



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.

Fall - 2024 — “Climbing the Wall of Worry”

Dear Valued Clients and Friends,

MARKET PERSPECTIVE: Following the resurgence in small cap stocks that began earlier in 2024, the small cap sector added handsomely to those gains in the third quarter. More recently small caps have been consolidating those gains. While at times, this has been frustrating it is important to keep in mind that the majority of the consolidation has happened at the top end of the recent trading range, which bodes extremely well for the future. Behind the action lies the confusion related to the endless stream of economic numbers, some good, some bad and some in between. This will most-likely dictate the Federal Reserve's next decision on the short-term direction in interest rates. When you add in to the equation the escalation of conflict in the middle east, it has been remarkable that the stock market has been able to sustain its uptrend. This doesn't even take into consideration the “madness” associated with the upcoming election. On the positive side, while going almost unnoticed, recent corporate revenue and earnings projections have been consistently better than expected, which suggests the economy is in pretty good shape. Without question, there are several market segments that have gone up too far too fast but there are also many which have not. All things considered, as discussed above, while there is no shortage of things to be concerned about, the stock market has performed well. This adds to my conviction.

TECHNICAL PERSPECTIVE: From a technical perspective, many of the indicators are mixed, which is what you expect from a stock market which is consolidating gains after a meaningful advance. Advance-decline lines on the major indexes have also lost their upside momentum but not enough to be concerned at this time. We will be watching this closely to see if they deteriorate further. Also, my weekly review of over 1000 chart patterns continue to feature more stocks in uptrends than down trends and a larger percentage in base patterns the previously noted. We will look to add to our existing positions on market setbacks.

SECTOR COMMENT: In technology, the leaders can be found in the Computer Software-Financial, Database, and Education groups. In hardware, the leaders can be found in Telecom Infrastructure, Telecom Fiber optics, and Networking Equipment groups. As mentioned in our last newsletter, the Financial Services and Regional Banks have gained more momentum and are now on the leaderboard. Although the Healthcare space is neutral at present, the Biomed-Biotech segment remains in favor. We are looking to add to our positions in this category.

PORTFOLIO ADJUSTMENTS: Since our last newsletter we have added three new positions, Sezzle Inc. (SEZL*212.25), Mankind Inc, (MNKD*6.96), and American Superconductor, (AMSC*24.79). We also trimmed Zeta Global Holdings, (ZETA*28.06).

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COMPANY HIGHLIGHT: Sezzle Inc. (SEZL*212.25) Sezzle's unique payment platform increases the purchasing power of millions of consumers by offering interest-free installment plans at online stores and select in-store locations. Sezzle's transparent, inclusive, and seamless payment option allows consumers to take control over their spending, be more responsible, and gain financial freedom. Sezzle also features strong and accelerating revenue and earnings per share growth and an excellent chart.



.In summary, as suggested in our Summer Newsletter, the small cap segment of the market finally came to life in the 3rd quarter and outperformed both the S & P 500 and the NASDAQ Composite in a meaningful way. This supports our belief that small cap stocks are in the initial stages of a long overdue period of outperformance which history suggests it could last for quarters and years to come. As always, the confidence you have shown in Rocket Capital is greatly appreciated. Please feel free to reach out to us at any time to discuss things in more detail

Sincerely,

A handwritten signature in blue ink, appearing to read "J.D. Hurd".

J.D. Hurd
President / Senior Portfolio Manager

A handwritten signature in blue ink, appearing to read "Ben J. Scheibe".

Ben j. Scheibe
Sr. Vice President

A handwritten signature in blue ink, appearing to read "Aaron Williams".

Aaron Williams
Research Analyst / Operations

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Model portfolio performance is shown net of the model advisory fee of 1.5% the highest fee charged by Rocket Capital and sample trading costs based on our Custodian Charles Schwab's trading costs. Performance does not reflect the deduction of other fees or expenses, including but not limited to brokerage fees, custodial fees and fees and expenses charged by mutual funds and other investment companies. Performance results shown include the reinvestment of dividends and interest on cash balances where applicable. The data used to calculate the model performance was obtained from sources deemed reliable and then organized and presented by Rocket Capital.

The performance calculations have not been audited by any third party. Actual performance of client portfolios may differ materially due to the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, [optional -the reinvestment of dividends], the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

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.