

## Restated Rules

- **Budget Discipline:** Use only the \$85.22 current equity (cash \$25.11 + holdings value ~\$60.11) – no new capital. All trades will be accounted in cash, ensuring the cash balance never goes negative.
- **Execution Limits:** Trades are **long-only**, full shares only. No shorting, no options, no leverage or margin, and no derivatives. Orders will be placed as standard limit **DAY** orders for the next trading session (09/29/2025) unless otherwise specified.
- **Micro-cap Universe (< \$300M):** Focus on U.S. micro-cap stocks under \$300M market cap. Verify market caps before adding. Current and prospective holdings (FBIO, ALDX, SPRO, IOBT) all qualify (e.g. ALDX ≈ \$297M <sup>1</sup>; FBIO ≈ \$109M <sup>2</sup>; SPRO ≈ \$109M <sup>3</sup>; IOBT ≈ \$104M <sup>4</sup>). If any holding exceeds \$300M later, we may hold or sell but **not add**.
- **Risk Control:** Adhere to stop-loss levels and prudent position sizing. Each buy will have a stop-loss placed, roughly 15–20% below entry unless a specific support level suggests otherwise. If any position or proposed trade breaches risk constraints (excess concentration or stop discipline), flag it.
- **Weekly Cadence:** This is the **week 14** deep research review. We have full freedom to adjust the portfolio (add, trim, exit, initiate positions) to optimize risk-adjusted returns. Decisions will be catalyst-driven and made in the portfolio's best interest to generate alpha, while respecting the above rules.

## Research Scope

We conducted comprehensive research on current holdings' developments and potential new opportunities, focusing on upcoming biotech catalysts, recent FDA decisions, partnership news, and stock performance. This included:

- **Company News & Filings:** Reviewed FDA calendars and press releases for Fortress Biotech (FBIO) and Aldeyra (ALDX) to confirm upcoming FDA decision dates and any new information on their drug candidates <sup>5</sup> <sup>6</sup>. Checked for updates on Spero Therapeutics (SPRO) partnership with GSK and NDA timeline <sup>7</sup>, and IO Biotech (IOBT) Phase 3 trial outcomes.
- **Market Data:** Pulled the latest stock prices and volumes for each holding and candidate to inform trading decisions. For example, FBIO closed at \$3.91 on 09/26 with ~1.21M shares traded <sup>8</sup>, ALDX at \$5.07 with ~590k volume <sup>9</sup>, and SPRO at \$1.94 with ~397k volume <sup>10</sup>. These confirm liquidity for our planned trades.
- **Catalyst Calendar:** Consulted FDA decision calendars and biotech news sources to identify any new micro-cap biotech catalysts in Q4 2025. Verified FBIO's PDUFA (FDA decision) date on Sept 30, 2025 <sup>5</sup> and ALDX's PDUFA date on Dec 16, 2025 <sup>6</sup>. Also noted SPRO's plan for an NDA filing by end of 2025 <sup>7</sup>.
- **Financial & Risk Checks:** Reviewed financial stability for candidates (e.g., SPRO's cash runway into 2028 with GSK funding <sup>11</sup> to mitigate dilution risk) and recent stock performance (e.g., IOBT's reaction to trial results). This ensures new additions align with our risk tolerance and won't violate constraints.

## Current Portfolio Assessment

**FBIO (Fortress Biotech)** – *Entered:* Aug 2025 at ~\$3.71 average; *Cost Basis:* \$19.90 total; *Stop:* \$3.10. **Role:** Event-driven catalyst play. FBIO's value hinges on **CUTX-101** for Menkes disease, which has an imminent FDA decision (PDUFA Sept 30, 2025) <sup>5</sup>. Our conviction is high given priority review status and no existing treatment for this fatal pediatric disease. The stock has nearly doubled from 52-week lows on anticipation (YTD high ~\$4.12) and currently trades around \$3.9. We consider FBIO a high-upside, binary event position (potential approval and Rare Pediatric Disease voucher vs. risk of a delay/CRL). **Status:** *Hold (and monitor closely)* – poised for FDA outcome this week. Stop-loss \$3.10 remains in place (roughly 20% below market) to cap downside if approval disappoints.

**ALDX (Aldeyra Therapeutics)** – *Entered:* Early Sept 2025 at ~\$4.95; *Cost Basis:* \$39.58 total; *Stop:* \$4.00. **Role:** Medium-term catalyst & potential turnaround. ALDX's key asset is **Reproxalap** for dry eye disease. After a prior FDA Complete Response Letter (CRL), Aldeyra resubmitted its NDA, now accepted with a PDUFA target of Dec 16, 2025 <sup>6</sup>. This will be the third review – management appears confident issues are resolved. The stock has rebounded from <\$2 earlier in the year to ~\$5 on optimism. It also carries a strategic angle: **AbbVie holds an option to co-develop or acquire Reproxalap** <sup>12</sup>, indicating big-pharma interest. Conviction remains moderately high given the large market (dry eye) and takeover speculation, but timeline is ~3 months out. **Status:** *Hold (possible slight trim)* – We maintain ALDX for the expected Q4 catalyst and M&A potential, but will trim a small portion to manage its outsized weight (~47% of portfolio) and free up cash for nearer-term plays. Stop-loss stays at \$4.00 (about 20% downside protection).

*(Note: Previous holdings SNGX and FDMT were fully exited in prior weeks due to extended timelines and to consolidate into higher-conviction names. They remain off the portfolio given superior opportunities elsewhere.)*

## Candidate Set

After screening multiple micro-caps, we've identified a short list of candidates aligned with our catalyst-driven strategy:

- **SPRO (Spero Therapeutics)** – **Thesis:** Late-stage antibiotic developer with a **game-changing oral antibiotic (Tebipenem HBr)** for complicated UTIs. *Key Catalyst:* Partnership with GSK (who halted Phase 3 early for efficacy) – GSK will file the NDA by end of 2025 <sup>7</sup>. At ~\$2/share (market cap ~\$106M <sup>3</sup>), SPRO trades at a deep discount to its potential, considering an FDA approval could make it the first oral carbapenem for cUTI. GSK's backing (including milestones) extends Spero's cash runway into 2028 <sup>11</sup>, reducing financial risk. *Liquidity:* ~300k avg volume, adequate for small trades.
- **IOBT (IO Biotech)** – **Thesis:** Immuno-oncology play developing cancer vaccines. *Key Catalyst:* Had a pivotal Phase 3 trial in melanoma (with Keytruda). However, recent topline results were lackluster – the trial “**failed to deliver**” on primary endpoints <sup>13</sup>, causing the stock to fall to ~\$1.6. We are monitoring if further data (e.g. progression-free survival improvement) or peer news (in cancer vaccines) reignites interest. *Note:* High risk – no immediate FDA decisions; this is a tactical trade candidate only if momentum or news picks up.
- **(Other Watchlist Names):** We remain on the lookout for any micro-cap biotech nearing a late-2025 catalyst (e.g., regulatory decisions or major Phase 3 readouts). No other ticker currently matches our criteria as strongly as the above. We'll monitor sources like BioPharmCatalyst for any new additions.

# Portfolio Actions

**Keep FBIO:** *Maintain* the FBIO position into the FDA decision. Rationale: The risk/reward remains attractive – approval of CUTX-101 on Sept 30 could be transformative, potentially doubling the stock (FBIO would receive the first approved Menkes treatment and a valuable priority review voucher) <sup>14</sup>. Downside is mitigated by our modest position size (~23% pre-trade) and stop-loss at \$3.10. We will hold through the event, given high conviction in approval (strong Phase 3 survival data and multiple FDA designations) and lack of alternatives for Menkes. No trimming now, as any reduction would materially cap our upside on this pivotal catalyst. *(Post-event, we'll reassess – likely take profits on a surge or cut if the outcome is negative.)*

**Trim ALDX:** *Sell a minor portion* (proposing to trim 2 of 8 shares). Rationale: ALDX is a high-conviction holding but currently ~47% of the portfolio – too concentrated given its catalyst is still 11 weeks away. We will realize a slight gain at ~\$5.07 (stock has risen ~+19% in the past month) <sup>15</sup>, reducing the position to ~35% of portfolio. This improves diversification and provides cash without significantly sacrificing upside (we retain 75% of the position for the December catalyst). The trim is also a precaution in case of any unforeseen delays or market pullback before the PDUFA. ALDX remains a core holding into Q4, and we'll consider rebuilding the stake on any dips or as the PDUFA approaches, if appropriate.

**Initiate SPRO:** *Buy* a new position in Spero Therapeutics. Target size is ~\$25 worth (about 30% of portfolio post-trade). Rationale: SPRO offers a compelling “turnaround with Big Pharma backing” theme that complements our other holdings’ FDA catalyst focus. With GSK funding development, SPRO’s risk is lower than typical micro-caps (ample cash runway <sup>11</sup> and high efficacy demonstrated in Phase 3). While the NDA filing (late-'25) and approval (2026) are outside our experiment’s timeframe, we expect interim catalysts: GSK’s NDA submission news in Q4 could lift the stock, and generally small-cap biotech momentum could drive SPRO higher from its current depressed price (~\$1.90). Valuation is attractive at ~0.3x potential peak sales (market cap ~\$109M vs. blockbuster antibiotic potential). We intend to initiate now while it’s underfollowed, and possibly add on dips (“accumulate on dips” per last thesis). A stop-loss will be set to manage risk (see orders).

**Add to FBIO (small):** *Add* modestly to FBIO if cash allows (after other moves). Rationale: Given our strong confidence in CUTX-101 approval, we will increase FBIO slightly to boost potential gains, yet still keep the position size reasonable. We plan to use part of the freed ALDX funds to buy a couple more FBIO shares, bringing its weight closer to that of ALDX and SPRO (~30% each). This tactical add reflects our conviction on the Week 14 catalyst. Importantly, we are not over-leveraging – even after adding, FBIO will be ~1/3 of the portfolio. We will maintain the same stop (\$3.10) on the entire FBIO position.

**No Entry in IOBT (Watch Only):** *Hold off* on IO Biotech for now. Rationale: Although IOBT fits our theme of “special situations” and is on our watchlist, the recent Phase 3 disappointment has removed the near-term catalyst, and the stock’s direction is uncertain. There is no pressing event before year-end to justify an immediate buy. We prefer to conserve some cash and attention for higher-probability bets. We will keep monitoring IOBT’s news (e.g., any updated trial analyses or partnership moves); if positive momentum emerges, we can revisit a quick trade. For this week, no position in IOBT.

# Exact Orders

## 1. Sell (Trim)

- **Ticker:** ALDX
- **Shares:** 2 (out of 8)
- **Action:** Sell
- **Order Type:** Limit (DAY)
- **Limit Price:** \$5.05 (approximately the closing price \$5.07 <sup>16</sup>, slightly under to ensure execution if the bid is a bit lower)
- **Time in Force:** DAY (execute on 2025-09-29)
- **Rationale:** Trimming ~25% of ALDX position to reduce concentration and unlock ~\$10 cash. ALDX ran up recently, so we take a partial profit while still retaining exposure for the Dec 16 PDUFA <sup>6</sup>. This sale frees capital to redeploy into nearer-term opportunities (FBIO, SPRO) without fundamentally changing our thesis on Aldeyra. *No change to its stop-loss (\$4.00) on remaining shares.*

## 2. Buy (Add)

- **Ticker:** FBIO
- **Shares:** 2 (adding to current 5 shares, new total 7)
- **Action:** Buy
- **Order Type:** Limit (DAY)
- **Limit Price:** \$3.90
- **Time in Force:** DAY (execute on 2025-09-29)
- **Stop Loss:** \$3.10 (for all 7 shares; reaffirmed just below recent support and the original stop level)
- **Rationale:** Modest add to FBIO to capitalize on the imminent FDA decision. We set a limit near the last closing price (\$3.91 <sup>8</sup>) to avoid chasing any spike on Monday's open. If filled, FBIO becomes ~32% of the portfolio – a calculated risk given our high conviction in approval. We keep the stop at \$3.10 (unchanged), reflecting that if the drug approval goes wrong, we want to exit and preserve capital. The addition is sized small (~\$7.80 cost) to limit downside if the outcome is negative, but meaningful enough to enhance upside if CUTX-101 is approved.

## 3. Buy (New Position)

- **Ticker:** SPRO
- **Shares:** 13
- **Action:** Buy
- **Order Type:** Limit (DAY)
- **Limit Price:** \$2.00
- **Time in Force:** DAY (execute on 2025-09-29)
- **Stop Loss:** \$1.65 (placed ~17% below entry, under the \$1.80 support from mid-August lows to avoid noise)
- **Rationale:** Initiating a position in Spero Therapeutics. The \$2.00 limit is near the 09/26 close (~\$1.94 <sup>17</sup>); this should fill given recent trading range (day high 09/26 was \$1.956 <sup>17</sup>). We chose a limit rather than market to avoid slippage in this micro-cap. **Stop-loss \$1.65** is set just below the summer support level – if SPRO falls that far, it likely signals a breakdown or broader market sell-off, and we'd step aside. With 13 shares (~\$26), SPRO will comprise about 30% of the portfolio. The buy is justified by SPRO's strong fundamentals (GSK partnership, Phase 3 success) and undervaluation. We anticipate holding this through Q4's NDA filing news and potentially beyond, barring any change in thesis.

*No other orders.* (No action on IOBT or other watch names this week.)

**Special Execution Instructions:** All orders are standard limit orders for the regular session. We expect the ALDX trim to execute near the open (ALDX has adequate liquidity >500k volume <sup>16</sup>). The FBIO add and SPRO buy are placed slightly above last trading prices to ensure fills if prices rise modestly; if either doesn't execute on 09/29, we will reassess (we're not using GTC to maintain control – we'll re-enter if needed in subsequent days). There are no after-hours or pre-market orders – these are DAY orders aligned with normal market hours. All buys include stop-loss orders as noted, which will be activated once positions are filled, per our risk management rules.

## Risk And Liquidity Checks

- **Post-Trade Portfolio Concentration:** The portfolio will have three equity positions with roughly balanced weights: ALDX ~35%, FBIO ~32%, SPRO ~28%, plus ~5% cash. No single position exceeds 40% of the portfolio, which is within acceptable concentration limits for a high-conviction strategy (though still a concentrated portfolio by traditional standards). This balance improves risk distribution versus the prior ~47% single-stock weight in ALDX. We are mindful that FBIO and ALDX are both biotech catalyst plays (sector correlation risk), but SPRO adds a somewhat differentiated sub-theme (antibiotic with Big Pharma backing). Overall, catalyst outcomes (FDA decisions) remain the dominant risk – we accept this given the experiment's focus, but have sized positions to what we deem appropriate for their risk profiles.
- **Cash Utilization:** After the above trades, the cash balance will decrease from \$25.11 to ~\$1.45. We are deploying ~98% of available cash to maximize exposure to our best ideas (while leaving a small reserve ~\$1-2 for flexibility and to cover any unforeseen minor expense). This adheres to the hard budget constraint (no new capital) – we are simply reallocating existing funds. The final cash on hand (~\$1.45) is tracked precisely and remains positive.
- **Stop-Loss Review:** All positions have stops: FBIO at \$3.10 (unchanged), ALDX at \$4.00, SPRO at \$1.65. No stop is currently in immediate danger based on market prices (each stop is ~20% or more below last close). We have **no stop breaches to report**. We will monitor FBIO especially around the FDA decision – note that in a gap-down scenario (e.g., a bad FDA outcome), the stop may execute at a lower price than \$3.10 due to slippage. This is a known risk with biotech events; position sizing mitigates it. All stops are within acceptable range (none is set overly tight that might trigger on normal volatility, given recent trading ranges).
- **Liquidity of Orders:** The order sizes are very small relative to each stock's average volume, so **no liquidity issues** are anticipated. For context:
  - **ALDX:** Selling 2 shares vs. ~590k average daily volume <sup>18</sup> – an almost negligible trade (<0.001% of ADV). The bid-ask spread on ALDX is typically only a few cents, so impact should be nil.
  - **FBIO:** Buying 2 shares vs. ~1.2 million volume <sup>8</sup> – also negligible. FBIO trades actively (it traded over a million shares on 9/26), so adding 2 shares at \$3.90 will not move the market.
  - **SPRO:** Buying 13 shares vs. ~300k average volume (e.g., 397k on 9/26 <sup>10</sup>) – <0.005% of ADV. Even though SPRO is lower-priced, the order is tiny; we expect a smooth fill.All orders are limit orders to further control execution price. We chose limit prices based on recent trading ranges to avoid chasing prices; given the liquidity, we expect full execution on 09/29 without needing to loosen limits.
- **Compliance Checks:** All new positions were verified to be within the micro-cap limit (<\$300M market cap) before ordering. Post-trade, we will have three holdings, all well under the cap (FBIO ~\$110M,

ALDX ~\$300M, SPRO ~\$106M) <sup>1</sup> <sup>2</sup> <sup>3</sup> . No leverage or prohibited instruments are used – only equity shares and cash. The portfolio remains long-only and within all stated constraints.

## Monitoring Plan

We enter Week 14 with a critical catalyst on deck and several developing stories. Our monitoring plan focuses on both stock-specific triggers and broader market conditions:

- **Fortress Biotech (FBIO) – FDA Decision (Sept 30):** This is the top priority. We will watch for any FDA announcement on CUTX-101's approval status **on 9/30** (Tuesday). Since this decision will likely hit after-hours or early morning, we'll monitor news wires (FDA, company press releases) continuously. **If Approved:** Expect a sharp rally; we will decide whether to realize profits or hold for additional upside (FBIO may also receive a Rare Pediatric Disease Priority Review Voucher, potentially worth ~\$100M, which could further boost value). We'll also raise the stop-loss post-event to protect gains. **If a CRL (denial):** The stock could plummet; our stop \$3.10 should trigger, but we'll be prepared to manually exit any remaining shares at market if the drop gaps through the stop level. In either case, FBIO's outcome will likely prompt a special rebalancing mid-week (outside the typical window) given its magnitude – we'll be ready to act.
- **Aldeyra (ALDX) – NDA Progress and Rumors:** With no expected FDA action until mid-December, ALDX news flow may be lighter, but we will watch for any of the following: FDA acceptance of additional data (if any), updates on manufacturing (to ensure no lingering CRL issues), and **any hints of AbbVie's intentions**. AbbVie's option to co-develop or buy rights to Reproxalap <sup>12</sup> is a wildcard – any rumor or move there could move ALDX stock quickly. We'll also track competitor developments in dry eye (for example, if a rival drug faces setbacks, it could improve ALDX's outlook). Price-wise, we'll observe technical levels – ALDX has been trading in the mid-\$4s to low-\$5s; a break above ~\$5.50 could indicate increasing bullish sentiment heading into the fall, whereas a dip toward \$4 would put us on alert (that's near our stop). We remain patient with ALDX but vigilant.
- **Spero Therapeutics (SPRO) – GSK Partnership & NDA Timeline:** We'll monitor Spero's press releases and any GSK updates regarding the **NDA submission for Tebipenem HBr**. The guidance is "2H 2025" <sup>7</sup> , so essentially at any point this quarter GSK could announce the NDA filing – which would likely be a catalyst for SPRO (as it de-risks the path to approval). We will also watch for scientific conference presentations or publications of the Phase 3 data (positive data being shared can attract investor attention). On the stock side, SPRO has been drifting around \$1.8-\$2.0; we'll watch that it holds the ~\$1.80 support. If it instead rallies above \$2.20 on volume, that may indicate accumulating interest – at which point we might consider adding more. Conversely, if it unexpectedly falls toward our stop (\$1.65) without news, we'll investigate (could be general small-cap weakness or a leak of negative info). Given SPRO's lower liquidity, we'll also keep an eye on any unusually large trades or volume spikes as possible signals.
- **Macro and Market Sentiment:** All our picks are micro-cap biotechs, which are sensitive to overall market risk appetite. We'll track the **Russell 2000 index** and biotech indices (e.g., XBI) for signs of continued small-cap strength or reversal. The context from last week was that small-caps were rallying from deep undervaluation, with strong risk appetite in biotech. If that changes (say, a broad market sell-off or risk-off shift), we may tighten stops or pare back positions to reduce volatility. Conversely, a continued rally supports holding our positions for larger gains. Any major macro events (interest rate decisions, etc.) will be considered insofar as they impact liquidity or risk sentiment for micro-caps.

- **Other Watchlist Items:** We will keep an ear to the ground for any new micro-cap biotech catalyst opportunities that meet our criteria (sub-\$300M and near-term catalysts). For instance, if any **new FDA approvals or data readouts** are scheduled in the coming weeks for companies in our universe, we might prepare to rotate. Additionally, **IO Biotech (IOBT)** stays on our radar – we'll check if the company provides more details on its Phase 3 results or strategic direction (e.g., if they pivot to another trial or a partnership). A positive development could merit a fast entry, given its low base. Until then, no action, but monitoring price – if IOBT starts rising on unusual volume, that could tip us off to news.

Overall, this week's plan is to **stay agile**: The FBIO event could significantly increase our portfolio value (or require damage control), so we may have to swiftly adjust. By next weekend, we'll likely be discussing FBIO's outcome and possibly rebalancing around it. We'll also monitor that our remaining cash (~\$1.45) stays sufficient for any small fees or tactical add-ons; though minimal, it's a buffer in case we need to quickly buy or cover something.

## Thesis Review Summary

As we enter Week 14, the portfolio is positioned squarely around **high-impact biotech catalysts**, with three holdings each representing a distinct facet of our strategy:

- **Near-term FDA Decision – Fortress Biotech (FBIO):** This is our **high-conviction event play**. FBIO's CUTX-101 for Menkes disease faces an FDA decision on Sept 30. Our thesis is that CUTX-101 will win approval (supported by Breakthrough and priority review, strong efficacy in a rare pediatric disease)<sup>14</sup>, which could be game-changing for FBIO's tiny ~\$110M market cap. We've slightly increased our stake in FBIO to amplify this potential asymmetric payoff. If successful, FBIO could surge (finally validating our catalyst-driven approach), while our preset stop limits the downside if the unexpected occurs. This binary event will be the truest test of our strategy so far.
- **Medium-term Catalyst & Quality Asset – Aldeyra (ALDX):** ALDX remains a core holding, embodying our **"catalyst + buyout" theme**. Its dry eye drug's December PDUFA and the **optionality of a Big Pharma partnership (AbbVie)**<sup>12</sup> give it significant upside. We expect a steady news flow into year-end – any indications of FDA favorability or AbbVie's plans could re-rate the stock. We trimmed a small portion solely for risk management, not due to loss of faith. ALDX's inclusion keeps our portfolio anchored in a slightly later catalyst, providing a follow-up opportunity after FBIO. This staggered catalyst approach (Sept, then Dec) is intentional to potentially drive a second leg of portfolio gains. Our thesis: by Q4, if Reproxalap is approved (or Aldeyra is acquired), ALDX's value could be many times our entry, rewarding our patience.
- **Turnaround with Pharma Backing – Spero Therapeutics (SPRO):** Our new position in SPRO adds a **strategic, lower-risk growth play** to the mix. SPRO's partnership with GSK on its oral antibiotic positions it for likely FDA filing in the coming months and, by extension, a strong chance of approval given Phase 3 success<sup>19</sup><sup>20</sup>. The stock's current depression (under \$2) belies the tremendous progress and de-risking done via GSK's involvement. Our thesis is that as the market recognizes SPRO's funded runway and impending NDA, the stock will climb (potentially well ahead of the actual approval). SPRO diversifies our catalyst timeline (it may appreciate on filing news even before the

formal FDA decision in 2026) and adds a fundamentally robust story to our portfolio. It's a classic "undervalued turnaround" that complements the pure catalyst plays in FBIO and ALDX.

In summary, the portfolio is now composed of **three micro-cap biotech bets** that each exemplify our experiment's core idea: find small companies on the cusp of major catalysts or inflection points that can **deliver outsized gains**. The overall thesis – that a rebounding small-cap biotech market will reward catalytic events – still holds. We see increasing risk appetite in the sector, and our holdings are positioned to capitalize on that: FBIO for an immediate binary win, ALDX for a medium-term approval/M&A, and SPRO for a steadily building rerating with big pharma validation. We have **tight risk controls** (stops in place, position sizes adjusted) to guard against the inherent volatility.

Going into next week, we are **cautiously optimistic**. The portfolio has been optimized with fresh research and a prudent shuffle of assets (trimming where prudent, adding where conviction is highest). Now, it's about execution and monitoring. If our theses play out, the coming weeks could see a significant recovery in our performance (currently at \$85.22 vs ~\$107 had we been in S&P 500). We are prepared to adapt quickly as news comes in. The focus remains: stick to high-conviction catalysts, manage the risks, and aim for an **asymmetric payoff** that could close the gap with the benchmark by the experiment's end.

## Confirm Cash and Constraints

- **Cash After Trades:** After executing the above orders, the cash balance will be approximately **\$1.45**. This reflects the net of selling 2 ALDX (~+\$10.10) and buying 2 FBIO (~-\$7.80) and 13 SPRO (~-\$26.00). The remaining cash (about 1.7% of portfolio value) is safely within our budget – we have **not used any external funds**. All calculations were done to the penny to ensure we stay within the \$25.11 available cash (we actually leave a small surplus).
- **Capital and Position Limits:** We affirm that no new capital was introduced. The portfolio's total value stays within existing equity. All positions are in compliance with the <\$300M market cap rule (verified via sources for each). We will not add to ALDX going forward if its market cap crosses above \$300M (it's currently right at the threshold ~\$295-300M <sup>1</sup>). There is no use of margin or disallowed instruments – only long stock positions and cash.
- **Risk Constraints Adherence:** Every long position has a stop-loss in place per risk management rules. Position sizing has been adjusted to avoid any single holding dominating the portfolio beyond a reasonable share (roughly one-third each now). No stop levels have been moved upward yet (aside from the new stops set for SPRO and extended to added FBIO shares); we'll only trail stops up after significant gains to lock in profits, in line with our discipline. We have flagged no rule breaches in our plan. In summary, **all trades and holdings respect the experimental constraints**, and the portfolio is positioned to pursue its strategy within the defined risk guardrails.

Overall, the action plan above is fully compliant and the portfolio is ready for Week 14's challenges, with cash accounted for and risk tightly managed. We will now execute these orders and vigilantly follow through on the monitoring plan as the week unfolds. <sup>5</sup> <sup>6</sup> <sup>7</sup> (Sources for key catalyst dates and info reaffirming our thesis and compliance)

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<sup>1</sup> Aldeyra Therapeutics (ALDX) Market Cap & Net Worth - Stock Analysis

<https://stockanalysis.com/stocks/aldx/market-cap/>



2 Stock Quote - Fortress Biotech, Inc.

<https://www.fortressbiotech.com/investors/stock-data/quote>

3 Spero Therapeutics Inc Stock Price Today | NASDAQ: SPRO Live - Investing.com

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5 14 FDA Decisions Expected: September2025 - Prime Therapeutics - Portal

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6 Aldeyra Therapeutics Announces FDA Acceptance for Review of ...

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7 GSK and Spero halt UTI antibiotic trial early due to high efficacy

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8 Fortress Biotech, Inc. (FBIO) Stock Historical Prices & Data

<https://finance.yahoo.com/quote/FBIO/history/>

9 16 18 Aldeyra Therapeutics, Inc. (ALDX) Stock Historical Prices & Data

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10 17 Spero Therapeutics, Inc. - Common Stock (Nasdaq:SPRO) Historical Data | Historical Stock Price Data for Spero Therapeutics, Inc. - Common Stock (Nasdaq:SPRO) | FinancialContent

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11 Earnings call transcript: Spero Therapeutics beats Q2 2025 ...

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12 FDA accepts Aldeyra's NDA for reproxalap, sets PDUFA date for ...

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15 Aldeyra Therapeutics (ALDX) Market Cap Today - Public Investing

<https://public.com/stocks/aldx/market-cap>

19 20 Antibiotic Pipeline for Gram-Negative Bacteria | Spero Therapeutics

<https://www.sperotherapeutics.com/pipeline>