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Restated Rules

- **Budget Discipline:** The portfolio cannot use any new capital beyond the current cash balance. All trades must be funded by existing cash or proceeds from sales, and we will track cash precisely after each move.
- **Execution Limits:** We can only trade in full share increments. No derivatives, no short selling, no margin or leverage – long equity positions only.
- **Universe Constraints:** We focus strictly on U.S. micro-cap stocks (market capitalization under $300 million). Before buying any stock, we **must verify its market cap** is below $300M based on the latest price. (If a holding exceeds $300M later, we may hold or sell it, but not add more.) We also prioritize stocks with sufficient liquidity (reasonable average volume, tight spreads) to execute our trades without excessive slippage.
- **Risk Controls:** We will respect all given stop-loss levels and position sizing guidelines. Any potential breach of these (such as an outsized position or a too-tight/too-loose stop) will be noted and addressed immediately. Every buy will have a stop-loss order placed to manage downside risk.
- **Trade Cadence:** This is the weekly deep-research review. We have full discretion this week to add new positions, trim or exit current holdings, or increase positions, as needed. Our mandate is to optimize risk-adjusted returns within the experiment's timeframe.
- **Autonomy and Goal:** We have complete freedom to make portfolio decisions in the portfolio's best interest, aiming to generate alpha (beat the benchmark). All decisions will be justified with research, and the overall goal is to improve the portfolio's performance while adhering to the above constraints.

Research Scope

This week's research involved a comprehensive review of our **current holdings** and an extensive search for **new micro-cap opportunities** with near-term catalysts. We examined recent press releases, SEC filings, FDA calendars, and biotech news sources for each holding and potential candidate:

- **For existing positions (MIST, SPRO, TLSA):** We checked on any new developments or catalyst updates. For example, we confirmed Milestone Pharmaceuticals (MIST) remains on track for its December 13, 2025 FDA decision on its etripamil nasal spray (PDUFA date Dec 13 confirmed [1]). We reviewed Spero Therapeutics (SPRO) news around its partnership with GSK and noted that the next major catalyst (NDA filing acceptance for tebipenem HBr) is expected in **2H 2025** [2] (likely too late for our experiment). For Tiziana Life Sciences (TLSA), we noted no scheduled FDA decisions this year; its value is driven by ongoing trial progress and news flow (it's up ~200% YTD on positive updates, but with no binary event before year-end). We also verified none of these have breached our $300M market cap limit (all are well under, see **Cash & Constraints** section for specifics).

- **For new candidates:** We scanned the universe of U.S. micro-caps for companies with **high-impact catalysts in the next ~2 months**. Our focus was on biotech/pharma (e.g. pending FDA approvals, trial readouts) and any other sectors where a year-end event could re-rate the stock. We utilized FDA PDUFA calendars and investor forums. For instance, we noted Microbot Medical (MBOT) recently obtained FDA clearance for a medical device and plans commercialization in Q4 2025 [3]. We also identified Aytu BioPharma (AYTU), a micro-cap commercial pharma launching a newly approved antidepressant in Q4 2025 [4], as a potential play. These two stood out due to the **immediacy and magnitude** of their catalysts relative to their tiny market caps.

- **Cross-verification:** We cross-checked market cap and liquidity for each candidate to ensure compliance. We confirmed MBOT's market cap is about $186 million [5] and AYTU's is roughly $23 million [6] – both safely in micro-cap range. We also glanced at other possibilities (e.g., aTyr Pharma, which just had a Phase 3 readout) but eliminated those that had disappointing outcomes or catalysts beyond our timeframe. For example, aTyr Pharma's Phase 3 sarcoidosis trial **missed its primary endpoint** [7], removing it from consideration despite an upcoming data release.

Overall, our research is up-to-date as of this weekend. We've synthesized the findings into a set of portfolio actions aimed at maximizing risk-adjusted returns in the final weeks of the experiment. All source data (prices, market caps, news) have been double-checked via reliable financial news outlets and company releases, with key points cited in this report.

Current Portfolio Assessment

As of end of Week 16, our portfolio holdings are:

- **MIST (Milestone Pharmaceuticals)** – *Role:* Highest-conviction catalyst play. *Entry Date:* Added in Week 15 (early October 2025). *Average Cost:* $2.03 per share. *Current Stop:* $1.70. *Conviction:* **High.** *Status:* **Hold.** MIST is a pivotal bet on the FDA approval of etripamil for PSVT, with a PDUFA decision due Dec 13, 2025. We sized this position large (currently ~42% of portfolio) because of the asymmetric upside if approved. Our homework indicates the company addressed the previous CRL issues and could see the stock move to multi-year highs on approval [1]. We are comfortable holding this through the binary event, with the stop-loss to limit downside if the decision is negative. No new adverse news; the thesis remains intact.

- **SPRO (Spero Therapeutics)** – *Role:* Steady anchor position (antibiotic partnership play). *Entry Date:* Initial position in Week 10; trimmed in Week 15. *Average Cost:* ~$2.09. *Current Stop:* $1.78. *Conviction:* **Moderate.** *Status:* **Hold/Review (Exit Candidate).** SPRO has been a stable contributor, up modestly since our entry. It's backed by a GSK partnership and is awaiting an NDA submission for its oral antibiotic in late 2025 [2]. This provides longer-term upside (potential 2026 approval), but **its catalyst is outside our experiment timeframe**. The stock's behavior is slow-burn; it won't likely spike near-term, though it provides diversification. We are re-assessing whether to keep this given our need for faster movers. (No rule breaches: market cap ~$125M [8], position size ~39%.)

- **TLSA (Tiziana Life Sciences)** – *Role:* Innovative pipeline "wild card" with momentum. *Entry Date:* Week 13. *Average Cost:* $1.99. *Current Stop:* $1.78. *Conviction:* **Moderate.** *Status:* **Hold/Review (Trim Candidate).** TLSA has a unique intranasal immunotherapy platform (targeting MS, ALS, etc.) and has ridden positive news momentum (stock +200% YTD). It has **no imminent binary events** before year-end, but continues to release encouraging trial updates and could attract speculation or partnership interest. We kept this smaller (~15% weight) with a tight stop to protect profits. The stock trades around $1.95 currently with a ~$220M market cap [9]. We like its story, but in the absence of near-term catalysts, we are considering reallocating some or all of this capital into more immediate opportunities.

(Overall, all current positions remain within the micro-cap universe constraint at present. No stop-loss has been hit, and no position exceeds our comfort limit, though MIST is intentionally large given its catalyst.)

Candidate Set

After scanning the market, we identified the following micro-cap candidates with compelling near-term catalysts and acceptable liquidity:

- **AYTU (Aytu BioPharma)** – A $23M market cap specialty pharma launching **EXXUA**, a first-in-class antidepressant, in Q4 2025 [4]. EXXUA was FDA-approved in late 2023 and is a novel 5-HT1a agonist for Major Depressive Disorder. The **catalyst**: the commercial **launch in the coming weeks** into a >$20B depression drug market [10]. Aytu's stock is modestly up this year but does not yet reflect potential EXXUA revenues, in our view. Liquidity is moderate (daily volume typically 0.1–0.2M shares [11], which is sufficient for our small purchase). We consider AYTU **undervalued with a transformative catalyst imminent**, albeit with execution risk (launch success is not guaranteed).

- **MBOT (Microbot Medical)** – A ~$185M market cap medical device company that just achieved a **major milestone**: FDA 510(k) clearance (September 2025) for its LIBERTY robotic surgical system [12]. This clearance makes LIBERTY the first single-use, disposable endovascular robotic system on the market. The **catalyst**: Microbot is **preparing to commercialize LIBERTY in Q4 2025** [3], including showcasing it at medical conferences and engaging potential hospital customers [12]. The stock had rallied on the clearance news and has since pulled back slightly, giving us an entry opportunity. Liquidity is relatively high (1–2M shares traded daily [13] recently). We see additional upside if the launch goes well or if a larger medtech company shows interest in this novel technology.

- **Other Considerations (not chosen):** We also evaluated a few other micro-caps:

- *aTyr Pharma (ATYR)* – had a key Phase 3 data readout in pulmonary sarcoidosis in mid-September, but the trial **missed its primary endpoint** [7] (though it showed some positive secondary outcomes). This disappointing result increases uncertainty and invites legal/financial headaches, so we decided against entry.
- *Shuttle Pharmaceuticals (SHPH)* – developing an oral radiation sensitizer for cancer (Phase 2 ongoing). Interesting long-term, but **no near-term data** (final readout likely 2026), so it doesn't fit our immediate catalyst need.
- We looked for any late-2025 FDA decisions among sub-$300M biotechs besides MIST. Many candidates (e.g., those in Reddit forums) either already had their catalyst (and ran up, like MBOT) or were too far out. No other ticker offered a catalyst within our 10-week horizon **and** a better risk/reward than the ones above.

In summary, AYTU and MBOT stood out as the best additions: both are micro-caps on the cusp of significant Q4 events that could unlock value. They complement MIST (another Q4 catalyst) and add diversification across biotech (AYTU pharma, MIST pharma) and medtech (MBOT device). Each has sufficient trading volume for our purposes. These will form our **new entries** while we consider trimming or exiting slower-moving positions.

Portfolio Actions

Keep MIST: *Maintain full position (17 shares).* **Rationale:** Milestone Pharmaceuticals remains our highest conviction holding. The FDA's decision on etripamil (for PSVT) is now ~8 weeks away, and nothing in our research diminishes the bullish thesis. On the contrary, the resolution of prior FDA concerns and the huge unmet need in PSVT support holding (or even adding, if we had spare cash) through the decision [1]. Upside on approval could be several-fold (analysts have cited a potential move into the teens per share on approval). We will keep our stop-loss at $1.70 to protect from a worst-case outcome. **In short: we've swung for the fences with MIST, and we will follow through.**

Exit SPRO: *Sell entire position (15 shares).* **Rationale:** While we remain positive on Spero Therapeutics fundamentally, its story is playing out on a longer timeline. The next big catalyst (NDA filing and then FDA decision in 2026) won't materialize during our experiment [2]. The stock (around $2.20) has been relatively stable, and we are up slightly on it. Given our urgent need to boost the portfolio (we're still behind the S&P 500) and limited cash, we plan to **redeploy the ~$33 from SPRO into opportunities with more immediate payoff**. This exit is not due to any negative development on SPRO – it's a strategic reallocation from a slow-burn asset to higher-octane catalysts. We will free up the capital now and possibly revisit SPRO in the future outside this 6-month window.

Exit TLSA: *Sell entire position (6 shares).* **Rationale:** Tiziana Life Sciences has been a nice "momentum" play for us, but as noted, it lacks a near-term binary event. The stock's uptrend has shown some signs of stalling recently (e.g., pulled back from ~$2.02 to $1.95 last week). We fear that without fresh major news, TLSA could drift or even slide (profit-taking) in the coming weeks. Additionally, its stop-loss is relatively close (1.78, ~9% below current) and could easily get hit on normal volatility. Rather than risk a stop-out at a lower price, we prefer to proactively exit around the current price and **use the ~$11.70 proceeds more effectively**. This doesn't reflect a loss of faith in Tiziana's technology; it's about urgency and opportunity cost. We can always keep it on our watchlist, but for the remainder of this experiment, we choose to allocate its capital into our new high-conviction picks (AYTU, MBOT).

Initiate AYTU: *Buy a new position in Aytu BioPharma.* **Target Size:** Approximately **$22–23** allocation (which is ~28% of portfolio post-rebalancing). This translates to **10 shares** at around $2.29 (current price). **Rationale:** We are initiating AYTU to capture the **upside of the EXXUA antidepressant launch**. Our thesis: Aytu's market cap is only ~$23M [6], an anomaly given EXXUA is a newly approved drug entering a huge market. The company secured financing and partnership for this launch [14] [15], reducing the risk of an emergency cash raise. If the launch gains traction or even if the market begins to anticipate success, the stock could re-rate sharply upward. We want to be positioned *before* official launch news hits (anticipated in Q4 2025). Risk-wise, AYTU is still losing money and launching a single product in a competitive field – if the uptake disappoints, the stock could slide. To manage this, we will set a **stop-loss at $1.80** (about 20% below our entry) which is just under the stock's recent support levels. In summary, AYTU offers a **high-risk/high-reward catalyst** that aligns with our need to potentially double our portfolio by year-end. We initiate the position with a limit order (see details below) and will monitor launch progress closely.

Initiate MBOT: *Buy a new position in Microbot Medical.* **Target Size:** Approximately **$22** allocation (~27% of portfolio), aiming for **8 shares** around $2.75. **Rationale:** We are adding MBOT to gain exposure to its **post-FDA clearance commercialization** story. The LIBERTY robotic system's 510(k) clearance in September is a game-changer for the company [12]. Now they are moving swiftly to market the device (management is targeting initial commercialization in Q4 2025 [3]). We believe this transition from development to revenue generation could attract new investors or strategic partners. Notably, MBOT's technology – a remote, single-use surgical robot – could potentially make it a *takeover target* if larger medtech firms want in on this innovation. The stock, after spiking to ~$3+ on the news, has retraced to the mid-$2.70s, giving us a reasonable entry without chasing. We will use a **stop-loss at $2.30** (roughly 17% downside) to guard against a breakdown below the recent trading range. MBOT's average volume (often 1–2 million shares per day [13]) means our trade is very liquid. By initiating MBOT, we add a non-biopharma catalyst to our portfolio, diversifying event risk. We're essentially betting that the **market will reward MBOT's progress** as the Q4 commercialization unfolds. This could play out via press releases of first sales, demo units being adopted, or simply increased visibility at conferences. If nothing materializes, downside is that the stock drifts or falls back toward pre-clearance levels (~$2), which our stop would mitigate. On balance, the upside potential (a move back toward recent highs or beyond on any positive news) justifies initiating this position now.

(No other trades are planned aside from the above. We will not add to MIST further simply due to cash constraints – otherwise its thesis would justify even more exposure. We also are not initiating any other new names since we want to remain focused and not over-diversify the small portfolio at this stage.)

Exact Orders

Below are the specific orders we will enter for Monday, October 20, 2025. All limit orders are set to **DAY** (end-of-day expiration) unless otherwise noted, aiming to execute at the opening of the next trading session. We use limit orders to control execution price given micro-cap volatility, and stop-loss orders (Good-Till-Cancelled) will be placed right after the buys fill:

Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss (for buys)	Special Instructions	Rationale
Sell	SPRO	15	Limit	$2.20	DAY	2025-10-20	N/A	–	Exit entire Spero position to reallocate capital into higher-impact Q4 catalysts. Limit set just below last close (~$2.21) to ensure prompt execution.
Sell	TLSA	6	Limit	$1.90	DAY	2025-10-20	N/A	–	Exit entire Tiziana position to free funds for new plays. Limit set slightly below last trade ($1.95) to prioritize execution in case of any dip.

Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss (for buys)	Special Instructions	Rationale
Buy	AYTU	10	Limit	$2.35	DAY	2025-10-20	$1.80 (GTC)	–	Initiate Aytu position ahead of Exxua drug launch. Limit $2.35 to allow a small uptick from $2.29 current price if needed. Stop-loss $1.80 placed ~22% below entry (below recent support) to cap risk.

Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss (for buys)	Special Instructions	Rationale
Buy	MBOT	8	Limit	$2.85	DAY	2025-10-20	$2.30 (GTC)	–	Initiate Microbot position on post-FDA clearance dip. Limit $2.85 (slightly above $2.76 last price) to secure fill. Stop-loss $2.30 (~17% downside) set below key support to protect capital.

Notes: All orders are standard **cash orders** (no margin). We intend to execute the sells first (to generate the cash for buys). The buy orders and associated stop-loss orders will be entered immediately after the sells execute. We chose limit orders to avoid slippage in these thinly traded names, but our limits are generous enough (above the last closing prices for buys, slightly below for sells) to likely get filled in the morning. The stop-loss orders are GTC (good-till-cancelled) and will remain in effect unless adjusted in future weeks.

Risk and Liquidity Checks

Post-trade Portfolio Composition: If all orders execute, our new portfolio will consist of MIST, AYTU, and MBOT. Concentration will be somewhat high: roughly **45% in MIST**, ~28% in AYTU, ~27% in MBOT (these are approximate weights at purchase cost). This is a **concentrated portfolio**, with effectively three bets. We acknowledge the concentration risk – particularly MIST being nearly half – but this is by design given our conviction and the short timeframe to recover performance. We have mitigated risk via stop-loss orders: each position has a predefined max loss threshold. In a worst-case scenario (all stop-losses hit), the portfolio would lose about 20% on each new position and ~15% on MIST, which is painful but *survivable* (and far less than an unprotected downside). No position exceeds an absolute size that would violate prudent risk (even MIST at ~45% is aggressive but not an outright breach, considering the circumstances and our rules).

Cash After Trades: We will use almost all available cash. The combined proceeds from SPRO and TLSA (~$33 + ~$11.7 = ~$44.7) plus existing $2.40 cash gives about $47.1 to deploy. Our planned purchases total roughly $46.7. This leaves a small **cash buffer of around $0.4** (40 cents) – essentially zero for practical purposes. This is within our rules (no new capital, just redeploying what we had). We are comfortable going nearly fully invested because time is short and idle cash won't help catch up to the benchmark. We do retain that tiny cash just for safety on fees or minor price slippage.

Liquidity and Trade Impact: The sizes of our orders are very small relative to typical trading volumes, so we expect **minimal market impact**: - *SPRO:* Selling 15 shares into an average daily volume of ~500–600k shares [16] is negligible (0.003% of daily volume). The bid/ask spread on SPRO is usually only a few cents, so using a limit ~$2.20 should get us out immediately without moving the price. - *TLSA:* 6 shares vs ~380k daily volume [17] – effectively zero impact. We set a modest discount (1.90 vs 1.95 last) to ensure a fill. This trade will not disturb the market. - *AYTU:* Buying 10 shares vs recent daily volume of ~100k–200k [11] is trivial (0.01% of volume). AYTU's spread is manageable; a limit at $2.35 is above last closing price, which should get us filled if the stock even ticks up slightly. We do not anticipate any issue entering this position. - *MBOT:* Buying 8 shares vs typically 2+ million shares trading per day [13] is an extremely small order. Even though MBOT can be volatile, our order is a drop in the ocean – it will fill easily, especially with a limit a few cents above market.

Overall, slippage risk is low due to our small size. We chose **limit orders** mainly as a precaution; however, given the liquidity, we could likely have used market orders and still been fine. The limit orders just ensure we don't get an unexpected price if one of these stocks gaps at the open.

Stop-Loss Placement: We double-checked that our stop levels are sensible and not too tight: - AYTU $1.80 stop is ~22% below current price, which accounts for normal volatility in a $2 stock while protecting us from a larger downside move (it's below the $2.00 psychological level and recent lows, so a break of $1.80 would likely indicate a serious negative turn). - MBOT $2.30 stop is ~17% below current price. MBOT has shown it can swing 10-15% in a week, but $2.30 is below the lows of the past month (it hasn't traded that low since the FDA clearance news). If it falls to $2.30, that would likely mean the post-clearance momentum truly died off, and we'd step out to prevent deeper losses. - MIST's existing $1.70 stop (~12% below current) remains appropriate – it's below the recent consolidation range. We expect MIST to either climb on anticipation or hold steady into the FDA date; a drop toward $1.70 would be a warning sign (or could be broader market-related), in which case we'd re-evaluate, but the stop is there as an ultimate backstop.

No stop is placed so tight as to be hit by mere daily noise (we've given them room considering historical volatility), but they are tight enough to **prevent a total portfolio wipeout** if something goes fundamentally wrong.

Compliance Checks: All new positions were confirmed to be under $300M market cap at purchase time. Specifically: - **AYTU** – ~$23 million market cap [6] (well below our cutoff). - **MBOT** – ~$186 million market cap [5] after its recent rally. - **MIST** – ~$167 million as of this week [18]. We are fully in compliance with the micro-cap universe rule. We will monitor these in case any skyrockets above $300M (which would be a good problem to have!).

We also reiterate that we are not using margin or any prohibited instruments – all orders are straightforward stock trades within our cash means.

In summary, the portfolio after these trades will be concentrated and volatile, but within the boundaries of our risk management rules. We've accepted higher volatility as a necessary trade-off to aim for a higher return. Every position has an explicit exit plan (stop-loss), and position sizes, while bold, are deliberate. Liquidity is sufficient for both entry and exit in all cases.

Monitoring Plan

The coming week (Week 17 of the experiment) will require **vigilant monitoring**, as our portfolio is now even more catalyst-driven. Here's our plan:

- **Milestone Pharmaceuticals (MIST):** We will watch for any news related to the FDA review of etripamil. With about 8 weeks until the Dec 13 PDUFA, it's possible we hear of an FDA advisory committee meeting or FDA communications. Any rumor or update (positive or negative) could move the stock significantly. We'll also keep an eye on sector sentiment – since MIST's fate could be influenced by how biotech FDA decisions are trending or any read-through from similar companies. Our stop at 1.70 is in place; if MIST starts moving up on optimism, we may consider trailing the stop higher in a future update to lock in gains. For now, maintain the course.

- **Aytu BioPharma (AYTU):** Since this is a new position, we will closely monitor Aytu's press releases and any analyst coverage regarding EXXUA's launch. Key things to watch this week: Does Aytu announce a specific launch date or initial distribution partnerships? Any early feedback from prescribers? Also, stock volume and price action could signal how the market is perceiving the upcoming launch. If the stock pops quickly (for example, a 20-30% jump on some news), we might consider taking partial profits or at least adjusting the stop-loss upward to protect gains. Conversely, if it drifts down toward our stop with no news, we'll investigate why – it could be general market softness or concerns we missed. We'll also monitor competitor news in the depression treatment space (any new competing drug launch or issues with existing therapies could affect sentiment for EXXUA). Given Aytu's small size, any significant move will be on our radar intraday.

- **Microbot Medical (MBOT):** We will track any developments on LIBERTY's commercialization. Specifically, MBOT is expected to **present at industry conferences** (the company mentioned attending a major interventional radiology/oncology symposium in October) – we will look out for any presentation outcomes or clinician feedback from those events. Additionally, any hint of sales, orders, or partnership discussions will be material. MBOT's stock could be news-driven; for instance, an announcement of the first hospital adoption or a distribution agreement could send it higher. We'll watch the technical levels too: MBOT has been trading in the mid-$2 range; a strong push above $3 on high volume would be bullish (we might then raise the stop to just below $3 to secure profit), whereas a fade under $2.50 might indicate waning interest (we'd be on alert if it approaches our stop at $2.30). We will also keep an eye on the broader medical device sector sentiment, though MBOT's moves will likely be company-specific.

- **General Market and Risk Factors:** We have essentially all our eggs in the biotech/medtech basket now, which means we must watch biotech indices and news. Any sector-wide FDA announcements, policy changes (e.g., drug pricing or FDA shutdowns), or macro events (e.g., interest rate shocks that hit speculative stocks) could impact us. We'll monitor the **XBI (biotech ETF)** as a sentiment gauge. If biotech shows signs of a downturn, we may tighten stops or reduce exposure proactively rather than wait. Additionally, because two of our positions (MIST, AYTU) are around December catalyst events, we'll watch for any **"run-up" dynamics** – often traders buy in anticipation a few weeks prior. If we see that starting (stocks climbing fast), we may decide on whether to ride it or take some profit before the actual event (to avoid binary risk). Those decisions will come in Week 18–19, but the groundwork is laid now.

- **Stop-Loss Management:** We will check daily that our stop orders are in place and adjust if needed. For example, if AYTU quickly rises to say $3 on launch excitement, we might move the stop from $1.80 up to perhaps $2.40 (above our entry) to guarantee a win. The same goes for MBOT; any significant upward move will prompt a stop review. Conversely, if any stop is triggered, we'll immediately reassess whether to stay in cash or rotate into another opportunity (given only a few weeks left, any stopped-out capital might be best held in cash unless a new catalyst emerges).

- **News Alerts:** We will set news alerts for all three holdings. MIST's FDA decision is the big one (still weeks away, but any leak/rumor will be crucial). AYTU may have multiple small updates (launch progress, perhaps quarterly earnings around November with guidance on EXXUA?). MBOT's news flow could include PR about that symposium or initial commercialization steps. We'll be ready to react to any of these quickly. Reaction could mean adjusting stops, taking partial profits, or in a worst case, cutting a position early if we sense a thesis-breaking development.

Contingency Plans: If one of our catalyst plays hits a snag (e.g., if out of nowhere Aytu announces a delay in EXXUA launch or MBOT encounters a regulatory hurdle in manufacturing), we won't hesitate to cut the position, even if the stop hasn't been hit, because timeline is key. We have essentially **no "dead money" tolerance** now – every position must be trending into its catalyst. Cash is low, but if we exit something, we might hold the cash until we identify another immediate catalyst. We will keep scanning for any new late-breaking opportunities (sometimes December PDUFA dates get announced or moved – we'll watch the FDA calendar).

Overall, the plan is active management: daily check-ins on price and news, ready to make tactical tweaks. We recognize the elevated risk, so we'll be nimble. The aim is to let our winners run into their catalytic events, but also **be ready to pull the plug if any warning signs appear**.

Thesis Review Summary

Going into Week 17, our portfolio is now a concentrated bet on **three high-impact catalysts**:

- **Milestone Pharmaceuticals (MIST)** – *Thesis:* A pure FDA binary play. MIST is awaiting a Dec 13 FDA decision on its PSVT therapy, which, if positive, could be transformational for the company and our portfolio. We've kept MIST as our largest holding because (a) we have strong conviction from due diligence that the drug's prior issues have been resolved, and (b) the payoff could be game-changing (multi-bagger potential) [1]. We accept the binary risk here, buffered by a stop-loss to guard against total collapse. In essence, MIST is our "home run" swing to catch up to the S&P – as of now, nothing has derailed this thesis. We expect increasing attention on MIST as the PDUFA date nears, which could itself lift the stock price in anticipation.

- **Aytu BioPharma (AYTU)** – *Thesis:* An undervalued commercial story about to unfold. Aytu is launching EXXUA, the first new-class antidepressant in years, targeting a huge market with unmet needs (notably, EXXUA doesn't have the sexual side effects common to SSRIs) [10] [19]. The market seems to be in "wait and see" mode – the stock is still tiny – which gives us a chance to get in early. Our bet is that as launch news trickles out (formulary placements, prescription numbers, etc.), investors will re-rate Aytu upwards. With backing from reputable healthcare investors and the company's own commercialization experience, execution risk is moderated (though not eliminated) [14]. By the experiment's end (late Dec), we should have at least initial signals of how EXXUA is being received. Even a small market penetration could justify a market cap many times the current $23M. Our stop at $1.80 protects us if the market loses confidence (e.g., if launch is delayed or initial uptake is poor). But our baseline expectation is that AYTU's stock will trend upward through Q4 as EXXUA hits the market – making this a timely entry.

- **Microbot Medical (MBOT)** – *Thesis:* Riding the momentum of a breakthrough device approval. Microbot's LIBERTY robotic system clearance is a *big deal* in medtech – it's literally the first of its kind (remotely-operated, single-use robot) [20]. Such a novelty could see rapid adoption if marketed well, because it addresses real needs (reducing physician radiation exposure, improving access to advanced procedures in more settings) [21]. We believe the next few weeks will bring increased visibility: MBOT management is actively promoting the device (conferences, investor events) and preparing for a Q4 commercial launch [3]. Any concrete progress (first sale, hospital interest, partnership) could spike the stock. Even absent that, the "hype cycle" for a cleared device may continue – sometimes these stocks run up into the launch just on optimism. We've seen a slight pullback which we used to initiate our position; now we will watch for a reversal upward. Downside risks include the company possibly needing additional capital next year for full commercialization – but near-term, they already signaled accelerated launch plans with existing resources. Our stop at $2.30 is there in case the stock unexpectedly fades (which would imply the catalyst hype is over or delayed). However, we anticipate positive news flow. In summary, MBOT is our play on an **innovative tech adoption story**, which complements the drug stories in our portfolio.

Why this portfolio now? After this rebalance, we've essentially doubled down on **"catalyst acceleration"**. All three positions have events in Q4 2025 that can drastically move their stock prices. This is a conscious pivot from a more diversified approach to a focused one – we recognize that, with only ~10 weeks left, incremental gains won't catch up a >20% deficit versus the S&P. We need one or two big wins. MIST, AYTU, and MBOT each have the capacity to possibly double (or more) on good outcomes. Importantly, they are *independent* events (an FDA approval, a product launch, and a device commercialization), so the success of one is not inherently correlated with the others. This gives us three "shots on goal." We've also set protective stops to limit the damage if any single thesis fails.

The **coming week** will be about settling these new positions and watching for initial feedback: - Does the market start pricing in EXXUA's launch (AYTU climbing)? - Do we hear anything from Microbot's conference presentations (any buzz from the medical community)? - Does MIST remain steady or start creeping up on no news (which could indicate speculative buying ahead of FDA)?

We will review these questions in the next update. Overall, the portfolio is high-risk, but it's a calculated risk aligned with our mandate to seek alpha. Every position has a clear catalyst and defined exit strategy. We've rotated out of slower plays (SPRO, TLSA) to ensure **every dollar is working hard** toward our year-end goal. Now it's about diligent monitoring and risk management as we let these theses play out.

Next Week's Outlook: Expect potentially more volatility, but also the chance for news-driven upside. We will report on any material developments and will be ready to adjust if needed. The focus is now on execution – both by our companies (launching and delivering on their catalysts) and by us (responding swiftly to market movements). We are entering the "make or break" phase of the experiment with a portfolio tailored for exactly that.

Confirm Cash and Constraints

After executing the proposed trades, our cash balance will be approximately **$0.50** (essentially zero, barring a few cents of rounding). We started with $2.40 cash, and we will receive roughly $44.7 from selling SPRO and TLSA, then spend about $46.7 on AYTU and MBOT. This near-full deployment of cash is intentional and has been done **within our budget – no new capital was added**.

All new and remaining holdings comply with the stated constraints: - **Market Cap:** Each stock is well under the $300M cap limit at purchase time. AYTU is ~$23M [6], MBOT ~$186M [5], MIST ~$167M [18]. (For reference, even TLSA and SPRO were $222M and $125M respectively, also under the limit when we held them). We have rigorously checked these market caps using latest data. No rule violation here. - **Liquidity:** We have respected liquidity considerations. The smallest daily volume among our new positions is AYTU's ~100-200k/day [11], which is still ample relative to our 10-share trade. Others trade in the hundreds of thousands or millions of shares per day [13] [17]. We expect no issues entering or exiting these positions promptly. - **Position Limits:** We note that MIST will be about ~45% of the portfolio, which is high. While no explicit numeric limit was given in the rules, we flag that this is a concentrated position. We have justified this with its catalyst weight and have a stop in place. The other positions will each be ~27-28%. So the portfolio will have roughly 45/28/27% split across three names. This is a deliberate concentration for high conviction ideas, and we are comfortable it's within the spirit of "position sizing with stops" risk control – we are aware and have mitigations (stops, diversification across three different catalysts). - **No Prohibited Instruments:** We are only trading common stocks, long-only, in the U.S. markets. No options or shorts or leverage have been used at any point, in accordance with the rules. - **Stops in Place:** All longs in the new portfolio have stop-loss orders (MIST $1.70, AYTU $1.80, MBOT $2.30). We will maintain or adjust these as needed, but we will **not** leave any position unguarded given the volatility of micro-caps.

In conclusion, after these changes our portfolio will be fully invested in three micro-cap stocks that each meet the experiment's criteria. We have effectively **zero cash buffer**, which is a calculated decision because every position has an imminent catalyst. All actions taken adhere to the experiment's constraints and have been based on up-to-date research. We will carry forward with close observation and disciplined risk management, aiming to let our high-conviction bets play out while staying within the rules at all times.

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