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April 15, 2016

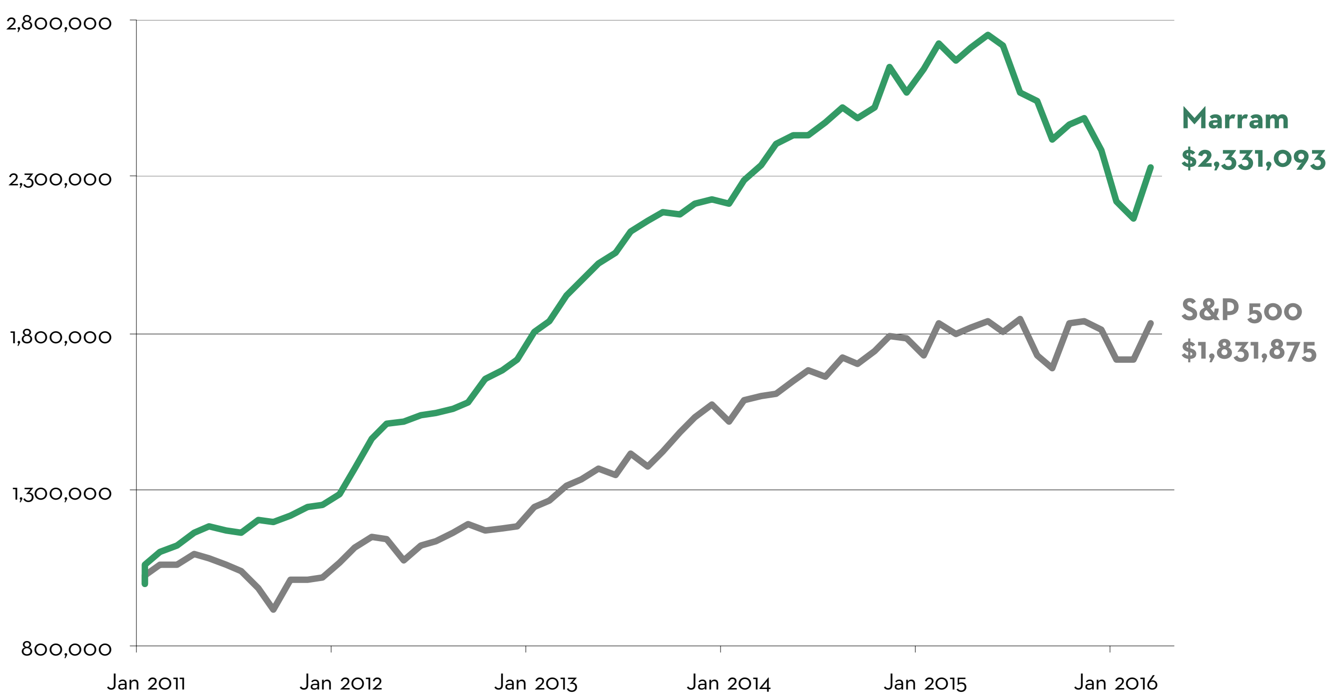
Dear Investors,

The Portfolio* returned -2.20% (gross return) year-to-date in 2016 (through 3/31/16).

During this same period, the S&P 500 returned +1.35%.

For monthly details, see Historical Performance Returns at the end of this letter. Please refer to your account statement for net return figure.

$1,000,000 Investment in Marram* vs. S&P 500 (Inception to 3/31/2016)



QUARTERLY LETTER SECTIONS

- **Marram's Five Pillars** – constant reminder of "why" and "how" we invest capital
- **Portfolio Return Analysis** – analysis of performance returns for the quarter/year
- **Portfolio Allocations** – breakdown of our current capital allocation
- **Portfolio Future Positioning** – glimpse into our current thoughts on markets, asset prices, and/or how we are positioning the portfolio to maximize future compounding

MARRAM'S FIVE PILLARS

INVESTMENT GOAL:	• To Compound (Grow) Capital Over Time
INVESTMENT STRATEGY:	• Opportunistic Capital Allocation – employing patient opportunism, which entails the following philosophy…
INVESTMENT PHILOSOPHY:	• Buy cheap assets (when available) • Hold cash where there are no cheap assets • Hedge the portfolio when appropriate • Think creatively and opportunistically
IMPLEMENTATION:	• Security Agnostic – utilize vehicles, assets, & securities that best fit our needs (such as ETFs, equities, debt, derivatives, etc.), offer superior risk-reward, and if all else equal, lowest expense ratio & greatest liquidity
RESULT:	• Wealth Compounding Solution

PORTFOLIO RETURN ANALYSIS*

	1Q 2016
Marram Portfolio* (Gross Return)	**-2.2%**
S&P 500 Total Return	1.3%
Number of winners (where we made $)	14
Biggest $ winner, as % of $ P&L	64.3%
Top 5 winners, as % of $ P&L	188.4%
Top 10 winners, as % of $ P&L	240.7%
Number of loser (where we lost $)	16
Biggest $ loser, as % of $ P&L	-83.7%
Top 5 losers, as % of $ P&L	-245.4%
Top 10 losers, as % of $ P&L	-339.3%
Ratio of number of winners to losers ("Brag Ratio")	0.88x
Ratio of $ profit to $ loss ("Profit Ratio")	**0.71x**

We seek to maximize the "Profit Ratio" (how much $ we make when we are right vs. wrong, and to keep it above 1.00 which means we have higher $ profits than $ losses), not the "Brag Ratio" (how often we are right vs. wrong). Although we fell short this quarter, we remain optimistic about our Profit Ratio maximization ability, especially in the long-term.

Over the past year, we planted a number of high return potential seeds in the portfolio. The most recently planted batch in Energy Infrastructure / Master Limited Partnerships ("MLPs") provided a fractional glimpse at their bumper crop potential by generating +222% of $ P&L this quarter. We believe our basket of MLPs remains undervalued and expect this bunch to contribute multiple times their cost to portfolio returns in future years. For a more detailed discussion of our MLP thesis, please see "Future Portfolio Positioning" section.

Large-Cap Financials were the major $ losers this quarter (-190% of $ P&L), suffering from election-year regulatory rhetoric. Prices declined to valuation levels not seen since 2008-2009 despite stronger balance sheets and profitable earnings (most of which is being returned to shareholders via share repurchases and dividends, not squandered on random projects). Despite volatile price fluctuations, we remain comfortable owing these businesses because they are all undervalued, operationally sounds, and profitable.

PORTFOLIO ALLOCATIONS

Below is the target portfolio allocation – what we believe to be the optimal allocation as of the writing of this letter. Investor separate accounts may differ from this allocation due to changes in asset prices, available opportunities to acquire/divest securities in the marketplace, margin & trading capabilities, tax considerations, etc. Over time, all investor separate accounts converge upon the target portfolio allocation.

- **Special Situations/Event-Driven/Other: 23% NAV**
  Public securities undergoing spin-offs, recapitalizations, liquidations, certain debt instruments, etc. The share price performance of securities in this category are often not correlated with general market activity, but instead tied to the unique catalyst(s) embedded in each position.
  Because "catalysts" are business decisions/events which take time to implement, and market participants require time to process the implications of these decisions/events, the timeframes necessary for securities to move from our purchase price to where we believe they are truly worth can range from months to multiple years, making for attractive but lumpy expected returns.

- **Energy Infrastructure / Master Limited Partnerships (MLPs): 22% NAV**
  Energy infrastructure companies with assets indispensable to the smooth function of modern society. Recent indiscriminant and forced-selling dynamics drove prices to extremely attractive levels, allowing us to compile a basket of MLP securities with average cost basis equating to ~11% NOI and ~19% Cash on Cash. We believe that as fear abates and reason prevails, these securities will return 2-3x our original purchase price (via dividends and price appreciation). In the interim, these MLPs will pay us cash dividends averaging ~13% per annum. Please see "Future Portfolio Positioning" section for more details on our MLP thesis.

- **Large-Cap Financials: 21% NAV**
  Businesses essential to economic and societal function trading at ~8-15% earnings yield, many of which we own via TARP warrants. Fearful investors fled this area post 2008-2009, and prices are still recovering. These businesses were the survivors, gaining market share, with profit margins that will greatly benefit if/when interest rates rise and regulatory shaming abates. These securities are very liquid so we can convert this allocation to cash at anytime and redeploy into opportunities if/when they emerge.

- **Outsourced Capital Compounding: 7% NAV**
  This new allocation category includes publicly traded capital allocators that practice patient opportunism (similar to our strategy and philosophy, see Page 2), possessing unique skills (e.g., Berkshire Hathaway's Warren Buffett) or circumstances (e.g., large amounts of Net Operating Losses "NOLs" to shield future profits from tax obligations thereby increasing value to shareholders) and have structures and incentives in place to promote long-term capital compounding and wealth creation for shareholders. These positions were previously categorized as Special Situations and/or Large Cap High-Quality.

- **Cash: 27% NAV**
  This category will fluctuate depending on opportunities available in the marketplace. If suitable opportunities cannot be found, we are comfortable holding the present or perhaps even greater levels of cash.

PORTFOLIO FUTURE POSITIONING

Earlier this year, the public markets finally offered a compelling opportunity in the land of Master Limited Partnerships (MLPs). Declines in crude oil and natural gas prices worldwide triggered an avalanche of turmoil in companies across the entire energy supply chain. The prices of MLPs did not escape unscathed. In the 12-month period prior to April 15, 2016, the MLP Alerian Index (most commonly quoted sector benchmark) experienced peak to trough decline of ~56%, thus creating the present opportunity for us to capitalize upon.

Being patient opportunists, we had cash ready and pounced. Over the course of weeks in January and February, we deployed large sums of capital and now own 22% NAV in MLPs. Our swift implementation was facilitated by 12+ months worth of research effort which began in late 2014. In the following pages, we discuss in detail our MLP thesis.

What are Master Limited Partnerships (MLPs)?

- In the United States, as well as across the globe, energy resources (e.g., natural gas necessary for electricity production, crude oil for gasoline and diesel production, ammonia for fertilizer production, propane for summer barbecues, etc.) necessary for civilization and societies to function smoothly are often produced in regions (rural Oklahoma, Texas, North Dakota, etc.) far away from populated consumption centers (major cities, coastal refineries, etc). Physical logistical infrastructure is therefore required to facilitate the transportation of different types of energy resources across long physical distances.
- MLPs own these logistical infrastructure assets, which vary widely by type, such as long-haul pipelines, storage tanks, gathering pipelines at the gas/oilfield wellheads, processing facilities to prep the product for uniformity before transportation, etc. This diversity means that oil and gas price volatility has differing directional and degree of magnitude impact on different MLPs, depending on the type(s) and location of asset(s) owned. Utilization of these infrastructure assets by customers are governed by contractual lease terms, very much like real estate assets with rent-paying tenants.[1]
- In the 1980s, to encourage energy infrastructure capital investment, the U.S. government established tax codes allowing owners of energy infrastructure assets to receive favorable tax treatment. The special tax attributes of MLPs led to dysfunctional ownership dynamics (as we will explain later on) which exacerbated MLP security price declines in recent months, just as it did in 2008-2009.

Why are MLPs cheap? Who is selling to us?

A few factors occurred simultaneously to create the perfect storm of indiscriminant panicked and forced-selling (our favorite words in the English language), precipitating steep price declines across the entire MLP sector.

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[1] The exceptions to this description are the Exploration & Production (E&P) MLPs because their assets are not infrastructure-esque in nature, and are in essence no different from C-Corp E&P companies. We do not own any E&P MLPs.

Factor #1: In the last 18 months, both crude oil and natural gas prices declined more than 30%, negatively impacting the business operations of some MLPs. Fear and speculation of future dividend cuts, suspensions and bankruptcy risk spread quickly.

- Tenant Credit Quality – as oil and gas prices declined, many E&P companies, who produce the products transported by MLPs, are facing increased financial strains. As owners of energy real estate assets, MLPs are sensitive to the financial health of their customers (i.e., tenants) and ability to honor lease contracts (i.e., pay rents on time).
- Lower Asset Utilization – lower oil and gas prices also led to lower volumes produced in geographic regions with inferior cost economics. Lower production volumes mean lower gathering & processing and transportation volumes, thus lower asset utilization rates (i.e., low occupancy) in certain types of assets and locations, translating to lower revenues.

These issues do not affect all MLPs equally. The impact varies depending on type(s) and location of asset(s) owned. When a few highly impacted MLPs cut/suspended dividend payouts in order to service debt and meet future capital expenditure commitments, fear spread as market participants speculated on other candidates likely to cut/suspend dividends, or at risk for bankruptcy.

Factor #2: The predominant shareholders for MLPs are retail investors, drawn by attractive yield income and tax attributes. They were ill-equipped to analyze the implications of crude oil and natural gas price declines on each MLP and unprepared for the ferocity of MLP security price declines, which led to panicked-selling.

- Dividends from MLPs are often classified as tax-advantaged return of capital (not ordinary income), which reduces tax obligations today (by decreasing an investor's cost basis, the difference recaptured upon sale). If MLP shares are passed onto heirs or donated to charity, a step-up in basis occurs and no tax (on historical capital gains or dividends) is ever incurred.
- In order to maintain their tax-advantaged status, MLPs must dividend to their investors a high percentage of their operating cash flow after certain capital expenditures.

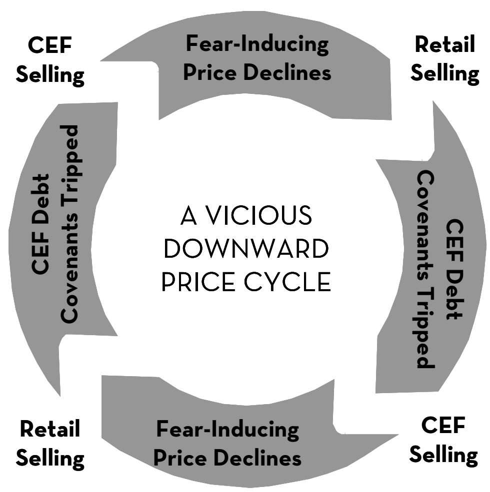
These tax attributes seduced a great number of income-seeking retail investors into purchasing MLP securities. However, this demographic was ill-equipped to analyze the implications of declining oil and gas prices on the underlying health and operations of MLP securities (see Factor #1). As fear and speculation spread, steep declines in the Alerian MLP Index, combined with negative headlines spelling doom and gloom for all MLPs, led to indiscriminant panicked-selling by retail investors.

Factor #3: MLP tax attributes gave rise to an inefficient ownership structure through Closed End Funds (CEFs) built upon retail money and the utilization of significant leverage, contributing to indiscriminant forced-selling.

- MLPs issue partnership K-1s to their investors at each calendar year end. Some investors choose to own MLPs through publicly traded CEFs to shield them from the administrative burden of K-1s. The CEFs gladly provided this service in return for a 2-5% per annum expense and management fee.

- The MLP CEFs all utilized leverage (borrowed funds). For example, when a CEF receives $100 from an investor, the CEF would borrow another $30-50 to purchase in total $130-150 worth of MLP securities in the public market. This leverage boosted CEF returns when MLP security prices appreciated, but as the Alerian MLP Index declined 56%, this leverage triggered a sequence of forced-selling that wrecked chaos on the prices of MLP securities.

As MLP prices declined, many MLP CEFs tripped their debt covenants (similar to margin calls). Faced with little choice, CEFs were forced to sell their MLP securities to raise cash to repay debt and comply with covenant requirements (meet margin calls). This pushed MLP security prices lower, and the resultant price declines induced incremental fear in retail investors (see Factor #2), who continued to sell their MLP holdings. This pushed prices down yet again, triggering additional waves of CEF covenant tripping, which led to more CEF forced-selling to repay debt, and on and on it went…<u>This vicious downward cycle (see illustration below) drove MLP security prices to extremely attractive levels, thereby providing us with the opportunity to swoop up the bargains</u>.



Risks & Mitigants

> *"I look for the type of guy in London who gets up at seven o'clock on Sunday morning when his kids are still in bed, and logs onto a poker site so that he can pick off the U.S. drunks coming home on Saturday night. I hired a guy like that. He usually clears 5 or 10 grand every Sunday morning before breakfast taking out the drunks playing poker because they're not very good at it, but their confidence has gone up a lot. That's the type of guy you want – someone who understands an edge."*
> *-- Michael Platt, billionaire founder of BlueCrest Capital, on type of talent he prefers to hire*

The tenant credit quality and asset utilization issues (described in Factor #1) pose legitimate risks to some MLP business operations. To mitigate, we scrutinized a large number of MLPs – analyzing balance sheet strength, asset type and location, customer exposure, and stress testing cash flow decline scenarios and valuations. This analysis allowed us to compile a diversified basket of 11 MLP securities (see next page for more information) that we believe, on a consolidated basis, will weather the current commodity price storm with very low probability of permanent impairment of capital while offering extremely attractive upside return potential.

Our risk management efforts did not simply end here. We believe that effective risk management stems not only from proper research analysis (e.g., evaluation of individual MLP balance sheets, assets, etc.) and cautious conservatism (e.g., stress testing of cash flows scenarios and valuations), but also from clear evaluation of edge. This is because public market investing is a zero-sum game, in many ways similar to the poker story described above in the Michael Platt quote.

Evaluation of edge means correctly understanding who and/or why someone is selling an asset/security, and determining whether the selling party has better reasons to sell than our reasons to buy. This is why we sought to understand the dynamics of indiscriminant panicked and forced-selling of MLP securities by retail investors and CEFs (as discussed in Factor #2 and #3). We believe that we have correctly identified the parties selling MLP securities, and that our rationale for purchasing is stronger than their reasons for selling.

What do we own? What did we pay? What will we get?

We have assembled a basket of 11 MLPs totaling 22% of NAV. The average implied valuation for this basket (at cost) is ~11% NOI, ~19% Cash on Cash, and ~13% dividend yield.

	Asset Type	Portf. % Nav	Divd.* %	NOI* %	Cash on* Cash %
1	Shipping – Tanker, LNG, etc.	7.0%	3.1%	Net-Net (1)	
2	Coal – Logistics & Blending	2.5%	0.0%	Net-Net (1)	
3	Refined Products – Pipelines and Storage	2.5%	14.3%	14.1%	14.7%
4	Crude Oil – Gathering, Processing, Pipelines, and Storage	2.5%	12.7%	12.1%	13.6%
5	Natural Gas – Gathering, Processing, Pipelines, and Storage	1.5%	10.8%	11.4%	11.4%
6	Natural Gas – Gathering, Processing, Pipelines, and Storage	1.0%	9.4%	10.1%	12.3%
7	Natural Gas – Gathering, Processing, Pipelines, and Storage	1.3%	16.5%	9.5%	25.7%
8	Natural Gas – Gathering, Processing, Pipelines, and Storage	0.7%	18.3%	10.0%	20.0%
9	Natural Gas – Gathering, Processing, Pipelines, and Storage	0.6%	16.8%	12.0%	16.4%
10	Oil & Gas Services - Compression	1.4%	15.0%	14.9%	21.8%
11	Diversified	1.0%	21.8%	7.6%	38.1%
	Total or Average:	**22.0%**	**12.6%**	**11.3%**	**19.3%**

**Dividend, NOI, and Cash on Cash % calculated at cost*
NOI % = (Cash Flow Operations - Maintenance Capex) / Enterprise Value
Cash on Cash % = (Cash Flow Operations - Maintenance Capex) / Market Cap
(1) Net-Net means Balance Sheet Liquidation Value >= Market Cap, therefore we receive any incremental cash flows for free

In our opinion, these are extremely attractive valuations for operating businesses that have:

- High barriers to entry because they own large-scale physical infrastructure assets that are difficult to replicate
- Medium to long-term contractual revenues and cash flows with customers (many of whom are multi-national investment grade credits)
- Tax-advantaged pass-through structures allowing dividends to be categorized as return of capital rather than ordinary income

Through these 11 positions, we own nearly every type of energy logistical infrastructure asset in the United States and beyond. We have sufficiently diversified our exposures so that as long as (1) society continues to require energy resources of any kind, and (2) energy resource production remains far away from population centers therefore requiring logistical infrastructure for transport, we believe our MLP allocation will return 2-3x our original cost basis (via dividends and price appreciation) in a few years time.

MLP security prices have already rebounded from the low depths of January and February (our initial purchase), but remain undervalued because there are few natural buyers to absorb the onslaught of supply from retail and CEF panicked/forced-selling. The tax attributes which make MLPs so attractive to many, also prevent certain institutions from owning them. For example, mutual funds, the bedrock of equity institutional ownership, can only own up to 25% of their NAV in MLPs due to regulatory constraints.

We believe this excess supply will be absorbed in time either by (1) new investors, like us, tempted by the attractive pricing and expected returns and/or (2) returning retail and CEF inflows as people realize that not all MLPs are doomed for dividend cuts or suspensions, and certainly not bankruptcy. As fear recedes and reason returns to market participant behavior, we believe we will be well-rewarded by our present MLP allocation in future years. While we wait, we will collect sizable cash dividends from our MLPs, which pay on average ~13% yield annually.

Our recent allocation to MLPs illustrates our patient opportunistic approach in action. It has been many years since we have seen a price dislocation of this magnitude. We moved swiftly to capitalize upon the bargains as soon as they emerged. Now we wait patiently like an eager child on Christmas morning. In the interim, we continue to search for other opportunities to boost portfolio returns while minimizing risk of permanent loss.

These letters serve as a general medium through which we communicate with our investors. For any account specific questions, or anything else that's on your mind that you'd like to discuss, please do not hesitate to contact us directly.

Yours very truly,

Vivian Y. Chen, CFA
Portfolio Manager
Marram Investment Management LLC

APPENDIX: HISTORICAL PERFORMANCE RETURNS*

		2011											
	2011	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**24.74%**	6.11%	3.39%	2.16%	3.62%	2.00%	-1.40%	-0.39%	3.52%	-0.66%	1.84%	1.81%	0.55%
S&P 500	**2.11%**	2.37%	3.43%	0.04%	2.96%	-1.13%	-1.67%	-2.03%	-5.43%	-7.03%	10.93%	-0.22%	1.02%
% Cash Exposure		*7.47%*	*11.92%*	*13.46%*	*15.42%*	*13.54%*	*30.64%*	*23.14%*	*21.93%*	*12.17%*	*11.78%*	*10.51%*	*7.95%*

		2012											
	2012	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**37.35%**	3.12%	6.15%	7.05%	3.14%	0.54%	1.45%	0.59%	0.60%	1.46%	4.55%	1.63%	2.13%
S&P 500	**16.00%**	4.48%	4.32%	3.29%	-0.63%	-6.01%	4.12%	1.39%	2.25%	2.58%	-1.85%	0.58%	0.91%
% Cash Exposure		*9.69%*	*8.43%*	*11.20%*	*7.58%*	*10.57%*	*8.83%*	*16.43%*	*26.99%*	*22.73%*	*27.11%*	*25.32%*	*21.86%*

		2013											
	2013	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**29.77%**	5.38%	1.80%	4.38%	2.48%	2.78%	1.63%	3.60%	1.42%	1.30%	-0.45%	1.80%	0.38%
S&P 500	**32.39%**	5.18%	1.36%	3.75%	1.93%	2.34%	-1.34%	5.09%	-2.90%	3.14%	4.60%	3.05%	2.53%
% Cash Exposure		*19.45%*	*17.58%*	*19.53%*	*17.45%*	*22.78%*	*16.78%*	*10.50%*	*6.81%*	*4.61%*	*4.87%*	*6.31%*	*9.02%*

		2014											
	2014	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**15.60%**	-0.41%	3.22%	2.27%	2.88%	1.14%	-0.07%	1.62%	2.11%	-1.41%	1.49%	5.11%	-3.09%
S&P 500	**13.69%**	-3.46%	4.57%	0.84%	0.74%	2.35%	2.07%	-1.38%	4.00%	-1.40%	2.44%	2.69%	-0.25%
% Cash Exposure		*7.88%*	*5.10%*	*9.45%*	*15.11%*	*15.07%*	*14.45%*	*19.95%*	*19.75%*	*18.36%*	*17.31%*	*11.06%*	*15.97%*

		2015											
	2015	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**-7.26%**	2.83%	3.22%	-2.13%	1.45%	1.50%	-1.09%	-5.53%	-1.00%	-4.88%	1.96%	0.86%	-4.20%
S&P 500	**1.38%**	-3.00%	5.75%	-1.58%	0.96%	1.29%	-1.94%	2.10%	-6.03%	-2.47%	8.44%	0.30%	-1.58%
% Cash Exposure		*16.21%*	*14.84%*	*14.86%*	*13.04%*	*14.78%*	*30.75%*	*31.10%*	*29.26%*	*31.14%*	*31.90%*	*30.39%*	*34.83%*

		2016											
	YTD	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**-2.20%**	-6.99%	-2.42%	7.76%	-	-	-	-	-	-	-	-	-
S&P 500	**1.35%**	-4.96%	-0.13%	6.78%	-	-	-	-	-	-	-	-	-
% Cash Exposure		*29.92%*	*22.77%*	*20.85%*	-	-	-	-	-	-	-	-	-

* Unaudited, gross return figure, before fees. Performance is derived from the portfolio manager's separate account which does not pay management or performance fees. This separate account most accurately reflects the long-term investment strategy of Marram Investment Management. Remaining separate accounts were purposefully omitted as they may deviate from the strategy due to fee structure, trading expenses, fund transfer and order timing, margin & trading capabilities, tax considerations, and other account restrictions. Returns for each separate account may differ. Please refer to your account statements for net return figure.

Returns presented for S&P 500 include dividend reinvestment. While the S&P 500 is a well-known and widely recognized index, the index has not been selected to represent an appropriate benchmark for Marram's investment strategy whose holdings, performance and volatility may differ significantly from the securities that comprise the index. Investors cannot invest directly in an index (although one can invest in an index fund designed to closely track such index).

Historical performance is not indicative of future results. An investment is speculative and involves a high degree of risk and possible loss of principal capital. All information presented herein is for informational purposes only. No investor or prospective investor should assume that any such discussion serves as the receipt of personalized advice from Marram. Investors are urged to consult a professional advisor regarding the possible economic, tax, legal or other consequences of entering into any investments or transactions described herein.

Specific companies or securities shown are meant to demonstrate Marram's investment style and the types of companies, industries and instruments in which we invest, and are not selected based on past performance. The analyses and conclusions include certain statements, assumptions, estimates and projections that reflect various assumptions by Marram 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 made as to the accuracy or completeness of such statements, assumptions, estimates or projections, or with respect to any other materials herein.