

# Form ADV Part 2A

Firm Brochure (“Brochure”)

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This Brochure provides information about the qualifications and business practices of Roubaix Capital, LLC (“Roubaix” the “Advisor,” “our,” “us,” or “we”). If you have any questions about the contents of this Brochure, please contact us by telephone: (303) 209 3100 or email: [info@roubaixcapital.com](mailto:info@roubaixcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Roubaix Capital, LLC is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training. Additional information about Roubaix also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In no event should this Brochure be considered an offer of interests in any of Roubaix’s private fund clients or relied upon in determining whether to invest in any private fund client. It is also not an offer of or an agreement to provide advisory services directly to any recipient of the Brochure. Rather, this Brochure is designed solely to provide information about Roubaix for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940 (“Advisers Act”) and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided to potential investors in private offering memorandums (the “memorandums”). To the extent there is any conflict between any discussion in this Brochure and the memorandums provided to investors, the memorandums provided to such investors govern.

## Item 2 – Material Changes

This Brochure includes no material changes since the last update on November 1, 2022. Certain other information in this Brochure and the formatting of this Brochure have been updated that is not specified in this summary. Consequently, we encourage you to read this Brochure in its entirety.

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## **Item 4 – Advisory Business**

### **Firm History & Management**

Roubaix Capital, LLC, a Delaware limited liability company, was formed in May 2015 by Christopher Hillary, who is the sole member. The firm registered with the United States Securities and Exchange Commission (the “SEC”) as an investment adviser in July 2015. Roubaix provides investment advisory services to pooled investment vehicles such as limited partnerships, offshore exempted companies, and a Luxembourg SICAV.

We provide investment advisory services in our role as the general partner of the Roubaix Fund, L.P. (the “Roubaix Fund”) and in our role as investment manager of the Roubaix Offshore Fund Ltd. (the “Offshore Fund”). The Roubaix Fund and the Offshore Fund are collectively referred to as the “Roubaix Funds”. As well, we provide investment advisory services as subadvisor to a Luxembourg SICAV (the “SICAV” or “Sub-Advised Fund”). The Roubaix Funds and the SICAV are collectively referred to as the “Advisory Clients” (each, an “Advisory Client”).

### **Advisory Services**

Our investment advice to the Advisory Clients is tailored to the Advisory Clients’ investment objectives and restrictions as disclosed in the Advisory Clients respective offering documents. We do not provide investment advice tailored to the particular needs of the investors in the Advisory Clients. As of December 31, 2022, we had approximately \$181.8 million in regulatory assets under management (“RAUM”). We exercise discretionary investment authority over all managed assets held by the Advisory Clients. The Advisor, its principal, and certain employees of the Advisor maintain investments in the Roubaix Funds. These investments are included in the RAUM number shown above.

We invest primarily in small and mid-cap publicly traded U.S. common stocks. This strategy discussion is qualified in its entirety by the limited partnership agreement and private offering memorandum of the Roubaix Fund and the governing documents of the Sub-Advised Fund, which provides, among other things, that the Advisor has the ability to deviate from its stated strategies from time to time. Still, our primary focus is small and mid-cap publicly traded U.S. common stock. The Offshore Fund executes its investment strategy through direct investment in the Roubaix Fund.

## **Item 5 – Fees and Compensation**

The specific way fees are charged by the Advisor is established in an Advisory Client’s written agreement with us.

We generally charge investors in the Roubaix Fund a 1.15% annual management fee payable monthly at the rate of 0.0958%. Fees charged to investors in the Roubaix Fund are calculated and payable in advance at the beginning of each calendar month, using the prior month’s ending net asset value after taking into account any subscription and/or redemption activity (but without the accrual of any performance fee, which is discussed later). On the first day of the month, fees are deducted from each client’s account or are recorded as payable to us. The management fees credited to us are available for withdrawal at our discretion. While no similar management fees are currently imposed on the Offshore Fund, the Advisor, as investment manager to the Offshore Fund, reserves the right to modify the fees and expenses charged to the Offshore Fund pursuant

to its management agreement.

To the extent the Offshore Fund invests in the Roubaix Fund, investments in the Offshore Fund are thus indirectly subject to the Roubaix Fund's management fees and expenses. The Advisor receives a management fee of .80% and 1.00% of the net market value of the SICAV. Fees charged to the SICAV are paid in arrears based on the end-of-quarter assets of the SICAV.

In addition to management and performance fees, Advisory Clients are subject to other fees and expenses, including, but not limited to, brokerage and transaction costs, audit fees, and fund administration costs. A discussion of Brokerage Practices is further discussed in **Item 12**.

The Advisor and our employees do not accept compensation from any party for the recommendation or sale of any security or investment product.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

The Advisor is eligible to receive performance allocations from the Roubaix Fund equal to fifteen percent (15%) of its net realized and unrealized profit each year. The performance fee is generally subject to a high water mark such that in the event a capital account of a limited partner suffers a net loss in a particular period, no performance fee will be due to the Advisor for such period or any subsequent period until such net loss is first recovered.

Allocations from any capital account are paid directly from the accounts upon calculation by the administrator and approval by the General Partner.

The Advisor is entitled to receive quarterly performance compensation from the SICAV, the amount of which varies from twelve percent (12%) to thirteen percent (13%) if a positive performance is recorded relative to the high water mark model of the SICAV as detailed in the agreement and the prospectus. Exceptions to the standard period for calculation including upon account termination, are addressed within the agreement specific the SICAV.

One risk inherent to the existence of performance fees is the incentive for the Advisor to take greater risks in hopes of earning greater performance fees.

The Advisor seeks to mitigate this risk in a variety of ways. The use of a high-water mark by the Advisor creates an incentive to balance risk and reward potential as any losses by Advisory Clients will need to be regained before performance compensation will be paid.

Another risk inherent to the existence of performance compensation is the incentive to favor certain Advisory Clients during the allocation process so that the clients that pay performance compensation receive better allocations.

The Advisor typically allocates investments on a pro rata basis. The Advisor currently employs one strategy. Each Advisory Client typically receives its pro rata share of any trade placed. In the event that an Advisory Client has trading or investment restrictions that would limit that Advisory Client's participation in an investment, that Advisory Client will receive the amount it is eligible to receive and the remaining portion of the trade would be allocated pro rata among the other Advisory Clients. Varying regulatory requirements applicable to the Advisory Clients also

affect the allocation of trades. The pro rata allocation methodology is built into the trading system that the Advisor uses, which assists the Advisor in mitigating the risk that one client receives preferential treatment during the allocation process.

### **Item 7 – Types of Clients**

The Advisor provides advisory services to pooled investment vehicles that are: (i) structured to operate under exclusions from registration under the 1940 Act; or (ii) otherwise not subject to registration under the 1940 Act.

The sale of interests in these pooled investment vehicles is typically exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), in accordance with private placement exemptions that are available under Regulation D and Section 4(a)(2) of the 1933 Act.

As a consequence, investors in these particular pooled investment vehicles must typically meet certain financial criteria. Investors in these particular pooled investment vehicles (other than some sub-advised funds that are not organized nor offered to United States persons) must demonstrate that they are “accredited investors,” and, depending on the vehicle in which they invest, may also have to establish their status as “qualified clients” or “qualified purchasers.” The precise financial criteria associated with these requirements are set forth in more detail in the respective subscription agreements of those investment vehicles.

Investments in pooled investment vehicles (other than the SICAV) are typically subject to an account minimum of \$1,000,000, which may be waived in certain circumstances at the sole discretion of the Advisor. Investors in these vehicles may include affiliated parties of the Advisor, institutions, funds of funds, family offices, endowments, foundations, and high net worth individuals.

The Advisor also serves in a sub-advisory capacity to certain pooled investment vehicles such as the SICAV. In such instances, the Advisor is typically not in a position to prescribe the terms and conditions of investment in those pooled vehicles, which are usually determined by the primary advisor and discussed in the offering documents for such vehicles.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

Structural inefficiencies in smaller companies - greater dispersion of returns, lower sell side coverage, limited buy side crowding - enable higher potential alpha generation on both the long and short sides of the portfolio. Less diversified small businesses are inherently more affected by the drivers that create or destroy equity value over the investment cycle. The Advisor believes the most important of these drivers are the strength or weakness of the business model itself, the advantages or challenges created by the company’s financial structure, and the quality of the fiduciaries involved. The Advisor seeks to identify compelling long and short investment stories where these drivers are all moving towards either end of the quality spectrum, respectively. The Advisor then analyzes an internal checklist of fundamental factors to determine whether each long or short story is also a viable investment at a given point in time.

Overall, the Roubaix Fund and other Advisory Client accounts are actively managed to take into

account the evolution of individual investment theses and their risk/return impact on the overall portfolio through the internal implementation of a research management system. Each position's investment thesis and price targets are initially established and incrementally refined based on rigorous ongoing due diligence by a member of the investment team. Position level weights are optimized for exposure to changing fundamental factors, catalysts and risks. Automated price and event alerts are added to the system to keep analysts apprised of key catalysts. Regularly scheduled research meetings allow for debate about individual investment theses, shifts in thematic or cyclical trends, and overall portfolio gross and net exposure. On a daily basis the investment team reviews portfolio holdings which are approaching price targets and stop-loss levels, as well as focus list stocks whose risk/reward ratio is skewing in the Advisor's favor.

The Advisor generally concentrates individual stock positions in 30-50 longs and 30-50 shorts to maximize the value of their research and convictions, and likewise does not utilize ETFs or options to hedge. This concentration may vary due to market conditions.

To manage risk, the Advisor generally maintains less than 50% net exposure, avoids leverage other than short selling of securities, invests across a broad set of industries, and remains disciplined with internal price targets and stop-losses.

The Advisor utilizes a variety of research methods in conducting its fundamental research. The Advisor may use, among other methods, any of or all the following:

- review, study, and analysis of public company filings – such as SEC filings;
- review, study, and analysis of company-sponsored information such as press releases, presentations, product descriptions, etc.;
- attendance and meetings with public company executives at industry conferences;
- visits to company locations and meetings/interviews with senior management of target companies (by target companies, we are referring to companies in which we are already invested or considering investing);
- meetings with senior executives of target companies virtually or in Denver or at industry conferences (live or virtually);
- regular dialogue with company executives via telephone and email;
- conversations and interviews with industry experts, such as brokerage research analysts;
- research on the target company's customers, suppliers, competitors, and partners;
- participation in public company conference calls and review of transcripts of such calls;
- use of various investment software which aggregate and organize historical company and industry financial data and disclose industry analyst estimates of future company revenues or profits;
- use and study of published research from various brokerage firms on subjects including publicly traded companies, industries, sectors, or broader research such as research on small-cap equities;
- analysis of historical company and industry financial data; and/or
- proprietary forecasts of future profits and cash flow of target companies.

The Advisor uses some or all of the investment methodologies described here. There is no assurance that the Advisor's application of these methodologies will be successful, nor is there any assurance that the information and data upon which we rely will always be fully accurate or unbiased.

### **Risk of Loss**

All investment programs have certain risks that are borne by the clients. Our investment approach keeps the risk of loss in mind. Advisory Clients face the following investment risks:

#### **General Risk of Investing**

Investing in securities involves a substantial risk of loss to the value of investments. Each client or investor should be prepared to bear the risk of losing a substantial amount of their investment up to and including all assets invested. The Advisor recommends both long and short investments. Long securities risk a loss equal to the amount invested, short securities have a risk of unlimited loss.

The Advisor seeks to manage risk on several levels but does not attempt to hedge against all possible exposure nor does the Advisor attempt to maintain neutrality to the market, sector, industry or any other risk factor.

Performance is subject to numerous factors that are neither within the control of or predictable by the Advisor including economic, political, competitive and other conditions. A non-exhaustive list of the significant risks related to the method of analysis and the investment strategies of the Advisor is outlined below.

A more thorough listing of risks associated with the Roubaix Fund can be found in the offering documents (such as a private placement memorandum or prospectus) specific to that investment vehicle.

#### **Lack of Diversification**

The portfolio recommended by the Advisor is not generally diversified among a wide range of securities, industries or asset classes. As such, the portfolio may be exposed to wider fluctuations in portfolio value than otherwise would be the case if the portfolio were required to maintain a high degree of diversification among its investments.

#### **Short Sales**

Selling securities short risk losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed.

#### **Small- and Mid-Capitalization Stocks**

These securities are often less liquid which may result in greater risks than larger companies.

#### **Market Risks**

The portfolio's investments may fluctuate in value sharply and unpredictably as a result of significant, unexpected market events, overall economic trends or governmental actions or intervention, actions taken by the U.S. Federal Reserve or foreign central banks, trade disputes, the formation or dissolution of multi-country treaties and other economic, political, and military relationships, political developments, armed conflicts across the globe, the effects of a pandemic, and other factors that may or may not be related to the portfolio's investments. As a result of economies and financial markets that are increasingly interconnected, economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural

disasters, wars, and other circumstances occurring in one country or region could have profound effects on economies or markets in other countries or regions.

### **Non-U.S. Investments**

Non-U.S. investments include investments denominated in non-U.S. currencies or traded outside the United States. Risks specific to these investments include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, confiscatory taxation, and economic or political instability in foreign nations.

### **Systemic Risk**

World events and/or the activities of one or more large participants in the financial markets and other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets.

### **Geopolitical and Public Health Crisis Risks**

Local, state, regional, national or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant adverse impact on investments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, natural and environmental disasters, epidemics, pandemics and other public health crises and related events and governments' reactions to such events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on U.S. and global economies and markets. Such events may have significant adverse direct or indirect effects on investments. For example, a widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, and impact the ability to complete redemptions, all of which could negatively affect account performance.

### **Limitations on Liquidity/Transferability**

An investment in a private limited partnership such as the Roubaix Fund typically provides for limited liquidity relative to other investments, such as securities purchased on a national exchange. Interests in such entities are also typically subject to restrictions on transfer.

### **Dependence on Key Employees**

The Advisor relies heavily on the services of key employees, particularly Mr. Christopher E. Hillary. The Advisor and the Advisory Clients would likely be impacted if the services of key employees were not available.

### **Conflicts of Interest**

There are certain inherent and potential conflicts of interest between the Advisor and its affiliates and Advisory Clients. Conflicts may include, but are not limited to, time commitment by the Advisor, management of other clients and fees charged to clients, including incentive and management fees. To mitigate the risks of such conflicts, the Advisor relies on policies and procedures that it believes are reasonably designed to emphasize its fiduciary duties to all its clients, and that seek to monitor the allocation of time, opportunities and other resources between clients.



### **Frequent Trading**

The Advisor recommends purchases and sales of securities as necessary to achieve the objectives of the clients without regard to the frequency of trading. The consequences of frequent trading include greater portfolio turnover, brokerage commissions, expenses and other trading costs. Frequent trading could also impact the tax liability of Advisory Clients. These increased expenses will impact the return clients receive on their investments.

### **Use of Trade Data**

The Advisor has and may enter into agreements with third parties, pursuant to which the Advisor provides the Fund's trade data and other Fund-related information. Such agreement(s) allow for the Advisor to be compensated for the provision of such data. While the Advisor only provides trade data subsequent to execution of trades, this presents a potential risk and conflict of interest since such data may be used in a manner that could disadvantage Advisory Clients. To seek to mitigate such risks, the Advisor considers whether and the extent to which the provision of data may impact Advisory Clients prior to entering into such agreements.

### **Risks Related to Electronic Communication**

The Advisor may provide directly or indirectly to Advisory Clients and/or their investors statements, reports and other communications in electronic form, such as email or via a password protected website. Electronic communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with a client or investor's electronic system. In addition, reliance on electronic communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information.

### **Changes in Applicable Law**

The Roubaix Fund and the Offshore Fund, as well as the SICAV, must comply with various legal requirements, including requirements imposed by the securities laws, tax laws, and pension laws in various jurisdictions (which in the case of the Offshore Fund and the SICAV would encompass non-U.S. laws). If any of those laws change, the legal requirements to which such accounts may be subject could differ materially from current requirements.

A complete discussion of risk factors specific to an investment in the Advisor Clients is included in offering memorandums specific to each Advisor Client. Investors should review the appropriate offering memorandum in detail before making an investment decision.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events material to your evaluation of the Advisor or the integrity of our management. The Advisor has no disclosures applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The Advisor serves as General Partner to the Roubaix Fund, a Delaware limited partnership. The Roubaix Fund, L.P. is structured to rely on exclusions from the definition of an "investment

company” under the Investment Company of 1940 and is not required to register with the SEC as a registered investment company. The Advisor, in its capacity as General Partner, has the right to enter into agreements, such as side letters, with certain investors in the Roubaix Fund that may, in each case, provide for terms of investment that are more favorable to the term provided to other investors in the Roubaix Fund.

Mr. Hillary is a director of Offshore Fund and the Advisor is the investment manager of the Offshore Fund. The Offshore Fund is structured to rely on exclusions from the definition of an “investment company” under the Investment Company of 1940 and is not required to register with the SEC as a registered investment company. The Advisor, in its capacity as the investment manager of the Offshore Fund, has the right to enter into agreements, such as side letters, with certain investors in the Offshore Fund that may, in each case, provide for terms of investment that are more favorable to the term provided to other investors in the Offshore Fund

No principal or employees of the Advisor are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. No principal or employees of the Advisor are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### **Item 11 – Code of Ethics**

The Advisor has adopted a Code of Ethics that it believes is reasonably designed to protect against conflicts between the personal securities transactions (if any) of the Advisor and its affiliates’ principals, officers and employees (and members of their families) and transactions effected on behalf of the Advisory Clients. The Code of Ethics is based on the principle that the Advisor and its employees owe a fiduciary duty to the Advisor’s Advisory Clients and to the individual investors in such Advisory Clients. Thus, employees of the Advisor must (i) place the interests of Advisory Clients and their investors first, (ii) avoid taking inappropriate advantage of their positions within the advisor, and (iii) conduct their personal securities transactions (if any) in full compliance with the Code of Ethics. Personal investing by the Advisor’s principals, officers, and employees, if any, in securities in which the Advisor’s Advisory Clients are planning to invest or have investments, may only occur after such Advisory Client’s purchases or sales have been effected. A copy of the Advisor’s Code of Ethics is available to any client or prospective client upon request by notifying our office at 1401 17th Street, Suite 1150, Denver, Colorado 80202.

Other policies adopted by the Advisor with which certain principals, officers, and employees (and in some cases, members of their families) must comply include, but are not limited to, pre-approval of personal securities transactions by the Advisor’s Chief Compliance Officer or delegate, annual certification of compliance with the Code of Ethics, and directing brokers to supply the Advisor with duplicate confirmations and periodic statements of personal securities transactions.

### **Participation in Client Transactions**

Principals, officers, and employees (and members of their families) of the Advisor, if any, and its related persons and affiliates may participate directly or indirectly as investors in the Advisor’s Advisory Clients, including the Partnerships. In addition, the Advisor may buy and sell on behalf of its Advisory Clients securities of issuers or other investments in which the Advisor and its

related persons and affiliates have a confidential relationship or in which the Advisor's or its affiliates' principals, officers and/or employees (and members of their families) own securities or otherwise have an interest.

The Advisor gives advice and takes actions in the performance of its duties to its Advisory Clients that differ from advice given, or the timing and nature of actions taken, with respect to other Advisory Clients' accounts. The Advisor has adopted policies and procedures that prohibit the use of material nonpublic information, and as a result, the Advisor and its related persons and affiliates, from time to time, may not be free to divulge or act upon certain material nonpublic information in their possession on behalf of their clients.

### **Personal Trading**

The Advisor's personal trading policy seeks to address any possible conflicts of interest that may arise between investment recommendations in the interests of clients and employees' personal investments for their own accounts. The Advisor's policies and procedures generally seek to address such issues by imposing reporting requirements and other restrictions on employees' investments in reportable securities, with the exception of a limited number of highly liquid, index-based ETFs that are unaffiliated open-end funds registered in the United States. While the Advisor's employees and Advisory Clients may both be investing in these ETFs, the Advisor believes that, given the liquidity of these ETFs, employee transactions are not materially impacting the markets for these securities, and that consequently there is no substantial risk of conflicts of interest in this regard.

Employees hold investments beyond the permitted ETFs. These holdings may include securities that are also held by Advisory Clients. Holdings also include investments in illiquid securities that do not fall within the Advisor's recommendations to clients. Holdings by employees create a conflict where the employee has interests in competition with the interests of Advisory Clients. The Advisor seeks to mitigate this conflict through its Code of Ethics and policies and procedures. The Advisor's Code of Ethics outlines the Advisor's duty to put the interest of its clients first. Policies and procedures further mitigate the conflict by requiring pre-clearance approval by the CCO or a designee of transactions in any of these securities. Approval is only given when the transaction can be completed without competing with the interests of the Advisory Clients. To mitigate the risk of employee trading in securities held by Advisory Clients, employees are prohibited from trading in a security that has been traded by the Adviser for its Advisory Clients in the past 2 trading days.

## **Item 12 – Brokerage Practices**

### **Soft Dollars**

The Advisor pays for research and brokerage products and services with "soft" or commission dollars. The Advisor believes that the products and services received are, in the aggregate, of assistance in fulfilling the Advisor's overall responsibilities to its clients. In many cases, products and services that are generated by third parties are provided by or through the brokerage firm to which commissions are paid. The Advisor believes that all such soft dollar activities fall within the scope of the safe harbor under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

The Advisor has entered into a soft dollar agreement with its prime broker that has established an account at the prime broker for the specific purpose of aggregating and maintaining “soft dollar credits” generated by the portfolio transactions described above in the Brokerage Selection section, provided that the particular Advisory Client relationship permits the use of “soft dollar credits.” The Advisor elects to use these credits to purchase research or brokerage products and services that the Advisor has determined to be within the safe harbor provisions of Section 28(e) of the Exchange Act. The products and services obtained through soft dollar credits benefit the Advisory Clients.

Certain Advisory Clients, due to structural, contractual, or regulatory considerations, may not participate in the aforementioned soft dollar arrangements. Nonetheless, these Advisory Clients (and not just Advisory Clients whose transactions indirectly paid for such brokerage or research services) benefit through the Advisor’s receipt of research or services. The Advisor generally seeks to ensure, however, that each Advisory Client receives an appropriate blend of services and that current arrangement continues to be in each Advisory Client’s best interest, and further believes, however, that no single Advisory Client is materially advantaged to the detriment of other Advisory Clients as a direct result of any such arrangements.

The Advisor does not guarantee any brokers the placement of a pre-determined amount of securities transactions in return for the research or brokerage products or services they provide. The Advisor does, however, have an internal procedure for allocating transactions in a manner consistent with its execution policy to brokers that it has identified as providing brokerage or research products or services of a benefit to its Advisory Clients. Brokerage and research products furnished by brokers are used in servicing any or all of the Advisory Clients of the Advisor and such research and brokerage products may not necessarily be used by the Advisor in connection with the accounts that paid commissions to the broker providing such brokerage and research products and services.

The Advisor also uses step-out transactions in order to receive brokerage and research products and services. In a step-out transaction, the Advisor directs trades to a broker-dealer with the instruction that the broker-dealer execute the transaction, but “step-out” a portion of the transaction or commission in favor of another broker-dealer that provides such products and/or services. Given the Advisor’s receipt of such products and services in connection with step-out transactions, the Advisor has an incentive to continue to engage in such transactions; however, the Advisor only intends to utilize step-out transactions when it believes that doing so would not hinder best execution efforts.

### **Brokerage Selection, including Brokerage for Client Referrals**

The Advisor has discretionary authority to determine the type, amount, price and timing of securities being bought and sold on behalf of each of its Advisory Clients, including the selection of and commissions paid to brokers, subject to each Advisory Client’s investment policies and goals.

Subject to the rest of this Item 12, the Advisor, in seeking to obtain the best execution of portfolio transactions, considers the quality and reliability of brokerage services. The Advisor also considers brokerage, research and investment information provided by the brokers and dealers. Factors considered by the Advisor in selecting brokers and dealers may include the following: price; the broker's or dealer's facilities, reliability and financial stability; the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as complexity of the trade, timing, order size and execution of the orders; and the brokerage and research products and services provided by that broker or dealer to the Advisor that are expected to enhance the Advisor's general portfolio manager capabilities, notwithstanding that an Advisory Client may not be the direct or exclusive beneficiary of such services.

Commission rates, being a component of price, are one factor considered together with other factors. The Advisor may cause a client's account to pay a broker or dealer a commission for effecting a transaction for the client's account that may be higher than a commission charged by another broker, in exchange for brokerage, research, or for marketing services, such as capital introduction. This is a benefit to the Advisor because the Advisor does not directly produce or pay for the research or services or pay for additional marketing resources. This may create an incentive to select a broker based on the research or other services provided rather than the client's interest in best execution. Under Section 28(e) of the Exchange Act, the Advisor may do this if it determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker.

To mitigate and address any conflicts of interest that may arise, the Advisor has adopted policies and procedures to evaluate, on an ongoing basis, the value of a broker's research and brokerage services and the reasonableness of any commissions charged.

The products and services that the Advisor received with client brokerage commissions within the last fiscal year include but may not be limited to: economic/market/industry data, electronic brokerage support, trading, market and research software.

### **Directed Brokerage**

As noted above, the Advisor typically retains discretion over brokerage selection. However, certain Advisory Clients sometimes wishes to restrict brokerage to a particular broker or dealer in recognition of custodial or other services (including, in some cases, referral of the Advisory Client to the Advisor for investment advisory services) provided to the Advisory Client by the broker or dealer. When an Advisory Client for whom the Advisor provides discretionary investment management services request or instructs in writing the Advisor to direct a portion of the securities transactions for its account to a specified broker-dealer, the Advisor will treat the Advisory Client direction as a decision by the Advisory Client to retain, except to the extent of the direction, the discretion the Advisor would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the Advisory Client's account. Although the Advisor will attempt to affect such transactions in a manner consistent with its policy of seeking best execution on each transaction, there may be occasions where it is unable

to do so, in which case the Advisor will continue to comply with the Advisory Client's instructions on a going forward basis.

The Advisory Client, therefore, should consider whether under its direction commissions, execution, clearance and settlement capabilities, and fees for custodial or other services provided the Advisory Client by the broker-dealer (if applicable) will be comparable to those otherwise obtainable by the Advisor.

An Advisory Client making such a designation also should understand that it may lose the possible advantage that non-designating Advisory Clients derive from aggregation of order for multiple Advisory Clients as a single transaction for the purchase or sale of a particular security because all or a portion of the Advisory Client-designated trades may be excluded from and executed subsequent to aggregated orders. An Advisory Client that makes such a designation should further understand that it may forego benefits from savings on execution costs that may otherwise be obtained, most notably by aggregating brokerage orders for accounts and that if a designated broker or dealer is not on the Advisor's approved list of brokers there may be additional credit and/or settlement risk. However, when appropriate, the Advisor will include in aggregate orders transactions for Advisory Clients that have made such a designation. In such cases, the executing broker will transfer the directing Advisory Client's portion of the aggregated order to the broker designated by the Advisory Client for that broker to clear and settle. The Advisory Client who directs the Advisor to use a specific broker may receive less efficient clearing and settlement on some transactions at least in part because the directed broker may provide less efficient service. In addition, such Advisory Client may not be able to participate in an allocation of shares of a new issue if those shares are sold by another broker.

### **Trade Aggregation**

Where appropriate, transactions for multiple Advisory Clients are bunched for execution purposes, which will not ordinarily affect commissions charged and execution prices on such transactions. Specifically, the Advisor effectuates bunched orders for multiple accounts according to a pre-determined allocation methodology whereby clients receive an average price and are assessed a fixed commission charge ranging between approximately \$0.006 to \$0.04 per share.

Circumstances involving partial fills may arise whereby the Advisor may determine that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for more than one Advisory Client, there is a limited supply or demand for the security of other investment. The Advisor is unable to aggregate trades for a particular account within a strategy due to reasons including, for example, a specific account's investment restrictions (e.g., use of synthetic securities vs. physical, account's use of specified counterparty). In general, the Advisor seeks to aggregate trades when it has the opportunity to do so.

### **Item 13 – Review of Accounts**

The portfolio of each Advisory Client is generally under ongoing review by the Advisor. Responsibility for review of accounts lies with the portfolio manager, Christopher Hillary, who

typically reviews holdings for consistency with clients' investment objectives and limitations, if any. The Advisor's CCO reviews account information strictly for administrative and compliance purposes.

In addition to the ongoing review, the Roubaix Fund and Offshore Fund are subject to annual audits by the Roubaix Funds' independent auditors. Other Advisory Clients may receive additional information from the Advisor pursuant to their Advisory Agreements, usually including information that is generally related to holdings and transaction information. Investors in the Roubaix Fund and Offshore Fund receive annual written audit reports following the completion of the independent auditor's audit.

#### **Item 14 – Client Referrals and Other Compensation**

The Advisor does not receive compensation from outside parties for providing investment advice to the Advisory Clients.

The Advisor does not engage third-party promoters to assist in marketing efforts.

#### **Item 15 – Custody**

All Advisory Client funds and securities, to extent permitted by law, are held at qualified custodians, which make account statements available to the Advisor daily via their websites. Each private fund client's administrator also provides account statements to the Advisor. Investors also receive certain statements from the administrators. Investors are urged to review all statements carefully and to compare them to any reports received from the Advisor.

#### **Item 16 – Investment Discretion**

The Advisor exercises discretionary investment authority over all managed assets held by the Advisory Clients. Discretionary authority is granted to us based on the applicable Advisory Clients' Investment Management Agreements and Offering Documents. Generally, the Advisor has the authority to determine, without obtaining Advisory Client consent, the securities to be purchased or sold, the amount of the securities to be purchased or sold, the broker-dealer to be used, and the commission rate applicable. The Advisor has complete discretion over the amount of assets to allocate to any investment and which securities will be bought or sold within the guidelines of the limited partnership and investment management agreements without obtaining specific Advisory Client consent.

#### **Item 17 – Voting Client Securities**

The Advisor currently has authority to vote proxies for most of its Advisory Clients. With respect to proxies voted by the Advisor, the Advisor has adopted written proxy voting procedures. Under those procedures, the Advisor generally votes with management, except in certain circumstances. Any conflicts of interest that arise in the context of voting proxies are evaluated by our Chief Compliance Officer and handled in accordance with how the Chief Compliance Officer deems

appropriate, given consideration to the type and materiality of the conflict. A copy of the Advisor's proxy voting procedures is available upon request. Advisory Clients may obtain information about how the Advisor voted that client's proxies by contacting the Advisor in writing at its principal place of business.

### **Item 18 – Financial Information**

We are not aware of any financial condition reasonably likely to impair our ability to meet contractual and fiduciary commitments to Advisory Clients or prospective clients. We have not been the subject of a bankruptcy proceeding petition at any time during the past ten years.