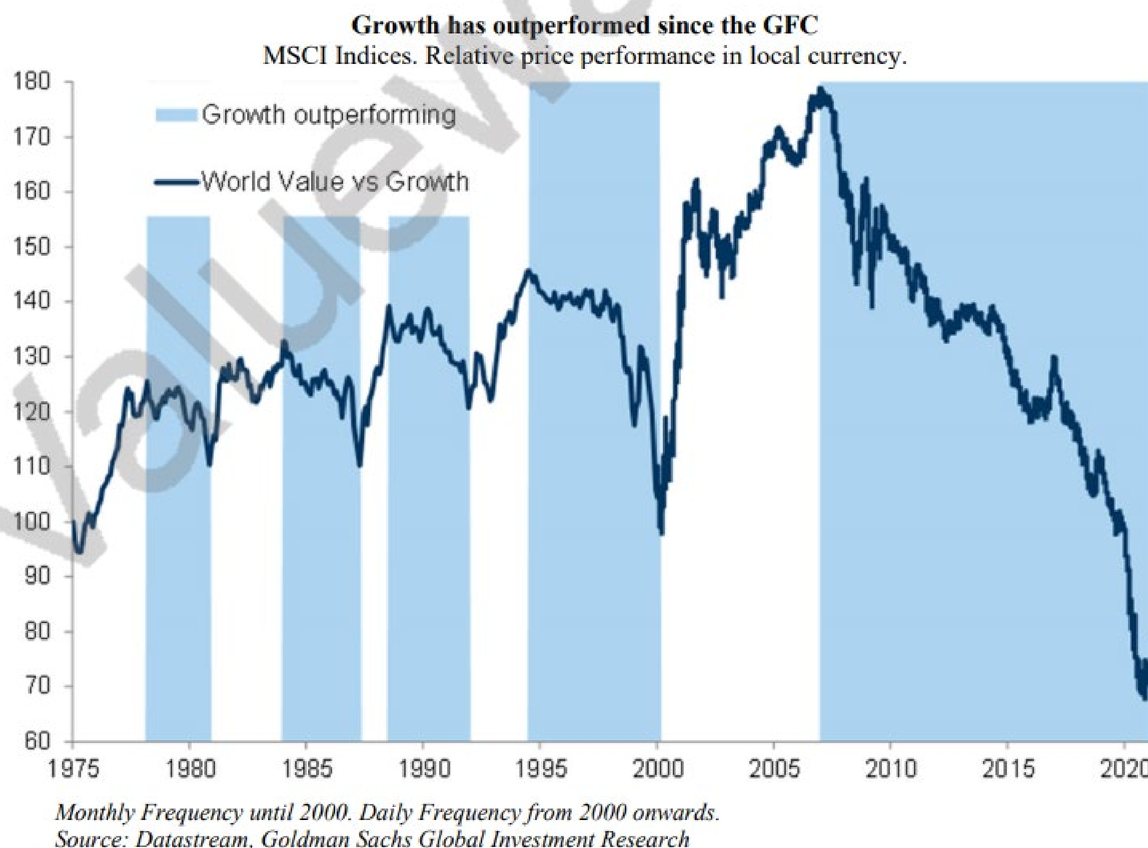
This quarter saw the beginnings of a regime change in market leadership. Economically sensitive companies and Covid losers rebounded sharply while many of the Covid winners underperformed. Our long portfolio has gone through a similar rotation as described further in this update. Using the traditional definitions of value and growth, we believe that after deep economic recessions "value" stocks become the new "growth" and "momentum" stocks and as such we are positioned appropriately.



While we occasionally refresh the portfolios in anticipation of powerful multi-year trends, each stock we invest in must stand on its own and must provide us with a significant margin of safety. While many of our long's trade at low Price/Earnings (P/E) and Price/Book (P/B), some of our shorts also trade at low valuation multiples. We do not view margin of safety as necessarily low P/E or low P/B but rather low Price/Intrinsic Value based on our estimates of normalized earnings looking ahead several years. Importantly, we view value as a philosophy and not as a factor. The impact of this philosophy is that we can be both long and short stocks trading at low P/E and low P/B.

A misconception we often hear when talking about margin of safety is the necessity to make conservative assumptions when guesstimating normalized earnings several years into the future in order to estimate a range of intrinsic values. In contrast, we seek to make our normalized earnings projections as accurate as possible. The margin of safety element comes from buying at a significant discount to our estimates of

intrinsic value based on our best projections of normalized earnings. Since we determine value based on future earnings power instead of factor based, it is not inconceivable for us to own both a low P/E low P/B slow growing bank and a fast-growing internet company, believing that both provide us with a margin of safety.

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	4.7%	3.4%	5.8%	6.6%

The long portfolio saw significant change as we responded to notable market dynamics, turning over the entire long portfolio as we exited all of our high growth disruptive technology long positions and replaced them primarily with low growth, low multiple businesses in various depressed industries. At the time of this writing, Financials comprise 41% of our long portfolio and includes multiple low growth, low valuation banks and consumer finance companies that are best positioned for rising interest rates, inflation and GDP growth. Consumer cyclicals comprise 37% of the portfolio and include undervalued recovery stocks that can also become secular growth stories. Although we have only held our new portfolio of longs for a few weeks, many of the stocks have declined 5-25%, despite compelling fundamentals, hurting our Q1 performance. We believe this pullback will prove temporary and that our new long portfolio will prove resilient over the next few years.

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	-10.8%	-11.3%	5.8%	6.6%

Our long portfolio is consistent with the TMR Long Bias Opportunities LP and reviewed above. Our shorts were negatively affected by the Reddit fueled short squeeze. We had short positions in GME, AMC and other “meme” stocks. We were also negatively affected by the Archegos Capital short squeeze in VIAC and a few other communications stocks. While sizing our more volatile shorts at 1-2% with a limit at 3-4% instead of our typical short which is sized at 3-4% with a 5-6% limit would have proven useful in this recent market environment, we are not avoiding mid and large cap stocks with high short interest. These are exactly the types of stocks that can decline over 50% in a month even in a bull market. For instance, our short in Chinese GSX fell nearly 50% in a single day.

Despite the challenges of the quarter, we are maintaining our long portfolio and increasing our short portfolio. While we are increasing the overall short portfolio, we have decreased the size of each individual short that our research identifies as a potential bubble or fraud candidate. We use narratives just as much as sector and factor exposure when constructing our portfolio. Below is an example of the current narratives running through our long and short portfolios.

Narrative Group Longs		Comments
Compounder unprofitable	0.0%	*Trades on TEV/Revenue*
Compounder profitable	20.6%	*Trades on EBITDA, earnings, FCF*
Low growth low multiple	86.9%	*Trades on EBITDA, earnings, FCF, book value*
Total	**107.5%**	

Narrative Group Shorts		Comments
Structural decline	19.7%	*Low P/E, P/B*
Bubble / fraud	49.9%	*Overhyped, often with little to no revenue*
Over-earning / fad	7.3%	*Trades on EBITDA, earnings, FCF*
Total	**76.8%**	

As we transition from reporting our results annually to monthly there will be more ‘activity’, positive and negative, that is shared with our investors. However, our strategy and long-term focus has not changed; we will continue to manage our portfolios for the long-term while maintaining vigilance and respect for the markets, managing short-term trading dynamics for our shorts and remaining agile in the face of changing market conditions.

This quarter was a significant stress test for us. Our GME short quintupled, our AMC short tripled in just a few hours and VIAC, a large cap ‘boring’ and tired media company tripled in yet another short squeeze. Countless of TMR’s other shorts also got squeezed, driven entirely by market dynamics. However, we did not face the crisis that some other large, well known hedge funds did because we operate with less gross leverage and remained active and agile in the face of the changing market conditions. Despite continuing to believe in the fundamental short thesis, we actively reduced our positions to maintain them below 6% of the portfolio. As alluded to earlier in this update, for our more volatile shorts we will maintain a limit of 3-4% of the portfolio, with initial positions sized at 1-2%. The best environment for our current portfolio would be a capital rotation out of bubble, high growth, richly valued stocks into cheap, boring stocks in a similar fashion to the environment that led to the bursting of the Internet bubble in 2000.

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.

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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.