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January 15, 2017

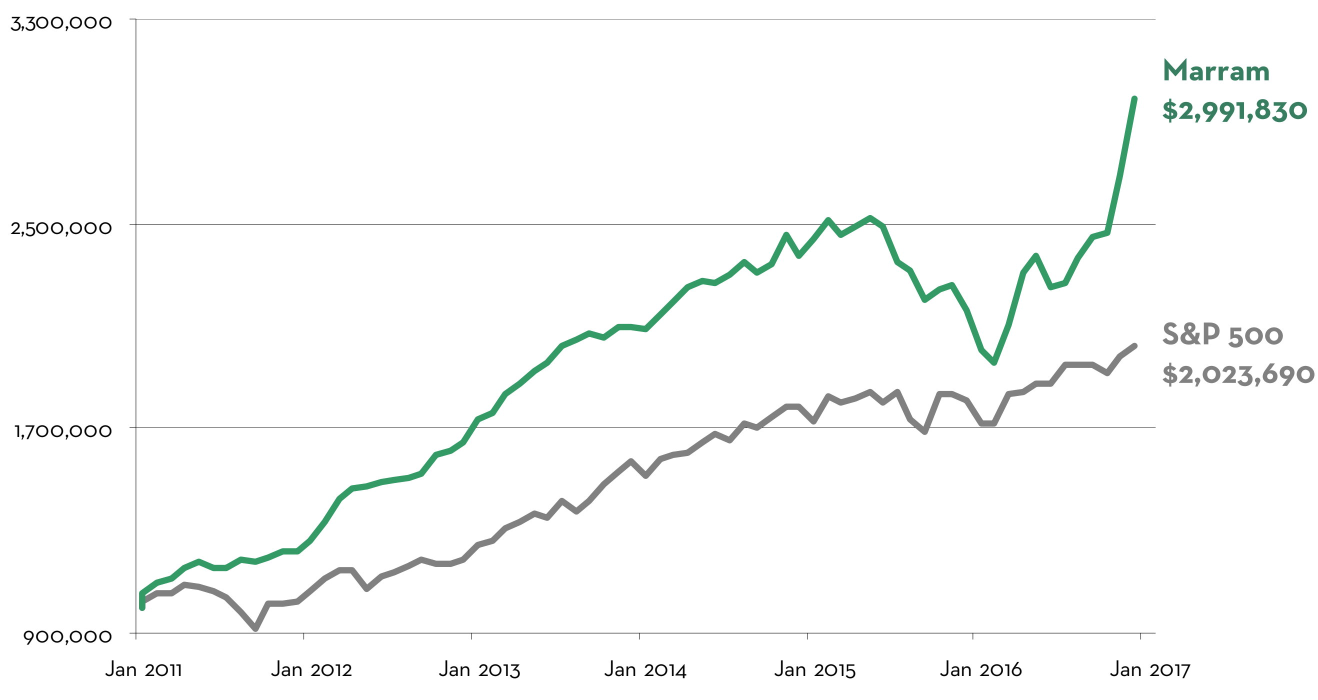
Dear Investors,

The Portfolio* returned +38.54% (net return) in 2016.

During this same period, the S&P 500 returned +11.96%.

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 (Net Return, Inception to 12/31/2016)*



ABOUT MARRAM

Marram is an outsourced long-term investment solution focused on growing wealth for retirement or legacy purposes. We began as a service for a small circle of friends and family. Our investor friendly fee structure (lower than most hedge funds), terms (separate accounts, no lock-up), and high standards of care and excellence, reflect those origins. Our portfolio manager has the majority of her family's net worth invested in the same strategy – we eat our own cooking – ensuring that we shepherd your investment with the utmost care, as we would our own.

OUR GOAL:	• To compound (grow) capital over time
PHILOSOPHY:	• Patient Opportunism
STRATEGY:	• Buy cheap assets (when available) • Hold cash when there are no cheap assets • Hedge the portfolio when appropriate • Think opportunistically and creatively
IMPLEMENTATION METHOD:	• Utilize any security or asset that offers superior risk-reward, with a preference for liquidity
RESULT:	• Outsourced wealth compounding solution for investors whose primary goal is to grow money over time

PORTFOLIO RETURN ANALYSIS * †

	4Q 2016	Full Year 2016
Marram Portfolio* (Net Return)	**22.4%**	**38.5%**
S&P 500 Total Return	3.8%	12.0%
Number of winners (where we made $)	25	28
Biggest $ winner, as % of $ P&L	27.1%	22.4%
Top 5 winners, as % of $ P&L	74.6%	58.2%
Top 10 winners, as % of $ P&L	94.0%	77.8%
Number of losers (where we lost $)	4	8
Biggest $ loser, as % of $ P&L	-4.1%	-5.9%
Top 5 losers, as % of $ P&L	-5.6%	-8.8%
Top 10 losers, as % of $ P&L	-5.6%	-9.0%
Ratio of number of winners to losers ("Brag Ratio")	6.25x	3.50x
Ratio of $ profit to $ loss ("Profit Ratio")	**18.93x**	**12.15x**

2016 was an exceptional year, and we are extremely proud of the results we achieved. The Portfolio* returned +38.5% (net) vs. +12.0% for the S&P 500. Our performance was especially robust in the 4th quarter, returning +22.4% (net) vs. +3.8% for the S&P 500. Below, we discuss three portfolio categories that contributed in nearly equal parts to our 2016 performance.

Master Limited Partnerships "MLPs"

In early 2016, we took advantage of fearful and irrational market conditions by investing significant sums in MLPs. This decision paid off handsomely: MLPs generated 14% and 39% of total $ P&L this quarter and full year 2016, respectively. There remains additional upside in many of our MLPs as they complete growth projects, already paid for, but not yet producing incremental cash flows (akin to real estate under construction, which costs money to build, but does not yet produce cash rents). Potential government policies boosting domestic manufacturing would also benefit MLPs through greater domestic energy usage and transport volumes. Incremental cash flows due to any of the above factors would benefit our MLP holdings, especially the General Partnerships through Incentive Distribution Rights.

Large-Cap Financials

Another large performance contributor in 2016 was our basket of Large-Cap Financials which generated 36% and 21% of total $ P&L in the 4th quarter and full year 2016, respectively. These

† We seek to maximize the "Profit Ratio" (how much $ we make when we are right vs. wrong, and to keep this ratio above 1.00x which means we have higher $ profits than $ losses), not the "Brag Ratio" (how often we are right vs. wrong). This is because we are not here to boast about how often we are right, but to maximize compounding and $ profits over time. In a world that is overly focused on whether investors are "right or wrong," we prefer to judge ourselves instead by how much $ profits we make when we are right, and how much $ capital we lose when we are wrong. It is possible to make $ profits by being "right" less than 50% of the time (by upsizing your winners), just as it is possible to lose $ capital by being "right" more than 50% of the time (by upsizing your losers).

securities were unloved for many years despite continuing to produce very respectable economic profits in the face of various political and macroeconomic headwinds (e.g., lower net revenues due to low interest rates, lower profits due to higher costs associated with greater regulatory scrutiny, lower % return on equity due to greater capital ratio requirements and less balance sheet leverage). In the 3rd and 4th quarter of 2016, other market participants finally agreed with our assessment and altered their thinking, which led to particularly strong performance from our long-dated TARP warrants, ranging from 40-100%+ price appreciation, in the latter half of 2016.

The fundamental operations of these businesses have not changed – they are still earning the same economic return as they did six months ago. It is the market perception that has changed. Taking advantage of recent jubilant marketplace sentiment and higher prices, we have begun to trim our exposure to Large-Cap Financials.

Special Situations / Event-Driven / Other

Our Special Situations / Event-Driven / Other allocation contributed to 48% and 35% of total $ P&L in the 4th quarter and full year 2016, respectively. Performance in this category was especially strong in the 4th quarter as two large positions (discussed below) experienced significant price appreciation.

- RCI Hospitality generated 27% and 22% of total $ P&L in the 4th quarter and full year 2016, respectively. We wrote the following in our 2016 3rd quarter letter:

  "In the last two years, RCI has grown book value per share by 26%. Yet, the share price remains unchanged and trades at 0.84x book value at quarter end. This valuation disconnect persists despite the business consistently generating ~$15-20mm in annual free cash flow, equating to ~13-18% free cash flow yield given the current market cap of $113mm. We remain content shareholders because RCI is benefiting from this valuation disconnect as it repurchases shares cheaply in the open market."

  Other market participants finally agreed with our assessment, and the stock price appreciated +48% in the 4th quarter. RCI's cash flow generation remains steady, and management is capable and understands the importance of capital allocation. The Company is currently incubating a new restaurant franchising division (which does not require much capital investment) with promising upside not currently priced into the stock. The Company is still a bargain at current prices, but we are preparing to trim our exposure as this position is now approaching ~15% of NAV due to appreciation.

- Company X, a new position we initiated in June, generated 25% and 18% of $ P&L this quarter and full year 2016, respectively. We wrote the following about Company X in our last letter:

  "The Company is a ~$25mm market cap, under-followed, and 'left-for-dead' business (price history resembles what Peter Lynch calls 'the echocardiogram of a rock') with ~$60mm cash and securities on the balance sheet. It's a small position…but the upside potential makes this investment very special. The Company seems to agree with our assessment and has repurchased ~20% of the total shares outstanding in the last 6 months alone. This action will enhance future upside for remaining shareholders (of which management and insiders are 40%+) if/when the catalyst does occur (we expected sometime in 2018-2019). Stay-tuned for more on this in the coming years.

Since then, the Company repurchased another 8% of its shares, bringing the total repurchase since 12/31/2015 to ~28% of its outstanding shares – a staggering amount. We are not disclosing the name of this security because the Company continues to actively repurchase shares, and we prefer that they do so at the lowest price possible to benefit existing shareholders like us.

Although the share price has appreciated nearly 5x since our initial investment, we remain steadfast shareholders (currently sized at ~8% of NAV) because we believe the long-term upside potential is significantly higher than today's price. The Company is making consistent operating progress toward the catalyst, which we expect will take place in 2018-2019. We will keep you informed of any major developments – stay tuned!

Our biggest performance detractor was a Special Situation / Event-Driven / Other position:

- AINC accounted for -4% and -6% of $ P&L in the 4th quarter and full year 2016, respectively. Our investment thesis (please see our 2015 1st and 2nd quarter letters for full details) remains intact, albeit delayed due to the rabblerousing efforts of a hedge fund activist. At its current market cap of $110mm (with $25mm of cash, $0 debt on the balance sheet, and ~$15mm operating income each year, which implies a ~5.5x multiple), AINC remains a compelling investment opportunity given the asset light business model and high operating leverage. Insiders have not sold a single share and continue to own ~36% of outstanding shares. Sized at ~8% of NAV, we believe AINC will contribute meaningfully to performance in future years.

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: 26% NAV**
  Public securities undergoing spin-offs, recapitalizations, liquidations, 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): 23% NAV**
  Energy infrastructure companies with assets indispensable to the smooth function of modern society. In early 2016, 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, and paying cash dividends averaging 10%+ per

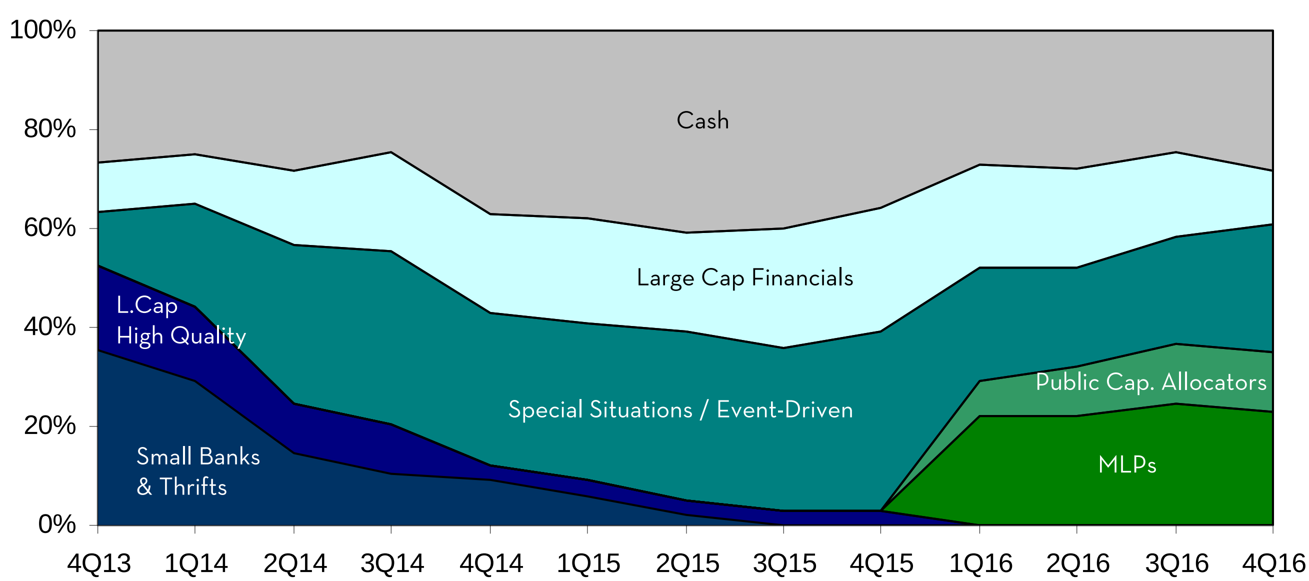
annum. As fear abated, these MLPs have appreciated substantially, returning on average 2.25x our cost basis in less than a year. There remains additional upside in many of these names. Please see the 2016 1st Quarter Letter for our full MLP thesis.

- **Public Capital Allocators: 12% NAV**
  This 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). Each position has structures or incentives in place to promote alignment of interest and long-term wealth creation for management and shareholders.

- **Large-Cap Financials: 10.5% NAV**
  Businesses essential to economic and societal function trading at ~8-10%+ earnings yield, many of which we own via in-the-money TARP warrants. Our notional exposure is ~15% NAV because the warrants provide non-recourse leverage at extremely cheap rates (<0.50% per year). 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 (higher revenue potential) and regulatory shaming abates (more capital returned to shareholders, lower legal expenses). We have begun to harvest gains from this basket.

- **Cash: 28.5% 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.

Target Portfolio % Allocation – Over Time:



PORTFOLIO FUTURE POSITIONING

In investing, future return outcomes are directly correlated to the implementation of a process today. In other words, we reap what we sow. 2016 was an extraordinary year, and we are extremely pleased with the returns we achieved. However, we were not at all surprised by its occurrence. In fact, we foreshadowed it in our 2015 4th Quarter Letter:

> "As we look forward into 2016 and beyond, we are more excited about the future return prospects of the portfolio than we have been in many years…we have a few fantastic existing investments already within the portfolio, we have plenty of dry powder in the form of cash and liquidity (which we have thanks to our patient opportunism investment approach) to take advantage of the bargains that are finally beginning to emerge in the public markets."

By late 2015, many seeds of the returns we achieved in 2016 had already been planted. To quote Amazon CEO Jeff Bezos, "…if we have a good quarter, it's because of the work we did three, four, and five years ago." Our results in 2016 reflect the quality of our diligent research and portfolio construction efforts over the last few years.

Looking ahead, we remain excited about the return potential of the portfolio. Even with the gains achieved in 2016, there remains significant upside thanks to a number of promising investments, already planted, that we expect will grow and return many times our initial investment in future years.

Our Resilient, Yet Participatory Portfolio

Since our inception six years ago in January 2011, Marram has generated 199.2% in total return and 20.0% annualized return, net of fees, versus 102.4% and 12.5% for the S&P 500, respectively, over this same time period.

Marram Investment Management
Performance vs. S&P 500

	Marram (Net of Fees)	S&P 500 (Total Return)	% Difference
2016	38.5%	12.0%	+26.6%
2015	-9.1%	1.4%	-10.5%
2014	13.3%	13.7%	-0.4%
2013	27.3%	32.4%	-5.1%
2012	34.7%	16.0%	+18.7%
2011	22.3%	2.1%	+20.2%
Cumulative	199.2%	102.4%	+96.8%
Annualized	20.0%	12.5%	+7.6%

The most astounding part – one that often goes unnoticed, and of which we are especially proud – is that these returns were achieved while we held ~17% average cash balance in our portfolio (see Appendix for detailed % cash balance). Since inception, not only did we achieve higher returns than the S&P 500, we did so while incurring far less risk.

This achievement was no easy feat. Howard Marks of Oaktree Capital Management (an experienced and well-respected investor) explains its difficulty and nuanced importance in his book, *The Most Important Things*:

> *"…'beating the market' and 'superior investing' can be far from synonymous…it's not just your return that matters, but also what risk you took to get it."*
>
> *"High absolute return is much more recognizable and titillating than superior risk-adjusted performance. That's why it's high-returning investors who get their pictures in the papers…since the importance of managing risk is widely underappreciated, investors rarely gain recognition for having done a great job in this regard. That's especially true in good times."*
>
> *"Risk – the possibility of loss – is not observable. What is observable is loss…what happens when risk meets adversity…As long as things go well, loss does not arise. Risk gives rise to loss only when negative events occur in the environment…the absence of loss does not necessarily mean the portfolio was safely constructed…A good builder is able to avoid construction flaws, while a poor builder incorporates construction flaws. When there are no earthquakes, you can't tell the difference…"*
>
> *"…there are more good years in the markets than bad years, and since it takes bad years for the value of risk control to become evident in reduced losses, the cost of risk control – in the form of return foregone – can seem excessive…risk-conscious investors must content themselves with the knowledge that they benefited from its presence in the portfolio, even though it wasn't needed…"*
>
> *"How do you enjoy the full gain in up markets while simultaneously being positioned to achieve superior performance in down markets? By capturing the up-market gain while bearing below-market risk…no mean feat."*

As Marks highlights above, proper risk management usually comes at a cost in the form of returns foregone, and it is no easy feat to build a portfolio that captures "up-market gain while bearing below-market risk."

However, we were able to overcome this difficult hurdle and construct a resilient, yet participatory portfolio – one that captures upside returns while simultaneously protecting against permanent loss. As evidenced by our performance since inception, not only did we outperform the S&P 500, we did so while holding large amounts of cash, therefore incurring far less risk in our quest for this superior performance.

Looking ahead, we are excited about our current portfolio, while remaining ever cautious. As we enter the 9th year of a bull market that began in early 2009, with nearly every asset class trading at all-time-highs, risk management is more important than ever.

Because risks embedded within a portfolio of investments are often hidden, and not revealed as $ losses until adverse events occur (which is not very often), many investment managers and advisers blindly chase upside returns and do not give risk management adequate attention. Since most investment managers and advisers do not have their own wealth invested alongside their investors, in many cases, it is the investor, not the manager/adviser, who ultimately feels the pain of inadequate risk management.

In contrast, here at Marram, we have the majority of our net worth invested alongside our investors. We shepherd and treat your investment with the utmost care, as we would our own. We have always taken risk management seriously, carefully choosing when and where to invest capital. Although we cannot predict when adverse events will occur next, we are confident that when that day arrives, our portfolio will be more resilient against permanent loss, our cash balance will allow us to pounce quickly on bargains that emerge, thus paving the way to future outperformance.

You Can Help Us Generate Better Performance Returns

Many investment firms spend vast amounts of time and energy seeking new investors through fundraising and marketing. We strongly disagree with this approach. At Marram, we believe our time is better spent seeking great investments, managing the portfolio, and generating performance returns for our existing investors.

We sincerely believe that Marram is superior to most investment options available for individuals seeking to outsource the task of growing wealth over time. We back this conviction by eating our own cooking and investing alongside our investors.

By consolidating your investment accounts, and/or referring your friends and family to Marram, you help them invest wisely, you help us minimize our time spent on fundraising, maximize our time spent on investing, and thus increase the likelihood of better performance returns.

Please feel free to pass along this letter to your friends and family, and encourage them to visit www.marramllc.com for more information.

This letter serves 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. Thank you for your continued trust.

Yours very truly,

Vivian Y. Chen, CFA
Portfolio Manager
Marram Investment Management LLC
vivian@marramllc.com

APPENDIX: HISTORICAL PERFORMANCE RETURNS (NET OF FEES)*

							2011						
	2011	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**22.3%**	5.9%	3.2%	2.0%	3.4%	1.8%	-1.6%	-0.6%	3.4%	-0.8%	1.7%	1.6%	0.4%
S&P 500	**2.1%**	2.4%	3.4%	0.0%	3.0%	-1.1%	-1.7%	-2.0%	-5.4%	-7.0%	10.9%	-0.2%	1.0%
% Cash Exposure		*7.5%*	*11.9%*	*13.5%*	*15.4%*	*13.5%*	*30.6%*	*23.1%*	*21.9%*	*12.2%*	*11.8%*	*10.5%*	*7.9%*

							2012						
	2012	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**34.7%**	3.0%	6.0%	6.9%	3.0%	0.4%	1.3%	0.4%	0.4%	1.3%	4.4%	1.5%	2.0%
S&P 500	**16.0%**	4.5%	4.3%	3.3%	-0.6%	-6.0%	4.1%	1.4%	2.3%	2.6%	-1.8%	0.6%	0.9%
% Cash Exposure		*9.7%*	*8.4%*	*11.2%*	*7.6%*	*10.6%*	*8.8%*	*16.4%*	*27.0%*	*22.7%*	*27.1%*	*25.3%*	*21.9%*

							2013						
	2013	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**27.3%**	5.2%	1.6%	4.2%	2.3%	2.6%	1.5%	3.4%	1.2%	1.1%	-0.6%	1.6%	0.2%
S&P 500	**32.4%**	5.2%	1.4%	3.8%	1.9%	2.3%	-1.3%	5.1%	-2.9%	3.1%	4.6%	3.0%	2.5%
% Cash Exposure		*19.4%*	*17.6%*	*19.5%*	*17.4%*	*22.8%*	*16.8%*	*10.5%*	*6.8%*	*4.6%*	*4.9%*	*6.3%*	*9.0%*

							2014						
	2014	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**13.3%**	-0.6%	3.1%	2.1%	2.7%	1.0%	-0.2%	1.5%	1.9%	-1.6%	1.3%	4.9%	-3.3%
S&P 500	**13.7%**	-3.5%	4.6%	0.8%	0.7%	2.3%	2.1%	-1.4%	4.0%	-1.4%	2.4%	2.7%	-0.3%
% Cash Exposure		*7.9%*	*5.1%*	*9.4%*	*15.1%*	*15.1%*	*14.5%*	*20.0%*	*19.7%*	*18.4%*	*17.3%*	*11.1%*	*16.0%*

							2015						
	2015	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**-9.1%**	2.7%	3.1%	-2.3%	1.3%	1.3%	-1.3%	-5.7%	-1.2%	-5.0%	1.8%	0.7%	-4.4%
S&P 500	**1.4%**	-3.0%	5.7%	-1.6%	1.0%	1.3%	-1.9%	2.1%	-6.0%	-2.5%	8.4%	0.3%	-1.6%
% Cash Exposure		*16.2%*	*14.8%*	*14.9%*	*13.0%*	*14.8%*	*30.7%*	*31.1%*	*29.3%*	*31.1%*	*31.9%*	*30.4%*	*34.8%*

							2016						
	2016	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Marram	**38.5%**	-7.2%	-2.6%	7.6%	9.7%	3.0%	-5.2%	0.7%	4.4%	3.3%	0.9%	8.8%	11.6%
S&P 500	**12.0%**	-5.0%	-0.1%	6.8%	0.4%	1.8%	0.3%	3.7%	0.1%	0.0%	-1.8%	3.7%	2.0%
% Cash Exposure		*29.9%*	*22.8%*	*20.8%*	*20.0%*	*21.5%*	*23.0%*	*22.1%*	*21.6%*	*19.3%*	20.8%	18.8%	20.6%

* Unaudited, net return figure calculation assumes 2% per annum management fee, pro-rated and deducted monthly from performance of 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, custodial & trading expenses, fund transfer & 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 actual 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.