



FOR IMMEDIATE RELEASE

DOMO Capital Q1, 2021 Update

Germantown, WI – April 30, 2021

The DOMO Capital Concentrated All Cap Value composite returns 58.8%, net of fees, for Q1, 2021.

Q1, 2021 Quarterly Summary

The first quarter of the year was spectacular, exceeding every preceding year's *annual* performance, net of fees, with the exception of 2020. The market is fickle, with unexpected twists and turns, yet we believe many of our current holdings are significantly undervalued, and thus we are quite optimistic for the remainder of the year.

For the first quarter of 2021, the DOMO Concentrated All Cap Value Composite returned 58.8%, after fees, compared to 6.2% and 11.9% total returns for the S&P 500 and Russell 3000 Value indexes.

While GameStop performed very well, as most of you know, it was far from the sole reason for our outperformance – it contributed less than half of our YTD return. All of our long-term positions (that we've held for years) had an extraordinary start to 2021. Despite this strong start, we see significant upside yet to come in these names; we are also excited about new positions taken since exiting GameStop.

In 2019, we began sharing research on our highest conviction names on Seeking Alpha. This helped broaden awareness for the names in which we had full positions, and sharpened our thinking through the challenges of those who disagreed with us. We believe we also helped many prospective investors better understand stocks that had a substantial margin of safety. Sharing our work led a number of current and prospective shareholders to reach out to us on each name we wrote about (such as Senvest Management) and culminated in an amazing conversation with Ryan Cohen on the future of GameStop.

We have been overwhelmed with joy from the number of people who've shared stories of how our due diligence helped make them sometimes extraordinary amounts of money (tens of millions in some cases). We welcome many of them as new clients, as they look to diversify their wealth with a portfolio manager willing to invest with conviction, and who adheres to a repeatable investment philosophy, discipline, and process.

DOMO Capital now manages over \$35.5M in assets for more than 100 clients.

Portfolio Relevant 2021 Trends

We think the impact of COVID-19 will continue for some time. Working from home, social distancing, and concern for sanitation are likely to continue to influence consumer spending decisions. We correctly noted in our year-end letter that Democratic control of all three branches of Federal government would likely drive a material increase in spending. This occurred through the most recent stimulus bill; the probability of an infrastructure bill will extend this trend. We believe the current portfolio is well positioned for the current fiscal context.



The overall market continues to trade at exceptionally high multiples, and a rotation from tech / growth stocks to value stocks has begun. Higher interest rates make the present value of future cash flows worth less which pressures growth stock multiples. We are confident in our fully-invested position, but also recognize the importance of allocating capital with a careful consideration for downside protection. We seek to achieve this, always, through our focus on entry points that already reflect beaten up prices. Equally important is our focus on businesses likely to do well in the current environment; eventually, when we get these right, our stocks will respond in turn.

Updates on the positions within the DOMO Capital Concentrated All Cap Value composite are reserved for clients only.

About DOMO Capital Management, LLC

DOMO Capital Management, LLC (“DOMO”) is a state registered investment advisor in WI and MI, founded in 2007 by Justin Dopierala and headquartered in Germantown, Wisconsin. DOMO is the portfolio manager of the DOMO Concentrated All Cap Value composite – a composite of separately managed accounts utilizing the DOMO Concentrated All Cap Value strategy with an inception date of October 8, 2008. DOMO firmly believes that investing in a concentrated portfolio of securities through a bottom-up methodology, focused on undervalued and out of favor stocks with solid fundamentals, leads to a repeatable process to provide superior, risk-adjusted returns over the long-term.

Disclaimer

Additional information about DOMO is disclosed in our Form ADV, which is available upon request. All information contained herein is for general informational purposes only and does not constitute a solicitation or an offer to provide investment advisory services in any jurisdiction. The investment strategy discussed herein may not be suitable for everyone. Investors need to review an investment strategy for their own particular situation before making any investment decision. We believe any information obtained from any third-party resources to be reliable, but we do not guarantee its accuracy, timeliness or completeness. Any opinions, estimates, projections, comments on financial market trends and other information contained herein constitute our judgment and are as of the date of the material, are subject to change without notice at any time in reaction to shifting market conditions and other factors and should not be construed as personalized investment advice. DOMO has no obligation to provide any updates or changes to such information. Past performance is not indicative of future results. It should not be assumed that investments made in the future will be profitable or will equal any performance represented herein. The benchmark index reflected herein, the S&P 500 Total Return Index, is a capitalization-weighted index of 500 stocks from a broad range of industries. The benchmark index is shown for comparative purposes only. Investors cannot invest directly in an index. Any references to specific securities is intended to illustrate our investment style, should not be viewed as representative of an entire portfolio, and does not constitute, and should not be construed as, a recommendation to buy or sell specific securities.

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