

April 15, 2017

Dear Investors,

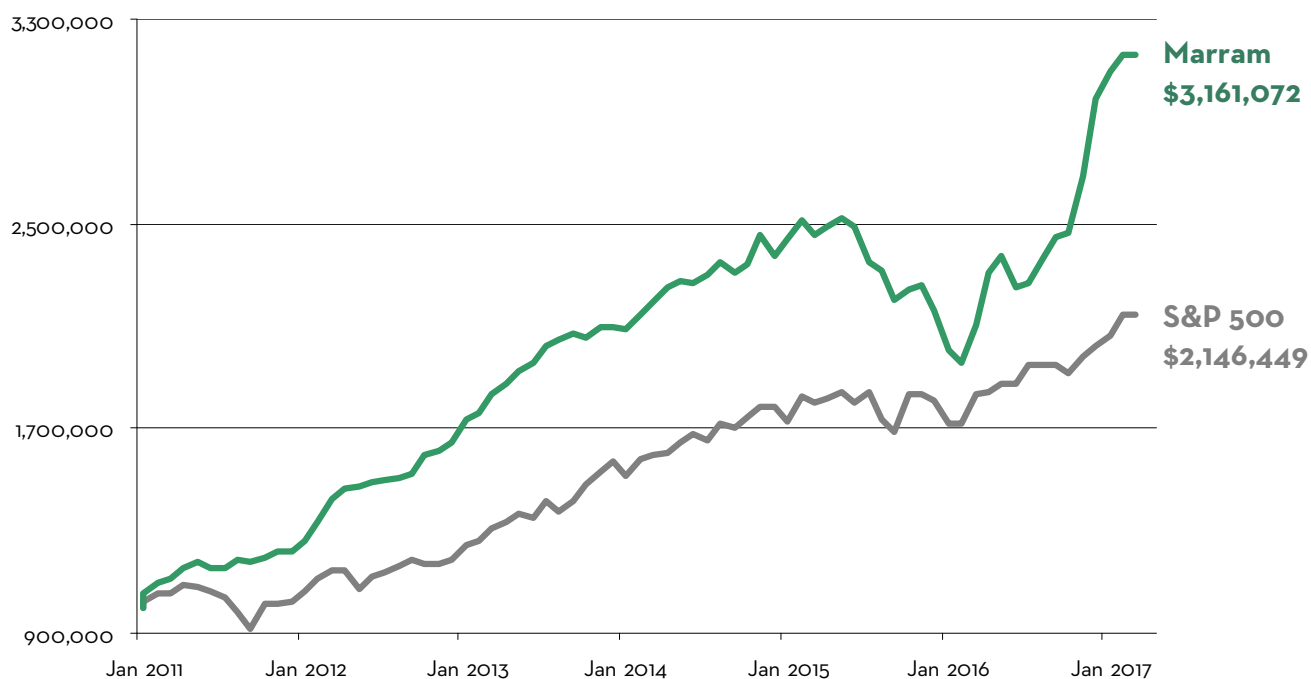
The Portfolio* returned +5.66% (net return) year-to-date in 2017 (through 3/31/17).

During this same period, the S&P 500 returned +6.07%.

Since inception over six years ago in January 2011, Marram has generated +216.11% total return and +20.22% annualized return, net of fees, versus +114.64% and +13.00% for the S&P 500, respectively.

For monthly details, see Historical Performance Returns* at the end of this letter. Also, please refer to your separate account statement for exact account return figures.

\$1,000,000 Investment in Marram vs. S&P 500 (Net Return, Inception to 3/31/2017)*



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:	<ul style="list-style-type: none">• To compound (grow) capital over time
PHILOSOPHY:	<ul style="list-style-type: none">• Patient Opportunism
STRATEGY:	<ul style="list-style-type: none">• Buy cheap assets (when available)• Hold cash when there are no cheap assets• Hedge the portfolio when appropriate• Think opportunistically and creatively
IMPLEMENTATION METHOD:	<ul style="list-style-type: none">• Utilize any security or asset that offers superior risk-reward, with a preference for liquidity
RESULT:	<ul style="list-style-type: none">• Outsourced wealth compounding solution for investors whose primary goal is to grow money over time

PORTFOLIO RETURN ANALYSIS * †

	1Q 2017
Marram Portfolio* (Net Return)	5.7%
S&P 500 Total Return	6.1%
Number of winners (where we made \$)	17
Biggest \$ winner, as % of \$ P&L	49.9%
Top 5 winners, as % of \$ P&L	113.8%
Top 10 winners, as % of \$ P&L	121.6%
Number of losers (where we lost \$)	9
Biggest \$ loser, as % of \$ P&L	-9.1%
Top 5 losers, as % of \$ P&L	-24.4%
Top 10 losers, as % of \$ P&L	-26.7%
Ratio of number of winners to losers ("Brag Ratio")	1.89x
Ratio of \$ profit to \$ loss ("Profit Ratio")	4.74x

The Portfolio* returned +5.7% (net) vs. +6.1% for the S&P 500 during the 1st Quarter of 2017.

Two positions (Company X, which we discussed in our 2016 3rd and 4th Quarter Letters, and AINC) each currently sized at ~10% NAV within our Special Situations / Event-Driven allocation shined especially bright, generating 50% and 44% of this quarter's total profits, as their share prices appreciated 41% and 37%, respectively, during this period. Both positions remain substantially undervalued, and we expect them to contribute meaningful, but lumpy, performance in future years.

During the 1st quarter, we began realizing gains in our Large-Cap Financials and Master Limited Partnerships allocations, as well as in RCI Hospitality. In investing, it is just as important to know when to sow (deploy capital into new ideas) as well as when to harvest (realize gains from existing ideas).

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 investor jubilant optimism and higher prices, we have begun to trim our exposures as prices reached, or moved closer to, our expected fair value estimates.

For investors that have been with Marram for longer than 1 year, we expect the vast majority of these realized gains will be long-term in nature.

† 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).

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: 28% 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): 15% 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 ~2x+ our cost basis in slightly over a year. We have begun to trim our exposure to MLPs and harvest gains. 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.

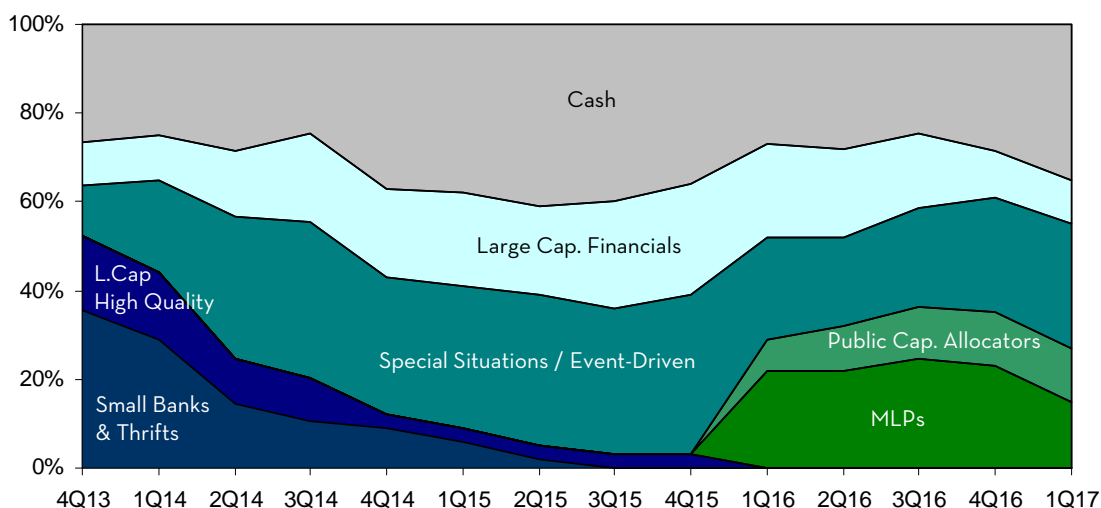
- **Large-Cap Financials: 10% NAV**

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 as 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: 35% NAV**

This category will fluctuate depending on opportunities available in the marketplace. As we realize additional gains in the coming months, our cash balance may continue to increase. We remain active in seeking greener pastures into which to deploy this cash. However, if suitable opportunities and bargains cannot be found, we are comfortable holding the present or even greater levels of cash.

Target Portfolio % Allocation - Over Time:



PORTFOLIO FUTURE POSITIONING

As we have been realizing gains in recent months, we thought it would be helpful to discuss Marram's tax strategy, which is very simplistic, and takes the following into consideration:

- Our overall investment goal, which is to compound (grow) capital over time.
- The tax situation of our investor base, approximately 50% of current AUM is taxable capital.
- If gains are involved, then changing portfolio positions will inevitably result in tax consequences. However, those consequences will be measured against the expected performance difference resulting from changing portfolio positions.
- We do not play complicated tax games, preferring instead to use common sense.

Since our ultimate goal is to come away with the largest (after-tax) rate of compounding possible, we will do our best to create the maximum revenue for the United States Treasury, albeit at the lowest rates⁰ the rules will allow. In other words, when possible, we will try to minimize the tax bill by realizing long-term capital gains (which often occur naturally because our investment strategy and theses are usually long-term in nature).

⁰ Current federal maximum tax rate is ~40% for short-term capital gains, and 20% for long-term capital gains.

For example, here's the breakdown of our Portfolio's* short-term vs. long-term realized gains in the last three calendar years:

Calendar Year	% of Realized Gain / Loss		Total
	Short-Term	Long-Term	
2014	27.6%	72.4%	100.0%
2015	5.0%	95.0%	100.0%
2016	-7.9%	107.9%	100.0%

Historically, Marram has been very tax efficient, with the majority of our realized gains derived from long-term capital gains, and we expect this to continue into the foreseeable future. Additionally, when possible, we have sought securities with return of capital characteristic such as our MLP investments in 2016, and our Kingsway Return of Capital Bond in 2014-2015. For investors that have been with Marram for longer than 1 year, we expect nearly all gains realized in recent months (from MLPs, Large-Cap Financials, and RCI Hospitality) will be long-term in nature.

Tax Efficiency Is Not Standard Industry Protocol

Tax efficiency is not standard protocol across the investment and wealth management industry. In fact, "institutional products" – the very ones pitched to many individual and wealthy taxable investors, touted as superior because of their "institutional quality" – are big violators of tax efficiency.

"Institutional products" are aptly named so because their largest investors are institutional pensions, endowments, and foundations (such as CalPERS, Yale University Endowment, etc). Unlike most individuals, these institutions do not have tax obligations. Therefore, institutional products and funds catering to large institutions are not held to tax efficiency standards by their largest investors. Individuals and wealthy taxable investors who invest in these "institutional products" often suffer adverse tax consequences.

The smoking gun to the tax sins committed by "institutional products" is evidenced by the fact that showing after-tax return is not standard industry protocol, which is usually set by large institutions. Since these large institutions do not pay taxes, they do not bother with setting reporting standards on a topic that ultimately does not concern them.

Why You Should Care About Tax Efficiency

Any individual or taxable entity investing taxable funds should closely examine the historical (and future) tax attributes of an investment vehicle or manager because taxes will greatly impact the ability to compound capital, especially over long periods of time.

To illustrate, let's review a theoretical \$1mm investment in two similar strategies, both producing the same pre-tax annual return of 20%. The only difference is that Strategy 1 is very tax efficient, generating only long-term capital gains taxed at 20%, whereas Strategy 2 is not very tax efficient, generating only short-term capital gains taxed at 40%.

	Strategy 1 (Long-Term Cap. Gains)	Strategy 2 (Short-Term Cap. Gains)
Initial \$ Investment Value	\$1,000,000	\$1,000,000
Pre-Tax Annual Return % (Net of Fees)	20%	20%
Tax Rate %	20%	40%
After-Tax Annual Return %	16%	12%
10 Years Later \$ Investment Value	\$4,411,435	\$3,105,848

Although both Strategy 1 and Strategy 2 generate the same pre-tax annual return %, net of fees, the after-tax annual return % is different, and the impact of tax efficiency on compounding is significant. For institutions that do not pay tax, the difference between Strategy 1 and Strategy 2 is moot. However, for those who do pay taxes, at the end of 10 years, tax efficiency ultimately results in a staggering ~\$1.3mm difference in the total value of an investment in Strategy 1 vs. Strategy 2, drastically impacting the capital compounding process over time.

Marram understands the importance of tax efficiency on the long-term capital compounding process (as shown in the illustrative example above). Although industry standard does not require it, we have historically and will continue to seek to minimize the tax bill of our taxable investors, when possible, by realizing gains that are long-term in nature. This is not only common sense, but also the right thing to do, and congruent with our promise to shepherd your investment with the utmost care, as we would our own.

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,

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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%	11.5%
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%
	YTD	2017											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	5.7%	3.6%	2.1%	-0.1%	-	-	-	-	-	-	-	-	-
S&P 500	6.1%	1.9%	4.0%	0.1%	-	-	-	-	-	-	-	-	-
% Cash Exposure		21.2%	27.4%	30.3%	-	-	-	-	-	-	-	-	-

* 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.