THERE IS LUCK.

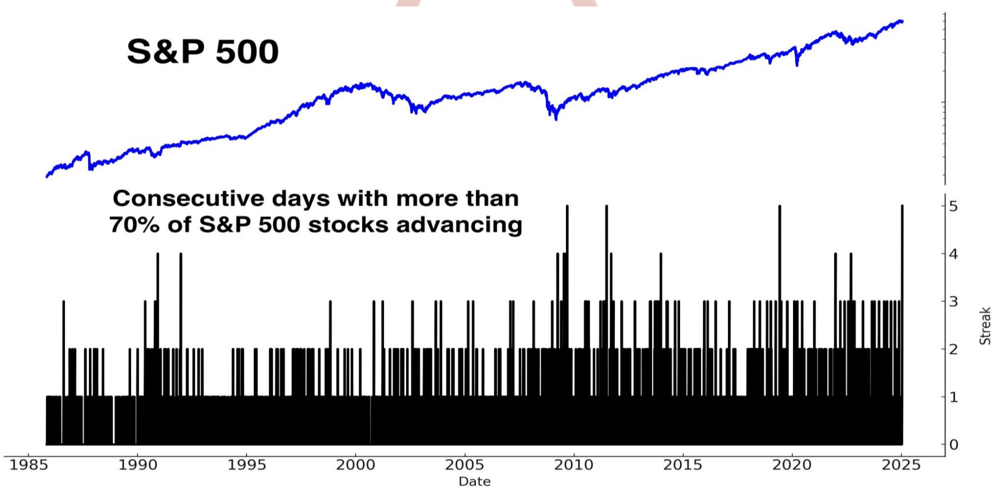
AND THERE IS SCIENCE.

Investing is a science.
It requires a plan and
discipline to follow the plan.
Anything short thereof is blind exploration.

Winter - 2024 - "A Welcomed Consolidation Phase"

Dear Valued Clients and Friends,

MARKET PERSPECTIVE: As could be anticipated, the stock market entered a consolidation phase near the upper end of its recent trading range to digest the remarkable gains in the market over the last two years led by the strength in the high-tech marvels, "the Magnificent 7". During this period, we have seen the strength broaden out to a much larger number of stocks, as featured in the chart below. More importantly, the small-cap sector finally turned higher in the third quarter of 2024 after lagging since their peak in late 2021. While the volatility has been high recently, the major indices remain below their December highs and ideally, they would stay in this range as more time will be needed to digest recent gains, all in the context of a longer-term uptrend. Driving this action continues to the be the short-term direction in interest rates as they react to economic and inflation data. There continues to be a number of things of concern such as the conflicts in the Middle East and the Ukraine. The election has come and gone, which is good, however the market is now worried about the impact of tariffs and the inflation it may cause. Expectations for corporate revenue and earnings growth, share growth remains upbeat, which is positive.



TECHNICAL PERSPECTIVE: From a technical perspective, most indicators remain positive with the major indexes, the NASDAQ Composite, S&P 500 index, and the Russell 2000 Growth Index in solid uptrends in the intermediate and long time periods. The advance decline lines which lost momentum late in Q-4 have turned back up as well. On the sentiment side, the AAII Investor Survey has slightly more bulls than bears but not enough to be concerned. My weekly review of over 1000 chart patterns also reflect the lack of short-term trend in the market. However, there are more bullish patterns than bearish with a larger than average that are neutral. Lastly, of the neutral charts, we find there are noticeably more that are ready to break out on the upside than those that are breaking down, which is encouraging.

SECTOR COMMENT: In technology on the hardware side, the Telecom Infrastructure and Telecom-Fiber segments continue to lead along with the Computer Networking group. The Computer Software Group is being led by the Computer Software -Enterprise, Security, and Database subsectors. The Regional Bank and Financial Services sectors have pulled back and are now digesting recent gains. Most Healthcare sectors remain in the doldrums except for the Medical-Systems/Equipment and Biotech-Biomed group.

PORTFOLIO ADJUSTMENTS: In the fourth quarter we added two new positions, TG Therapeutics (TGTX*31.26) and Turtle Beach, (TBCH*18.34), sold three existing positions, OptimizeRx (OPRX*5.43), Indie Semiconductor (INDI*4.27 and Canadian Solar,(CSIQ*10.96) and trimmed one, Sezzle (SEZL*235.06)

Continued On Back

COMPANY HIGHLIGHT: Turtle Beach,(TBCH*18.34) is one of the world's leading gaming accessories providers. Turtle Beach is known for designing best-selling gaming headsets, top-rated gaming controllers, and PC gaming peripherals for over a decade. We find it appealing Turtle Beach offers customers quality products within various price ranges applicable to an array of gaming systems. Turtle Beach also has very rapidly growing revenues, Earnings Per Share, and an excellent chart.

In summary, the stock market picked up where it left off in the third quarter of 2024, extending its gains until mid-December when the market abruptly reversed. As discussed above, we believe that we are in a period of consolidation, which is usually necessary to continue a sustained trend to the upside we think will occur. We also feel that the market will continue to broaden out, featuring more stocks and sectors, not just a handful of mega-cap large cap stocks. Most importantly, as this takes place, we fully expect the small cap segment to outperform nicely as it is still extremely undervalued when compared to the large caps. As always, the confidence you have shown in Rocket is greatly appreciated. Please reach out to us at your convenience if you would like to discuss this in more detail.

Sincerely,

J.D. Hurd
President / Senior Portfolio Manager

Ben j. Scheibe
Sr. Vice President

Aaron Williams
Research Analyst / Operations

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Benchmarks: Rocket Capital performance results shown are compared to the performance of the Morningstar Small-Cap Growth Index. The index results do not reflect fees and expenses and you typically cannot invest in an index.
Return Comparison: The Morningstar Small-Cap Growth Index was chosen for comparison as it is generally well recognized as an indicator or representation of the small-cap stock market in general and includes a cross section of equity holdings.

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