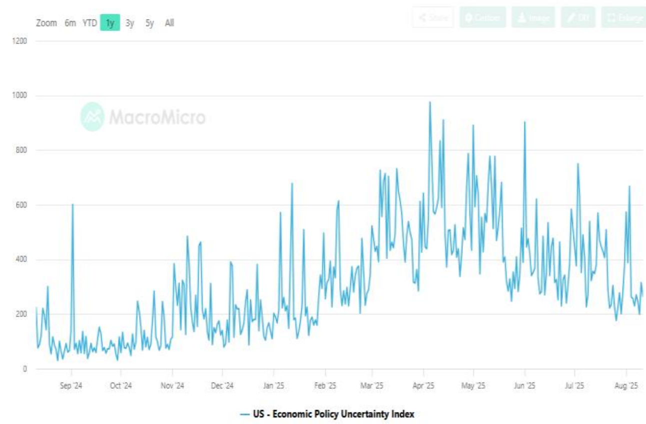
Piper Sandler, Global Economic Outlook 2025 2H Short Term Pain and Long Term Tailwinds, July 28, 2025 Dodge Construction Network, Dodge Momentum Index Surges 21% in July, August 7, 2025

Tariffs have not been a good story on the policy front. Tariff levels are high by any measure and have changed seemingly day by day. Initially, the administration cited the drug epidemic and long-term economic security as reasons to invoke emergency powers, arguing that the president could use crisis powers to impose tariffs. This justification is

[8] WSJ, Cash Windfall From Trump's Tax Law Is Starting To Show Up At Big Companies, August 4, 2025

now under scrutiny by the courts[9], and the ever-changing tariff narrative may continue to yield surprises for the rest of the year. So far, the effects on businesses and the economy have been limited. While risks remain and policies may change, the situation has thus far proved manageable, with businesses proactively factoring tariff costs into their outlooks.[10] Of course, this part of the narrative, and its ongoing changes, is difficult to handicap. Just in the past couple of weeks, an improving business relationship with India quickly fell apart[11], China tariff deadlines were delayed[12], and an unprecedented deal was struck with NVDA and AMD, requiring them to pay 15% royalties on chips sold to China.[13]





FT The Progression of Trump's Tariffs, August 7, 2025, MacroMicro, US – Economic Policy Uncertainty Index, August 11, 2025

The other macro narrative influencing the investing landscape is the outlook for interest rates. The July jobs report revealed a significant slowdown in the labor market, compounded by large downward revisions to previous data. While monthly employment data and revisions are often volatile, the bond and interest rate futures markets nonetheless reacted decisively, pricing in three Fed rate cuts by year-end and projecting short-term rates to head towards 3% in 2026.[14] Recent signals from Federal Reserve ("Fed") officials show growing confidence in the case for rate cuts, with public support gaining momentum since the weak jobs report.[15] July inflation was in line with expectations, reinforcing the likelihood that the U.S. will soon join other major central banks in easing monetary policy.[16] These anticipated rate cuts will overlay with the cuts from a year ago auguring monetary support for the economy. Additionally, the easing of global interest rates is poised to aid sectors facing economic pressure. Although interest rate forecasts have given false signals in the past, real short-term rates remain restrictive[17]. With employment softening and inflation moderating, the rationale for lowering rates and moving toward a neutral monetary stance is strengthening.

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[9] AP, Appellate Judge Questions Trump's Authority to Impose Taxes Without Congress, July 31, 2025
[10] WSJ, Here's How Companies Are Dealing With $50 Billion of New Tariffs, July 31, 2025
[11] Reuters, Missed Signals, Lost Deal: How India-US Trade Talks Collapsed, August 6, 2025
[12] CNBC, Trump Extends China Tariff Deadline by 90 Days, August 11, 2025
[13] AP, US Will Get a 15% Cut of Nvidia and AMD Chip Sales to China Under a New Unusual Agreement, August 11, 2025
[14] Yahoo Finance, A Gamechanger, Economists React to Weak July Jobs Report As Rate Cut Bets Surge, August 1, 2025, see also Federal Reserve Bank of Atlanta, Market Probability Tracker, August 5, 2025,
[15] CNBC, Most Fed Officials See Rate Cuts Coming, But Opinions Vary Widely on How Many, Minutes Show, July 9, 2025. Reuters, US Fed's Bowman: Latest Job Data Stiffens Support for Three Rate Cuts in 2025, August 9, 2025
[16] Barron's, Inflation Behaved In July, Likely Paving Way for Rate Cuts, August 12, 2025
[17] Federal Reserve Bank of St. Louis, 1-Moth Real Interest Rate, August 12, 2025

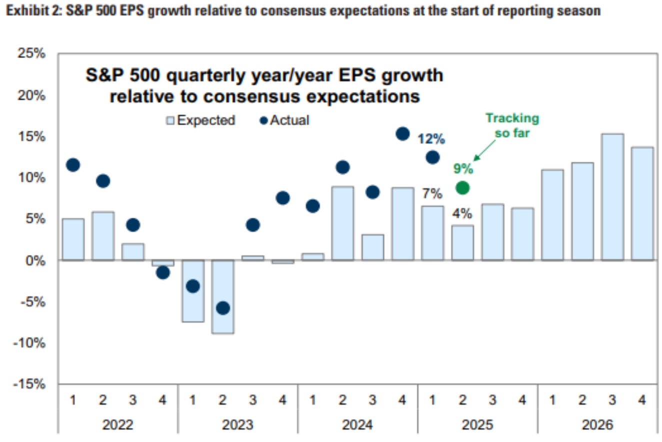
Chart 7: World policy rate to fall from 4.4% to 3.9% next 12 months
Global central bank policy rate*

Source: BofA Global Investment Strategy, Bloomberg GDP-weighted policy rate. Projections from August 2026 onward as per BofA Economics team forecasts.
BofA GLOBAL RESEARCH

Source: Jurrien Timmer, Fidelity, August 14, 2025, BofA, The Flow Show, July 24, 2025

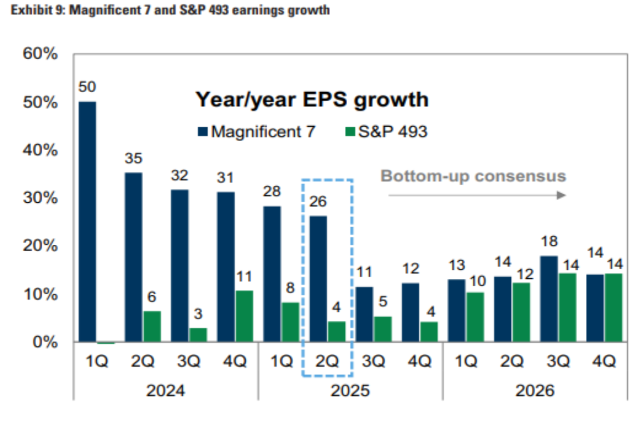
Second-quarter S&P 500 earnings trends have exceeded expectations. The percentage of companies beating analyst estimates – over 80% – is well above historical averages. According to FactSet, S&P 500 earnings growth for the quarter is tracking towards double digits, marking a significant improvement over the initial forecasts of around 5% heading into the reporting season. This better-than-expected performance owes, in part, to the cautious sentiment and conservative analyst projections that prevailed in April. The earnings growth continues to be led by the index's largest companies, particularly in the Technology, Communication Services, and Financials sectors, which continue to poste impressive profits. These leading companies are not only powering index-level profits but also deploying strong cash flows into capital expenditures – potentially amplifying their impact on the broader economy and ancillary businesses. This trend may be further supported by new tax incentives included in the fiscal package passed in July, which reduces corporate cash taxes and could encourage continued investment.

Exhibit 2: S&P 500 EPS growth relative to consensus expectations at the start of reporting season



Source: FactSet, Goldman Sachs Global Investment Research

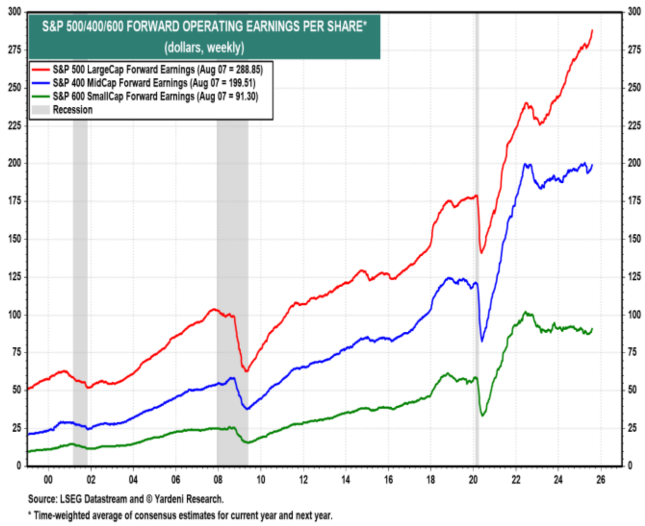
Exhibit 9: Magnificent 7 and S&P 493 earnings growth

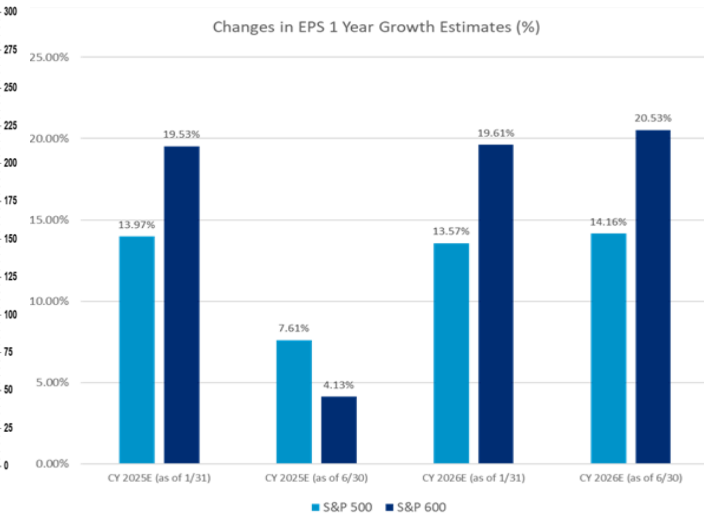


Source: FactSet, Goldman Sachs Global Investment Research

Source: GS, US Weekly Kickstart, August 1, 2025

Turning to small caps, earnings growth forecasts continue to call for recovery and growth at a much higher pace than large caps. While past forecasts have proven premature, conditions now appear more favorable. Cyclical segments of the economy – where small caps are heavily exposed – have been depressed for the last 2-3 years, exerting significant pressure on small caps. Additionally, interest rates have been restrictive but are now widely expected to become more neutral. Unlike large caps, small businesses have seen limited benefit from the artificial intelligence ("AI") spending boom. As one strategist put it, "is it possible that the US experienced a unique expansion among larger companies while smaller companies suffered a recession?" [18] With estimates suggesting that AI spending accounted for up to half of GDP growth[19], it follows that growth outside of AI-related sectors has been lackluster, reflected in small cap trends. With recessionary pressure from cyclicality abating and interest rates expected decline, the argument that small cap earnings can drive better small cap stock performance going forward has restrengthened.





Yardeni Quick Takes, What's In Style, August 13, 2025; Copyright © 2025, S&P Global Market Intelligence, Roubaix Capital, LLC

While the macro backdrop informs our portfolio positioning, our primary focus is on identifying unique businesses we believe can deliver improving profits, leading to higher valuations and superior returns on our long positions. We have consistently invested in the aerospace sector, given its steady growth, attractive margins for value-added suppliers, regulatory barriers to entry, and emphasis on quality and reliability. The fund often finds opportunities that share similar structural dynamics, even if they involve different companies. Our 2023 investment in FTAI Aviation Ltd. (FTAI) is a representative case. The company was undergoing corporate change while addressing the growing demand for maintenance, repair, and overhaul ("MRO") services in commercial aerospace. The investment performed very well, and we exited the position after the stock appreciated into the upper end of our valuation range and the investment case had largely matured. More recently, the Composite initiated a position in TAT Technologies Ltd. (TATT). Though relatively underfollowed, the company is taking the right steps to scale operationally and as an investment. Its largest business segment is the MRO of auxiliary power units. With aerospace demand growing steadily for decades and incumbents hesitant to expand capacity, TATT is capitalizing on the gap and growing rapidly. We expect EBITDA to rise from approximately $19 million in 2024 to about $39 million in 2027. During this growth and discover phase, we anticipate the stock will trade with a high teens EV/EBITDA multiple taking the stock into the mid $50s. As a catalyst, the company is relocating its domicile from Israel to the U.S., where most of its business occurs. We believe this transition, combined with business growth, could lead to future index inclusion, broader investor awareness, and ultimately a higher valuation.

Another area of focus for the Composite has been defense. Last quarter, we highlighted our position in Karman Holdings Inc. (KRMN), which performed well. Since then, the defense budget has strengthened, and spending priorities have become clearer. In particular, missile and drone defense has emerged as a key area, reflecting the evolution of modern warfare. For example, in the Middle East, Israel's Iron Dome successfully defended against missile and drone

[18] Paulsen Perspectives, A Small Company Story, August 11, 2025
[19] Barron's, AI Spending is Propping Up the Economy, Right? It's Complicated, August 8, 2025

assaults, while in Ukraine, drones have significantly influenced the ebb and flow of the battlefield. We identified nLIGHT, Inc. (LASR) as a potential beneficiary of increased spending on missile and drone defense. The company is a leader in high-powered laser technology for anti-missile and anti-drone systems. Laser-based weapons offer a far more cost-efficient solution than conventional munitions due to their low cost per shot and nearly unlimited magazine capacity. We believe LASR is well-positioned to materially expand its defense business, which has grown from less than 36% to approximately 66% of sales in just a few years, driven by successful sales and development contracts. We expect the U.S. Golden Dome initiative and higher defense spending to enable LASR to achieve exceptional growth rates. Using what we believe to be conservative estimates while also assuming laser-based weapons gain broad adoption, our bull-case price target for LASR is $45 per share.

Health Care has long been a sector where we have identified compelling opportunities that align well with our investment process. In recent years, however, the sector has materially underperformed. Historically recognized for its defensive characteristics, Health Care has instead demonstrated greater cyclicality. The fading of pandemic-related tailwinds left overall spending subdued, and more recently, funding constraints tied to reduced public budgets and uncertainty around potential policy changes have led companies across the industry to act with increased caution. While these factors have weighed on performance, we believe many of these headwinds are now reflected in valuations. Following several years of underperformance, the sector appears positioned for recovery, and we have accordingly increased our exposure.

One area where we see particular promise is bioprocessing, which we believe is entering a period of more sustained recovery. Our position in Bio-Rad Laboratories, Inc. (BIO) reflects this conviction. BIO’s valuation is underpinned by its approximately 38% ownership stake in Sartorius, a global leader in bioprocessing, currently worth about $5.5 billion. Adjusting for this stake, the core business is currently trading at roughly 6x FY2026 EBITDA, compared to peers that currently trade at double or even triple that level. On a more normalized valuation multiple, the stock would imply a potential upside of more than 40%. Encouragingly, recent earnings results demonstrated a stronger-than-anticipated commitment to profit improvement, and the company’s planned analyst day early next year could serve as a meaningful catalyst as the market reassesses its profitability trajectory.

We initiated a long position in Alpha Teknova, Inc. (TKNO). Over the past several years, the company has made significant investments to strengthen its ability to serve a broader range of drug development customers and to support these clients as they transition into the commercial stage, where demand for higher volumes becomes critical. We believe these initiatives position TKNO to capture meaningful growth opportunities. Based on our analysis, the shares have the potential to re-rate toward peer valuation levels of approximately 8-10x sales, which would imply a nearly doubling of the current price.

On the short side of the portfolio, the Composite continues to identify compelling opportunities. The recent market rally will inevitably create fresh chances to revisit many shorts from our focus list. Our process will enable us to reinitiate numerous previous short positions, as the broadening market rally underway tends to lift most stocks – particularly some of the weakest and lowest-quality names that often characterize our shorts.

A consistent short focus has been the devaluation risks facing consulting and outsourcing firms. We have shorted several stocks in this sector, and one we see as having meaningful downside from here is Exponent, Inc. (EXPO). The company provides expert consultants who advise on lawsuits, patent litigation, and other high-value situations. While the value of their expertise is clear, AI presents two significant challenges. First, AI can systematically and thoroughly reference the most relevant publications, reducing the need for expert input. Second, AI dramatically increases the time efficiency of background work, which we believe will pressure EXPO's business model, based on billable hours. Although the stock has declined, it still trades at a premium multiple of over 20x EV/EBITDA, compared to many peers trading at 10x or less. As a result, we see a meaningful downside risk if any concerns arise regarding the sustainability of its growth rate.

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 compared to other stocks in our portfolio.

We concentrate our efforts on smaller companies due to their inherent structural inefficiencies that drive greater price dispersion, in turn enabling higher alpha generation 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

IMPORTANT INFORMATION

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

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

i. The Russell 2000 Total Return Index is Russell Investments’ Composite Index of 2000 small-cap stocks, a widely recognized, unmanaged index of common stock prices. The benchmark index may or may not hold substantially similar securities to those held by 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 the performance of a typical investor in the portfolio who invested at the beginning of the period and remained invested throughout the period. The performance of an individual investor may vary based upon various investor-specific factors including, without limitation, the investor’s eligibility to participate in new issues. Advisory fees are deducted monthly while incentive fees are deducted annually and over time each will reduce the net return on a compounded basis. A fee schedule can be found on Form ADV, Part 2A for Roubaix Capital, LLC. On October 1, 2015, Roubaix replaced Independence Capital Asset Partners, LLC as General Partner to Roubaix Fund, L.P. (formerly Independence Capital Small Cap Fund LP) and as investment manager of the separate account, both of which historically comprised the Composite. The management, investment objective and strategy of the Composite has remained substantially the same since the Composite’s inception on January 1, 2010.

iv. The HFRI Equity Hedge (Total) Index tracks funds that maintain positions both long and short in primarily equity and equity derivative securities. Equity hedge managers would typically maintain at least 50% exposure, and may in some cases be entirely invested in, equities-both long and short. HFRI Equity Hedge (Total) is a fund-weighted index and reflects monthly returns, net of all fees, of funds that have at least $50 million under management or have been actively trading for at least twelve months. The Index is not available for direct investment.

v. Roubaix utilizes Novus for portfolio attribution. The Novus Framework decomposes contribution into four factors: market (contribution attributable to market benchmark), category (contribution attributable to the specific sector benchmark), security (contribution attributable to stock selection), and trading (contribution attributable to position liquidation). Within the Novus Framework, we define “Passive Contribution” as equivalent to Market contribution, which is synonymous with ‘Beta’ to the relevant portfolio benchmark. We define “Active Contribution” as equivalent to Security + Trading + Category contribution, which is synonymous with portfolio manager ‘Alpha’. Definitions of additional attribution terms discussed in this letter can be found in the pitch book for the Roubaix Strategy, which has preceded or accompanied this letter. The net contribution for the Longs and Shorts were converted to account for fees and expenses. The methodology for this Gross-to-Net conversion involves dollarizing the difference between Gross and Net returns using AUM for that month. The Gross exposure is then normalized down to 100%, and the dollarized net fees are allocated pro rata by subcategory size, i.e., Long/ Short and Sector. Importantly, the summation of subcategory net returns may differ to the Fund- level net return due to mathematical differences in subcategory compounding.

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.