



FOR IMMEDIATE RELEASE

DOMO Capital Q3, 2020 Update

Germantown, WI – October 31, 2021

The DOMO Capital Concentrated All Cap Value composite returns 10.8%, net of fees, for Q3, 2020.

Quarterly Summary

Patience is a virtue. That's a fancy way of saying it's not a whole lot of fun to practice.

Many of our stocks reported fantastic business results and solid guidance this quarter. The market reaction, however, tended to be negative, demanding our patience as we distinguish between the objective case for our holdings and unrelated noise (details to follow, of course).

If you've ever watched, "Seinfeld" insert your favorite "Serenity Now" clip here!

On the other hand, our conviction and patience are (finally!) generating financial rewards with one of our names, and we will dive into that as well.

During the quarter, the DOMO Concentrated All Cap Value Composite returned 10.8%, after fees, compared to an 8.9% return for the S&P 500. Year-to-date we have returned 17.7%, after fees, vs 5.6% for the S&P 500. The Russell 2000 Small-Cap Value index returned 2.56% for the quarter, but is still **down** 21.76% on the year. The results indicate that although the market recovery mainly took place in large cap tech stocks, our individual selections (neither large nor technology) significantly outperformed both indexes.

Before we discuss individual positions, our big picture expectations on COVID and the economy, discussed the last two quarters, have not changed; we expect this outlook to be relevant for some time.

We are weary of the US Presidential election and under other circumstances we may have considered raising a considerable amount of cash in the portfolio. However, we believe the majority of our positions remain significantly undervalued, by at least 50%... they could double from here. We believe that even in a contested election, our holdings would not only outperform the market but might even return a positive absolute value. In fact, a contested election could extend their generally robust business results. Therefore, despite the turmoil surrounding the approaching election, we conclude that the potential for our holdings to move up significantly and unexpectedly, combined with their strong underlying businesses supports the decision to remain fully invested.

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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