We believe the US stock market can broadly be categorized into the following three buckets: 1) old economy, 2) new economy, 3) bubbles. We view old economy companies as those that lack the organic top line growth opportunities of the new economy companies. For old economy companies, organic growth tends to be heavily tied to GDP. Current examples in our portfolio include Halliburton (Energy Equipment and Services) and West Fraser Timber (Paper and Forest Products). New economy companies include compounders with established business models and known growth algorithms with long runways for organic growth. These compounders benefit from strong secular trends which enable them to grow organically at far higher rates than GDP. Examples include fast growing internet platforms and enterprise software companies. Also included in this category are disruptors which are growing faster than the established compounders but are often loss making and have less established earlier stage businesses. Current examples in our portfolio of already profitable compounders include Expedia (Online Travel) and GoDaddy (Technology). Bubble stocks include overvalued “Meme” stocks such as AMC and GME and alleged frauds such as some of the EV (electric vehicle) SPAC’s and Chinese stocks in our short portfolio. Meme stocks trade on social media hype and internet conspiracy theories. Alleged frauds take advantage of investor (particularly retail investors) excitement over emerging high growth industries such as EV’s, Clean Tech and Crypto in order to sell dubious securities to the public markets.

Coming out of the Great Recession old economy stocks have for the most part been left behind despite a bull market. Some of the underperformance is warranted given the high levels of technological disruption. However, we believe much of the underperformance is not justified by the fundamentals. As a result, “boring” but essential industries such as Metals & Mining, Energy and Housing have been deprived of cheap equity capital resulting in limited business re-investment and capacity expansion. They receive such low valuations (resulting in a high implicit cost of equity) that their investors have demanded that they stop growing, stop re-investing, and use their free cash flow for dividends and stock buybacks. On the other hand, new economy companies, particularly unprofitable fast growing “disruptors”, are being granted by investors nearly unlimited cheap equity (thus trading at historically elevated EV/Sales). The amount of speculation by retail investors in bubble stocks (which began in earnest towards the end of 2019) is unprecedented with most measures showing this speculative frenzy exceeding 1999-2000 and 1929. Mass delusion is common.

Our philosophy is to be greedy when others are fearful and fearful when others are greedy. Market participants are generally fearful about old economy stocks and enthusiastic about new economy stocks. Bubble stocks are experiencing a retail mania where all news is interpreted as good news. A constant area of debate regarding portfolio construction is whether to build the optimal portfolio or the most resilient portfolio. We generally prefer the more resilient option but occasionally construct the portfolio closer to the optimal option when we believe an extraordinary dislocation has occurred and will be resolved quickly. Our long portfolio is heavily focused on old economy stocks with a few already profitable new economy stocks. Our short portfolio is focused on bubble stocks.

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%	9.1%	4.8%
2020	63.3%	44.5%	18.4%	17.9%
2021 YTD	7.4%	4.7%	15.9%	9.8%

We believe that our long portfolio would significantly benefit from higher inflation and interest rates – much more so than the S&P 500. 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 new economy companies. Because of the underinvestment in old economy companies alluded to above, we believe that inflation will not be transitory and have positioned the portfolio accordingly. However, we have taken a barbell approach towards portfolio construction so that even if inflation and interest rates do not increase as we expect the portfolio will still be resilient.

We believe that inflation will be one of the most important drivers of financial markets going forward so we wanted to provide more detail on why we think inflation will prove to be sticky. Our views are informed by our bottoms up analysis on the hundreds of companies we track across sectors. Higher inflation and interest rates would have a profound effect on our portfolio as it makes long duration assets (hyper growth companies) less attractive and shorter duration assets (typically old economy companies trading at low valuation multiples) more attractive. We are short ETF's that are comprised almost entirely of long duration assets and are long mostly short duration assets. In our Long Short strategy our individual shorts are long duration assets.

We are long Halliburton, an energy equipment and services provider. They serve oil & gas companies worldwide and are heavily impacted by the spending budgets of oil & gas companies. Oil & gas companies have experienced a "lost decade" with poor shareholder returns and pressure from ESG which has led to years of underinvestment. Shareholders do not want oil & gas companies to grow and instead want them to return cash flow to shareholders via buybacks and dividends. While ESG stands for "Environmental, Social, and Governance", when it comes to energy, we view ESG as standing for "Energy Stops Growing". The Environmental part of ESG is concerned mostly with climate change and thus carbon emissions and fossil fuels. ESG investing has led to a distaste for investing in fossil fuels and non-economic divestments. While the "E" in ESG is well intentioned, there will still be demand for fossil fuels for decades as emerging markets aspire to raise their standards of living. Energy transitions are complex and take decades to play out. Forcefully reducing the supply of fossil fuels faster than the demand for fossil fuels can result in unintended consequences which we are beginning to see. Now, energy prices are soaring contributing significantly to inflation. Inflation most negatively affects lower income households as a greater percentage of their income is devoted to energy, food and transportation. Usually, higher commodity prices lead to capacity expansion. However, with ESG and shareholder aversion to drilling more, this time is different in that higher prices are not leading to the typical capacity expansion resulting in more sustained high energy prices which is a key component of inflation.

We are long West Fraser Timber, a diversified wood products company, which produces and sells lumber, panels, and pulp and papers in the US and Canada. They are heavily impacted by US housing starts and the age of US housing stock. In the US, there has been a decade-long underinvestment in housing. Housing rents (includes both owners' equivalent rent and rentals) are one of the most important drivers of inflation. Average house prices are up 20% year-over-year and there are record low inventories. It is considerably more difficult for the industry to add capacity given the high cost of equity making it more costly for homebuilders and land developers to increase supply. However, the demand is stronger than ever which should lead to higher prices. Significantly higher housing prices (and thus inflation) are needed to cause the housing related stocks equity to rerate higher and enable more supply.

We continue to hedge 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. Higher inflation and interest rates would have a disproportionately negative affect on these ETF's since they are comprised of long duration assets.

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%	12.1%	11.7%
2021 YTD	0.2%	-1.2%	15.9%	9.8%

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 are outperforming although our short portfolio has begun performing better this quarter. Fundamentally, we believe there is over 90% downside to our short portfolio with several shorts expected to go bankrupt. In addition to company specific catalysts, we believe an increasing supply of speculative stocks in the public markets will overwhelm demand. Whether it be more EV SPACs, meme stocks or alleged frauds, in previous stock market bubble bursts such as 2000, eventually supply overwhelmed demand causing the speculative areas of the market to fall by over 80%.

We continue to maintain strict position sizing limits on our individual shorts consistent with our risk parameters. 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 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.

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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.

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