

November 11, 2025

Dear Investors,

During the third quarter of 2025, Prosper Stars & Stripes generated a net return of +9.8% compared to a total return of +3.8% for our long/short equity hedge fund peer group, represented by the HFRX Equity Hedge (Total) Index (the “HFRX”)⁽ⁱ⁾ and a total return of +12.4% for the long-only small cap Russell 2000 Index (the “Russell”)⁽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).

Year-to-date in 2025, the Composite generated a net return of +8.6% compared to a total return of +13.6% for the HFRI and +10.4% for the Russell. Average daily net exposure was 48.7% during the third quarter and 47.4% year-to-date, compared to a 43.7% average since inception in January 2010.

<i>As of Sep. 30, 2025</i>	Roubaix Composite ⁽ⁱⁱⁱ⁾	HFRI Equity Hedge Index ^(iv)	Russell 2000 Index Total Return ⁽ⁱⁱ⁾
Quarter-to-Date	9.49%	7.20%	12.39%
Year-to-Date	8.56%	13.58%	10.39%
Annualized 1 Year	12.41%	15.12%	10.76%
Annualized 3 Years	12.83%	13.94%	15.21%
Annualized 5 Years	13.22%	10.34%	11.56%
Annualized 10 Years	10.57%	7.98%	9.76%
Annualized Since Inception	10.33%	6.39%	10.50%
Standard Deviation	9.41%	8.31%	19.67%
Sharpe Ratio	0.95	0.63	0.55
Downside Deviation	5.09%	5.47%	12.82%
Sortino Ratio	1.79	0.95	0.83
Bull Beta to Benchmark		1.08	0.47
Bear Beta to Benchmark		0.10	0.12
Annualized Alpha to Benchmark		5.25%	5.60%

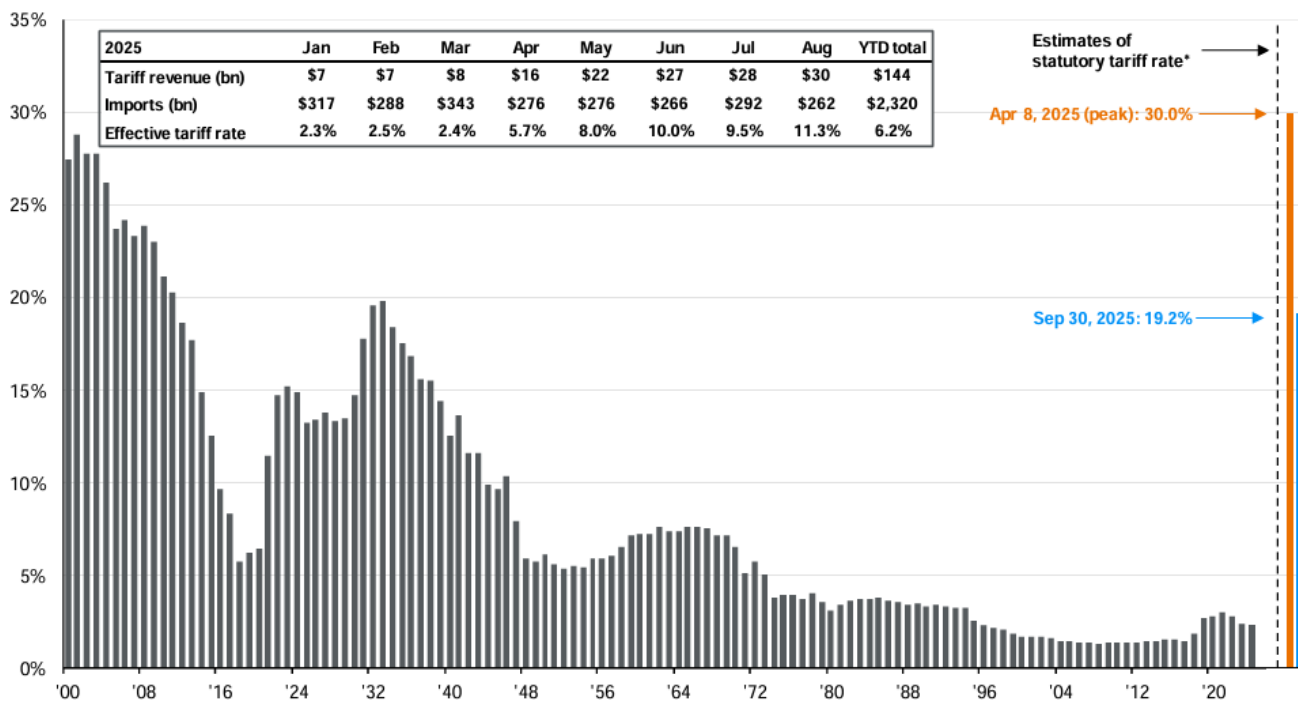
Historical results are not indicative of future performance.

ECONOMY

The U.S. Economy expanded at a solid pace during the quarter. Growth was better than expected in the face of a series of challenges. The clearest risk during the quarter was the dramatic rise in tariffs resulting from the trade war that began in earnest in April. The most extreme tariff increases did not take effect, but the overall rise still represents a remarkable shift from a historical perspective. For decades, tariffs have steadily declined, and the prevailing trend had been toward minimal trade barriers. The move to mid-teen tariff rates therefore marks a significant break from that pattern, especially for businesses with global sales or supply chains. While most forecasters expected tariffs to disrupt the economy, the impact so far has been relatively contained. Even so, ongoing negotiations with China and legal challenges over the executive branch's authority to set tariffs¹ ensure that this issue will remain a source of uncertainty for markets and businesses through the rest of the year.

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption, 1900 - 2024



Source: U.S. Census Bureau, U.S. Department of Treasury, U.S. International Trade Commission, J.P. Morgan Asset Management.
For illustrative purposes only. The estimated weighted average statutory U.S. tariff rate includes all tariffs that are currently in effect, not announced. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. *Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Tariff revenue shown are figures from the Monthly Treasury Statement. Import figures included in the table are from the U.S. Census Bureau. Estimates, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
Guide to the Markets - U.S. Data are as of September 30, 2025.

J.P.Morgan
ASSET MANAGEMENT

Rising tariffs were not the only large change in the economic backdrop during the quarter. The September jobs report included a large negative revision to job growth² and the ADP measure of private employment also showed job losses.³ The revision altered perceptions of the job market⁴ as it showed several months of essentially no job growth. While no data point determines a recession, low or negative job growth is certainly a key variable. Large components of the economy have been stagnant since the pandemic crash and recovery. Housing, manufacturing

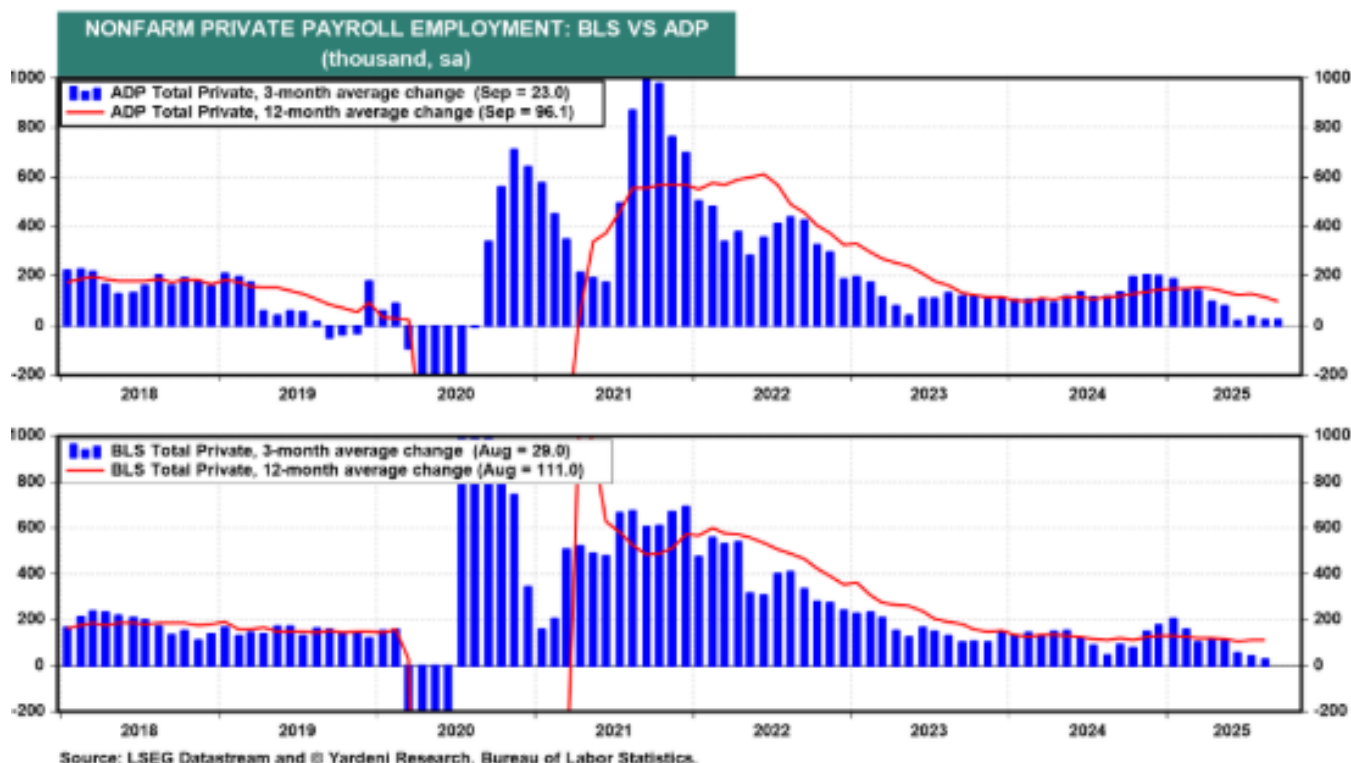
¹ [WSJ](#), The Tariff King and the Supreme Court, November 3, 2025

² [CNBC](#), Job Growth Revised down by 911,000 Through March, Signaling Economy on Shakier Footing Than Realized, September 9, 2025

³ [WSJ](#), US Lost 32,000 Jobs In September, Says Payroll Processor, October 1, 2025

⁴ [Bloomberg](#), It Looks Like The 'Vibecession' Had It Right, September 12, 2025

and even healthcare have seen uncharacteristically low growth rates. The federal government has also been under pressure and has not been the reliable sources of growth that it has been in the past. Altogether, the job market outlook has softened, and risks have grown to the downside.



Yardeni Quick Takes, October 2, 2025

MARKETS

Asset Class	Index	2024	1Q25	2Q25	Jul25	Aug25	Sep25	3Q25	YTD	1YR
Small Cap	Russell 2000	11.5%	(9.48%)	8.50%	1.73%	7.14%	3.11%	12.39%	10.39%	10.76%
	Russell 2000 Growth	15.0%	(11.09%)	12.00%	1.50%	5.39%	4.13%	12.09%	11.62%	13.51%
	Russell 2000 Value	7.6%	(7.74%)	4.96%	1.67%	5.95%	2.05%	12.60%	9.04%	7.85%
Large Cap	S&P 500	25.0%	(4.27%)	10.94%	2.24%	2.03%	3.65%	8.12%	14.83%	17.60%
	S&P 500 Equal Wgt	12.8%	(0.67%)	5.34%	1.04%	1.12%	1.01%	4.83%	9.68%	7.66%
	S&P 500 Growth	36.0%	(8.44%)	18.78%	3.40%	1.04%	5.18%	9.79%	19.39%	26.78%
	S&P 500 Value	12.2%	0.21%	2.99%	0.94%	2.15%	1.73%	6.21%	9.62%	6.77%
	Nasdaq 100	25.6%	(8.14%)	17.77%	2.42%	0.55%	5.38%	8.96%	17.87%	23.66%
Bonds	U.S. High Yield	7.4%	1.23%	3.74%	0.14%	0.96%	0.89%	2.14%	7.28%	7.15%
	U.S. Aggregate	1.0%	2.74%	1.28%	(0.26%)	0.95%	1.13%	2.06%	6.19%	2.90%
	U.S. Treasury	2.7%	0.59%	0.87%	(0.41%)	0.84%	0.89%	1.50%	2.99%	2.04%
Blend	60% SPY/40% AGG	15.4%	(1.47%)	7.08%	1.24%	1.60%	2.64%	5.70%	11.37%	11.72%

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

U.S. equities extended their advance in Q3 2025, building on the strong rebound seen in the prior quarter. The S&P 500 posted an 8.1% total return, supported by a 9.8% gain in the S&P 500 Growth index, while Value stocks delivered a more modest 6.2%. The Nasdaq 100 continued to outperform, rising 9.0% and reinforcing investor preference for growth-oriented names. Small caps led the quarter, with the Russell 2000 climbing 12.4% and the

Russell 2000 Growth index gained 12.1%. Value within small caps held firm, returning 12.6%, a notable improvement from prior quarters. Overall, Q3 was characterized by broad-based strength across U.S. equities, with technology and growth sectors maintaining leadership.

The sector breakdown in the Russell 2000 underscores this continued recovery, with Materials leading at a robust 23.8% gain, followed by Industrials at 16.9% and Information Technology at 14.7%. Growth-oriented and cyclical sectors again stood out, echoing strength seen across broader markets. In contrast, Consumer Staples, Financials, and Real Estate posted more muted results, rising just 1.7%, 4.2%, and 6.6% respectively.

Russell 2000 Index Sectors	Weight	2024	1Q25	2Q25	Jul25	Aug25	Sep25	3Q25	YTD	1YR
Consumer Discretionary	10.0%	6.7%	(14.9%)	9.5%	1.9%	9.9%	(0.7%)	11.2%	3.6%	1.2%
Industrials	17.7%	17.0%	(11.0%)	15.3%	6.0%	4.7%	5.3%	16.9%	20.0%	24.4%
Consumer Staples	2.1%	24.3%	(0.2%)	(0.5%)	3.1%	3.9%	(5.1%)	1.7%	0.9%	6.4%
Information Technology	15.3%	21.9%	(17.3%)	18.9%	(0.7%)	6.0%	9.1%	14.7%	12.8%	20.3%
Financials	17.9%	15.4%	(4.2%)	6.6%	(0.8%)	8.2%	(2.9%)	4.2%	6.5%	10.1%
Materials	4.2%	3.1%	(6.7%)	13.1%	2.1%	14.6%	5.7%	23.8%	30.6%	24.3%
Real Estate	5.8%	5.6%	(3.0%)	(1.9%)	0.4%	8.0%	(1.6%)	6.6%	1.5%	(4.1%)
Health Care	15.8%	2.0%	(8.4%)	2.6%	0.4%	7.1%	5.6%	13.6%	6.8%	(1.2%)
Communication Services	2.8%	12.3%	(12.0%)	9.0%	1.2%	8.6%	5.7%	16.2%	11.5%	11.7%
Energy	4.8%	(2.6%)	(12.9%)	(0.8%)	4.6%	5.6%	4.4%	15.4%	(0.3%)	(2.7%)
Utilities	3.2%	3.7%	5.3%	(1.5%)	3.1%	2.8%	6.5%	12.8%	17.0%	11.3%
Russell 2000 Index	100.0%	11.5%	(9.5%)	8.5%	1.7%	7.1%	3.1%	12.4%	10.4%	10.8%

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

LONG POSITION HIGHLIGHTS

Roubaix Fund Composite – Long Book						
As of Sep. 30, 2025	Average Daily Exposure	Rate of Return	Gross Contribution	Active ^(v)	Passive ^(v)	Russell 2000 Index Total Return
Quarter to Date	94.58%	15.39%	14.00%	2.36%	11.38%	12.39%
Year to Date	93.46%	13.02%	12.04%	2.16%	10.05%	10.39%
Annualized 1 Year	93.89%	20.30%	18.66%	8.13%	10.14%	10.76%
Annualized 3 Years	89.41%	25.29%	20.57%	6.81%	13.01%	15.21%
Annualized 5 Years	89.01%	23.46%	19.88%	9.30%	10.24%	11.56%
Annualized 10 Years	87.29%	19.38%	16.78%	7.39%	8.77%	9.77%
Annualized ITD	80.73%	19.05%	14.95%	6.28%	8.26%	10.51%

Historical results are not indicative of future performance.

The Composite's long book delivered strong performance in both the third quarter and year-to-date 2025. The year-to-date strength is reflected in a diverse range of successful investments which is a consistent characteristic of the fund's return stream: 33 individual investments yielded returns exceeding 20%, 13 individual investments achieved returns surpassing 50%, and 57 individual investments added positive active contribution.

TAT Technologies Ltd. (TATT) was the top contributor in the long book during the third quarter of 2025. As an underfollowed aerospace Original Equipment Manufacturer (“OEM”) and Maintenance, Repair, and Operations (“MRO”) service provider, TATT operates in four niche categories: thermal solutions (~41% of revenues), auxiliary power units (~27%), landing gear (~5%) and leasing & trading (~14%). We believe the landing gear segment is entering into a major MRO cycle, and TATT already has two strategic agreements in place with Embraer for their E170 and E175 aircraft and Gulfstream for their G400 and G500 business jets. We believe the most important growth segment is the auxiliary power units (“APUs”), particularly for the B737 and A320 family of aircraft and the B777. According to the company, these “platforms” have a Total Addressable Market (“TAM”) of approximately \$2.5 billion, and TAT Technologies has less than 1% share today with a goal of reaching 5 to 10% share. The company’s position in the industry is supported by a license agreement with Honeywell, the OEM for the power units. Although there are a couple non-licensed APU MRO providers, TATT becomes Honeywell’s approved provider of aftermarket service and support. Recent results support our multi-year thesis on the name with Q2 2025 revenues increasing 18% year-on-year, and the backlog increasing \$85m to reach \$524m or roughly 3x current yearly sales. Gross margins have sequentially improved for four straight quarters and EBITDA margins reached 14% in Q2. We believe the market underestimates TATT’s multi-year growth potential. We think our \$39m of FY27 EBITDA is a conservative estimate. At a reasonable 15x multiple, fair value is in the low \$50s per share and we expect TATT to leverage its platform for further business wins and acquisitions that will add more value to the stock as it develops.

Park Aerospace Corp. (PKE or “Park”) was the second-best contributor in the long book during the third quarter of 2025. Park develops and manufactures hot-melt advanced composite materials used to produce composite structures for the aerospace and defense industries. The company’s operations are anchored by a long-term, sole-sourced agreement to produce composite materials for engine nacelles and thrust reverses on the LEAP-1A engine. An engine nacelle houses the engine and provides structural, thermal, and acoustic qualities. The LEAP-1A powers approximately 60-70% of all A320 family of aircraft. Airbus wants to ramp up by building 78 planes per month compared to the current 50 per month average in 2024. Park also has exciting opportunities with Kratos for its Valkyrie loyal wingman program. Park also has a growing position in the aerospace and defense industries that historically has produced EBITDA margins north of 20%. Recently, the company announced a material investment for new capacity for expanded production of ablative composite components, i.e. solid rocket motor nozzles and heat shields for the Patriot (“PAC-3”) missile systems. The US is down to 25% of their desired levels of supply⁵ adding to pressure to rapidly increase production. Park management confirmed this point on their last earnings call saying the US Army is looking to increase procurement by 4x. The company’s military sales represented 42% of FY25 sales and we expect this number to increase over the next few years. We valued PKE at 25x FY26 EBITDA which will drive the stock into the mid to high \$20s over the next 12 months.

Accelerant Holdings (ARX) was the largest detractor in the long book during the third quarter of 2025. The company operates a specialty insurance marketplace connecting Managing General Agents (“MGAs”), the supply, and risk capital providers, the demand. Accelerant provides operational and regulatory support with a five-year commitment of table underwriting capacity to MGAs. And for risk capital providers, the company provides cost-effective access to a diversified portfolio of small commercial specialty premiums. Revenue growth is primarily a function of Exchange Written Premiums (“EWPs”). It is presented as a low-risk model with recurring revenues. ARX was a recent IPO with growth opportunities due to its recent track record and potential of the business model. Despite pre-releasing most of its first quarter as a public company, the full report detailed a few items that investors took issue with. Specifically, questions about a large contribution to growth from a related party was concerning

⁵ [TWZ](#), Patriot Missile Stockpile Concerns Grow, July 8, 2025

and the stock fell. We exited our position noting increased risks and that the company did not handle its initial phase as a public company well.

SHORT POSITION HIGHLIGHTS

Roubaix Fund Composite – Short Book						
<i>As of Sep. 30, 2025</i>	Average Daily Exposure	Rate of Return	Gross Contribution	Active ^(v)	Passive ^(v)	Russell 2000 Index Total Return
Quarter to Date	(45.91%)	5.21%	(2.59%)	2.64%	(5.57%)	12.39%
Year to Date	(47.16%)	1.58%	(1.90%)	2.91%	(6.09%)	10.39%
Annualized 1 Year	(46.44%)	5.95%	(4.10%)	0.92%	(6.80%)	10.76%
Annualized 3 Years	(43.91%)	12.85%	(5.93%)	(0.01%)	(7.93%)	15.21%
Annualized 5 Years	(44.57%)	7.33%	(4.86%)	0.54%	(6.54%)	11.56%
Annualized 10 Years	(43.67%)	7.81%	(4.73%)	(0.06%)	(5.13%)	9.77%
Annualized ITD	(37.01%)	5.67%	(2.95%)	0.90%	(4.05%)	10.51%

Historical results are not indicative of future performance.

The Composite's short book detracted from performance during the third quarter and year-to-date in 2025; however, the total return of investments in the short book was substantially lower than that of the market, leading to positive active contribution in both periods.

BellRing Brands, Inc. (BRBR or “BellRing”) was the top contributor in the short book during the third quarter of 2025. BellRing is a leader in the convenient nutrition category through its Premier Protein brand. Ready-to-drink (“RTD”) protein shakes account for roughly 80% of BellRing’s sales. As of year-end 2024, Premier held a 23% share of the RTD protein shake market and achieved 21% household penetration, according to the company’s 2024 annual report. The shake category has grown at double-digit rates for the last four years. Further, the category has dependable growth drivers with as consumers seek out healthy food options and GLP-1 weight loss medication users seeking protein to mitigate muscle loss. The issue in our view is rising competition. Premier and its primary competitor Ensure have been around for 28 and 52 years, respectively. Premier’s packaging is dated. Big Consumer Packaged Goods Companies (“CPGs”) like Coca-Cola and PepsiCo are muscling their way into the category looking to capture some of the growth. When BRBR reported Q2 2025 results, the company hinted at rising competitive intensity. The company did not provide an outlook for FY26 further increasing investor fears about share loss. The stock declined a little over 30% on the day it reported. We exited our position shortly thereafter.

Grid Dynamics Holdings, Inc. (GDYN) was the second-best contributor in the short book during Q3 2025. The company provides IT consulting, platform and product engineering, and advanced analytics to Fortune 500 companies, supporting their digital transformations. Unsurprisingly, IT consulting has historically been a stable growth industry, with Consulting Quest estimating 5-8% CAGR pre-COVID. However, the advent of ChatGPT in late 2022 introduced a disruptive variable to this consistency. As part of our process, we look for structural changes in industries to identify short opportunities. We viewed Grid Dynamics as vulnerable to disruption – it was also trading

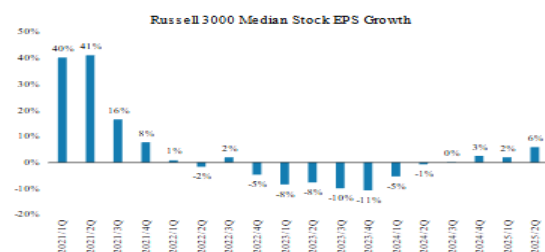
at approximately 16x FY24 EBITDA. During the quarter, we believe several factors contributed to the stock's weakness, including client spending apprehension amid tariff uncertainty and broader macro challenges. The most significant headwind in our view was the impact of Generative AI on client demand. Combined with customer concentration (top 10 customers account for 56% of revenue), these pressures drove a sharp decline in the stock price. We closed the position shortly after quarter-end.

WK Kellogg Co. (KLG) was the largest detractor in the short book during the third quarter of 2025. Kellogg's is a North American food company with a portfolio of brands, most notably in the cereal category. The US food industry is undergoing significant change, which is upending the incumbents like Kellogg's. Consumer preference and habits are changing dramatically as consumers seek out nutrition, wellness and healthy options. This trend is being accelerated by the introduction of GLP-1 weight loss medications. And not to be forgotten, once trusted brands are being tested. Key cereal brands for Kellogg's are Frosted Flakes, Froot Loops, Apple Jacks, and Rasin Brand. A cup of Frosted Flakes includes 12 grams of sugar. In comparison, an adult woman is recommended to intake only 25 grams of sugar per day. Frosted Flakes is not exactly a healthy meal. As a result, Kellogg's reported negative 5.6% organic sales growth and negative 4% EBITDA growth in Q1 2025. A weak low-end consumer and waning pricing power are other headwinds for legacy CPG companies like Kellogg's. Structural industry changes and waning pricing power are key ingredients we look for in short opportunities. We found them in Kellogg's stock. Unfortunately, Ferrero announced it would acquire KLG on July 10th for an approximately 40% premium. We covered our short position. Notably, KLG later reported that the company expected its Q2 2025 sales and EBITDA to decline 9% and 42%, respectively year-on-year.

OUTLOOK

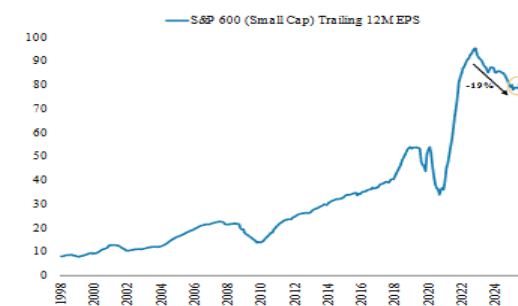
With the fourth quarter underway, earnings trends for U.S. businesses continue to expand despite relatively weak economic data and headwinds from tariffs and policy uncertainty. Earnings growth for the S&P 500 is expected to remain strong this year and continue at historically high levels into 2026. In fact, earnings trends are now the best they have been in 4 years.⁶ AI-driven growth dominated the narrative in 2024 and 2025, but there are signs that earnings strength is broadening beyond that sector. A recent Morgan Stanley analysis of the Russell 3000 shows that, after three years of flat earnings and a 20% earnings recession in the S&P 600, estimates now point to a recovery across the broader market. While analyst forecasts have offered false hope before, the case for more widespread earnings rebound in 2026 appears compelling.

Exhibit 8: Earnings Growth for the Median Stock in the Russell 3000 Has Been Negative for Much of the Last 3 Years; That's Now Changing



Source: Compustat, Morgan Stanley Research.

Exhibit 9: Small Cap Earnings Peaked in 2022 and Declined Nearly 20%; They Now Look To Be Stabilizing Post Liberation Day

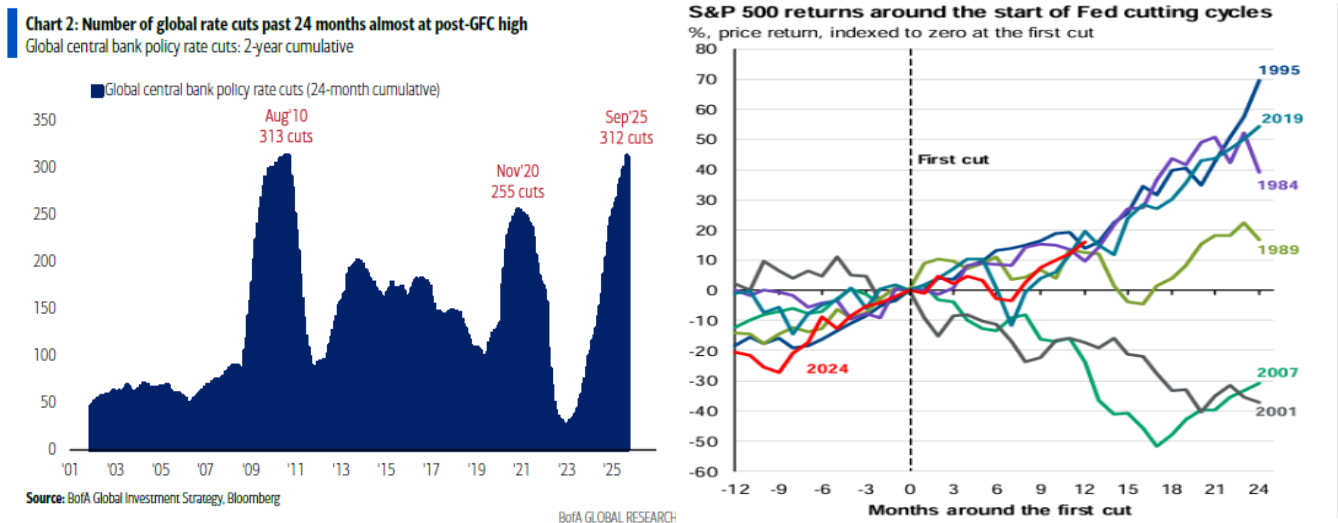


Source: FactSet, Morgan Stanley Research.

⁶ FT, Corporate American Posts Best Earnings in 4 Years Despite Tariffs, November 8, 2025

Morgan Stanley, Payroll Data Supports Our Thesis on Rolling Recession and Recovery, September 8, 2025

One key driver for a broader improvement in 2026 is the U.S. central bank joining the global shift toward monetary easing. Following the September rate cut, forecasts call for four to five additional reductions over the next year.⁷ This easing cycle reflects moderating inflation and a stalling job market. Unlike easing in response to a crisis or deep contraction, today's environment is characterized by a broad slowdown, excluding technology, rather than outright recession or peak expansion. As a result, forward returns for equities, particularly small caps, are likely to benefit from this supportive policy backdrop.



BoFA, The Flow Show, October 23, 2025, JPM Asset Management, Guide to the Markets, September 30, 2025

For most of the year, the dominant narrative has been AI's impact on markets and earnings growth. There is no doubt this has been a material positive. The AI story has added not only to profit growth at the equity index level but is estimated to have contributed about 1% to GDP.⁸ The capex boom around AI acted as stimulus that has more than offset weaknesses from large swaths of the economy. While the fruits of AI are yet to be seen⁹, history suggests spending cycles like this have led to productivity gains and healthier economic growth. In fact, the outlook for future high quality GDP growth should emerge through improved labor productivity, a trend already starting to appear in corporate commentary.¹⁰ Early data points indicate companies are managing employment growth effectively, reinforcing the potential for continued margin expansion.¹¹

⁷ [Bilello Blog](#), The State of the Markets – October 2025,

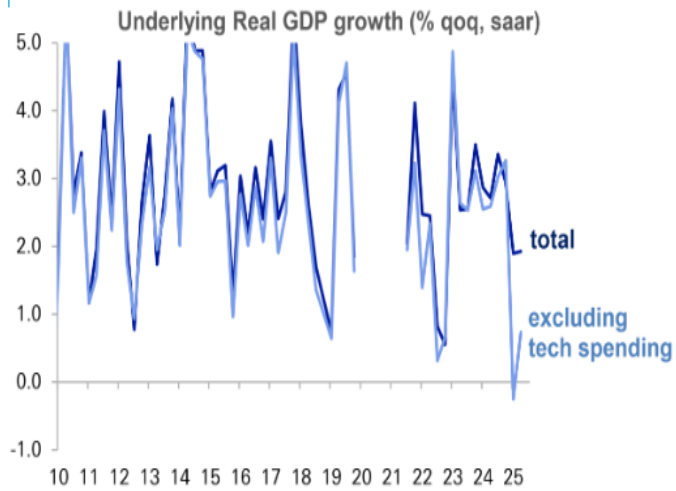
⁸ [Bloomberg](#), AI-Led Investments Are Driving US Economic Growth, October 31, 2025 and [Fortune](#), Without Data Centers, GDP Growth was 0.1% in First Half, October 7, 2025

⁹ [FT](#), America's Top Companies Keep Talking About AI – but Can't Explain the Upside, September 22, 2025

¹⁰ [NY Times](#), Amazon Plans to Replace More Than Half a Million Jobs With Robots, October 21, 2025, [NY Post](#), Walmart CEO Issues Ominous Warning to US Workers that AI Will Change Literally Every Job, September 29, 2025, [Yahoo! Finance](#), Walmart Plans to Grow Revenue Without Hiring More People, Pointing to AI as the Future of its Workforce, September 29, 2025, [Reuters](#), Meet the AI Chatbots Replacing India's Call-Center Workers, October 15, 2025. [Harvard Business Review](#), AI Is Changing the Structure of Consulting Firms, September 10, 2025, [CNBC](#) Goldman Sachs Rolls Out an AI Assistant For Its Employees as Artificial Intelligence Sweeps Wall St., January 21, 2025, [Inc](#), AI Is Making Employees So Productive That Tech Companies Have Stopped Hiring, September 15, 2025, [Inc](#), Microsoft CEO Satya Nadella Says the Giant Investment in Generative AI is Already Paying off, September 16, 2025, [Liberty Street Economics](#), Are Businesses Scaling Back Hiring Due to AI, September 4, 2025, [HR Drive](#), Tech CEOs: Show Why AI Can't Do the Job or We Won't Hire More People, April 14, 2025

¹¹ [WSJ](#), Amazon to Lay Off Up to 30,000 Corporate Workers, October 27, 2025

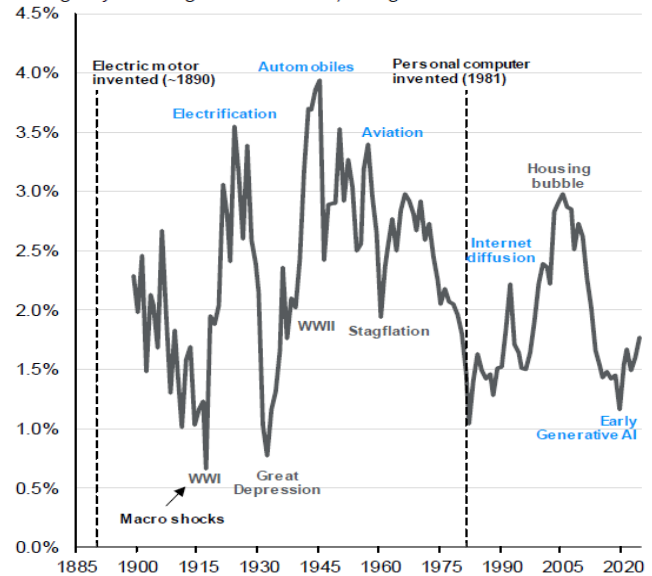
Figure 1: Without tech the US economy would be close to a recession



Source: Deutsche Bank Research; underlying GDP measured as real final sales to private domestic purchasers; tech spending includes the software and IT equipment components of fixed investment and domestic sales

U.S. labor productivity growth

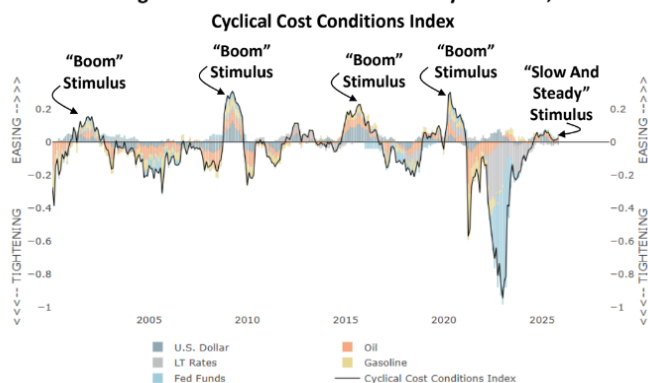
Trailing 10-year average annualized rate, through 2024



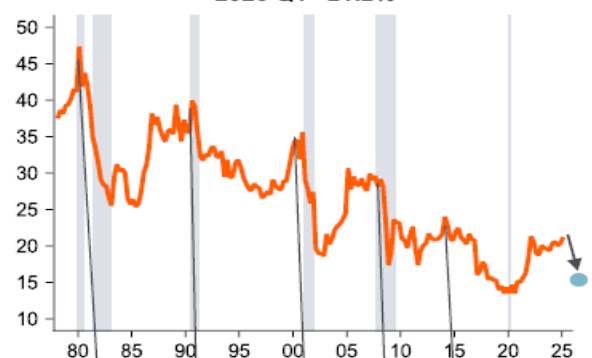
DB, FX Blog: Deus Ex Machina, September 23, 2025, JPM Asset Management Guide to the Markets, September 30, 2025

We believe the combination of productivity and fiscal stimulus creates a favorable backdrop. Monetary easing through lower rates and the anticipated end of quantitative tightening represent material shifts.¹² Additional tailwinds, such as a weaker dollar and lower oil prices, add confidence to the 2026 outlook. According to data compiled by Piper Sandler, U.S. markets have support consistent with a steady rebound. While this is not as dramatic as the boom-bust cycles of the past, it is nonetheless constructive and aligns with the improving tone we hear from businesses in which we invest. Further, policy changes announced on July 4, 2025, include provisions designed to encourage R&D spending and capital investment by reducing cash taxes. Similar measures have stimulated growth before and appear poised to do so again in 2026. There is also discussion of certain fiscal policies to boost the US consumer and depressed parts of the economy in 2026 adding to the potential policy tailwinds.¹³

We've Got Enough Stimulus For A Slow And Steady Rebound, Not A Boom



U.S. Effective Corporate Tax Rate
2025 Q1 21.2%



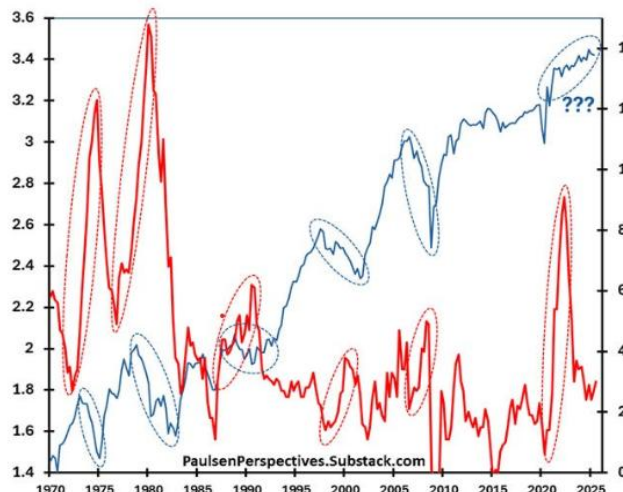
Piper Sandler, Getting Ahead of Today's Top Trades, October 23, 2025, Piper Sandler, Capex: The Big Unexpected GDP Growth Engine, July 24, 2025

¹² [FT](#), Federal Reserve Nears End of QT Amid Signs of Stress in Money Markets, October 27, 2025

¹³ [CNBC](#), Taxpayers May See 'Record Tax Refund Season' in 2026, October 31, 2025

Business and consumer confidence have remained weak, consumer confidence especially so. Executives have struggled to plan effectively amid poor economic data and elevated policy risks, while consumers have faced historically low confidence levels. Taken together, it is remarkable that markets and overall GDP have shown resilience. Real corporate profits have reached new highs despite inflation, tariffs, and uncertainty. Now, with interest rates falling, policy turning stimulative, potential improvements in trade relations, and productivity gains from investment and lower taxes, these headwinds are increasingly likely to become tailwinds going forward. Soft indicators, such as consumer confidence, have been incredibly depressed¹⁴, and historically this has been a contrarian indicator with market returns well above average when consumer confidence is low.

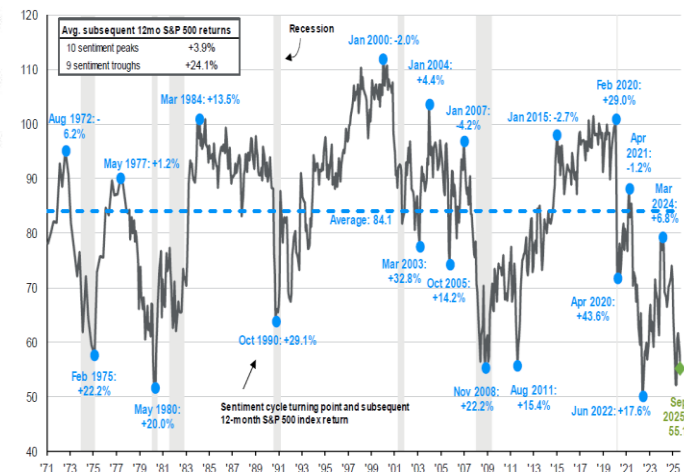
Chart 3: Real U.S. Corporate Profits (Left Natural Log Scale, Blue) vs. Annual CPI Inflation Rate (Right, Red)



Consumer confidence and the stock market

GTM U.S. 29

Consumer Sentiment Index and subsequent 12-month S&P 500 returns

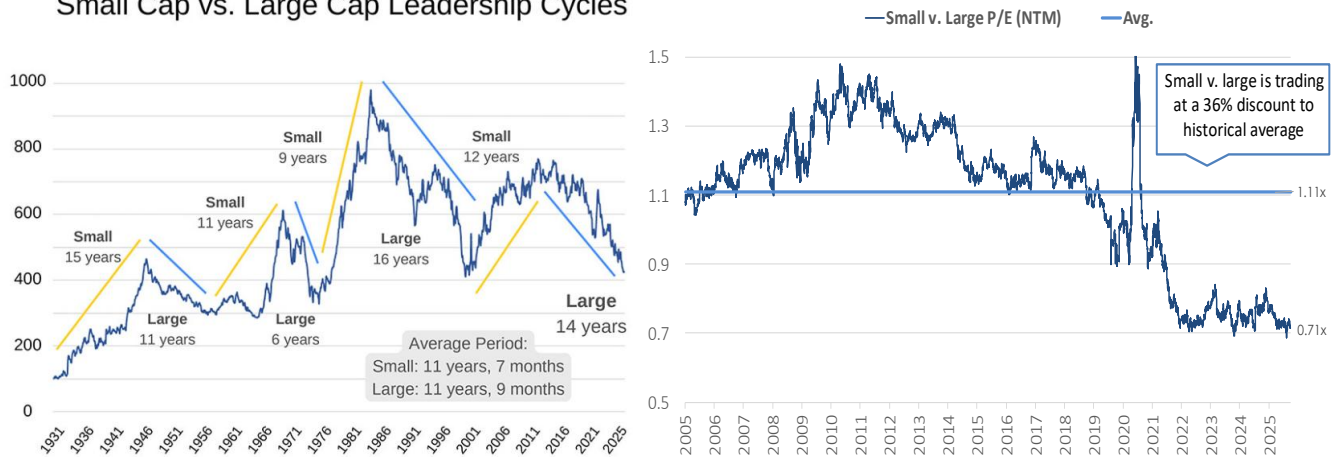


Paulsen Perspectives, What Inflation Damage?, October 27, 2025 JPMorgan, Guide to the Markets, September 21, 2025

We believe small caps remain an attractive area for investment. The underperformance cycle of small versus large caps has been extensive, but these cycles interact over time, and as outlined earlier, the weight of evidence is improving for small and mid-caps. Valuations are supportive of this segment, underscoring the opportunity to capture gains as trends improve. Earnings growth which has been missing for small caps, looks more likely to develop in 2026 and that is the most likely reason to turn the tables on the current cycle of underperformance. Historically, when this trend has shifted, it has led to an equally extended period of relative outperformance.

¹⁴ [WSJ](#), Consumer Sentiment Falls Towards Record-Low Levels, November 7, 2025

Small Cap vs. Large Cap Leadership Cycles



[Hudson Edge Investment Partners](#), The Case For Small Caps in Three Charts, August 19, 2025

The Composite continues its disciplined process of seeking to invest in compelling long and short positions based on our philosophy, while considering the broader investing backdrop and market realities. We target a mix of positions that capitalize on unique opportunities, align with thematic trends, and exploit cyclical ebbs and flows in the economy and market. Reflecting our commitment to the first category of ideas, the Composite initiated a position in Ralliant Corporation (RAL). We often seek attractive opportunities in companies undergoing corporate change, as the market is typically slow to evaluate new entities. RAL spun out of Fortive in June 2025. With an energized CEO and employee base, we believe the company is positioned to prove itself. RAL has growth rates and margins comparable to high-quality industrial stocks, and as results improve, we expect the stock to rise on positive earnings revisions and multiple expansion. Ralliant's Sensor & Safety Systems segment sells into utilities and defense industries. These segments are benefiting from increased demand for power generation and grid modernization, as well as rising global defense spending. In Test and Measurement, we believe sales trends are likely to improve as companies are incentivized to invest in R&D. Heading into 2026, improving trends should support earnings growth, and we believe the stock will approach 15x EV/EBITDA, resulting in a price target in excess of \$60.

Another idiosyncratic investment in the Composite is Agilysys, Inc. (AGYS or "Agilysys"). Agilysys provides property management systems (PMS) and point-of-sale (POS) solutions to the hospitality industry. We see Agilysys as a company with an extraordinarily favorable competitive position and a large market opportunity that is just getting underway. This mission-critical software serves as the system of record for hotels, resorts, and casinos. Competition has been limited because the incumbent Micros, owned by Oracle, has been managed primarily for cash within a company too large to prioritize the segment. Agilysys currently manages about 300,000 rooms in an industry with more than five million. The company has delivered seven consecutive quarters of 30% or greater subscription revenue growth. In its recent FQ2 2026 report, management raised FY26 subscription guidance from 27% to 29%. These figures exclude the Marriott contract won in December 2022, which we expect will add more than 400,000 rooms over the next two to three years. We believe this deal could contribute \$130 million to subscription revenue, nearly doubling the current base. We also believe margins could expand by roughly 1,500 basis points as Agilysys moves toward its \$1 billion annual revenue goal. We expect other potential customers will want to upgrade their systems and this will further accelerate growth. Looking ahead, we believe AGYS can earn \$4.75 per share within a couple of years without additional deals, and we see upside to a price target of approximately \$160 per share.

The Composite has increased its exposure to healthcare stocks. The sector has historically delivered strong growth, driven by population expansion, longer life spans, and the application of science and technology to improve quality of life. Since the pandemic, however, healthcare, like several other sectors, has struggled to regain its growth cadence. We expect these headwinds to ease. Within the sector, we most commonly invest in companies that provide the “picks and shovels” to the industry. We believe this strategy captures the sector’s growth trend without relying on the success or failure of any single product or therapy. Many of these businesses have attractive margin structures and strong growth potential. One position the Composite reinvested in is Transcat, Inc. (TRNS). The company has built an impressive distribution and service platform serving the healthcare sector. We believe trends are poised to accelerate as uncertainty in customer demand during 2025 gives way to a more favorable outlook in 2026. Major pharmaceutical and healthcare supply chain companies have announced significant capex projects, and the push to reshore production to avoid supply disruptions seen during the pandemic remains a government and corporate priority.¹⁵ As production moves onshore in the coming years, we believe TRNS will see expanding growth opportunities. Transcat has consistently and successfully replaced in-house capabilities with its own offerings, supported by a national network of highly skilled technicians who are in short supply. In addition, the company’s scale and strong reputation among larger clients give it a classic competitive advantage in winning business from smaller players. We believe this relatively underfollowed stock will surprise to the upside as hundreds of billions in incremental investments announced by the industry materialize over the next few years. Using a mid to high teens EBITDA multiple that is often assigned to share gainers in attractive markets we see the potential for the stock to recover towards \$90+ over the next approximately 12 months.

Short opportunities continue to present themselves, and the Composite has generated success in several areas. One framework that has worked well for us is based on the challenges of the so-called K-shaped economy. This concept refers to the divergence where lower-income consumers struggle with inflation, while wealthier segments remain relatively unaffected. Pressure has been particularly evident in the food and beverage sector, which already has low growth rates. With consumers feeling the squeeze, spending has been at greater risk. In addition, the rapid adoption of GLP-1 medications has further disrupted consumption habits, reducing average calorie intake by 16-39%.¹⁶ As a result, companies in this space are finding it increasingly difficult to deliver on growth plans. Restaurants face additional challenges as strained budgets lead to less dining out. This quarter, Chipotle, once the benchmark for fast, affordable meals at scale, reported another disappointing set of results.¹⁷ Against this backdrop, we see further downside for JACK. We believe the concept lacks differentiation, and the business is struggling to offset traffic headwinds. Persistent input cost and labor pressures compound the difficulty of generating top-line growth in an intensely competitive market. We expect JACK will disappoint and guide lower when it reports earnings. While the company sold its Del Taco brand, net leverage remains above 5x. Notably, JACK sold Del Taco for \$115 million at 6.5X estimated EBITDA.¹⁸ The company paid \$585M for it in 2022. While this is in the past, it highlights the difficulty in creating value in the industry, shows a poor capital deployment record of the fiduciaries and it demonstrates where multiples can go for a challenged business.

¹⁵ [Pharmaceutical Commerce](#), The Great Pharma Reshoring, August 28, 2025, [Manufacturing Today](#), Tariffs Trigger a \$270BN Pharma Shift Back to US Production

¹⁶ [National Institute of Health](#), Dietary Intake By Patients Taking GLP-1s, July 25, 2024

¹⁷ [Reuters](#), Chipotle Cuts Sales Forecast Again as Inflation-Hit Diners Pull Back, October 29, 2025

¹⁸ TD Cowen, End of an Error: Del Taco is Divested, October 16, 2025

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 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.
- ii. The Russell 2000 Total Return Index is Russell Investments' Composite Index of 2000 small-cap stocks, a widely recognized, unmanaged index of common stock prices. The benchmark index may or may not hold substantially similar securities to those held by the Composite, and thus little correlation may exist between the Composite returns and that of the Index. The Index is not available for direct investments; therefore, its performance does not reflect the expenses associated with active management of an actual portfolio. The return for the Index includes gross dividends reinvested into the index.
- 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.
