

April 15, 2021

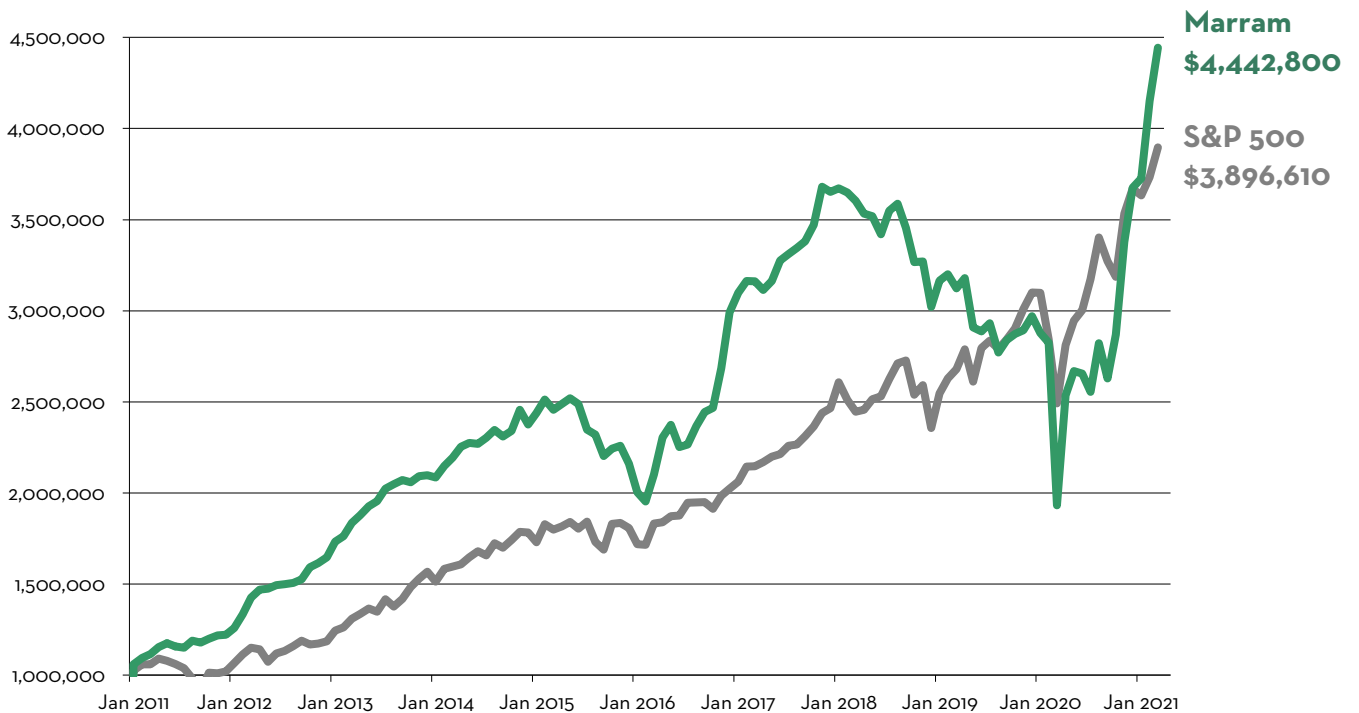
Dear Investors,

The Portfolio\* returned +20.9% (net) year-to-date through 3/31/21. During this same period, the S&P 500 returned +6.2%.

Since inception, Marram has generated +344.3% cumulative return and +15.7% annualized return, net of fees, versus +289.7% and +14.2% 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 3/31/2021)\*



## 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.

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

## PORTFOLIO ALLOCATIONS

Below is the target portfolio allocation – the optimal allocation as of the writing of this letter. Investor separate accounts may differ from this allocation due to changes in asset prices, availability 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.

- **Energy Infrastructure / Master Limited Partnerships (MLPs): 38% NAV**

Energy infrastructure companies with assets indispensable to the smooth function of modern society. Commodity price volatility, shareholder turnover, forced selling, and uncertainty related to the long-term demand of fossil fuels have driven prices to extremely attractive levels. Our diversified basket of MLPs currently trades, on average, at 8% NOI and 16% Cash on Cash, paying dividends averaging ~8% per year. These figures are based on the low-end of management guidance that do not take into account higher profits from continued vaccination rollout, increased human mobility, activity, and consumption. Our MLPs investments remain attractively priced with significant future upside potential. See our 2019 4<sup>th</sup> Quarter Letter for a detailed discussion of our MLP investment thesis.

- **Large-Cap Financials: 18% NAV**

Financial infrastructure companies whose services are essential to the smooth function of modern society. Last year, investors (incorrectly) fearing a repeat of the Great Financial Crisis (“GFC”) of 2008-2009 fled the sector, driving prices down precipitously. We took the opportunity to increase our allocation. Our thesis that strong capital ratios and high-quality loan portfolios would prevent a repeat of the GFC has since proven correct. Our banks have reported low loan losses, released provisions, and higher earnings in recent months. Annual normalized earnings of large banks will remain robust at ~11-12+% ROE even with low or negative interest rates, with additional uplift possible through adoption of technology and automation (lower personnel and real estate occupancy costs). Because we paid bargain prices averaging ~74% of book value, we expect this basket will return ~14-16%+ annualized for many years into the future. See our 2020 2<sup>nd</sup> Quarter Letter (The Case For Large Banks) for a detailed discussion of our large bank investment thesis.

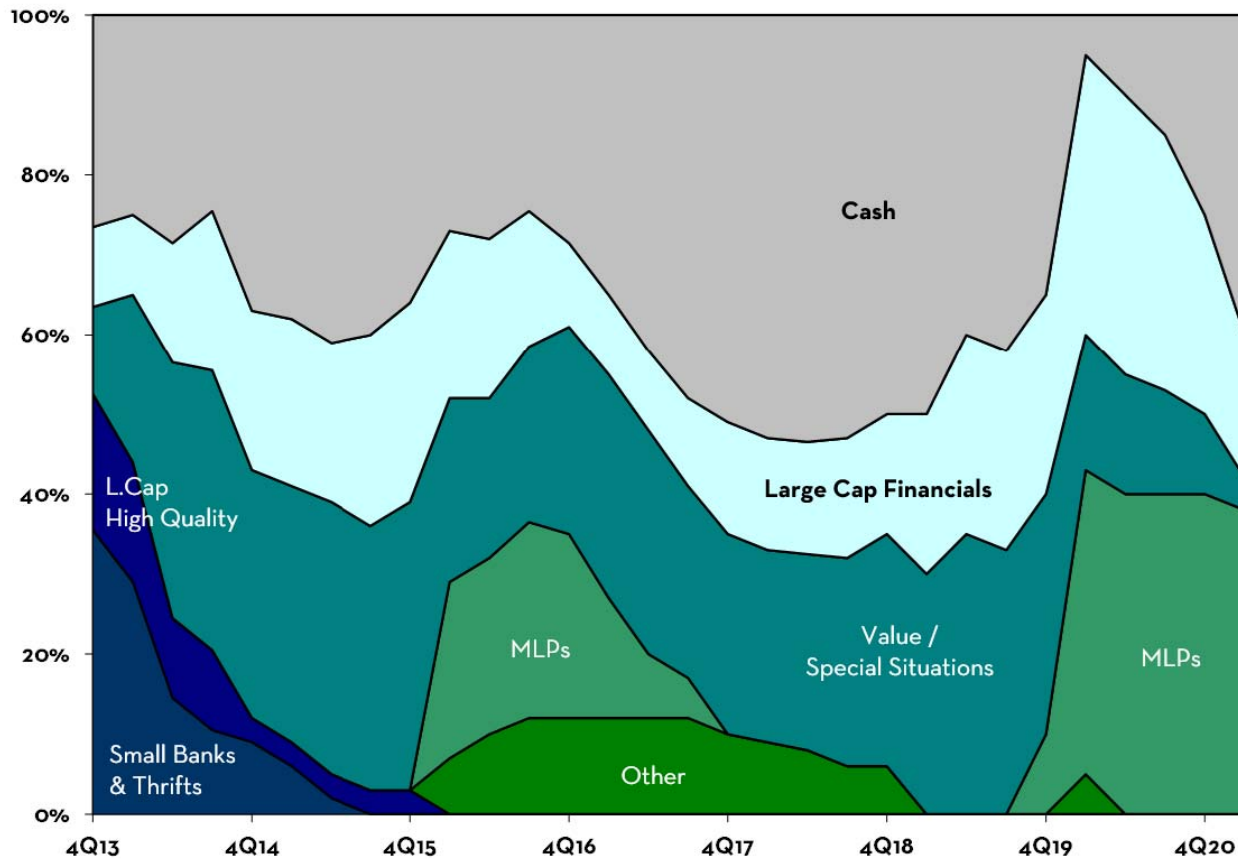
- **Value / Special Situations: 4% NAV**

Public securities undergoing spin-offs, recapitalizations, restructurings, 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 circumstance(s) embedded in each position. Because circumstances such as business strategy decisions take time to implement, and market participants require time to process the implications of these decisions, 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.

- **Cash & Cash Equivalents: 40% NAV**

This category will fluctuate depending on attractive investment opportunities available in the marketplace. We are also collecting cash dividends of ~3% each year, which will add to the cash balance over time.

## Historical Target Portfolio Allocation %:



## PORTFOLIO RETURN\* ANALYSIS & FUTURE POSITIONING

The Portfolio\* returned +20.9% (net) during the 1<sup>st</sup> Quarter of 2021.

What a difference one year makes! This time last year, the world was only beginning to digest the pandemic's economic and policy implications. During those dark days, our process guided our clear-eyed and aggressive buying of attractive investments at bargain prices. Fast forward one year, our efforts have been rewarded with outsized performance gains. Trough to peak, our portfolio has rebounded ~150%.

The United States is currently administering 3mm+ vaccine doses per day, and ~80% of the most vulnerable population (age 65+) has received at least one dose<sup>1</sup> of a COVID vaccine. Given these statistics, we predict personal air travel, indoor dining, social gatherings, etc. will soon, once again, become socially acceptable behavior. Business/corporate travel and events will resume as associated social stigma (and liability potential) fades.

<sup>1</sup> Source: CDC COVID-19 Vaccination Tracker <https://covid.cdc.gov/covid-data-tracker/#vaccinations>

The resulting increase in human mobility, activity, and consumption will translate into higher profits for our MLP, large-cap bank, and other investments. In fact, many of our investments have already experienced significant price appreciation as other market participants have begun to arrive at this same conclusion. During the 1<sup>st</sup> quarter, on average, our large-cap bank securities appreciated ~23% and our MLP securities appreciated ~37%, vastly outperforming the S&P 500's 6.5% return.

The price of RICK soared 70%+ this quarter, ending ~8x higher than what we paid for shares a year ago at the start of the pandemic. As a result, we have fully exited our investment in RICK. At today's price of ~\$70/share, in order for future upside to materialize, club and restaurant reinvestment economics would have to remain high AND the availability and cost of bank financing would have to remain favorable. While we have great respect for the capabilities of RICK's management team, availability and cost of bank financing is not entirely within their control. The current valuation is predicated upon the continuation of a virtuous cycle of abundant and cheap cost of capital invested at high rates of return, which can easily unravel if one or the other disappears. Hence, while additional upside is certainly possible, we would prefer to let others assume that risk-reward.

During the quarter, we also lightly trimmed a few banks and MLPs as prices moved higher (similar in rationale to how, as prices moved lower, we bought more). For example, we trimmed DCP Midstream and Fifth Third Bank which has appreciated ~5x and ~3x, respectively, from when we last purchased shares one year ago. Even so, our exposures to large-cap banks and MLPs remain significant because both areas have ample future upside potential.

Our cash position is now ~40% of NAV, replenished and ready for the next round of future opportunities, for which we are actively preparing. When that day arrives, we intend to strike fast and without hesitation because we will already know what we want to buy and at what price. These preparation efforts are primarily focused on researching investments in areas/sectors adjacent to what we currently own or have owned in the past.

Whatever the future may bring, our portfolio is positioned in such a manner to capitalize. Should economic circumstances continue to improve, our existing investments remain attractively priced and will provide ample performance upside. Should economic circumstances deteriorate, our existing investments are storm-tested to withstand adversity, and we will be well-prepared to deploy our cash into the next round of future opportunities.

We look forward to continuing our capital compounding adventures in the years ahead. As always, thank you for your trust.

Yours very truly,

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

## APPENDIX: HISTORICAL PERFORMANCE RETURNS (NET OF FEES)\*

	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%
	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%
	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%
	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%
	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%
	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%
	2017	Jan	Feb	Mar	Apr	May	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%
	2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	-17.3%	0.5%	-0.7%	-1.2%	-1.9%	-0.4%	-2.9%	3.8%	1.1%	-3.7%	-5.4%	0.1%	-7.6%
S&P 500	-4.4%	5.7%	-3.7%	-2.5%	0.4%	2.4%	0.6%	3.7%	3.3%	0.6%	-6.8%	2.0%	-9.0%
	2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	-1.7%	4.7%	1.1%	-2.4%	1.8%	-8.5%	-0.8%	1.6%	-5.5%	2.4%	1.2%	0.7%	2.6%
S&P 500	31.5%	8.0%	3.2%	1.9%	4.0%	-6.4%	7.0%	1.4%	-1.6%	1.9%	2.2%	3.6%	3.0%
	2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	23.7%	-3.1%	-1.8%	-31.6%	31.2%	5.3%	-0.5%	-3.8%	10.4%	-6.8%	9.1%	17.7%	8.8%
S&P 500	18.4%	0.0%	-8.2%	-12.4%	12.8%	4.8%	2.0%	5.6%	7.2%	-3.8%	-2.7%	10.9%	3.8%
	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Marram	20.9%	1.4%	11.4%	7.1%									
S&P 500	6.2%	-1.0%	2.8%	4.4%									

\* 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.

A list of all recommendations made by Marram within the immediately preceding period of not less than one year is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. 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.