Dear Partners:

During the first six months of 2019, the Fund increased by ~43.3%. Since inception, the Fund has returned ~114.7% compared to the ~73.8% delivered by the S&P 500 Total Returns (our benchmark) as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>1st Half 2019</th>
<th>Since Inception (5/1/14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>26.76%</td>
<td>13.08%</td>
<td>43.34%</td>
<td>114.69%</td>
</tr>
<tr>
<td>S&amp;P 500 TR</td>
<td>13.65%</td>
<td>4.30%</td>
<td>18.54%</td>
<td>73.75%</td>
</tr>
</tbody>
</table>

For the first time in a long time, no new names were added to the Fund. Instead, the Fund remained concentrated in the names we know and love, and spent much of the first-half reaping the benefits of that loyalty. Along those lines, during the first-half, the Fund:

- increased our positions in Apple and Quotient Technology,
- trimmed our position in Verisign,
- exited our position in Entravision, and
- began Q3 with ~25% of the portfolio in cash.

-------

**Big Dreams May Have Small Beginnings . . .**

May 1st marked the Fund’s 5-year anniversary.

From the start, the goal in writing these letters has always been to provide the sort of information I would want if our roles were reversed. With that goal in mind, previous letters have primarily focused on what the portfolio owns and why. Such portfolio commentary is not only important to know, but also (much) easier to write than the sort of biographical information that often runs the risk of self-indulgence. That said, the five-year mark seems as good a time as any other to embrace the risk of a bit of self-indulgence. Accordingly, in the spirit of providing *all* the information I would want to know, the following pages share the journey of the Fund itself.

-------

As I shared in the Fund’s very first letter:

“*I was first introduced to investing by my late grandfather who patiently shared his insight, investing experiences, and reading materials . . . Over the next several years, an*”

---

1 All performance numbers are presented before allocation to the General Partner.
interest in the markets and Grandpa’s investing lessons became the bond we would share until his passing during my sophomore year of high school."

Like many before me, my twenties were spent learning, earning, and traveling. Although my interest in the markets remained my one constant throughout it all, I nonetheless struggled to align my dream of starting an investment fund with the realities of making it happen.

After a few years of trying to find my way in the world of finance, I exchanged my investing gurus for a new set of tech/startup gurus and transitioned to trying to make my way in the world of tech startups. Within the course of a decade, I had morphed from someone who dreamed of starting an investment fund, to someone who was too intimidated to even try.

As Mike Tyson once famously said, “Everyone has a plan until they get punched in the mouth.” My punch arrived just four days after my 31st birthday. That morning, I awoke to find a torrent of missed calls and the following voicemail from a Phoenix police officer:

“...I was hoping you could get this message and show up at your mom’s house. We have a little situation here, I’ll brief you when you get here...”

Among my dad’s many maxims, was the notion that early morning phone calls rarely deliver good news. As if the point needed proving, the topic of that early morning’s call, the “little situation,” was the news of my dad’s unexpected passing. He was just 57.

As I made my way from grief to acceptance, I soon found myself confronting the uncomfortable reality of my own mortality. After years spent dwelling on the reasons - both real and imagined - that prevented me from starting my own investment fund, I found myself wondering why I had squandered so much precious time and energy on just about everything but the only (professional) goal that had ever truly mattered. Although I had long known I wanted to manage an investment fund, I now knew I needed to start my own, or forever regret not doing so.

...But Investment Funds Rarely Do.

In a twist on the question “if you are so smart, why aren’t you rich,” the obvious obstacle to starting an asset management business is finding enough assets to manage in the first place. Because few investors are especially eager to invest in a small/unknown fund, those who lack sufficient assets under management (AUM) must instead begin their journey by firing up the PowerPoint presentations, ironing their suits, and focusing their attention on marketing efforts. Unfortunately, even the most polished PowerPoints are little match against the reality that nothing attracts new assets better than existing assets. To the exasperation of aspiring managers everywhere, therein lies the so-called “chicken and egg” paradox: you can’t get started without capital, but you can’t get capital without getting started.

-------
You Gotta Want It

For years, I subscribed to the notion that this dark irony was solvable only for those who went to the right schools, worked at the right jobs, knew the right people, and/or otherwise knew the magic handshake. Without those preferred prerequisites, it was clear that starting small was my only realistic means of starting at all. If I wasn’t going to be able to attract new assets with existing assets, getting started would allow me to attract assets the old fashioned way:

by proving I deserved them.

Rather than theorizing who might invest, when they might invest, or if they might invest enough to change the picture materially . . . I would start with whatever I had, no matter how small. Not because I wanted to, but because it seemed more actionable than making my start contingent on a favorable reception from the asset gods. In this sense, my willingness to start small felt more like a capitulation to the realities outside of my control, than any sort of bold step forward.

Even so, after years of not knowing how to take a step of any kind, a step forward - no matter how small - was good news indeed. The bad news, this step forward would require changing the central question at the heart of my efforts:

How do I start a fund capable of supporting myself financially? \[\Rightarrow\] How do I support myself financially so I can:

1. start a fund, \textit{and}
2. persevere no matter what it required?

In an exercise of the “how bad do you want it?” question, a small start required a personal reckoning with the economic \textit{and} “egonomic” implications of starting small. Not only would a small start require a (very) lean operation, it would also require me to cover all costs for however long it took to grow AUM to a level capable of supporting a viable business. To do so, I would need to tighten my belt, tap my savings, and maintain other sources of income in the meantime. If the economic implications weren’t daunting enough, the “egonomic” implications would require that I swallow my pride and channel my ego. Rather than wallowing in a pity party that people weren’t lining up to invest, I would need to redirect my energies toward the discipline and focus that would be required to methodically overcome the (many) obstacles ahead.

In other words, it wouldn’t be enough to just “kinda” want this, I would need to \textit{really} want it . . . and continue really wanting it for however long it took to make it a reality.

Even though I knew I really \textit{did} want this enough to make the sacrifices required, I also knew this path offered no guarantees. No guarantee that my sacrifices would be sufficient. No guarantee that I could translate my self-proclaimed “passion” for investing into a competitive track record. Not even a guarantee that anyone would care one way or the other.
Despite all my efforts to make peace with the reality that I may need to start small, I still tried my damndest to avoid doing so. While I had initially hoped my start might be in the “smallish” $2 - $3 million range, I soon discovered very few of those $2 - $3 million were liquid or especially eager to soon become so. With more polite interest than firm commitments, my definition of “starting small” quickly began to shrink as my optimism confronted my reality.

Faced with the option of continuing to fruitlessly shake through my contact list (a.k.a. “delay and pray”), or getting started with the assets I had, I choose the latter. Rather than seed the Fund with my own savings, I would reserve those savings to support myself and the Fund in the years ahead. Instead, my mom would seed the Fund with her proceeds from a recent bond redemption.

And just like that, after years of dreaming, thinking, and planning . . . the Fund finally became a reality with an initial investment of just $50,000 (not a typo), the legal/regulatory necessities, and an Ikea desk in a home office. Armed with the bare essentials, this one-man band was finally on its way.

--------

Small Beginnings? Yes. | Small Intentions? No, Sir!

For those in the money management business, the question of how much money they manage is as unforgiving as it is unavoidable. With little flexibility for context or wiggle room, it is the sort of question a one-man band with a small start really learns to dread. In my case, the dread was less about the actual number itself, and more about the implications that came with that number and the long pause that inevitably followed its disclosure.

While there is no way to know the unspoken questions that filled those long pauses, I often found myself wishing I could explain that the goal wasn’t to contort myself to appease everyone, but instead to appeal to those who already knew better. I wished I could share the “context” of why I was doing this, and why it was important. I wished I could emphasize that I wasn’t just hoping this Fund might work, I was doing it until it worked - small AUM, home office, and all other obstacles be damned! Basically, I often found myself wishing I could share the journey that fills these pages, while proudly declaring, “Small beginnings - yes; Small intentions - no, Sir!”

Speaking of those who already know better . . . much gratitude is merited for everyone who has already contributed to the Fund’s small beginnings, and/or cheered along the bigger dream. To each of you whose investments, encouragement, advice, and friendship helped to make it all possible, I thank you. Thank you for the vote of confidence, and thank you for the opportunity to make this a reality.

As always, please feel free to email or call with any questions or concerns.

“The impediment to action advances action.
What stands in the way becomes the way.”

Marcus Aurelius

RLT Capital, LLC | stephen@rltcapital.com | www.rltcapital.com
Past performance is not necessarily indicative of future results. The performance data presented represents that of Pomeroy Capital Partners, LP (the “Fund”). Performance results represent Fund-level returns, and are not an estimate of any specific investor’s actual performance, which may be materially different from such performance depending on numerous factors. All performance results are estimates and should not be regarded as final until audited financial statements are issued.

Performance results have been compared to the S&P 500 Total Returns Index (the “Index”) for informational purposes only. While this Index is widely used as a proxy for overall market performance, we offer no guarantee that the Index will always reflect an appropriate benchmark for the Fund whose holdings, performance, and volatility may differ significantly from the securities that comprise the Index.

Specific companies or securities discussed in this presentation are meant to demonstrate the investment style and types of industries/instruments in which we invest, and are not selected based on past performance. The analyses and conclusions contained herein include certain statements, assumptions, estimates and projections that reflect various assumptions concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies, and have been included solely for illustrative purposes. No representations, express or implied, are respect to any other materials herein. The Fund may currently, or in the future, buy, sell, cover or otherwise change the form of an investment in the companies discussed for any reason, and without any obligations of notice.

All investments, including those in the Fund, involve risk including the loss of principal. All information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities. RLT Capital, LLC (“RLT Capital” or “RLT”) is an investment manager engaged in providing discretionary investment advisory services to its proprietary private investment funds (each a “Fund” collectively, the “Funds”). This transmission is confidential and may not be redistributed without the express written consent of RLT Capital, and does not constitute an offer to sell, or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved confidential offering memorandum.