

January 29, 2018

Dear Investors,

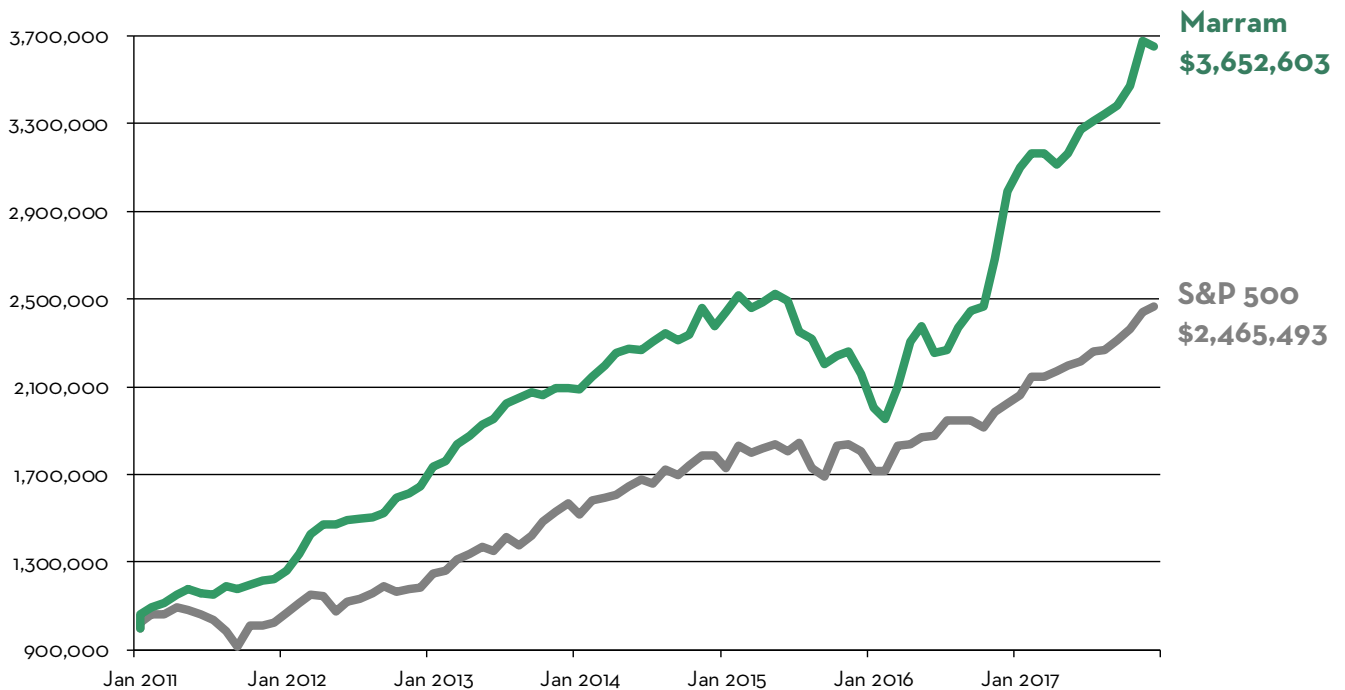
The Portfolio* returned +22.1% (net return) in 2017.

During this same period, the S&P 500 returned +21.8%.

Since inception, Marram has generated +265.3% cumulative return and +20.3% annualized return, net of fees, versus +146.5% and +13.8% 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 12/31/2017)*



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 liquid 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	2Q 2017	3Q 2017	4Q 2017	Year 2017
Marram Portfolio* (Net Return)	5.7%	3.6%	3.3%	8.0%	22.1%
S&P 500 Total Return	6.1%	3.1%	4.5%	6.6%	21.8%
Number of winners (where we made \$)	17	15	13	13	17
Biggest \$ winner, as % of \$ P&L	49.9%	96.7%	41.5%	59.3%	36.3%
Top 5 winners, as % of \$ P&L	113.8%	170.9%	105.8%	94.7%	91.4%
Top 10 winners, as % of \$ P&L	121.6%	182.0%	126.5%	105.7%	105.5%
Number of losers (where we lost \$)	9	11	6	4	10
Biggest \$ loser, as % of \$ P&L	-9.1%	-35.9%	-18.2%	-6.0%	-2.8%
Top 5 losers, as % of \$ P&L	-24.4%	-75.3%	-30.4%	-8.0%	-7.7%
Top 10 losers, as % of \$ P&L	-26.7%	-83.3%	-30.7%	-8.0%	-8.9%
Ratio of number of winners to losers ("Brag Ratio")	1.89x	1.36x	2.17x	3.25x	1.70x
Ratio of \$ profit to \$ loss ("Profit Ratio")	4.74x	2.19x	4.20x	13.57x	12.24x

2017 was another year of strong returns for Marram. The Portfolio * returned +22.1% (net) vs. +21.8% for the S&P 500 during calendar year 2017.

Our Value / Special Situations investments were the biggest performance contributors in 2017:

- Ashford Inc. (AINC) generated 36.3% of \$ P&L this year
- RCI Hospitality (RICK) generated 26.2% of \$ P&L
- Altisource Asset Management (AAMC) generated 19.1% of \$ P&L

These investments together accounted for 81.5% of total \$ P&L in 2017. As we mentioned in our 2017 2nd Quarter letter, greater portfolio concentration can lead to lumpy returns. In this case: lumpy upside returns! We have been selectively trimming RICK and AAMC as both have appreciated substantially from our original purchase cost, becoming abnormally large positions due to natural appreciation, and therefore required right-sizing based on future expected return potential from today's price.

Our Large-Cap Financial investments also performed well in 2017, generating 15.2% of total \$ P&L. These businesses continue to experience increased profitability and earnings growth. The new 21% U.S. corporate tax rate will provide a windfall, resulting in higher shareholder profits and payouts (via cash dividends and share repurchases) over the next few years.

Our MLPs investment were our biggest (yet negligible) \$ losers, accounting for -0.1% of \$ P&L in 2017. After a strong 2016, these securities faltered in 2017. However, we were not much affected as we had already sold the majority of our MLPs, locking-in gains before the price declines occurred. As of the

† 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).

writing of this letter, we no longer own any MLPs in the portfolio. In total, we made 11 MLP investments. On average, each investment was held for ~18 months, appreciated 2.1x its cost basis, and generated 66% IRR.

There was not much activity from the securities in our Public Capital Allocators basket (2.4% of 2017 \$ P&L). These businesses are long-term investments with dry cash powder readily available. We expect these investments will benefit greatly during the next downturn as they deploy capital into areas of distress at low valuations.

After nearly a decade, short-term interest rates finally increased during 2017, and our cash balance contributed 0.8% to 2017 portfolio \$ P&L. We believe this is a significant development because interest rates are vital inputs into countless frameworks used by individuals, businesses, and organizations to make investment decisions. In other words, a change in interest rates will change investment decisions and preferences. We await potential ramifications, especially if rates continue to move higher, as it may disrupt the current status quo, and create future opportunities for Marram.

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.

- **Value / Special Situations: 25% 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.

- **Large-Cap Financials: 14% NAV**

Businesses essential to economic and societal function making ~8-10%+ return on equity. Fearful investors fled this area post 2008-2009, and prices are beginning to recover. These businesses were the survivors, gaining market share, with profit margins that have and will continue to benefit through rising interest rates, implementation of automation technology (lower costs, higher operating leverage), and abatement of regulatory shaming (more capital returned to shareholders, lower legal and compliance expenses).

- **Public Capital Allocators: 10% 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.

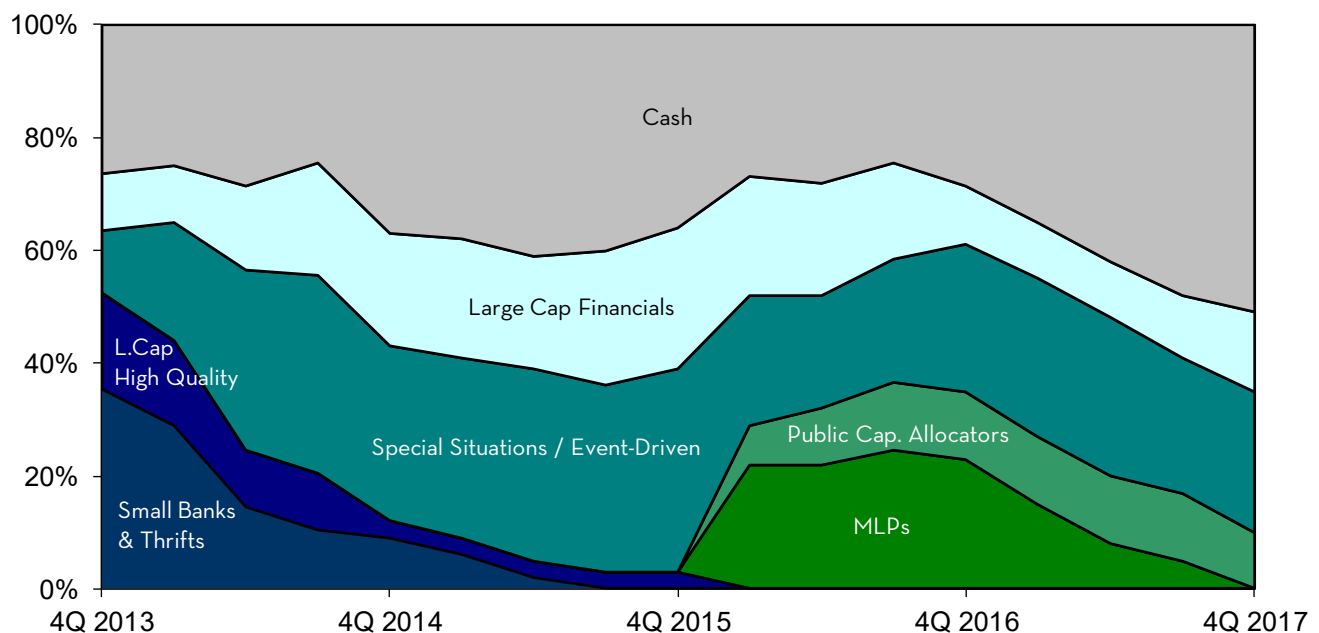
- **Energy Infrastructure / Master Limited Partnerships (MLPs): 0% NAV**

Energy infrastructure companies with assets indispensable to the smooth function of modern society. In early 2016, indiscriminate forced-selling 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 appreciated substantially. As of the writing of this letter, we have harvested all gains and exited this allocation entirely. On average, each position was held for ~18 months, appreciated 2.1x its cost basis, and generated 66% IRR.

- **Cash: 51% NAV**

This category will fluctuate depending on opportunities available in the marketplace. As we have realized gains in recent months, our cash balance has increased, and 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

Marram Investment Management Performance vs. S&P 500

Calendar Year	Marram (Net of Fees)	S&P 500 (Total Return)	% Difference
2017	22.1%	21.8%	+0.3%
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 Return %	265.3%	146.5%	+118.7%
Annualized Return %	20.3%	13.8%	+6.6%

We are extremely proud of the performance track record we have built since inception 7 years ago. Not only have we significantly outpaced the S&P 500 Total Return, net of fees, on a cumulative and annual basis since inception, we did so while incurring far less risk by (1) holding large sums of portfolio cash to take advantage of bargain opportunities during volatile periods, and (2) locating investment opportunities that provided superior upside returns with limited downside risk.

As the U.S. bull market that began in early 2009 rages into its 10th year, prices across all asset classes continue to trade at/near all-time highs. With so much excess capital hunting for opportunities, true investment bargains (with superior upside returns and concurrent limited downside risk) are becoming endangered species.

However, we observe a light at the end of this tunnel. Short-term interest rates are not only increasing after nearly a decade, they are accelerating. For example:

- 3-month LIBOR was ~1% one year ago. Today, it is ~1.80% – an 80% increase!
- 2-year U.S. Treasuries were yielding ~0.75% at the beginning of 2017. Today, this figure is over 2% – more than double!

We believe this is a significant development because interest rates are vital inputs into countless frameworks used by market participants to make investment decisions. If interest rates continue to rise, we believe it will shift investment decisions and preferences, disrupt the current status quo, and create future investment opportunities for Marram.

To explain why we believe so, below are excerpts from a 1977 Fortune Magazine article written by Warren Buffett titled *How Inflation Swindles the Equity Investor*, in which Buffett explains (far better than we ever could) how interest rates influence market participant decisions and preferences.

For context, here are a few formulas and metrics to keep in mind:

- **Return On Equity “ROE”** = Net Income / Book Value
- Earnings Yield or **“Equity Coupon”** = Net Income / (\$ Share Price You Paid * Total Shares Outstanding)
- The **current “Equity Coupon” of the S&P 500 is ~3%**¹

Excerpts from How Inflation Swindles the Equity Investor by Warren E. Buffett:

“...stocks, in economic substance, are really very similar to bonds. I know that this belief will seem eccentric to many investors. They will immediately observe that the return on a bond (coupon) is fixed, while the return on an equity investment (the company’s earnings) can vary substantially from one year to another...But anyone who examines the aggregate returns that have been earned by companies...will discover something extraordinary: the returns on equity have in fact not varied much at all...in the aggregate, the return on book value tends to keep coming back to a level around 12 percent...For a moment, let’s think of those companies, not as listed stocks, but as productive enterprises. Let’s also assume that the owners of those enterprises had acquired them at book value. In that case, their own return would have been around 12 percent...it seems reasonable to think of it as an ‘equity coupon’...those who buy equities receive...an underlying fixed return - just like those who buy bonds.

Of course, there are some important differences between the bond and stock forms. For openers, bonds eventually come due. It may require a long wait, but eventually the bond investor gets to renegotiate the terms of his contract. If current and prospective rates...make his old coupon look inadequate, he can refuse to play further unless coupons currently being offered rekindle his interest...

Stocks, on the other hand, are perpetual. They have a maturity date of infinity. Investors in stocks are stuck with whatever return corporate America happens to earn...As a group, stock investors can neither opt out nor renegotiate...Bond coupons eventually will be renegotiated; equity ‘coupons’ won’t...

There is another major difference...In the usual case, a bond investor receives his entire coupon in cash and is left to reinvest it as best he can. Our stock investor’s equity coupon, in contrast, is partially retained by the company and is reinvested at whatever rates the company happens to be earning...part of the 12 percent earned annually is paid out in dividends and the balance is put right back...to earn 12 percent also.

This characteristic of stocks - the reinvestment of part of the [equity] coupon - can be good or bad news, depending on the relative attractiveness of that 12 percent. The news was very good indeed in the 1950’s and early 1960’s. With bonds yielding only 3 or 4 percent, the right to reinvest automatically a portion of the equity coupon at 12 percent is of enormous value.

¹ Based on inverse of current Shiller PE Ratio of 33.4x as of 2/2/2018

...the more money that investors thought likely to be reinvested at the 12 percent rate, the more valuable they considered their reinvestment privilege, and the more they were willing to pay for it... When their reinvestment rate on the added equity capital was 12 percent, while interest rates generally were around 4 percent, investors became very happy and...they paid happy prices...

*This heaven-on-earth situation was finally 'discovered' in the mid-1960's by many major investing institutions. But **just as these financial elephants began trampling on one another in their rush to equities, we entered an era of accelerating inflation and higher interest rates. Quite logically, the marking-up process began to reverse itself. Rising interest rates ruthlessly reduced the value of all existing fixed-coupon investments. And as long-term corporate bond rates began moving up... both the equity return of 12 percent and the reinvestment 'privilege' began to look different...***

...the natural reaction of investors is to expect an equity return that is comfortably above the bond return...As the spread narrows, equity investors start looking for the exits. But, of course, as a group they can't get out. All they can achieve is a lot of movement...and a new, much lower level of valuation..."

For many, investment decisions to purchase or sell assets/securities is often both an absolute and relative comparison exercise. As Buffett explains above, a change in interest rates has the potential to change the "relative attractiveness" of one asset/security vs. another. With current short-term interest rates at ~2% and the S&P 500 "equity coupon" hovering at ~3%, we are on the cusp (especially if interest rates continue to move higher) of market participants reconsidering the "relative attractiveness" of current investments and making portfolio changes to seek better reinvestment "coupons" elsewhere.

If many market participants enact such portfolio changes simultaneously, the prices of innumerable assets/securities will shift, creating volatility, and potential investment opportunities for Marram. Although we cannot predict when such events will occur, we are confident if/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 for future outperformance and growth of investor wealth over time.

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	Jan	Feb	Mar	Apr	May	2011						
							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%
Portfolio Cash %		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	Jan	Feb	Mar	Apr	May	2012						
							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%
Portfolio Cash %		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	Jan	Feb	Mar	Apr	May	2013						
							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%
Portfolio Cash %		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	Jan	Feb	Mar	Apr	May	2014						
							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%
Portfolio Cash %		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	Jan	Feb	Mar	Apr	May	2015						
							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%
Portfolio Cash %		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	Jan	Feb	Mar	Apr	May	2016						
							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%
Portfolio Cash %		29.9%	22.8%	20.8%	20.0%	21.5%	23.0%	22.1%	21.6%	19.3%	20.8%	18.8%	20.6%
	2017	Jan	Feb	Mar	Apr	May	2017						
							Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	22.1%	3.6%	2.1%	-0.1%	-1.5%	1.6%	3.5%	1.1%	1.0%	1.1%	2.6%	6.0%	-0.7%
S&P 500	21.8%	1.9%	4.0%	0.1%	1.0%	1.4%	0.6%	2.1%	0.3%	2.1%	2.3%	3.1%	1.1%
Portfolio Cash %		21.2%	27.4%	30.3%	31.6%	34.7%	38.8%	39.1%	42.5%	45.6%	44.3%	42.3%	42.6%

* 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.