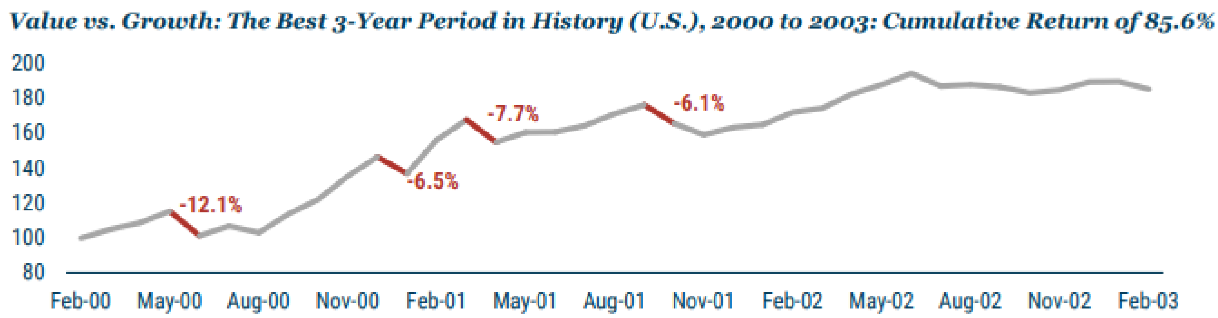
At the end of the second quarter, in June of 2021, we experienced what we believe to be a bear market rally in “innovation” based strategies, otherwise known as our “bubble basket”. Our bubble basket is eclectic, focused on most SPAC’s (particularly EV SPAC’s), crypto related stocks that we believe are frauds, some of the meme stocks and ESG themed (sometimes with little to no revenue) EV / clean tech stocks.

Investors from time to time become enamored with a particular industry or theme. When that happens, it becomes easier to sell dubious securities such as most SPAC’s as otherwise skeptical investors become willing to disregard sales and earnings numbers to the extent that there are even any. For instance, if investors, particularly certain types of retail investors, become enamored with EV’s and believe that’s the “place to be” they will bid up fraudulent “EV” companies with no revenues to north of a $50 billion valuation and even after the company in question is proven to be a fraud and will likely go out of business within two years they are still willing to hold on and give it a $10+ billion valuation.

In addition, we also wanted to provide the broader picture. In short, the value v. growth debate continues as we watch value seek to make a resurgence against growth. In considering this paradigm, the below frame of reference is meaningful, demonstrating that even in the best three-year period for value in history, there were some significant drawdowns along the way:

THE BEST 3-YEAR PERIOD FOR VALUE VS. GROWTH ALSO SUFFERED SOME OF ITS WORST DRAWDOWNS



Source: GMO. Value and Growth represented by the Russell 1000 indices respectively.

This is not the first time that an “innovation” bubble has happened. During the internet bubble, investors correctly identified that the internet would change the world but still managed to lose most of their wealth in 2000 as most Dot-com businesses turned out to be frauds, fads, and failures and thus went to zero. Even the established technology businesses such as Microsoft and Cisco lost over 80% of their value. We would conclude then as we do now that valuations matter.

In 1903, Henry Ford was starting the Ford Motor Company and autos were the “place to be”. With all the interstate highways, and the promise of 290 million vehicles on the road in the US in the future, investors thought that investing was easy and that autos would change the world and thus wanted to invest in everything autos. Over 2,000 companies entered the auto business because it clearly had an incredible future and for a while over-eager investors were willing to buy dubious securities because it was related to autos. The problem is that autos are a terrible business to be in (although at a cheap enough valuation they can still make good investments). Autos are highly cyclical, capital intensive and perhaps lack pricing power (excluding certain luxury models). By 2009, of the over 2,000 car companies that entered only three were left, two of which had emerged from bankruptcy. Similar to the Dot-com bubble where over 86% of the Dot-com’s went out of business, nearly all of the original 2,000+ car companies in the US went out of business. This is despite the fact that cars really were the future just like the internet certainly really was the future.

In short, investing is not as easy as it sounds. Successful long-term investing is not about finding an emerging disruptive industry that will “change the world” and simply buying the stocks / SPAC’s in that industry. Successful long-term investing results from finding a mispricing. There is unlikely to be a mispricing on the long side if everyone loves the stock / SPAC / industry / theme.

At TMR, we believe that our intensive, bottoms up, fundamental research enables us to avoid investing in those types of bubbles just because the overall industry is deemed to have a bright future by other market participants. This is likely to continue to result in uncorrelated results for our strategies when compared to the general markets.

Below please find highlights from our TMR Long Bias Opportunities, LP and TMR Long Short Opportunities, LP portfolios. As always, we welcome your questions and feedback, and we look forward to working with you as we continue to identify opportunities for investment within our portfolios.

TMR Long Bias Opportunities, LP Highlights

TMR Long Bias Opportunities, LP				
	Gross	Net	S&P 500	Eureka Long Short HF Index
Oct 2019 - Dec 2019	0.5%	0.0%	8.5%	4.8%
2020	63.3%	44.5%	16.3%	17.9%
2021 YTD	8.5%	6.0%	14.4%	10.0%

The long portfolio continues to be positioned for faster economic growth, higher inflation and higher interest rates. We continue to be overweighted to slower top line growing lower valuation multiple companies in financials, consumer discretionary, energy, materials and industrials while completely avoiding long exposure in unprofitable hypergrowth tech companies (which was our largest exposure in 2020). This positioning worked well in April and May but poorly in June thanks to remarks by the Federal Reserve. The remarks were viewed by some as more hawkish than expected and resulted in an unwind in the “reflation trade” which hurt our long portfolio. Unfounded, we believe the pullback will be temporary. Each of our long positions stands on its own and will likely perform well even if inflation and economic growth is not as high as expected given our margin of safety at the time of purchase.

We have hedged our long portfolio by shorting two growth-oriented ETF’s: ARKK and IWO (Russell 2000 Growth). Our hedges reduce our net market exposure and provide us with the right factor bias over the next 6-18 months despite the setback in June where those ETF’s outperformed.

TMR Long Short Opportunities, LP Highlights

TMR Long Short Opportunities, LP				
	Gross	Net	S&P 500	Eureka Long Short HF Index
Sep 2020 - Dec 2020	16.2%	12.4%	11.7%	11.7%
2021 YTD	-24.4%	-25.2%	14.4%	10.0%

While our long portfolio is consistent with the TMR Long Bias Opportunities LP reviewed above, the short portfolio continues to remain challenged because we are short speculative stocks in an environment where speculative stocks / high momentum / high short interest stocks are outperforming. There was a brief period from May 1 – May 13 where our bubble basket began to implode, and we gained 1%-5% per day and by mid-May the Long Short strategy was up 10% for the year. Unfortunately, during the last two weeks of May we gave up all or our gains on the short side. June was our worst month in history driven by losses in our short book, particularly AMC (a meme stock that trades purely on social media hype) which increased 6x on us, becoming a $30bn + market cap company. AMC would have likely gone bankrupt in 2021 if it were not saved by the 2021 retail mania in meme stocks such as GME and AMC.

We continue to maintain strict position sizing limits on our individual shorts consistent with our risk parameters and thus unfortunately have covered some of our shorts to stay within our predefined risk parameters despite continuing to believe in the thesis. While covering some of our shorts is a necessity, we can and do put those positions back on when the shorts start moving in our direction again as they began to in July. Despite the challenges of the quarter, we are maintaining our long and short positions. Our short portfolio continues to be highly diversified with over 70 shorts. However, from a factor perspective the shorts are more correlated (a conscious decision) and move with the high short interest, momentum factor and lately have also been correlated with the ARKK ETF.

We are looking forward to the markets correcting such that our long and short positions will deliver the results we expect, taking advantage of the fundamental research that defined their value and rationale for portfolio inclusion.

This material does not constitute an offer or the solicitation of an offer to purchase any interests in TMR Partners LP ("**TMR Partners**") and/or TMR Partners Long Short Opportunities, LP ("**TMR Long Short**"), both Delaware limited partnerships (each a "**Fund**" and collectively, the "**Funds**"), which such offer will only be made via a confidential private placement memorandum (the "**Memorandum**") pertaining to such Fund. An investment in the Funds is speculative and is subject to a risk of loss, including a risk of loss of principal. There is no secondary market for interests in the Funds and none is expected to develop. No assurance can be given that the Funds will achieve their objective or that an investor will receive a return of all or part of its investment. All statements herein are qualified in their entirety by reference to the relevant Fund Memorandum, and to the extent that this document contradicts that Memorandum, the Memorandum shall govern in all respects. All Fund investors must be verifiable accredited investors.

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In the case of both TMR Partners and TMR Long Short, the performance data discussed herein reflect the deduction of: (i) an annual asset management fee of 2.0%, charged quarterly; (ii) a performance allocation of 20%, taken annually, subject to a "high water mark;" and (iii) transaction fees and other expenses actually incurred. Results were achieved using the investment strategies described in the Memorandum.

Results are compared to the performance of the S&P 500 Index and the Eurekahedge Long Short Equities Hedge Fund Index (collectively, the "**Comparative Indexes**") for informational purposes only. The Fund's investment program does not mirror any of the Comparative Indexes and the volatility of the Fund's investment program may be materially different from the volatility of the Comparative Indexes. The securities included in the Comparative Indexes are not necessarily included in the Fund's investment program and criteria for inclusion in the Comparative Indexes are different than criteria for investment by the Fund. The performance of the Comparative Indexes reflects the reinvestment of dividends, as appropriate.

This material contains certain forward-looking statements and projections regarding market trends, investment strategy, and the future asset allocation of the Funds, including indicative guidelines regarding position limits, exposures, position sizing, diversification, and other indications regarding the Funds' strategies. These projections and guidelines are included for illustrative purposes only, are inherently predictive, speculative, and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The guidelines included herein do not reflect strict rules or limitations on any Fund's investment program and that Fund may deviate from the guidelines described herein. There are a number of factors that could cause actual events and developments to differ materially from those expressed or implied by these forward-looking statements, projections, and guidelines, and no assurances can be given that the forward-looking statements in this document will be realized or followed, as described. These forward-looking statements will not necessarily be updated in the future.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.