Dear Shareholders

The second quarter of 2022 continued upon our success achieved during the first quarter. Our subscription data business (KEDM) continues to grow and has continued to exceed our modest initial expectations for it. We still maintain a very healthy capital base from which to reinvest for the future. More importantly, for the first time since our company was launched, operating income exceeded operating expenses for the second consecutive quarter, despite substantial investments to grow and improve KEDM. Based on current subscriber trends at KEDM, and our first look at renewal rates from our initial cohort of subscribers, we believe that our company will show positive operating income going forward (excluding one-time expenses).

Our goal is to continue to grow operating income, while staying disciplined on the expense line. During 2022, we intend to focus on launching and acquiring new services to broaden our subscription data business, while seeking other businesses that we can acquire all or part of as we pivot into our Merchant Banking business.

Given our growth plans, our expectation is that our expense line will grow substantially during 2022. This is necessary to invest in future growth. Additionally, we anticipate that elevated legal, tax and corporate structuring expenses will continue during 2022 as we focus on optimizing our corporate structure—which may unfortunately be impossible to accomplish. Given that insiders own approximately 30% of the shares of this company, we intend to be frugal in our spending, but we must increase spending in order to reinvest and grow.

We now segregate our business lines into three categories (Investment Properties, Subscription Business Products, and Corporate Division (which includes our investment portfolio).

Investment Properties:
The second quarter of 2022 continued to be difficult for our Mongolian property operations. During the quarter we reported $201,015 (2021- $144,581) of leasing revenue and $54,939 (2021 - $34,835) of other revenue (primarily 3rd party), offset by $217,803 (2021- $245,947) of expenses in Mongolia. Unfortunately, we have zero visibility into the future trajectory of the economic crisis in Mongolia.

During 2021, we purchased a mixed-use property in Puerto Rico that we are in the process of renovating. We intend to use this property primarily for internal purposes, though we believe we can rent portions of the property to earn rental income.

Subscription Business Products:
KEDM, our subscription data business, which tracks various Event-Driven strategies, recognized $790,803 of revenue at a very healthy margin while taking in $1,682,752 of gross subscription receipts, which represents revenue growth of 31% when compared to the first quarter. Subsequent to quarter end, we got our first look into subscriber churn as our initial cohort of 572 annual subscribers who initiated their subscriptions during the first subscription window saw their subscriptions expire. In total, 450 of these subscribers chose to renew. This churn rate is in-line with our expectations for initial cohort churn and we are more than content with these results. While we expect higher rates of churn for subscribers who are outside of our initial cohort of subscribers, we increasingly believe that those subscribers who use KEDM regularly will remain long-term subscribers—especially as we continue to increase the value proposition for subscribers.

During the second quarter, recognized revenue and subscriber count continued to increase each month sequentially and has continued to increase into the third quarter, though this data is somewhat altered by a promotion that we offered, which brought forward future renewals. As of the date of this letter, we have taken in over USD $4 million in gross subscription proceeds. We intend to aggressively invest resources to improve KEDM and increase the overall value proposition for subscribers. Additionally, given the reception to KEDM amongst readers, we intend to increase our marketing to grow the subscriber base. We believe that these two initiatives may reduce the short-term profitability of the subscription business; however we intend to keep spending at a pace so that the business remains profitable, while keeping in mind that the lifetime value of a KEDM subscriber dramatically exceeds the cost of acquiring a subscriber; justifying an elevated level of spend—especially as we have numerous fixed costs of producing KEDM.

Given the success to date of KEDM, we believe that there are ancillary services that we can launch and monetize, providing further value to KEDM subscribers. It is likely that these services will be a cost center as they are conceived and grown before eventual monetization. To learn more about KEDM, go to www.KEDM.COM. Additionally, the company is considering acquiring other subscription products that would be complementary to KEDM.

Corporate Division:
During the second quarter, our corporate expenses increased primarily due to an increase in legal, tax and corporate structuring expenses. We expect this elevated level of expenses to continue during much of 2022, but may trail off in the fourth quarter. Additionally, we anticipate that corporate expenses will increase in future quarters as we add staff to help grow our business—particularly related to business development activities and the marketing of KEDM.

Our public securities portfolio produced a $4,543,820 unrealized loss and a $1,766,135 realized gain. I would like to caution you strongly that returns like we have recently experienced, are highly unlikely to be repeated in future quarters and are likely to be rather volatile given our elevated exposure to oil futures call spreads, which have appreciated substantially since we acquired them. Our portfolio is currently concentrated in investments in oil futures and futures options (including fully offsetting futures call option spreads) energy services companies, uranium, and the housing sector. We view these investments as highly liquid, inflation protected, alternatives to holding cash and we intend to liquidate various investments should we find additional businesses to launch or acquire stakes in.

I would like to reemphasize that there are tax and regulatory reasons that our public securities portfolio cannot continue to increase, and as a public company, we are required to have a substantial portion of our assets invested in operating businesses that we hold substantial portions of and exert control over. Unfortunately, we have been unable to find any such operating business that interests us—particularly as valuations appear excessive when compared to many larger and dramatically more established public companies that trade at low single digit earnings multiples. We are not going to undertake an inferior investment just to comply with tax and regulatory statutes. We have invested substantial time and expense in finding a viable structure and path forward (hence the elevated spend on legal) and continue to explore various options.

Conclusion
The second quarter of 2022 continued the prior year's successes. We have now incubated and launched KEDM with great success. KEDM has passed through the first renewal period and has proven that subscribers find dramatic value in it. As we transition into a Merchant Bank, we intend to scale up our staffing, target unique opportunities and continue to profitably diversify our company.

While we remain optimistic about Mongolia's long-term future, it remains mired in economic crisis. As a result, we remain focused on selling non-core property assets (particularly in office and re-development) in order to diversify the company, while keeping our core portfolio and management team, so that we can pivot back to Mongolia if the economy ever recovers.

During the quarter, the company repurchased 19,200 shares under its Normal Course Issuer Bid. At quarter end, our share count was 27,759,299 or 22% fewer than during our peak share-count in 2016. To date, the company has repurchased a total of 7,773,300 shares.

We're excited for the future.

Sincerely,

Harris Kupperman
CEO