

## Restated Rules

- **Budget Discipline:** Our portfolio must operate within the current cash balance and holdings, with **no new capital** beyond what's shown. All cash movements (from sales or buys) must be tracked precisely. The current cash balance is \$0.85, so any new buys must be funded by selling existing positions.
- **Execution Limits:** We can only trade **full shares** of stocks. **No use of options, short selling, leverage, margin, or derivatives** is permitted – long equity positions only.
- **Universe Constraint:** We focus on U.S. micro-cap stocks **with market capitalizations under \$300 million**. Before adding any position, we **must confirm the market cap is < \$300M at the last close price**. (Existing positions that have grown beyond \$300M can be held or sold, but not added to.) We must also consider liquidity – avoiding trades that would be too large relative to a stock's average volume – and be mindful of spreads and slippage.
- **Risk Controls:** We must adhere to provided **stop-loss levels** and prudent position sizing. If any stop-loss has been breached or if any position exceeds intended risk limits, we need to flag and address it immediately. Our goal is to optimize **risk-adjusted** returns, not just chase upside. The portfolio should remain diversified enough (within our catalyst-driven strategy) to avoid a single point of failure, and **position sizes** should reflect conviction and risk (with higher-risk plays sized smaller).
- **Trading Cadence:** This is the **Week 23** deep research window (Sunday, Nov 23, 2025). We are to evaluate the portfolio and make adjustments that will take effect in the upcoming trading week (Week 23). We have **complete freedom** to make any trades (buy, sell, trim, initiate new positions) that we believe are in the portfolio's best interest to generate alpha, **as long as they comply with all rules above**. We should present a comprehensive plan now, including any orders to be executed when the market opens for Week 23.
- **Execution Policy:** Unless specified otherwise, we assume **standard limit DAY orders** for next-session execution (i.e. orders will be placed at the market open on Monday of Week 23 and will either fill by end of day if the limit is reached or expire). We prefer to use limit orders to control entry/exit prices, unless a market order is justified (e.g. extremely liquid stock with low spread or an urgent exit needed). If using market orders, we must give reasoning. "Time in force" will typically be DAY (good for that trading day only) unless there's a reason to use GTC (good-til-canceled, for stops or if we want an order to remain active beyond one day).

These rules and execution standards define our operating framework for managing the portfolio this week.

# Research Scope

**Sources and Checks Performed:** In preparing this week's analysis, we conducted extensive research on each current holding and potential new candidates. This included:

- **Reviewing recent news releases and SEC filings** for each portfolio company to see if there were any material updates to their catalysts or financial condition. For example, we examined Milestone Pharmaceuticals' Q3 results and regulatory update (for any hints on the FDA review status) <sup>1</sup> <sup>2</sup> , VistaGen's latest trial completion announcement <sup>3</sup> and earnings updates, and Sellas Life Sciences' Q3 results and corporate update (including commentary on the Phase 3 trial timing) <sup>4</sup> .
- **Checking current stock prices, volumes, and market capitalizations** using up-to-date data (e.g., Finviz and exchange data) to ensure all holdings remain within micro-cap limits and to gauge recent performance and volatility. We confirmed that as of the Nov 21, 2025 close:
  - Milestone Pharmaceuticals (MIST) closed at **\$2.40** with a market cap of ~\$204 million <sup>5</sup> <sup>6</sup> .
  - VistaGen Therapeutics (VTGN) closed at **\$4.59** with a market cap of ~\$181 million <sup>7</sup> <sup>8</sup> .
  - SELLAS Life Sciences (SLS) closed at **\$1.53** with a market cap of ~\$218 million <sup>9</sup> <sup>10</sup> . All remain under the \$300M cap threshold, meaning we are allowed to add to these positions if desired.
- **Validating catalyst timelines and risks:** We cross-checked the key upcoming catalyst dates to ensure our information is current. This included confirming Milestone's PDUFA date (Dec 13, 2025) <sup>1</sup> , VistaGen's Phase 3 readout timing (top-line results expected by end of Q4 2025) <sup>3</sup> , and Sellas's Phase 3 final analysis expected timeline (event-driven, anticipated by year-end 2025) <sup>4</sup> . We also scanned biotech news outlets and FDA calendars for any similar companies with imminent catalysts, to see if there are new opportunities we should consider (more on this in **Candidate Set**).
- **Liquidity and trading checks:** We examined average daily trading volumes and recent price ranges for each holding to plan any trades. The average volumes (MIST ~1.64M shares/day <sup>11</sup> , VTGN ~0.55M <sup>12</sup> , SLS ~3.4M <sup>13</sup> ) indicate good liquidity for our small position sizes. We also checked if any of our stocks had outsized moves or technical signals last week that might influence our strategy (for instance, MIST was up ~20% on the week amid anticipation of the FDA decision <sup>14</sup> ).
- **Risk factor review:** We revisited each company's risk disclosures (trial failure risks, need for financing, etc.). All three companies have sufficient cash for the near term (MIST ~\$82.6M as of Q3 plus a \$75M milestone lined up on approval <sup>15</sup> <sup>2</sup> ; VTGN had ~\$38M shares outstanding and reported a strong cash position to cover trials; SLS reported \$44.3M cash at Q3 plus \$29.1M from warrant exercises in Oct, totaling ~\$73M cash <sup>16</sup> ). This means that even in downside scenarios, immediate dilution or insolvency is unlikely, which slightly mitigates tail-risk (especially for VTGN and SLS who would continue operations if their catalysts disappoint).
- **Stop-loss review:** We checked if any positions came close to or violated their stop levels during the past week. None of our current stops were hit or in immediate danger: MIST never approached \$1.50 (it has been trending up in the high \$1s to mid \$2s), VTGN stayed well above \$3.20 (in fact, it is

up to ~\$4.59 now), and SLS did not touch \$1.10 (lowest was around \$1.39 last week <sup>17</sup>). So no forced exits occurred, and we still hold all three positions.

Overall, our research confirms that the **thesis for each holding remains intact**, timelines are on track, and no new red flags have emerged. We also canvassed the micro-cap biotech space for any **new catalyst-driven opportunities** that could complement our portfolio in this final stretch (detailed next).

## Current Portfolio Assessment

Below is the status of each current holding, including its role in our strategy, entry info, stop-loss, conviction level, and current status:

Ticker	Role & Thesis	Entry Date & Price	Cost Basis (Avg)	Current Stop	Conviction	Status
<b>MIST</b> (Milestone Pharmaceuticals)	<i>FDA Approval Catalyst.</i> MIST is our play on an upcoming FDA decision (PDUFA) for its PSVT nasal spray. Thesis: high probability of approval unlocking significant upside (first at-home treatment for PSVT).	Entered Week 21 at \$1.75	\$1.75 (14 shares)	\$1.50 stop (initial)	<b>High</b> – Strong data supports approval; company prepared to launch.	<b>Holding.</b> Stock is ~\$2.40 now, up ~37% from our entry, reflecting growing optimism. We're maintaining this core position into the FDA decision on Dec 13 <sup>1</sup> . Stop-loss in place for protection.

Ticker	Role & Thesis	Entry Date & Price	Cost Basis (Avg)	Current Stop	Conviction	Status
<b>VTGN</b> (VistaGen Therapeutics)	<p><i>Phase 3 Trial Readout.</i> VTGN is our “second shot” at a big win, targeting anxiety disorder with a redesigned Phase 3 (PALISADE-3 for fasedienol). Thesis: after prior placebo effect issues, changes in trial design may yield a positive result; huge upside if successful (potential &gt;100% gain).</p>	Entered Week 20 at \$4.01 (post-reverse-split)	\$4.01 (6 shares)	\$3.20 stop	<b>Medium-High</b> – Binary catalyst with solid rationale; cash-rich so downside is cushioned.	<p><b>Holding.</b> Current price ~\$4.59, up ~15% from entry. The trial completed in November and <b>top-line results are expected by end of 2025</b> <sup>3</sup>. We retain full position ahead of data. Stop remains at \$3.20 (below key support) to limit downside.</p>

Ticker	Role & Thesis	Entry Date & Price	Cost Basis (Avg)	Current Stop	Conviction	Status
SLS (SELLAS Life Sciences)	<p><i>Oncology "Gamechanger" Trial.</i> SLS is a high-risk/high-reward bet on a <b>Phase 3 trial (REGAL) in AML</b> for its GPS cancer vaccine. Thesis: if the vaccine significantly extends survival in CR2 AML patients, SLS's value could re-rate dramatically (multi-bagger potential).</p>	Entered Week 22 at \$1.41	\$1.41 (13 shares)	\$1.10 stop	<b>Medium</b> – Very binary; success could be transformative, failure could halve the stock, but cash on hand provides some recovery runway.	<p><b>Holding.</b> Now trading around \$1.53. The <b>final analysis will occur at 80 deaths and is anticipated by year-end 2025</b> <sup>4</sup> (could be any day or weeks). We're positioned to capture the outcome. A stop at \$1.10 is set in case of a negative result or other downside move.</p>

**Summary:** The current portfolio is concentrated in three biotech positions, each with an **imminent catalyst (within ~3-6 weeks)**. We deliberately chose these for their potential to deliver outsized returns before our experiment concludes. Our conviction remains strong in each:

- **MIST** is our largest position (~40% weight) due to its favorable risk/reward heading into an FDA decision that we view as likely positive (backed by strong trial data and prior manufacturing issues resolved).
- **VTGN** (~34% weight) offers a completely independent catalyst in CNS, adding diversification by indication.
- **SLS** (~24% weight) adds a third independent bet in oncology.

All theses are **unchanged and catalysts are on schedule**. The portfolio is undeniably high-risk (each position is binary), but this concentration is intentional given our mandate to try to close the performance

gap with the S&P 500 in the final weeks. We have stop-loss orders in place for risk management, and we are monitoring each name closely for any news or price action that would warrant a change.

## Candidate Set

In our search for additional opportunities or replacements, we considered a few micro-cap stocks with upcoming events or unique situations. Below are the candidates we evaluated, along with a one-line thesis, their key catalyst, and any notes on liquidity or fit:

- **SNSE (Sensei Biotherapeutics)** – *“Cancer Immunotherapy Data as a Lottery Ticket.”* An ultra-low market cap immunotherapy company (market cap only ~\$11M<sup>18</sup>, trading near cash value) expecting **Phase 1/2 trial data by year-end 2025** for its lead cancer vaccine program. Thesis: If the data show strong tumor response or progression-free survival benefit, the stock could spike dramatically from its depressed level (it’s essentially priced for failure now). **Catalyst:** Full dose-expansion cohort data expected **Q4 2025** per company guidance (likely December)<sup>19</sup>. *Liquidity note:* SNSE is very illiquid (trades only tens of thousands of shares a day on average, and priced around \$8-9<sup>20</sup>). A position in SNSE would be highly speculative and hard to trade without moving the price. It’s a true high-risk/high-reward play with binary outcome and potential execution challenges on exits.
- **EPM (Evolution Petroleum)** – *“Oil & Gas Micro-Cap with Dividends – Slow and Steady.”* A small energy producer (~\$200M market cap) with conventional oil/gas assets. Thesis: EPM offers a sustainable dividend (46 consecutive quarters of payouts) and has avoided dilution, making it a rarity among micro-caps – it could provide a stable return or income irrespective of biotech outcomes. **Catalyst:** No specific one-time event; it’s more of a value play. Upside would come from continued strong oil prices or a potential reserve report surprise, but **no immediate catalyst in the next 5 weeks**. *Liquidity note:* Low trading volume and a wide bid-ask spread at times. It’s financially solid but **unlikely to deliver the kind of quick gain we need in our short timeframe**.

*(We also looked at a few other biotech names, like Compass Pathways (CMPS), which had a successful Phase 3 in psilocybin for depression and plans for accelerated approval pathways. However, at a ~\$490M market cap, CMPS is above our allowed range<sup>21</sup>, so we cannot initiate a new position there. Likewise, other potential biotech catalysts we found tended to be in companies well above \$300M or beyond our experiment’s time horizon.)*

**Evaluation:** After assessing these candidates, we find that none offers a clearly superior risk-adjusted return **within our remaining timeframe** compared to our current holdings. SNSE is intriguing for a moonshot, but it would introduce another binary biotech risk and its extreme illiquidity could be problematic – essentially doubling down on our high-risk strategy with a far less proven asset. EPM (or similar stable micro-caps) would diversify sector risk, but with only ~5 weeks left, its contribution would likely be minimal; it can’t realistically spike +50% without a commodity shock, and gradual gains won’t move the needle enough for our portfolio’s goals.

Thus, while we remain watchful for any **last-minute catalysts** (and will react if something compelling emerges), at this stage we **prefer to maintain focus on our three high-conviction plays** rather than dilute our exposure. The best chance to “generate alpha” before year-end still lies with the catalyst-rich biotech names we already hold.

# Portfolio Actions

Based on the above analysis, here are our planned actions for each current holding and any new positions:

- **Keep MIST – (Milestone Pharmaceuticals): Reason:** *Thesis intact and catalyst imminent.* We will **continue to hold** our 14 shares of MIST. The company's fundamentals and news flow reinforce our confidence – management's update on Nov 12 was optimistic about approval and they've bolstered their finances for launch <sup>2</sup> <sup>15</sup>. The stock's recent run-up indicates the market anticipates approval as well. With the PDUFA decision on 12/13/25 approaching, we want full exposure to a potentially significant upside move on approval. **Stop-loss** remains in place (we are considering a slight upward adjustment as noted below under Exact Orders) to protect against a surprise rejection. But we are **not trimming** any shares now; the risk-reward still skews heavily positive (analyst target ~\$3.75 implies another +56% from current price <sup>22</sup>, and it could overshoot on excitement).
- **Keep VTGN – (VistaGen Therapeutics): Reason:** *Phase 3 data play still compelling.* We will **hold all 6 shares** of VTGN into the PALISADE-3 trial readout. VistaGen confirmed on Nov 3 that it completed the public speaking challenge portion of the trial and expects top-line results by end of year <sup>3</sup>. There have been no negative signals – on the contrary, their recent corporate update (Nov 13) discussed planning for an NDA submission in mid-2026, implying management is optimistic about the data <sup>23</sup>. The stock has been steadily climbing (up ~15% since our entry), suggesting growing speculative interest. We're neither adding nor trimming; 6 shares (~33% portfolio weight) is a proper allocation given this catalyst's binary nature and our moderate-high conviction. Our stop at \$3.20 stays for now, which is about 30% below current price – enough room to avoid a premature exit on minor volatility, but will trigger if the result is a clear failure.
- **Keep SLS – (SELLAS Life Sciences): Reason:** *Awaiting the binary Phase 3 outcome.* We will **hold our 13 shares** of SLS. This position (~24% of the portfolio) provides a third independent shot at a big win. The company's Q3 update on Nov 12 reiterated that the final survival analysis for the REGAL trial is on track for approximately year-end <sup>4</sup>. No negative developments have appeared; in fact, SELLAS strengthened its cash reserves via warrant exercises and presented encouraging Phase 2 data on a different program at ASH, which shows they have other irons in the fire <sup>24</sup> <sup>25</sup>. The stock hasn't moved much yet – it's roughly 8% above our entry – which is expected ahead of an all-or-nothing data release. We will not add or trim at this time; the position size is already calibrated to the risk (smaller than MIST/VTGN). The \$1.10 stop-loss stands to limit downside if the trial fails to show a benefit (in which case a drop below \$1 is possible). We're essentially **letting this lottery ticket play out**.
- **No New Positions Initiated:** After reviewing the candidate set, we decided **not to initiate any new positions** this week. The rationale is that our capital is fully deployed in three high-conviction ideas, and we do not see another opportunity that offers a better expected payoff in the immediate term. Adding, say, SNSE (Sensei) as a fourth biotech lottery ticket was considered, but given our already high risk exposure, layering on an extremely speculative microcap with minimal liquidity could actually **increase portfolio risk without a commensurate expected return**. Meanwhile, shifting funds into a stable pick like EPM would dilute our focus and likely yield only marginal gains at best in the short run. Thus, we choose to stick with our concentrated bets rather than overtrade or “diworsify” the portfolio at this critical juncture.

- **No Trims or Exits at Present:** We are **not trimming or exiting** any positions this week. All three holdings are there for specific upcoming events; none of those events has occurred yet, and our theses have not been disproven. Trimming would mean reducing upside exposure when the payoff is most imminent. For example, MIST has run up, but we believe the real move (if approval) is yet to come, so taking profits now could leave a lot on the table. Similarly, we won't pre-emptively exit any position before its catalyst – doing so would lock in subpar returns and defeat the purpose of our catalyst-driven approach (unless we had reason to think the catalyst will disappoint, which currently we do not).

In summary, **our action plan is to stand pat with our three holdings**, maintaining full positions through their respective catalysts, while tightening risk controls slightly where prudent. The focus is on **monitoring and execution** rather than reshuffling the portfolio. We recognize that this “all-in” approach on three biotech is aggressive; however, with only weeks left in the experiment, incremental adjustments are unlikely to significantly improve outcomes. The best course is to let our well-researched bets play out, while being ready to react swiftly to news.

## Exact Orders

For Week 23, since we are not adding or removing any stock positions, our “orders” are primarily about **managing stop-loss orders** and confirming holds. Below are the exact orders/instructions we will have in place as the market opens on Monday (2025-11-24):

Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss	Special Instructions	Rationale
Hold	MIST	14 (no change)	N/A	N/A	N/A	Ongoing	Stop @ \$1.50 (GTC) (Will adjust to \$1.60)	Keep existing GTC stop-loss active. No sale unless stop triggers or catalyst hits.	High conviction FDA catalyst play – maintain full position through PDUFA. Stop-loss initially \$1.50 (to cap downside ~14% below cost); considering raising to \$1.60 to lock in some profit yet allow volatility.



Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss	Special Instructions	Rationale
<i>Hold</i>	VTGN	6 (no change)	N/A	N/A	N/A	Ongoing	Stop @ \$3.20 (GTC)	GTC stop-loss active. No change to position size.	Phase 3 results pending by year-end. Holding full stake for upside. Stop \$3.20 (~20% below cost, ~30% below current) balances risk of trial failure vs. avoiding an early whipsaw exit.
<i>Hold</i>	SLS	13 (no change)	N/A	N/A	N/A	Ongoing	Stop @ \$1.10 (GTC)	GTC stop-loss active. No change to position size.	Awaiting Phase 3 REGAL data. Keeping position for potential multi-bagger outcome. Stop \$1.10 (~22% below cost) to protect capital if trial is unsuccessful.

Action	Ticker	Shares	Order Type	Limit Price	Time in Force	Intended Execution Date	Stop Loss	Special Instructions	Rationale
(No new buys)	-	-	-	-	-	-	-	-	We are not placing any buy orders this week. No suitable new catalysts beat our current holdings' prospects.

#### Notes:

- The above "Hold" actions indicate that **no active buy/sell market orders** will be entered at the open; we are simply continuing to hold our shares. The main actionable orders are the stop-loss (GTC) orders which we already have in place from prior weeks. We will adjust the MIST stop-loss upward **to \$1.60** (Good-Til-Canceled) on Monday (11/24/2025) via a stop order. This modification is to lock in at least a small gain on MIST should unexpected bad news hit, while still giving the stock ~33% room below current price to fluctuate.

- No **limit sell** orders are set at this time for taking profits; we plan to evaluate after news events occur. (For instance, if MIST gets FDA approval and surges, we may then use limit orders to exit at our price targets – but that will be decided in next week's window, as the PDUFA date is 12/13.)
- If any stop-loss does trigger during the week (e.g., if SLS unexpectedly plummeted on a trial result), the action would convert to a market sell to liquidate that position at the best available price. We have those safety nets in place, but we do **not** anticipate hitting them before the catalysts (absent external shocks).
- All stops are set as **GTC (Good-Til-Cancelled)** orders, meaning they remain active beyond just the day session. This is important because a catalyst outcome might be announced outside regular hours; a GTC stop will trigger upon the next open if the price is at or below the stop. (We acknowledge the risk of gap-downs: e.g., a bad trial result could open well below our stop, but the stop would then execute at the market price. This is an accepted risk in biotech; we mainly use stops to guard against non-catalyst-related declines or to have an automatic exit in place.)
- We are **not using any market orders or limit buys** at present, since we decided against new entries. If a sudden opportunity arises mid-week (e.g., one of our watchlist stocks plunges irrationally or a new catalyst appears), we would handle that in an ad-hoc manner. But as of this plan, no such orders are queued.

In summary, **the exact "orders" for this week are minimal:** maintain our existing positions and adjust MIST's stop loss slightly. This simplicity reflects our strategic choice to let our bets ride on their upcoming news.

# Risk And Liquidity Checks

After the above actions, we need to re-evaluate the portfolio's risk profile and ensure all trades are within liquidity constraints:

- **Position Concentrations (after trades):** We will continue to have three positions, with approximate weights (based on current prices) as follows: **MIST ~41%, VTGN ~34%, SLS ~25%** of portfolio value. These allocations are **intentional** given our convictions and the relative upside of each catalyst. No single position exceeds 50%, and we have three distinct biotech events, which provides a measure of diversification (scientific and event risk are uncorrelated between the three companies). However, it's clear the portfolio is 100% in biotech and thus heavily exposed to sector sentiment and binary outcomes. We acknowledge this concentration as a calculated risk; it is the trade-off for maximizing potential returns in a short period. Each position's size was chosen based on its risk: MIST (highest confidence, near-term catalyst) is largest, SLS (arguably highest uncertainty) is smallest, with VTGN in between.
- **Cash after trades:** We are effectively **keeping cash at \$0.85**. We did not generate any new cash via sales, nor deploy the tiny cash reserve we had. This means we are **fully invested (~99% of portfolio in equities)**. This is a deliberate stance to maximize exposure to our high-conviction ideas. The downside is we have no cash buffer – if opportunities arise or if we needed to average down, we're constrained. But with so little cash available, it wouldn't meaningfully move the needle anyway. We plan to build cash **only after catalysts materialize** (for example, selling a stock on good news or cutting a loser), not before.
- **Stop-Loss and Risk Limits:** All positions have stops set consistent with our risk tolerance:
  - MIST: Stop ~\$1.60 (about 9% below our cost, and ~33% below current price). This risk is acceptable given the catalyst's importance. A failure might drop the stock more than that, but the stop ensures we exit if the slide starts.
  - VTGN: Stop \$3.20 (20% below cost). This is a bit wider due to volatility; acceptable for a Phase 3 biotech.
  - SLS: Stop \$1.10 (22% below cost). Also reasonable given how volatile a small biotech can be even on no news.

None of these stops has been breached yet. We will **flag immediately** if any stop is hit. For instance, if SLS were to drop to \$1.10 on a rumor, we'd exit to limit further loss. At present, all unrealized losses are small and overall portfolio P/L is slightly positive.

- **Liquidity of Planned Trades:** We have virtually **no active trades** this week (only adjusting a stop). If we were to execute trades, our sizes are extremely small relative to market volumes:
  - *Selling MIST 14 shares* (if stop hit or later profit-taking) – MIST's avg volume is 1.64 million shares <sup>11</sup>, so 14 shares is <0.001% of daily volume – negligible impact.
  - *Selling VTGN 6 shares* – avg volume ~548k <sup>26</sup>, our trade is ~0.001% of that.
  - *Selling SLS 13 shares* – avg volume ~3.4 million <sup>27</sup>, our trade ~0.0004%.
  - Any hypothetical buy of SNSE we considered (like 1 share ~\$9) would be a drop in the bucket too (SNSE's volume is low, but 1 share is trivial; we decided against the trade primarily due to **liquidity in**

**the sense of price impact if we needed to exit quickly**, not because our size would move it, but because the stock itself can gap on small trades).

In summary, **all our orders are well within average daily liquidity**. If triggered, they should execute easily without slippage. We also choose limit orders for any proactive trade to further ensure we don't chase a price.

- **Slippage/Spread Considerations:** These stocks do have spreads, but moderate given their volumes:
  - MIST typically has a tight spread (a few cents) given it's a NASDAQ stock trading a couple million shares a day.
  - VTGN spread is also reasonably tight now that it's a ~\$4-5 stock post-reverse-split, with decent volume.
  - SLS, around \$1.50, might have a \$0.02-\$0.03 spread (we'll be careful if we manually exit to use limit orders slightly below bid or above ask as needed).
- Our stops will execute at market if triggered, which could incur some slippage, but that's acceptable because if they trigger, it likely means a fast-moving drop on news in which case speed trumps price perfection.
- **Risk of Gap Moves:** As noted, one risk we can't fully mitigate is that news could cause after-hours gaps. For example, if MIST receives a FDA decision after market (common for FDA news), the stock could open much higher or lower than our stop. We can't have hard stops outside regular hours on these exchanges, so our strategy is to **be vigilant around catalyst dates** (we might convert stops to manual sell orders around those events to avoid being filled at a very bad open if we can act in pre-market – see Monitoring Plan).

Overall, our risk controls are set: each position's potential loss is limited by stops to a tolerable percentage of the portfolio (roughly 10-15% max loss from any single position at current prices). The worst-case scenario (all three catalysts fail) could still draw down the portfolio significantly, but not to zero thanks to stops (we estimate that scenario might leave us with around ~\$50 if all stops hit near their levels, which would be a ~35-40% drop – painful, but not total). The best-case (multiple successes) has no hard cap – that's the asymmetric reward we're pursuing.

Finally, **compliance check:** all holdings are within strategy rules (sub-\$300M, U.S.-listed, no disallowed instruments, etc.). There are no margin or leverage concerns (fully paid for positions). So the portfolio remains in compliance with all constraints.

## Monitoring Plan

Given the critical catalysts on the horizon, our monitoring this week (and the coming weeks) will be extremely proactive:

- **Daily News Monitoring:** We will actively watch for any news releases from our portfolio companies. Each of these names can issue their big news at any time:
- **MIST:** We are now within 3 weeks of PDUFA. We will monitor FDA databases and press wires closely around Dec 13 (and the days leading up) for any indication of an early decision or leaks. We will also watch if Milestone's management provides any updates or if analysts publish notes that might hint

at FDA's leaning. Any sign of FDA approval, we'll be prepared to act (likely to sell on a spike, as the thesis would be fulfilled). If a CRL (rejection) is announced, our stop should execute, but we'll be watching pre-market to potentially execute a manual sale to avoid further decay (accepting we'd likely take a hit).

- **VTGN:** The company has guided "by end of Q4" for data, which could mean any day in December. We will check daily for press releases from VistaGen. Particularly, we'll be alert during the last half of December. It's possible they align data release with a scientific conference or just issue a standalone announcement. We'll also keep an eye on the stock's trading; an unexplained surge or drop could precede news (e.g., if data leaks or if investors speculate).
- **SLS:** Since the final analysis is event-driven, news literally could come **any day** (if the 80th event occurred, they'll unblind and announce results). We have to be on high alert for an 8-K or press release. We'll also tune into the upcoming ASH conference (Dec 6-9) because although that's about their other program, management might give informal updates or at least we'll see sentiment from analysts on SLS's prospects.
- **Price Alerts and Stop Monitoring:** We will set price alerts on all three stocks at strategic levels (for example, an alert if SLS trades below \$1.20, giving us heads-up that it's nearing the stop, or if MIST goes above \$3, indicating a potential approval leak or rumor rally). This ensures we can *double-check news* if a price moves significantly. We will also ensure our stop orders are active each day and adjust them if needed:
  - If, say, MIST runs up further pre-PDUFA (into \$3+), we may trail the stop higher to protect more profit while still giving room.
  - Conversely, if any stock is hovering just above a stop without news, we might temporarily loosen or use a mental stop to avoid getting shaken out by a minor intraday swing. But any decision to override a stop will be made very cautiously and only if we have strong conviction no news is driving the drop.
- **Catalyst Calendar:** Our team will maintain a mini-calendar for key dates:
  - **Dec 13, 2025 (Wed)** – MIST PDUFA (we'll likely know that day or earlier if FDA posts early).
  - **By Dec 31, 2025** – VTGN data (no fixed date, but we suspect possibly a mid-December press release; also could coincide with a scientific meeting or just before holidays).
  - **Any day ~Nov/Dec** – SLS REGAL result (no fixed date; we have to check every morning).
- We'll also watch macro or biotech sector events: e.g., if there's an FDA AdCom meeting for a similar drug, or major industry news (since broad biotech sentiment could affect short-term trading of our stocks).
- **Plan for Different Outcomes:** We have contingency plans for various scenarios:
  - If **MIST gets FDA approval:** The stock could jump dramatically (possibly toward analysts' \$3.50–\$4.00 targets <sup>22</sup>, or even higher given it was \$5+ pre-CRL historically). We plan to **take profits on MIST promptly on a big spike**, because post-approval, upside may level off as attention shifts to launch execution. We would likely use a **limit sell** order to exit at a calculated level (for instance, stagger sells around \$3.50 to \$4.00 to capitalize on momentum). We'll refine this plan as we get closer. If it

only pops modestly or trades erratically, we'll evaluate holding a bit longer, but likely we'll lock in gains before year-end.

- **If MIST gets a CRL (not approved):** The stock will crater. We expect an opening perhaps around \$1 or lower. Our stop (\$1.60) would trigger, but realistically we might get filled around \$1.20 or so. We accept this; the position would be closed. We would then decide how to reallocate the remaining funds – possibly into the other two if their catalysts are still pending and if their risk/reward improved, or perhaps hold cash if those outcomes are imminent.
- **If VTGN's trial is successful:** The stock could easily double or more (the prior Phase 2 success in a similar setting made VTGN jump significantly; with Phase 3, it could go to \$8-\$10 given no current revenue but huge potential). We would probably **sell at least half** on the initial surge to secure profits, and let the rest ride a bit if we think a buyout or partnership news could follow. If the trial fails, our stop at \$3.20 should trigger; we'd then re-assess if any salvage value or other pipeline aspects justify re-entry later (likely not within our timeframe).
- **If SLS's trial succeeds:** Being a small ~\$1.50 stock, a positive Phase 3 in AML (especially if survival benefit is strong) could theoretically send it up several-fold (analyst target was \$6.83 <sup>28</sup> which implies +350%, and some bulls might imagine even \$8-\$10 if the data is a home run). We would **sell most or all of our SLS position into the strength** because such biotech pops often fade if the path to approval/commercialization is long. We'd be happy to bank, say, a 2x-3x gain or more. If it fails, expecting a 50%+ drop, our stop at \$1.10 will execute (we'll monitor pre-market – perhaps we'd intervene to sell at market if we see trading at \$0.70-\$0.80 to avoid further slippage).
- **No news by mid-December:** If surprisingly none of these catalysts have hit by the week of Dec 18, we'll have to make a decision in the final week (Week 25/26). We might then consider closing positions regardless to avoid end-of-experiment mark-to-market issues. But likely at least one or two will have resolved by then.
- **External Factors:** We'll keep an eye on overall market volatility (VIX, etc.) and any biotech ETF movements (e.g., if XBI (small-cap biotech ETF) plunges on risk-off sentiment, it could pressure our stocks even without news). While our stops handle extreme moves, if we sense a sector-wide downdraft not related to fundamentals, we might hold through minor breaches or temporarily remove a stop (with careful manual watch) to avoid being shaken out. But any such maneuver would be done with discipline and only if we plan to re-enter.
- **Communication and Thesis Re-evaluation:** Every weekend (like now) we'll re-evaluate the theses. If at any point new information emerges that changes our outlook (for example, an unexpected safety concern reported for one of our drugs, or a competitor achieving something that undermines our company's prospects), we will not stubbornly hold – we would adjust or exit the position even before the catalyst if warranted.
- **Logging and Learning:** We will document each trade outcome. This final stretch is high stakes, so after each catalyst, we'll analyze what happened versus our expectations (e.g., did MIST approval indeed double the stock or was the market already pricing much of it in?). This will help in rapidly adjusting strategy for the remaining positions.

In essence, the monitoring plan is to be **vigilant and nimble**. We are not in cruise-control mode – quite the opposite. The next few weeks likely determine our experiment's success or failure, so we will be monitoring **news feeds in real-time**, ready to execute our well-defined game plan for each scenario.

# Thesis Review Summary

*As we enter Week 23, our portfolio remains a concentrated bet on biotech catalysts. Below is a brief recap of each position's thesis (updated with any new insights from this week's research), our game plan for each, and a reflection on why we believe these are the best shots to achieve a strong finish. We also summarize our rationale for maintaining the current portfolio composition and any orders placed:*

- **Milestone Pharmaceuticals (MIST)** – Catalyst: FDA decision (PDUFA) on Dec 13. We are holding MIST (14 shares, ~41% allocation) as our top conviction play. **Thesis:** We believe MIST's PSVT nasal spray (etripamil) will secure FDA approval, based on robust Phase 3 efficacy (significantly higher conversion to normal heart rhythm vs placebo) and a resolved manufacturing issue from the previous CRL. The company's recent update reinforced that they are fully prepared for approval and launch – they even referenced being “*optimistic and excited*” approaching the PDUFA date <sup>2</sup>. Upside could be substantial: analysts peg fair value in the mid-\$3s <sup>22</sup> (nearly a double from current levels), and being the first at-home treatment in PSVT, the market might assign even higher value on approval. **New info:** MIST raised additional cash and would get a \$75M milestone on approval <sup>15</sup> <sup>29</sup>, meaning it won't need dilutive financing for the launch – a very positive sign for post-approval valuation. **Plan:** Ride through the FDA decision. If approval, seize profits (we expect a sharp spike given micro-cap status + high unmet need). If rejection, our downside is limited by the stop. *In summary, MIST remains a high-probability, high-impact play – exactly the kind of opportunity we want at this stage.*
- **VistaGen Therapeutics (VTGN)** – Catalyst: Phase 3 trial (PALISADE-3) results for social anxiety disorder by end of Q4. We continue to hold VTGN (6 shares, ~34% allocation). **Thesis:** This is a classic comeback story – VTGN's nasal spray for acute social anxiety (fasedienol) failed earlier trials due to placebo responses, but the company learned from that and redesigned this Phase 3 with a novel public speaking challenge endpoint to better demonstrate the drug's effect. If successful, fasedienol could be *the* breakthrough for social anxiety, a huge market with no acute treatment currently. We estimate the stock could more than double on positive data (given the prior failure, the market is skeptical, but success would flip the script dramatically – possibly bringing partnership offers or at least a re-rating to reflect a viable CNS asset). **New info:** As of early November, VTGN **completed the trial** and reaffirmed data by year-end <sup>3</sup>. They also signaled plans for an NDA in mid-2026 <sup>23</sup>, implying confidence. Their cash position is strong enough that even in a downside scenario (if the trial disappoints), the company isn't facing immediate distress – they can pivot to other programs, which might cushion the stock somewhat. **Plan:** Hold through data. This position diversifies our catalyst risk (it's CNS vs. MIST's cardiovascular vs. SLS's oncology). We maintain a stop at \$3.20 to guard against a collapse on bad news, but otherwise we're giving VTGN the opportunity to deliver the kind of outsized return we need. *Bottom line: VTGN offers a binary but potentially portfolio-transforming catalyst, and our research this week only strengthened our optimism that the trial design fixes could yield a surprise win.*
- **SELLAS Life Sciences (SLS)** – Catalyst: Phase 3 REGAL trial final analysis (survival in AML) expected around year-end. We are holding SLS (13 shares, ~25% allocation) as our third “lottery ticket.” **Thesis:** SLS's GPS vaccine is attempting something never done – meaningfully prolong survival in AML patients in second remission. It's high-risk, but interim looks were encouraging (the IDMC in August recommended to continue the trial with no modifications <sup>4</sup>, suggesting no glaring futility signal). If

REGAL is positive, SLS could re-rate massively: not only would GPS become a valuable late-stage asset (attracting partner or acquirer interest), but SELLAS's other program (SLS009, a CDK9 inhibitor) also has demonstrated promising data, meaning the company could suddenly have two valuable assets. In a success scenario, multi-bagger returns (stock from ~\$1.50 to \$5+ range) are conceivable.

**New info:** In Q3 updates, SELLAS announced it bolstered cash (now ~\$73M total) <sup>30</sup> <sup>31</sup>, which ensures they can operate well into 2026 – so even if REGAL fails, they won't be bankrupt (they'd pivot to SLS009, etc.), which *could* mean the stock might not go to penny-stock levels; and if REGAL succeeds, they have the cash to push toward approval. Also, we noted insiders and KOLs expressing "genuine enthusiasm" at the R&D day <sup>32</sup> – while that's anecdotal, it's a positive sentiment indicator.

**Plan:** This is our smallest position due to the high uncertainty, but we're fully prepared to hold through the readout. We have a tight stop to limit a blow-up risk. If the news is good, we'll take profit systematically because small biotech can be volatile even after good news (we'd expect to sell into strength, possibly keeping a tiny stub if we see longer-term value, but likely we'll realize gains). *In summary, SLS is the highest risk of the bunch, but it's a deliberate inclusion to give us a third independent chance at a game-changing win. The reward-to-risk still seems favorable given the stock's low price and our sizing of the position.*

- **Portfolio-Level Thesis:** Our portfolio as a whole is an **"all or nothing" catalyst strategy**. We acknowledge that we've concentrated into three biotech events, which means our fate is less about market conditions and almost entirely about the outcomes of these specific milestones. The rationale is that we're currently behind the benchmark (S&P 500) by a considerable margin [user's data], and with only a few weeks left, **playing it safe won't catch up**. We need one or more big wins. Each stock in our portfolio has the **potential to double (or more)** on good news. They are uncorrelated events – an FDA approval, a CNS trial result, an oncology trial result – so the probability that *all fail* is lower than the probability that at least one succeeds. One success could lift the portfolio significantly; two or three could make for a spectacular finish. We have mitigated risk where we can (position sizing, stop losses, choosing companies with enough cash to survive setbacks), but we intentionally accept higher volatility now. We have not added any new positions this week because none matched the **immediacy and upside** of what we already hold.

- **Execution and Orders Summary:** No new buy/sell orders were placed, other than adjusting stop-loss orders. This is reflective of our confidence in the current holdings. We did adjust MIST's stop from \$1.50 to \$1.60 to secure some gains (given the stock's rise) while still giving it breathing room. For VTGN and SLS, stops remain as-is. We'll re-evaluate stops dynamically as prices move. By not trimming or selling anything now, we ensure we have maximum skin in the game for each catalyst. Our view is that the portfolio's **upside capture** is more important at this juncture than short-term downside avoidance – provided we have disaster stops in place, which we do.

**Next Week Preview:** By the end of Week 23 or during Week 24, we may have the result for SLS (since it's "any day" timing). We are prepared to act on that immediately as per our plan – cut losses or take profit. MIST's decision will come in Week 24's window (mid-week), so in the next weekly report we will likely be discussing how we handled that binary event. VTGN's readout might come in the final week or so. The sequence of these events actually provides a bit of a natural hedge: they are spaced such that we can potentially redeploy capital from one outcome to the next if needed (e.g., if SLS fails, its remaining funds might bolster VTGN or MIST if those haven't hit yet; if SLS succeeds big, we might lock in and increase our cash or even add to VTGN ahead of its result). We will make those tactical decisions as news comes.



**Thesis Confidence:** Overall, we are heading into these catalysts with confidence grounded in research: - MIST: *High probability*, data-driven bet on an FDA win in a well-studied indication. - VTGN: *Reasonable probability*, improved trial design and strong scientific rationale, with huge upside if it pans out. - SLS: *Uncertain probability* (as any cancer immunotherapy is), but the payoff would be massive and the company has set itself up well (financially and scientifically) for either outcome.

By maintaining our positions and strategy, we ensure that if our research was correct, we will reap the rewards. If we're wrong, our risk measures should prevent catastrophic loss of capital.

In summary, we have a **clear line of sight on three major catalysts** in the coming weeks. Our portfolio is positioned to capitalize on these with no distractions. We have laid out exact contingency plans and will execute them with discipline. The next week will be largely about monitoring and reacting, as the heavy lifting in terms of positioning is already done. We enter this critical phase with a mixture of caution (via stops) and optimism (via conviction to hold through volatility). Now it's up to the outcomes – and we're as ready as we can be to manage whatever comes.

## Confirm Cash And Constraints

- **Cash Balance After Trades: \$0.85** (no change from prior balance, since we did not execute any buy/sell trades that would add to or subtract from cash). Essentially all our capital remains invested in MIST, VTGN, and SLS. We will carry this ~\$0.85 cash as a minimal cushion for now. If and when we close a position (e.g., after a catalyst), that will free up cash which we'll report in the subsequent week's update. All calculations and the plan above assume **no injection of new funds** – we are strictly adhering to the hard budget.
- **Compliance with Constraints:** We confirm that all moves and positions comply with the experiment's rules:
  - No new capital was added.
  - We only propose trading common shares (no options or shorts or leveraged instruments).
  - All holdings (MIST, VTGN, SLS) have market caps below \$300M as of last close <sup>6</sup> <sup>8</sup> <sup>10</sup>, satisfying the micro-cap universe requirement for any additions (and we did not add any outside that range).
  - We respected liquidity; our potential trade sizes are trivial relative to average volume, ensuring orderly execution.
  - Stop-loss levels are set and have been respected (none hit yet; we adjusted one upwards in a risk-conscious way).
- This being the weekly deep research window, we have presented a complete analysis and decision rationale as required.
- **Assumptions:** We assume no extraordinary events (trading halts, market crashes, etc.) will interfere with our ability to execute the plan. We also assume the data release timelines hold true (there's always a chance a company delays data or FDA extends a PDUFA – currently there's no indication of that for our holdings, but we stay aware). If any timeline changes, we will adapt accordingly in next updates.

Finally, we reiterate that our approach this week is to **stay the course** with our carefully chosen biotech catalyst plays. We believe this maximizes our chance to catch up to the S&P 500 benchmark by the experiment's end. All rules are followed, and now we let our research-backed convictions play out in the market.

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