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Mid-Year Update

It's been a challenging year for RAM and our investors. Overall markets have been down. Further, we own a highly concentrated portfolio resulting in greater than average volatility, i.e., our top ten holdings represent nearly 60% of RAMSX. Finally, we have several securities impacted by longer-than-expected rollouts of new products and one security in particular that has faced significant supply chain issues, despite strong demand for its products.

We have selectively added to our highest conviction ideas, exercising a long-trusted and tested discipline of averaging down in price. Our investments are overwhelmingly well-capitalized. While not inhibiting volatility, such a portfolio provides us with substantial investment duration. In fact, the median net cash position of our top ten holdings, as a percentage of each company's market capitalization, is 40%. We are confident that our portfolio will "work out" despite current headwinds.

Investors should be focused on one primary question – where do we go from here? The headwinds are well-known and articulated by the media. They include: rising interest rates (effecting consumer behavior, corporate borrowing costs, and discount rates making equities less valuable in general), supply chain disruptions, potential new COVID variants, the impact of the Russian invasion of Ukraine, and the looming threat of a "hard landing", i.e., a recession. The offsetting tailwind (as we see it), pertaining to our portfolio, is price, price and price.

At the end of the day, our portfolio returns will be determined by whether the risk we carry is being significantly mispriced. Full stop. In our opinion, we own a concentrated basket of cheap securities, possessing unique assets, with duration. We don't know when value will be realized, but we believe our portfolio will ultimately reward us and our investors handsomely given the embedded price to value in the portfolio. Moreover, at the end of June we had roughly 20% of the portfolio in cash, providing ample dry powder and giving us optionality should things get cheaper, and flexibility. Currently, cash is about 14%. RAM partners continue to be aligned with our investors with a significant portion of our net worth in the Fund.

Rather than muse about the macro environment, we would prefer to highlight the portfolio's largest position – Dundee Precious Metals Inc. – which we believe underscores the embedded value in our Fund's shares and well illustrates our focus on price.

Our Top Holding

Dundee Precious Metals Inc. (DPM-TSE/DPMLF) - Dundee Precious Metals (DPM) is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Tickers DPM and DPMLF trade on the Toronto Stock Exchange in Canada and OTC in the United States, respectively. All amounts in this memo are in U.S. dollars. DPM was 8.2% of the portfolio as of June 30, 2022. DPM's principal subsidiaries include the following:

- 100% of Dundee Precious Metals Chelopech, which owns and operates a gold, copper and silver mine located in Bulgaria;

- 100% of Dundee Precious Metals Krumovgrad ("Ada Tepe"), which owns and operates a gold mine located in Bulgaria;

- 92% of Dundee Precious Metals Tsumeb Limited, which owns and operates a custom smelter located in Tsumeb, Namibia.

DPM holds interests in a number of exploration and development properties located in Ecuador, Serbia and Canada including:

- 100% of DPM Ecuador S.A., which is focused on the exploration and development of the Loma Larga gold project located in Ecuador;

- 100% of DPM Avala d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia;

- 6.7% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

- The company has indicated that its smelter, one of the only smelters in the world able to process high arsenic concentrate without first being blended, is not a core asset and is available for sale at the right price. The smelter was purchased for $50 million and DPM invested over $300 million to make it a best-in-class smelter. We value the smelter at one-third of its capital cost.

Financial highlights

DPM is in a very strong financial position. At March 31, 2022, it had $382 million of cash, a $50 million liquid investment portfolio and no debt. DPM generated $252 million of free cash flow ("FCF") for the year ended December 31, 2021 and $52 million of free cash flow during the first quarter of 2022. The 2021 free cash flow represents a yield of 44% of Enterprise Value ("EV", defined as market capitalization less net cash) as of June 30, 2022.

DPM possesses a Fort Knox-like, cash-rich balance sheet, and should continue to be a large cash generator for the next several years, too. The company estimates its all-in sustaining costs (cost of operating a mine and the cost to bring production to market) will decrease by 10%-20% in 2023 and 2024.

DPM recently increased its quarterly dividend from $0.03/share to $0.04/share, a 3.5% yield. The company repurchased $11 million in stock in 2021 and $9 million in Q1 2022.

Production results and guidance

Chelopech delivered strong performance in Q2 2022, producing 49,200 ounces of gold and 8.8 million pounds of copper, benefitting from higher gold grades and recoveries. Both Chelopech and Ada Tepe are on track to achieve 2022 guidance, with gold grades expected to increase in the fourth quarter as per the mine plan, which is summarized below.

The following compares 2021 actual production results to Management's 2022 guidance and 2023/2024 outlook. Management estimates a $1,700/oz gold price for its outlook.

	2021 Actual	2022 Guide	2023 Outlook	2024 Outlook
Gold ('000 oz):				
Chelopech	177	169 - 191	150 - 170	161 - 182
Ada Tepe	133	81 - 89	115 - 140	69 - 83
Total gold	310	250 - 290	265 - 310	230 - 265
Copper (Mlbs):				
Chelopech	35	32 - 37	32 - 39	30 - 35

Chelopech mine life goes out to 2030. Ada Tepe production is expected to decline in 2024 and beyond. DPM has two major projects underway to increase future production. The first project is Loma Larga, located in Ecuador. The second is Timok gold, located in Serbia.

Loma Larga Gold Project

In Q3 2021, DPM completed the acquisition of the high-quality, advanced stage Loma Larga gold project in Ecuador. The project adds approximately 2.2 million ounces of gold, 88 million pounds of copper and 13 million ounces of silver in Reserves. The current 12-year life of mine plan outlines an annual mine production average of approximately 200,000 gold ounces in the first five years with average annual production over the mine life of 172,000 ounces. Initial capital is expected to be $316 million. Production is expected to begin in 2025.

On February 21, 2022, DPM paused drilling activities as a result of the filing of the Action with the Constitutional Judge of the Judicial Labor Unit of Cuenca (the "Court"). The Court ordered the suspension of the environmental permit required for current exploration and technical drilling pending the hearing of the Action.

On July 12, 2022, DPM announced that an oral decision on the Constitutional Protective Action filed against the Ministry of Environment, Water and Ecological Transition ("MAATE") was delivered by the Court. The decision upheld the validity of the company's environmental permits for exploration at Loma Larga, confirmed that the MAATE did not violate certain rights relating to the protection of water and nature in granting the permits, and reaffirmed DPM's mining concessions for Loma Larga.

In short, the Ecuadorian mine appears to be a first-rate asset, albeit with some political hurdles in front of it. Fortunately, the company has not committed a lot of capital and can exit the project at any time it determines that it would be in the best interest of shareholders. We view it as a wonderful option with perhaps a 60%-70% probability of going-forward after the July 12th ruling.

<u>Timok</u>

Studies to progress the Potaj Čuka-Tisnica exploration license to a mining concession are underway, with exploration activities focusing on the nearby Umka exploration license as well as other early-stage licenses in Serbia. Production is expected to begin in 2026. Initial capital is estimated to be $211 million. The company estimates are for 547,000 gold ounces recovered over an eight-year mine life, with annual gold production estimated to average approximately 80,000 ounces per annum in years 1 to 6, and approximately 70,000 ounces per annum over the life of mine. Production is currently expected to begin in 2026.

Primary risks

Commodity prices are one of the principal determinants of the company's results of operations and financial condition. DPM's revenue will fluctuate up or down with the price of gold and copper. DPM's costs are impacted by the price of energy.

Regulatory risk – see prior discussion of legal challenges in Ecuador.

Capital risk – As noted above, significant capital will be required to bring the Ecuador and Serbia projects to production. The company estimates its cash balance will rise to around $550 million by the time capital will be needed to build out these mines and, consequently, it will have ample cash and cash flow to fund any development from internal sources.

Other matters

Russia's invasion of Ukraine is putting further strains on the global supply chain and adding additional pricing pressure above and beyond what previously was attributable to the coronavirus. The company's Chelopech and Ada Tepe mines are located in Bulgaria. Bulgaria does not share a border with either Russia or Ukraine and is part of the NATO and the EU alliances. The main sources of Bulgaria's electric energy are nuclear and coal facilities, which together comprise approximately 80% of Bulgaria's total energy generation. Although Russia has recently announced that it is halting natural gas deliveries to Bulgaria, only approximately 5% of Bulgaria's total energy supply is generated from natural gas. As a result, DPM does not anticipate any disruption of power supply to its mines.

Conclusion

As with past investments in this sector, our investment in DPM is not predicated on the direction of gold prices and does not assume an increase in gold prices in order for our thesis to work out. The important Chelopech mine life extends to 2030. The 2022 Guidance and 2023/2024 Outlook for production is quite attractive even before the new production from Loma Larga and Timok come online. DPM is conservatively managed and has a fortress balance sheet. With a significant cash balance of $382 million (40% of its $953 million market capitalization), no debt, $50 million in marketable securities, copious free cash flow generation and very attractive assets (producing and in development mines plus smelter), we believe DPM is significantly undervalued.

Sum of the Parts analysis:

Price	$4.99
O/S	191 mm
Market Cap	$953 mm
Debt	$ 0
Cash	$382
EV	$571
Investments @ 50% of fair value	$ 25
Adjusted EV	$546 mm

Free Cash Flow:	
FCF '20 (actual)	$211mm
FCF '21 (actual)	$252mm
FCF '22 estimated	$180mm

FCF '20 yield on Adj EV	39%
FCF '21 yield on Adj EV	46%
FCF '22 est. yield on Adj EV	33%

Assuming a FCF yield of 10% on EV and adding back cash, investments at 50% and $100 million for the smelter, implies an estimated value of $12/share, an increase of about 140% above the price at June 30, 2022. Using the company's outlook for production and costs, we estimate 2022 FCF of $180 million. The result is a FCF yield on EV of 33%.

In fact, DPM's past two years' FCF equates to 85% of Adjusted EV as of June 30, 2022. Although this free cash flow is not in perpetuity since mines have defined lives, we effectively get our investment returned in under three years, an extraordinary value proposition in our opinion, and thus why it's over 8% of our Fund's assets. As indicated above, Chelopech, which actually began producing in 1954, is estimated to produce out to year 2030 and possesses genuine reinvestment opportunities. Finally, DPM has an "A" rating by MSCI, an independent ESG rating agency, and is in the 91st percentile in the 2021 S&P corporate sustainability assessment report.

Thank you for your continued trust and confidence.

Kind Regards,

Jim Roumell

An investor should consider the investment objectives, risks, and charges and expenses of the Fund before investing. The prospectus contains this and other information about the Fund. A copy of the prospectus is available at www.roumellfund.com or by calling Shareholder Services at 800-773-3863. The prospectus should be read carefully before investing.

An investment in the Fund is subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Investment in the Fund is also subject to the following risks: Opportunistic Investment Strategy Risk, Non-diversified Fund Risk, Sector Risk, COVID-19 Risk, Cybersecurity Risk, Common Stocks Risk, Small-Cap and Mid-Cap Securities Risk, Micro-Cap Securities Risk, Risks Related to Investing in Other Investment Companies, Large-Cap Securities Risk, Preferred Stock Risk, Convertible Securities Risk, Lower-rated Securities or "Junk Bonds" Risk, Risks of Investing in Corporate Debt Securities, Interest Rate and Credit Risk, Maturity Risk, Government Debt Markets May Be Illiquid or Disrupted, Inflation Risk, Risks of Investing in REITs, Currency Risk, and Foreign Securities Risk. More information about these risks can be found in the Fund's prospectus.

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