

July 20, 2021

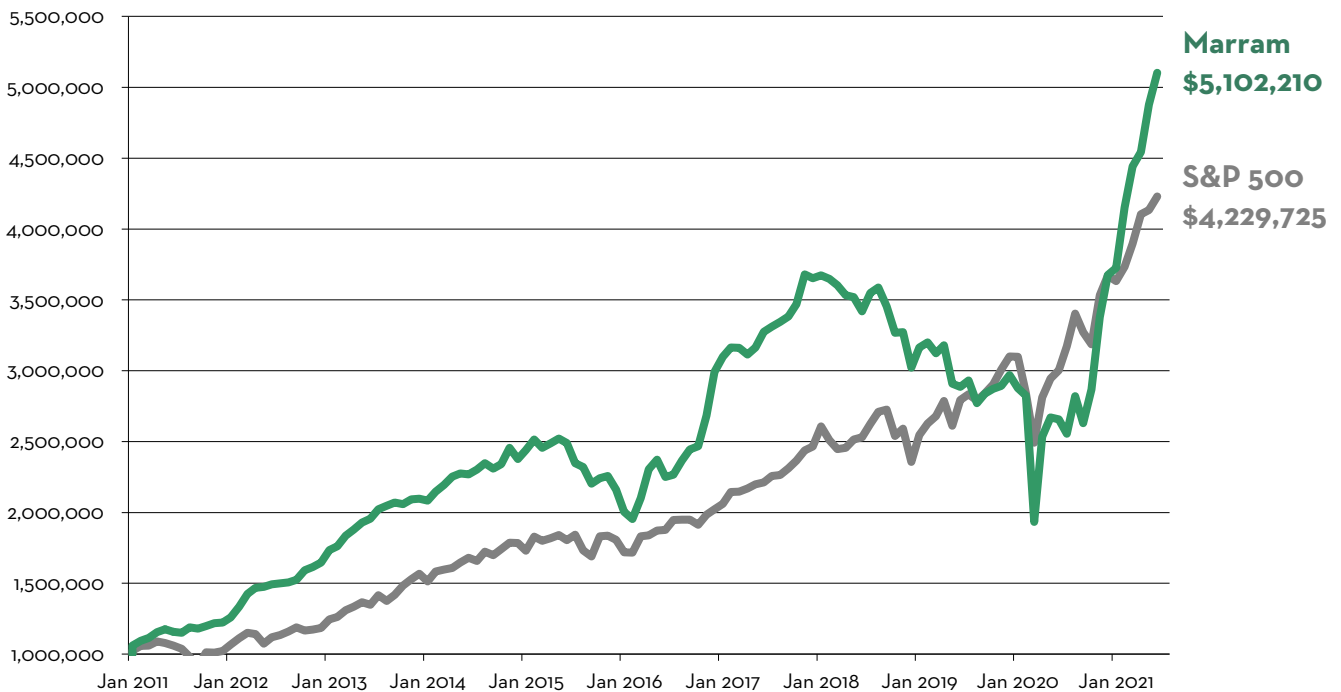
Dear Investors,

The Portfolio* returned +38.8% (net) year-to-date through 6/30/21. During this same period, the S&P 500 returned +15.3%.

Since inception, Marram has generated +410.2% cumulative return and +16.8% annualized return, net of fees, versus +323.0% and +14.7% 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 6/30/2021)*



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.

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 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): 40% 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 drove prices to extremely attractive levels. Our diversified basket of MLPs currently trades, on average, at 8% NOI and 15% Cash Flow Yield, paying dividends averaging 8% per year, and remain attractively priced with significant future upside potential. See our 2019 4th Quarter Letter, and the next section in this letter, for a detailed discussion of our MLP investment thesis.

- **Large-Cap Financials: 20% 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, and our banks have reported low loan losses, released provisions, and produced 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 2nd Quarter Letter (The Case For Large Banks) for a detailed discussion of our large bank investment thesis.

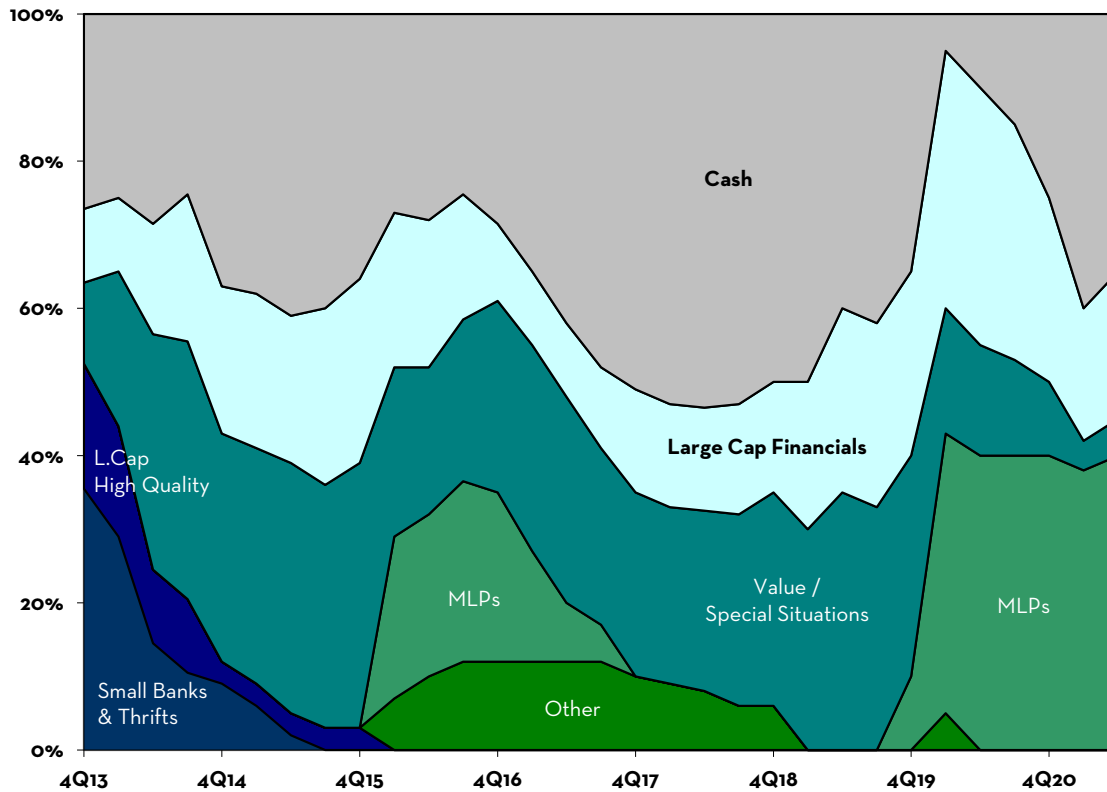
- **Value / Special Situations: 5% NAV**

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: 35% NAV**

This category will fluctuate depending on attractive investment opportunities available in the marketplace. Our current investments are generating so much ample cash, that we are collecting ~3% cash dividends year, which will add to our cash balance over time.

Historical Target Portfolio Allocation %:



PORTFOLIO RETURN* ANALYSIS & FUTURE POSITIONING

The Portfolio* returned +14.8% (net) during the 2nd Quarter of 2021, bringing our return year-to-date in 2021 to 38.8%.

With vaccine rollout and easing restrictions, indoor dining, group gatherings, business travel, and conventions are becoming more socially acceptable behaviors. Consumer spending has shifted back to restaurant dining, hotels, and travel. On these positive developments, AINC's price nearly tripled during the 2nd quarter, generating 36.6% of this quarter's P&L.

U.S. economic activity remains healthy, household and corporate balance sheets are robust, and default rates are at record lows. During the 2nd quarter, the Federal Reserve lifted return of capital restrictions (imposed at the beginning of the pandemic) for our large banks. We expect our large banks to steadily return excess capital while growing earnings through cost efficiency realizations and as loan demand increases with economic activity.

Demand for fossil fuels (crude oil and natural gas) continues to increase with greater human mobility, activity, and consumption as COVID recedes. This means our MLPs are gathering, processing, transporting and storing greater volumes of crude and natural gas with each passing day. MLPs continued to appreciate in value this quarter, contributing to 57.6% of this quarter's performance.

MLP Thesis Update

MLPs are the portfolio's largest investment allocation at ~40% of NAV (composed of a diversified basket of securities). They remain attractive bargains despite significant price appreciation from 2020 pandemic lows. Fossil fuel-related sectors continue to experience capital outflows as social pressures force investors to divest these holdings, and because current market consensus believes (incorrectly) that renewable/clean sources of energy will render fossil fuels obsolete in the very near future.

Over the past 2 years, we have dedicated countless hours to researching the subject of humanity's transition from fossil fuels to renewable/clean sources of energy. The facts and figures we uncovered paints a very different picture from the current flawed investment consensus. **Although renewable/clean energy is increasing as a percentage of total energy consumed, humanity will continue to need fossil fuels to supply the necessities of modern life for a long time to come, at least another 20-50 years.** Our MLP's infrastructure assets (used to gather, process, store, and transport fossil fuels) will continue to generate profits during this timeframe. **Currently trading at 15% Cash Flow Yield and paying 8% cash dividends annually, our MLPs remain incredible bargains, providing downside protection through return of capital, as well as ample future upside potential.**

The current flawed market consensus that renewable/clean sources of energy will render fossil fuels obsolete in the very near future is driven by too many headline articles:

1. Failing to explain the complete picture of how fossil fuels are embedded into the global industrial supply chains, and
2. Focusing too narrowly on personal electric vehicles, renewable electricity production, and battery storage, while failing to provide the scale context of these renewable/clean solutions versus existing fossil fuel complexes they are seeking to displace.

What is the complete picture? Bill Gates summarized it best in his recently published book "How to Avoid a Climate Disaster":

*"...our current sources of renewable energy - wind and solar, mostly...on their own...aren't enough to get us all the way to zero [emissions]. The wind does not always blow and the sun doesn't always shine, and we don't have affordable batteries that can store city-sized amounts of energy for long enough. Besides, **making electricity accounts for only 27 percent of all greenhouse gas emissions. Even if we had a huge breakthrough in batteries, we would still need to get rid of the other 73 percent.**"*

Fossil Fuels & Lesser-Known Uses. Not enough headline attention is given to the countless other ways humanity currently uses fossil fuels in global industrial supply chains (for which we do not have viable or cost-effective renewable/clean alternative substitutes), such as for:

- Manufacturing essential building materials like cement and steel
- Agricultural fertilizer and equipment to feed livestock and human populations
- Plastics and petrochemical raw materials to make everything we use in daily life (gadgets, car interiors, toys, paint, cosmetics, carpets - look around, fossil fuels are everywhere!)
- Long-haul freight & passenger transportation by air, rail, ship, and truck. Pound for pound, fossil fuels are far more energy dense than batteries. For example, with today's best battery technology, an Airbus A380 can fly only 1,000km before having to recharge, vs. its current

range of 15,000km¹ using jet fuel refined from crude oil. This energy density dilemma holds true also for rail, ship and truck. The bigger the vehicle, and the farther it needs to move without recharging, the harder it will be to use electricity as the power source.

Fossil Fuels & Personal Cars. Personal cars, SUVs, and motorcycles are responsible for only ~8% of annual global carbon emissions. The good news is that humanity already possesses the technology to replace internal combustion engines (ICEs) powered by gasoline refined from crude oil, with electric battery vehicles (EVs) charged with renewable/clean electricity. However, it will take 10-20+ years to fully transition away from ICEs to EVs because:

- EVs are still more expensive than ICE cars, and there are many people that can barely afford a used car, let alone afford to care about the car's carbon footprint
- In 2019, only 2.6% of cars sold globally were EVs² and a car's average lifespan is 10+ years
- EVs will not help displace fossil fuels unless the electricity used to charge it is produced by clean/renewable sources, and not from burning coal or natural gas.

Fossil Fuels & Electricity. A modern society requires not just electricity, but a reliable supply of it. Frequent blackouts, however brief, would result in discontented citizens seeking targets to blame. While renewable wind and solar is growing as a % of total electricity generation, humanity does not (yet) possess the storage technology or transmission infrastructure to fully overcome the intermittent nature of renewables (long periods of cloudy or windless days) and derive 100% of our electricity from renewable sources without sacrificing power reliability.

- Battery power storage receives a lot of headline attention, but today's battery technology falls woefully short of solving the intermittency problem, which requires storage to power cities for weeks or longer. For example, the world's largest battery currently under construction will be able to supply 400 megawatts, enough to power a small city, for only 4 hours³ before needing to recharge. Other long-term power storage technologies are under development, but none are ready for widespread deployment.
- Long-distance electrical transmission infrastructure is a less discussed solution to renewable intermittency. Electricity travels at the speed of light, so in theory, with effective transmission infrastructure, solar electricity produced in day-time California can power homes at night in Boston. Transmission would allow excess electricity generated in one location to supplement markets experiencing shortfalls, decrease power storage requirement, and provide diversification to weather patterns across large geographies. But large-scale transmission takes decades to build given right-of-way, NIMBY, local and national permitting, etc.
- Retirement of coal electricity production is still many years from completion. In 2020, the U.S. derived 20% of its electricity generation from coal⁴. In the next decade, electric utilities will need to replace coal retirements with electricity generated from other sources. The ability of utilities to select solar or wind (vs. natural gas) as the replacement source is limited by the intermittency problem which would endanger power reliability to customers. This reliability dilemma will only worsen if utilities are forced to shutter existing nuclear electricity capacity as some groups would advocate.

¹ <https://www.bbc.com/future/article/20200617-the-largest-electric-plane-ever-to-fly>

² <https://www.iea.org/reports/global-ev-outlook-2020>

³ https://www.wsj.com/articles/batteries-challenge-natural-gas-electric-power-generation-11620236583?mod=hp_lead_pos5

⁴ EIA Monthly Energy Review April 2021 <https://www.eia.gov/totalenergy/data/monthly/>

Personally, we are rooting for Team Renewable/Clean Energy. But as pragmatic investors, we are guided by facts and realities. This research process has opened our eyes to how deeply embedded fossil fuels are into humanity's existing global industrial supply chains. We believe renewable/clean energy will eventually displace fossil fuels, but the transition will not be easy, and it certainly will not be quick.

So how do we arrive at our 20-50 year "transition" timeframe? We estimate it will take at least 10-20 years to develop viable technologies and cost-effective alternatives to replace fossil fuels in the areas discussed above. And then another 10-30 years to implement because, unlike software which can be deployed instantaneously across geographies, there are very real physical limitations to deploying new methodologies into existing energy supply chains. For example, infrastructure will need to be built or repurposed to manufacture, store, and transport bio/renewable fuels, electricity transmission will take time to build, updating local building codes to allow for renewable cement, etc.

If we are correct in our assessment that the U.S. and world will continue to need fossil fuels for at least another 20-50 years, then our basket of MLPs currently priced at 15% Cash Flow Yield and paying 8% cash dividends annually, remain incredible bargains, providing downside protection through return of capital, as well as ample future upside potential.

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

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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
Marram	38.8%	1.4%	11.4%	7.1%	2.3%	7.3%	4.6%						
S&P 500	15.3%	-1.0%	2.8%	4.4%	5.3%	0.7%	2.3%						

* 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.

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.