

Comus Investment, LLC

	<u>Comus Gross</u>	<u>Comus Net</u>	<u>S&P 500</u>	<u>Russell 2000</u>	<u>MSCI EAFE Small-Cap</u>
2016*	32.60%	30.87%	12.26%	22.77%	1.55%
2017	36.03%	33.50%	20.17%	14.65%	33.50%
2018	-4.47%	-6.99%	-4.39%	-11.01%	-17.58%
2019	11.17%	8.65%	31.48%	25.52%	25.47%
2020	10.33%	7.81%	18.40%	19.93%	11.69%
2021	18.87%	16.35%	28.71%	14.78%	18.67%
2022	-10.63%	-11.23%	-4.27%	-6.59%	-8.48%
Cumulative	124.52%	96.6%	147.4%	102.19%	70.06%
Annualized	14.43%	11.93%	16.30%	12.45%	9.25%

*April 1st – Dec 31st, 2016

The compounded performance figures represent all realized and unrealized losses and gains in the firm's brokerage account after commissions and on a currency-adjusted basis over the specified period, as recorded by InteractiveBrokers. Index returns represent total return including dividends.

Dear Partners,

April 3rd, 2022

In the first quarter of 2022, our investments experienced a total return of -10.63% before fees and -11.23% after fees, versus -4.27% for the S&P 500 index. At this point, you will have received reports with the details on your balance, fees, holdings, and performance from InteractiveBrokers for the past quarter.

As recently as two weeks ago, the S&P 500 was down 13% for the year, with a sharp rally since to cut the deficit, leaving many small-caps and foreign stocks in the dust. On average, our tiny stocks did poorly relative to that in the interim, as they are often last to be rebought, and we continue to face currency headwinds as the JPY dropped another 5% relative to the dollar, leaving it near its 20-year low. U.S. liquidity and demand for stocks remains at historic levels, with few opportunities to speak of.

With some inexplicable easement of economic/ Putin related fears, the U.S. led rally was propelled by the belief that now is an attractive buying opportunity. The CEO of one ETF firm was quoted on CNBC as saying this is the best time to buy since 2008 or the covid bottom. This of course, as the S&P 500 is down a mere 2% from its all-time high, and nearly double the level of a few years prior.

I try to control for average expected, not actual outcomes, which are prone to chaos over short time horizons. For now, the gamblers continue to win, and the roulette table has been a source of income for those interested. If a black swan event continues to appear every other year, and if we continue to run unusually cold regarding either demand for or business conditions of certain groups of companies, it will remain difficult to do as well as we should. I apologize to you who took a chance on an unorthodox industry outsider to invest on your behalf, it has not paid off yet.

I have little doubt about the profitability of this operation long-term but uncertainty regarding short-term performance remains substantial, in one of the worst periods in history for foreign versus domestic stocks and anything unrelated to growth/tech, as well as this being one of the few periods in history in which small caps have underperformed large caps for an extended duration. I doubt that the fun is over for this volatile year, with many bubble stocks enjoying an exuberant spike these past two weeks, but still left hanging in the balance, with the question of whether rampant stock demand and low interest rates can allow for continued debt and equity financing to keep them afloat.

As always, feel free to contact me at any time with questions, comments or concerns.

Best,

Aaron J. Saunders

Owner & Manager, Comus Investment, LLC.

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