Fellow Shareholders,

I am pleased with our solid second quarter results and the significant out-performance we have seen in the first six weeks of the third quarter. Below we provide our standard disclosure of the results from Q2 2019. There are also two recent developments that have transpired subsequent to the end of the second quarter that we thought are worth mentioning. First, we completed a successful exit of our investment in TheStreet, Inc. (NASDAQ: TST). We believe this investment (IRR of 75%) is representative of the strategy we have employed since our board involvement less than two years ago. Second, two investments that have not been publicly disclosed until today: Quantum Corporation (OTC: QMCO) and TheMaven Inc. (OTC: MVEN), have materially increased in value since June 30, 2019. Let me give you the "above-the-fold" news for what TURN has been up to over the last few months and how that has impacted our net asset value per share ("NAV") post the end of Q2 2019. We started buying QMCO in February 2019 and purchased 2,104,191 shares at a cost basis of $2.62. As the close of the markets on August 14, 2019, the stock is $5.40. It closed at $2.65 at the end of Q2 2019. MVEN (more on the timeline of our purchase is discussed below) was bought on June 28, 2019, in a private placement in public equity (PIPE) deal. We own shares of preferred stock that will convert into 14,000,000 shares of common stock at an average cost per share of $0.50. As of the close of the markets of August 14, 2019, the stock is $0.86. Let me put this information in perspective; subsequent to the end of Q2 2019, and including a discount for lack of marketability to the closing price of MVEN, QMCO and MVEN have added $8.8 million, or $0.28 of NAV, as of August 14, 2019. These two positions alone would take our NAV north of $3.00 for the first time in four years. In addition to these two positions, in aggregate, our publicly traded portfolio securities in aggregate are up $9.8 million, or $0.31 per share as of August 14, 2019. Suffice to say, the quarter isn't over, and we have other moving parts that may both add and subtract from NAV. This is not a prediction of where we will be at the end of Q3 2019, but the magnitude of these increases is so significant, we feel obligated to enumerate it for shareholders.

As for Q2 2019, things calmed down somewhat as compared to the volatile nature of the prior two quarters. In Q4 2018, the Russell Microcap Index declined 22.2%, followed by a Q1 2019 recovery of 13.1%. This past quarter the Russell Microcap Index advanced 0.9%. For the quarter, our NAV advanced 2.2% against the backdrop of a 9.3% gross total return in our public holdings. I appreciated the lack of volatility and calmness of the market this past quarter. It gave us a great opportunity to really dig in on our two significant holdings, QMCO and MVEN. It also gave me the chance to go on a golf trip to Ireland, which was absolute golf heaven. If you love golf and haven't played Ballybunion, Old Head, Hogs Head, or Tralee, I strongly suggest you make the trip. I think the howling 45 MPH winds we faced in Ireland will be nothing compared to the strong gusts the market and economy may face over the next twelve months of political election mania. By the way, back to the winds in Ireland, here was a typical exchange between me and our golf caddy at Old Head. Caddie: "Kevin, you are 135 yards out. Hit it 210 yards and aim 40 yards left of pin." Me, after hitting what a think is a good shot, "Where did it end up?" Caddie: "Absolutely perfect shot. 25 yards short and 30 yards right." Me: "Thanks." For me, the Ireland golf experience was a precursor to the heightened volatility I expect to resume once the summer ends.

NET ASSET VALUE PER SHARE

Our NAV increased this quarter from $2.76 to $2.82, or 2.2%. Our Fund has three principal components to the variance in our NAV: our public portfolio, our private portfolio, and our expenses. For the quarter, our public portfolio companies, including carried interest from TheStreet SPV Series - a Series of 180 Degree Capital Management, LLC ("TST SPV"), increased our NAV by $0.11 while our private portfolio companies declined by $0.02. Operating expenses including an accrual for a potential bonus pool in 2019 negatively impacted NAV by $0.03. While our public market performance was above average for the quarter, our NAV was muted versus the Russell Microcap Index because we started the quarter with just 42.0% of our assets in cash and liquid securities.

	2017	2018	YTD Through Q2 2019
NAV Change	11.1%	1.5%	6.8%
Gross Total Return of Public Company Investments	53.5%	19.5%	23.9%
Russell Microcap Index	13.2%	(13.0%)	14.1%

Public Portfolio

Fortunately, since the inception of 180, our focus on investing in publicly traded companies with our constructive activist approach has generated significant returns. This quarter, 180's public portfolio gross total return was 9.3% versus the 0.9% for the Russell Microcap Index. Our Q2 2019, one year and inception to date performance is highlighted in the chart below [1]:

	Q2 2019	H1 2019	Q2 2018-Q2 2019	Q4 2016-Q2 2019
TURN Public Portfolio Gross Total Return	**9.3%**	**23.9%**	**0.8%**	**124.9%**
TURN Public Portfolio Gross Weighted Average	6.8%	16.7%	(0.3%)	40.8%
Russell Microcap Index	0.9%	14.1%	(10.4%)	12.4%
Russell Microcap Value Index	1.4%	11.9%	(11.0%)	10.1%
Russell 2000	2.1%	17.0%	(3.3%)	19.3%
Russell 3000	4.1%	18.7%	9.0%	36.2%
S&P 500	4.3%	18.5%	10.4%	38.1%
Dow Jones Industrial Average	3.2%	15.4%	12.2%	42.7%

A little over two years ago, we embarked on a new strategy to invest in small public companies. Since then, we have added $0.71 to our NAV from our investments in public companies. Over that same period, we generated $0.05 of NAV growth from our private portfolio. 180's shareholders have clearly benefited from our strategy change. Let's dig into the significant sources of the net gains from our public portfolio in Q2 2019.

Sources of material increases in value:

- Adesto Technologies Corporation (NASDAQ: IOTS) reported a solid Q1 2019, and its full year outlook was viewed favorably. For the quarter, IOTS advanced 34.7% versus 5% for the Philadelphia Semiconductor Index and increased our NAV by $0.07.

- TheStreet, Inc. (NASDAQ: TST) has been a highly successful investment for our shareholders and our participation is now over. In conjunction with assisting the company in retiring its preferred stock at a significant discount, we joined TST's Board of Directors in November 2017. In the first half of 2018, TST sold its deposit and loan data collection subsidiary, RateWatch, to S&P Global for $33.5 million. TST then sold the rest of its institutional businesses, BoardEx and The Deal, to Euromoney Institutional Investor for approximately $87.3 million. On April 22, 2019, TST distributed $1.77 per share to its shareholders. As a result of that, we booked approximately $319,000 in Q2 2019 of carried interest for the TST SPV that we have managed since November of 2017. On June 9, 2019, the Board of TST voted to sell its remaining consumer business to MVEN. The deal was announced on June 12, 2019, and closed on August 7, 2019. TST is a signature investment for how we define constructive activism. In its entirety and over the life of the investment, TST generated a total realized gain of approximately $7.2 million on an investment of approximately $5 million an an IRR of 75% in a little over two years. Success! On the date of close, we resigned from the Board of TST.

- Iteris Inc. (NASDAQ: ITI) was a previously undisclosed position that we added to in this quarter. ITI is a provider of systems and sensors that optimize the flow of traffic and enhance driver safety. ITI announced an acquisition of a Florida based traffic management company while reporting better than expected results. The stock was up 24% in the quarter and increased our NAV by $0.02

- Airgain, Inc. (NASDAQ: AIRG) benefited during the quarter from increased excitement regarding the rollout of 5G wireless technology even though its Q1 2019 earnings report missed estimates and guidance for Q2 2019 was revised lower. AIRG's stock was up 10.3% in the quarter and increased our NAV by $0.01.

[1] Past performance is not an indication or guarantee of future performance. Amounts gross unrealized and realized total returns compounded on a quarterly basis. 180 Degree Capital Corp. is an internally managed registered closed end fund and does not have an external manager that is paid fees based on assets and/or returns. 180 also has more than 50 percent of its investment portfolio in legacy privately held investments. Please see its filings with the SEC, including its 2018 Annual Report filed on Form N-CSR for information on its expenses and expense ratios.

Sources of material decreases in value:

- Mersana Therapeutics, Inc. (NASDAQ: MRSN) continues to struggle with doing anything that the market perceives as useful in building its business. While MRSN reported data at the ASCO conference in June 2019, there was nothing of note that got investors excited. Further, its CFO resigned during the quarter. The company is currently trading with almost no enterprise value, but it burns cash every day. Following its capital raise in the first quarter of 2019, MRSN states it has enough cash to fund operations through at least mid 2021. For the quarter, MRSN decreased by 23% and decreased our NAV by $0.01.

- Emcore Corporation (NASDAQ: EMKR) reported Q1 2019 below expectations and subsequently reduced Q2 2019 guidance due to a Huawei sale ban. It announced the acquisition of Systron Donner, a navigation product supplier, on June 10, 2019. The company also announced results of an arbitration case that resulted in unexpected $5 million payment Phoenix Navigation Components. EMKR then pre-announced lower revenues for Q2 2019. Other than that, Mrs. Lincoln, how was the play? As we have stated numerous times in the past, EMKR is in desperate need of an overhaul of its investor relations functions. EMKR just announced the hire of a new CFO (finally after a nine-month search), so perhaps that is a start. At the very least, hopefully it will facilitate an overhaul of the company's finance functions that do not seem to be able to accurately forecast revenues within weeks of a quarter end. The Board and management team have done a very poor job of creating value. For the quarter, EMKR decreased by 9.9%, and decreased our NAV by $0.01.

Other notable positions:

- Synacor, Inc. (NASDAQ: SYNC) is a holding we have discussed extensively in our previous communications with shareholders. The big news for us this year was our appointment to SYNC's Board of Directors in March 2019. SYNC reported a decent Q1 2019, but as of the end of Q2 2019, the AT&T overhang still existed. Post the quarter end, SYNC announced the wind-down of the AT&T portal so it could more focus on the growth of the software business. Now, approximately one-half of SYNC's revenues are recurring and fee-based from its email and Cloud ID businesses. Investors typically pay a minimum of 1x recurring revenues, and in many cases, significantly higher multiples if such revenues are coupled with high margins and growth rates. The company now separately reports both revenue and profitability for its advertising and software businesses. This transparency gives investors an inside look at the financial performance of SYNC's high margin recurring software business, and perhaps, will convince investors that SYNC's $45 million enterprise value as of June 30, 2019, grossly undervalues the company. We look forward to helping the company engineer a "180 Degree TURN" in its share price. For the quarter, SYNC was down 0.6% and decreased our NAV by less than $0.001.

- Intermolecular, Inc. (NASDAQ: IMI) provides customers with a platform and multi-disciplinary development team for the research and development of advanced materials in the semiconductor, display, and glass and coatings industries. Coincident with the downturn of the semiconductor sector, in Q4 2018, we purchased approximately 1.4 million shares at an average cost of $0.94 per share. On May 6, 2019, IMI announced its sale to Merck KGaA for $1.20. Given the stock closed Q1 2019 at $1.15, IMI had a negligible impact on our NAV this quarter. We sold the entire position on the date of the announcement at an average sale price per share of $1.16, generating a total profit on the investment of $358,000, or $0.01 per share. The IRR on the investment was 52%.

In our world, it's important to find ways to differentiate our Fund from others in order to generate meaningful alpha that outperforms the market. We originally differentiated ourselves by finding opportunities to remove capital structure overhangs in TST and Turtle Beach Corporation (NASDAQ: HEAR). These situations worked because the size of the preferred stock overhang and the discount at which we could help retire the preferred stock would be meaningfully and immediately accretive to the value of each company. Given our successes in each of these investments, we continued to hunt for additional similar types of opportunities. While we haven't found "the next one" that meets our investment criteria, we actively keep looking for them. This year, we dove into a new set of opportunities, recently delisted or OTC stocks, specifically the two companies I mentioned above: QMCO and MVEN. During my days at BlackRock, if you had told me in 2019 that I would be spending time on delisted companies, I would have asked what went wrong with my career. But we've come to realize therein lies the opportunity! Both stories came to us through similar channels, but for completely different reasons. To give you an idea of our current excitement about these two companies, we invested an aggregate of approximately $12 million in MVEN and QMCO during the quarter and they are two of our three largest publicly traded positions.

Our introduction to QMCO went something like this...We were at a meeting discussing investment ideas with an investor who has a similar focus to us in the microcap space; and who we respect for having superior investment acumen. He said his best current investment idea was QMCO. We responded, "If that is the case, then you really don't have any good investment ideas." He implored us to meet with the new CEO and CFO to see if our original opinion held true following those conversations. After speaking with QMCO, our negative pre-disposition changed. For those who are not familiar with the company, QMCO's technology and services help customers capture, create and share digital content, and preserve and protect it for long periods of time. It is best known as a company that makes tape drives, but also has a number of other data processing and storage solutions that enable high-speed data transfer and processing, particularly for video content. QMCO is your classic case of a good company put into the proverbial "penalty box" by investors for misdeeds of prior management teams. Specifically, in this case, QMCO's former management recognized approximately $180 million of revenue in incorrect periods to help inflate revenues and meet certain goals. Once discovered, the company needed to restate its financial statements to reflect this revenue in the correct periods. QMCO became delinquent on its financial filings with the SEC, ultimately resulting in the company being delisted from the NYSE in January 2019. Once the company became delisted, the number of investors that could buy the stock decreased substantially, and it also became harder to diligence because the latest financial SEC filing available dated all the way back to September 2017. What filings we could find were not straightforward to analyze. We like these situations, so we dug in and did the work. What we found led us to retract our original comment and to purchase 2.1 million shares over a four-month period at an average price per share of $2.62 for a total investment of approximately $5.5 million.

Contrary to popular belief, tape is not dead. In fact, it is experiencing a resurgence in cloud computing because it serves as a low cost, low energy way to store information for long periods of time and in a way that is completely impervious to hackers or other malicious intent. When a tape is not in use, it is off the grid. QMCO's other products also provide differentiated capabilities in the market and are gaining new customers. Lastly, QMCO is expanding its products and services from a one-time sale model to a subscription/recurring model that allows for increased visibility and predictability of revenues along with enhanced customer engagement. The last time QMCO reported Q3 2017 results, it had twelve-month-trailing revenues of approximately $480 million with $11.7 million in EBITDA. We noticed that buried in the details of the credit facility QMCO secured in December 2018 is a covenant that the company needs to generate at least $28 million in EBITDA over the preceding four quarters as of June 30, 2019, and $30 million as of September 30, 2019. QMCO last reported it has 35 million shares outstanding, which gave it a market capitalization at 180's average cost basis of $92 million. If the company was generating even close to the same amount of revenues as it was in 2017, then its enterprise value was trading at approximately 0.5x revenues at our average cost. We knew QMCO needed to file its fiscal year 2018 financial statements by August 31, 2019, and fiscal year 2019 financial statements by the end of 2019 to remain in compliance with its credit facility. Once it completed these filings, the company would be ready to begin efforts to relist on the NYSE or NASDAQ. Should it be able to relist, it would once again be available for investment by a much broader investor universe than it is as of today. Most importantly, the investing world will be able to see what the new CEO and CFO have done to turn around the business. Our catalyst was the filing of the financials; along with the hope that the business was performing better than investors would have anticipated. On August 6, 2019, QMCO restated its financial statements and is now up to date with all its SEC filings. QMCO also announced its estimates for its current fiscal year that included adjusted EBITDA north of $50 million, significantly better than the street expected. The stock rallied 36% on that day having already risen 39% from its Q2 2019 close.

MVEN is a different situation and company. MVEN was founded in 2016. It is a media coalition of professional content destinations ("mavens"), operating exclusively on a shared digital publishing, advertising and distribution platform. MVEN provides a major media scale alternative to news and information distributed on social platforms. We were introduced to MVEN during the process of looking for potential acquirers for the remaining consumer business of TST. We got to know the team at MVEN during the due diligence process and learned about the company's vision for its business and how TST would fit. TST's Board of Directors agreed to a definitive merger agreement with MVEN on June 9, 2019. Subsequent to that announcement, on June 14, 2019, MVEN acquired the rights to manage the digital and print assets of Sports Illustrated (SI). Almost overnight, the company dramatically increased its revenues, scale and reach through the combination of TST and SI. While MVEN was building its business through acquisition, the company listed on the OTC market through a reversed merger into a public shell company. Separate from and subsequent to the TST and SI announcements, on June 23, 2019, we were brought "over the wall" and learned that MVEN decided to raise capital through a PIPE offering. We invested $7 million in the financing and purchased convertible preferred stock that will convert into common stock at $0.50 per share once the company amends its articles of incorporation to increase the number of authorized shares it can issue.

MVEN is now focused on integrating its acquisitions, getting up to date with its financial statement filings with the SEC and listing on the NASDAQ or NYSE. There are very few investors that have ever heard of MVEN. We think that will change over time. We believe this is another undiscovered company for which updated financial information will soon be available to the public. It could be a similar story to QMCO in that once MVEN files its financials, it will make it possible for the broad investment community to analyze the business MVEN's team has built. We are betting the results will be viewed favorably. We expect those results sometime in early 2020. Furthermore, an up-list to a national exchange should expand the investor universe that can buy the stock.

As I have said historically, our goal is to build a concentrated portfolio of relatively large positions in a small number of names. That was our plan with TST where we invested approximately $5 million and generated a return of approximately 144 percent, or $7.2 million, in just over two years. We invested $4.3 million in SYNC, and we are working diligently to improve on the current 42.5 percent, or $1.8 million, unrealized loss as of June 30, 2019. These are two companies where we became actively involved as members of the board. While we do not currently plan to join the boards of MVEN or QMCO, as with any of our holdings, we are open to doing so if needed. With that backdrop, our public portfolio gross total returns have outperformed the Russell Microcap Index this past quarter, YTD 2019, one year ending June 30 2019, and 180's inception to date.

Private Portfolio

For the quarter, our private portfolio declined by $470,000 or $0.02 per share. D-Wave Systems had the largest decrease in value. Because its last financing was over a year ago, we were forced to include in our methodology a market-adjustment factor based on publicly traded comparable companies. Produced Water Absorbents concluded a dilutive financing against the backdrop of weak results. As a result, the remaining prior interest accrual was written off from approximately $429,000 to zero. Petra Pharma was also down due to financing terms. The main positive contributor to NAV was AgBiome, as a result of the inclusion of a market-adjustment factor based on public market comparables in the valuation methodology since the last round of financing occurred more than one year ago.

While we continue to believe there are companies in the portfolio that hold promise to build value, the timelines and potential exit values for these companies are highly uncertain. We have often talked about our desire to shepherd actively our existing private portfolio to exits or explore opportunities to sell our positions in those companies at what we believe are reasonable valuations. We will continue to seek out additional opportunities to monetize our private portfolio investments. Why is that? It's simple math. Since the beginning of 180 Degree Capital, we have added $0.71 of NAV due to our public portfolio companies while the private companies have increased by $0.05.

EXPENSES:

As we have noted, we have dramatically reduced our cost structure under our new strategy. In 2016, before our Fund's change in investment focus and management, our operating expenses, excluding stock-based compensation and interest on outstanding debt, averaged approximately $1.3 million per quarter. For Q1 2019, our operating expenses net of sublease income equaled approximately $730,000, roughly in line with our expenses for the same quarter a year ago. Because we have achieved positive results year to date, in this quarter, the Compensation Committee of our Board of Directors voted to accrue $292,000 for potential bonuses in 2019. This accrual could change materially depending on full-year performance. In fact, given the robust third quarter we are presently speaking about, I would anticipate further accruals in the quarter ahead.

TURN/NAV: SUM OF THE PARTS:

At the end of Q2 2019, TURN traded at 70% of its NAV. Our liquid assets, cash, and other assets net of liabilities were $1.19 per share. Our stock price was $1.969. If we received 100% credit for the value of these assets net of liabilities, the market is ascribing a value of $0.78 per share, or $24.3 million, to our private portfolio. Given our private assets are valued at approximately $50.8 million, the market is discounting the value of our private portfolio assets by 52% as of the end of Q2 2019. Given the performance of our public portfolio so far during Q3 2019, the market is now discounting our private portfolio by 74%.

As we grow our cash and liquid securities, the discount our stock trades to NAV should narrow. In September 2016, we had 19% of our cash and investments in cash and liquid securities less outstanding debt. At the beginning of our strategy in 2017, we had 27% of our cash and investments in cash and public companies. At the end of Q2 2019, that number is 43%. Because of the extraordinary quarter we are presently having, as of August 14, 2019, that number is 48%. We have made substantial progress in reinventing ourselves. Our balance sheet reflects just how far we have come. Personally speaking, over my tenure at 180, I have become the 4th largest shareholder in TURN, with substantially all of my ownership built through open market purchases. Collectively, the management team and Board of TURN purchased over 400,000 shares in the last five quarters. We are aligned with our shareholders. And we will manage this business in the best interests of shareholders.

We had yet another good quarter of public market investing. In Q2 2019, our public portfolio gross total return was 9.3% versus 0.9% for the Russell Microcap Index. For the first half of 2019 our public portfolio gross total return was 23.9% versus 14.1% for the Russell Microcap Index. Let's take it one step further. Over our first 10 quarters, our public portfolio gross return was 124.9% versus 12.4% for the Russell Microcap Index. I am confident in our ability to navigate through the often-choppy waters and create value for our shareholders with the overriding notion that the market is extremely inefficient for the companies we are investing in. For us, this inefficiency leads to increased opportunities. While I must alert you that things can change, our third quarter is off to an incredible start due to our new investments in MVEN and QMCO. If things hold our NAV will be over $3.00 for the first time since June 2015. And to show you how inefficiently I believe our current share price is, let's go back to June 30, 2015. At that time, Harris & Harris Group had a NAV of $3.34 and a share price of $2.75. The company had 150% more of its assets in private companies versus cash and liquid securities and its quarterly expenses were 120% higher than our expenses today. Today we have a nearly 50/50 split between public portfolio companies and private portfolio companies, and a track record of success in our new world of micro-cap constructive activism. Those that know me, know the last thing I have ever wanted to do in my 30 years of managing money is point to the scoreboard. But I have a different job today from the one, of managing money at

BlackRock. While the job is still stock picking, I have the added and ultimate responsibility to create value for our shareholders in TURN stock. If you put our performance of public market stock picking against our Lipper competition, we would be ranked number 1. Somebody very smart recently told me "the two most powerful warriors are patience and time." We have executed our business strategy as well as we could have hoped for when we started. We have stated our goal for 180 is to be known as a prominent and dominant leader in our world of public company constructive activism. I think we have achieved that goal and we look forward to continuing to build value for shareholders. I do hope our stock price will better reflect the solid business results we have achieved.

As always, we thank you for your support.

Kevin Rendino
Chairman and Chief Executive Officer