Fellow Shareholders,

Well, that was fun. While a quarter doesn't make a year, we are certainly off to a good start. Our +28.3% gross total return for our public portfolio in Q1 2021 (+31.8% including carried interest that would have been paid from our separately managed account (SMA) if this were the end of the year) helped us increase our net asset value per share (NAV) by over 14% to $10.60, the highest our NAV has been in over 6 years. As I have stated in almost every quarterly letter since we started, we are focused on creating value in the area we can control, public stock picking, while at the same time attempting to manage our way through the ultimate exit of our private portfolio. Since we have started, we have generated a +351.2% gross total return in our public holdings (+382.3% including carried interest from our SMA) versus an +80.5% return for the Russell Microcap Index. Not too bad, and we are proud of this performance.

Whenever you see outsized returns like we have had, many assume they were achieved by taking on a massive amount of risk. I don't know about you, but sometimes I do some of my finest work in my sleep. Weirdly enough, I got to thinking about our performance in a recent dream. I was teaching a finance class, and the next thing I knew I was in a massive debate (a shouting match actually) with someone who was telling me that the only reason we had the performance we had, was because we were taking a high amount of risk in the portfolio. I told the person they were wrong, and that in actuality we take less risk than most investors given our value approach to picking stocks and our activist approach once we own something. We agreed I would do the work on the risk numbers behind the portfolio before our next class and report back on the findings. Weird, right?

We know we have generated alpha (excess return over a benchmark) during 180's history, but let's focus on 180's beta as it relates to our investment style and the risk that we have taken in our portfolio. In the financial world, beta is a measure of how an asset moves relative to the overall stock market or a relevant index. Essentially, investors use beta to assess risk and volatility of client portfolios. A stock that has a beta over 1.0 is supposed to be riskier but provide a higher return potential than a stock with a beta of less than 1.0. For instance, a stock with a beta of 2 is expected to return 20% if the market is up 10%. A beta of 0.5 would yield a 5% expected return with the same 10% move for the market. Risk and volatility have very different meanings in the way we manage 180's capital, and I will discuss our view on that below. As you know, 180 runs a highly concentrated portfolio in the "risky" world of micro-capitalization stocks and has generated outsized returns. What is our beta? The answer may surprise you. It is 0.66 relative to the Russell Microcap Index, 0.68 versus the Russell Microcap Value Index and 1.13 relative to the S&P 500 Index. Given our outsized returns, how is that even possible? From the chart below, you can see our quarterly gross total return relative to the indices, followed by a chart that shows our beta relative to each index.

Quarter	180 Gross Total Return (Ex. SMA Carried Interest)	Russell Microcap Index	Russell Microcap Value Index	S&P 500 Index
Q1 2017	20.4%	0.4%	-1.1%	6.1%
Q2 2017	-0.3%	3.8%	3.9%	3.1%
Q3 2017	34.7%	6.6%	6.4%	4.5%
Q4 2017	-4.8%	1.8%	2.4%	6.6%
Q1 2018	8.6%	0.8%	0.3%	-0.8%
Q2 2018	33.4%	10.0%	10.2%	3.4%
Q3 2018	-6.4%	0.8%	-1.3%	7.7%
Q4 2018	-13.1%	-22.2%	-19.5%	-13.5%
Q1 2019	13.4%	13.1%	10.4%	13.6%
Q2 2019	9.4%	0.9%	1.4%	4.3%
Q3 2019	27.8%	-5.5%	-2.0%	1.7%
Q4 2019	7.9%	13.4%	10.4%	9.1%
Q1 2020	-30.8%	-32.0%	-35.9%	-19.6%
Q2 2020	23.9%	30.5%	22.7%	20.5%
Q3 2020	25.4%	3.7%	3.0%	8.9%
Q4 2020	5.3%	31.4%	33.6%	12.1%
Q1 2021	28.3%	23.9%	30.7%	6.2%

	Russell Microcap Index	Russell Microcap Value Index	S&P 500
180's Beta vs. Indicated Index	0.66	0.68	1.13

The Capital Asset Pricing Model (CAPM) is a model used to determine a theoretically appropriate required rate of return of an asset. It shows that the expected return of a security is equal to the risk-free return plus a risk premium which is based on the beta of that security. What it basically says is that a stock's future return is based only on its beta: high beta = high returns, low beta = low returns. In finance terms, volatility is a statistical measure of the dispersion of returns for a given security or market index. In finance terms, risk is the chance that an outcome or an investment's actual gain will differ from an expected outcome or return. Financial risk is the possibility of losing money on an investment. Volatility is a stock market analysis, and for 180, it describes how we performed relative to the Russell Microcap Index. Volatility isn't more than a statistical analysis of what has already happened. Think about the myriad of factors that go into assessing the "risk" in an investment; risk is determined as part of the investment process and takes into consideration qualitative judgements.

If I ask what the beta of stock is, the answer is a number; but that number is calculated with the exact definition of how volatility is characterized. Does beta tell me anything else about the company? The answer is no. It is our view that you can't define a stock's "risk" without an analysis of a company's financial reports and examining its income statement, balance sheet, and statement of cash flows. You can't define a company's risk without having a real understanding of a company's competitive position versus others in the same industry. You can't understand a company's risk without an understanding of the macro-environment the company is operating in. You can't understand a company's risk without getting to know management, members of the board and other key people involved in the running of a business. And you certainly can't ascertain a company's risk without knowing what price you will pay for the business you buy. Simply put, beta is a measure of volatility not of risk. Risk, to me, is not how a stock trades relative to a market. It is the residue of our process and is dependent on:

1. the price I pay for the business;
2. the timing of the purchase relative to the company's history (did I buy it in a peak or a trough?);
3. the risk characteristics with regards to the financial health of the company; and
4. the fundamentals of the company from the time of purchase relative to expectations.

You simply can't assess risk until you look under the hood of a company. You know who else thinks that beta is a measure of volatility and not risk? Seth Klarman. In his book, "Margin of Safety" (a must read for all), he writes:

> "I find it preposterous that a single number reflecting past price fluctuations could be thought to completely describe the risk in a security. Beta views risk solely from the perspective of market prices, failing to take into consideration specific business fundamentals or economic developments. The price level is also ignored, as if IBM selling at $50 per share would not be a lower-risk investment than the same IBM at $100 per share. Beta fails to allow for the influence that investors themselves can exert on the riskiness of their holdings through such efforts as proxy contests, shareholder resolutions, communications with management, or the ultimate purchase of sufficient stock to gain corporate control and with it, direct access to underlying value. Beta also assumes that the upside potential and downside risk of any investment are essentially equal, being simply a function of that investment's volatility compared with that of the market as a whole.
>
> This too is inconsistent with the world as we know it. The reality is that past security price volatility does not reliably predict future investment performance (or even future volatility) and therefore is a poor measure of risk."

"Margin of Safety" is one of the best books I have ever read regarding investing. It is a brilliant discussion of the philosophy of value investing and provides a thoughtful discussion for why certain approaches succeed versus the ones that fail. What I did not know until two seconds ago is what my good friend (who shall remain nameless) from Bloomfield Hills, Michigan, told me: You can't buy the book new anymore! What? It is no longer in circulation. I didn't believe him, so I went on Amazon and the only way to buy it is to pay $990 for a used copy. Truly amazing.

You can't find the book that provided wonderful perspective and great insight on how to be a good investor, but I'm sure I can find 112,390 books on Dogecoin. But I digress.

So how is it possible that we have been able to generate outsized returns with below average beta as it is defined by others? There are several factors at work here. First, our attention to providing a margin of safety in each investment we make is the result of having a rigid and focused approach to buying stocks that trade at low multiples to earnings, cash flow, and book value. We also tend to shy away from overleveraged equities and instead tend to invest in companies with healthy balance sheets. If you examine the table above, in most downdrafts for the market, our focus on higher quality and lower financial leverage has led to significant outperformance during those periods. For 30 years, I have maintained that the price you pay for the business you buy is the most important factor in determining success. Alongside that, the price you pay will ensure a margin of safety and help minimize downside in down markets. From time to time, we have also maintained relatively high cash balances at 180, thus dampening our "risk" relative to a down market.

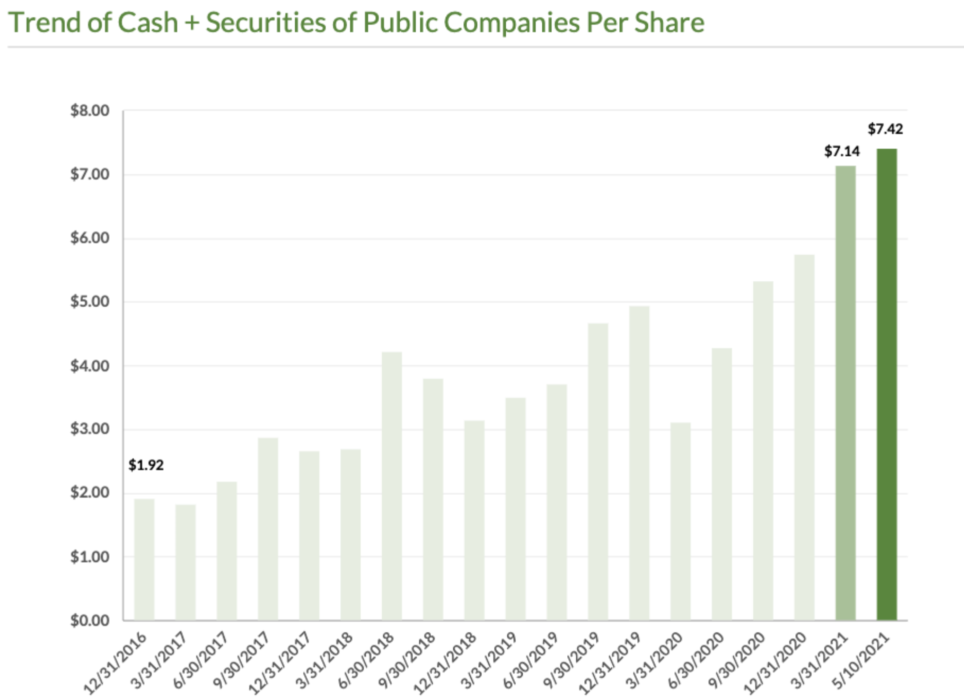
It is generally believed that low beta stocks have low systematic risk and are less sensitive to market swings, with the opposite being true for high beta stocks. But what moves the needle for our holdings? It is less systematic risk than it is idiosyncratic risk. Idiosyncratic risk is the inherent risk exclusive to a company that ultimately drives performance for that company. Most of the names we own have a low correlation to the market on a daily basis, and their performance is driven by the exact factors that we want to drive returns, i.e., specific catalysts that can lead to a 180 degree turn in the business. As collaborative activists, we exert our influence continuously on the companies we own, and, as Seth Klarman discusses in the paragraphs above, beta simply fails to take that into consideration. We tend to own stocks that are less sensitive to moves in the market and more sensitive to events affecting their businesses. We have designed a portfolio that is dependent on us having a high information ratio (which measures a manager's skill in picking stocks) in order for us to generate alpha; it isn't a portfolio dependent on beta.

Most or all of the analysis of the CAPM and beta revolves around the theory that the world will continue in the future as it has in the past and that nothing changes in market dynamics. You have often heard me say that I do not believe the market is efficient. Perhaps it is efficient in the moment, but the longer your time horizon goes, I believe the less efficient the market is. Look again at the chart above. It is almost laughable to conclude the market is efficient when, in the last seven quarters, the Russell Microcap Index has gone -5.5%, +13.4%, -32%, +30.5%, +3.7%, +31.4% and +23.9%. To me, these numbers reflect a market that has no idea what it is and what the direction will be on a quarterly basis. All that being said, 180's portfolio is exactly what we want it to be. Every time our team looks at a new investment, the first questions we ask is: "How much money can we lose?" not, "How much money can we make?". Protecting our shareholders' capital is paramount to our process. Understanding "risk" is not asking what a beta number is; it is everything that we do in our bottoms up process to ascertain upside/downside potential in the actual companies we own. However you want to look at us, we either have a low risk or low volatility (or both) portfolio whose outcome will be determined not just by beta, but by the fundamental research we do and the alpha our team is able to generate. Simply put for our shareholders, we have given them above average returns with below average risk and/or volatility.

So how do I marry the industry terms for what risk is with what we do? I actually don't. We look at each investment on its own merits and are never driven to buy stock based on its reported beta. Our process both limits risks and drives returns. We have a detailed real example and poster child for this discussion: Potbelly Corporation (NASDAQ:PBPB), a restaurant company. We bought PBPB four months before a global pandemic caused the United States to completely shut down. Comparable same store sales at PBPB went from marginally positive to down 70% overnight. It is impossible to think of a worse industry for investment given the pandemic conditions we have seen over the past year. Yet due to our process (the price you pay), our activist approach (we filed a 13D calling for a leadership change that occurred), and our strong presence in the microcap world (we participated in a financing that shored up the company's balance sheet), through May 10, we have achieved a +76% return on that investment in a little over a year. It also highlights the benefit of having permanent capital, in that we don't have to worry about redemptions and were able to buy the stock when its price got slaughtered due to indiscriminate selling as the pandemic unfolded. I'll let everyone define what beta means to them. To 180, risk is the output of all the rigorous analysis that goes into our process, and it certainly isn't defined by a number.

By the way and to conclude, when I presented the findings back to my class in my dream, my counterpart still didn't believe me, no matter how I presented my analysis. I got so mad at him, thinking I wasted all this time, that I challenged him to a fight in a boxing ring! But that's for another time and for Dr. Phil to figure out.

Despite our comments in some of our recent shareholder letters that we are more optimistic that we might have monetizations in our private portfolio, we had a modest decline in our private portfolio in the quarter. While that is maddening to us, it should also be noted that the private portfolio is down to just 33% of our entire asset base, the lowest percentage it has been at any time in 180's history. The private portfolio simply doesn't matter as much as it did, and, in a quarter where we had a decline of approximately $1.5 million in our private portfolio holdings, the drawdown was dwarfed by a $16.5 million increase in net value of our public holdings. If at the end of the year we don't have some monetizations in the private portfolio, I will be surprised. That isn't a promise, it is just an educated belief. Our share price now trades at our cash and liquid securities and effectively values our private portfolio at zero. I'll illustrate that in greater detail below, in our "Sum of the Parts" section. To see how far we have come as a business since 2017, look at the chart below, which shows how we have grown our cash and liquid securities from $1.92 at the end of 2016 to $7.14 as of the end of Q2 2021, and $7.42 as of May 10, 2021. I consider this to be massive progress.



Finally, on the SPAC front, 180 has committed to invest up to $2.3 million in risk capital as a sponsor in a SPAC that filed a registration statement on Form S-1 in March 2021. Given the company is in the registration process, we are not able to comment further.

That said, since everyone has an opinion about the proliferation of SPACs in general, let me offer my own. 180 is only pursuing SPAC opportunities with what we believe are value-add partners or management teams who have a core competency in sourcing merger candidates. It doesn't matter if you are the first SPAC or the millionth, we believe success will be determined by finding the appropriate company with which to merge. If you find the right one, you win regardless of how many other SPACs there are. Conversely, if you select the wrong company, you will have a poor investment. So first, selection is the main driver to success or failure. Second, we will associate ourselves with SPACs that fish in a pond from an asset size and industry focus that, we believe, has far fewer fishing poles in the water and less competition than where most SPACs are searching. While the SPAC in registration is our first investment in a sponsor vehicle, it will not likely be our last. It is truly gratifying to see our business evolve from one that had no future, to where it is today. We have significantly increased our NAV and are able to take advantage of exciting investment opportunities. We have come a long way.

NET ASSET VALUE PER SHARE

Our net asset value per share ("NAV") increased this quarter by 14.2% from $9.28 to $10.60. 180 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 increased our NAV by $1.59, while our private portfolio companies decreased our NAV by $0.14. Operating expenses decreased NAV by $0.13.

	Quarter	1 Year	3 Year	Inception to Date
	Q1 2021	Q1 2020-Q1 2021	Q1 2018-Q1 2021	Q4 2016-Q1 2021
Change in NAV	14.2%	66.7%	33.8%	51.0%
Russell Microcap Index	23.9%	120.3%	58.2%	80.5%
Russell Microcap Value Index	30.7%	120.5%	49.9%	68.2%
Russell 2000	12.7%	94.8%	51.0%	73.0%

Public Portfolio

In the chart below, you see our quarter to date, one-year, three-year, and inception to date performance numbers. We have often talked about our intentional concentrated structure and the fact that our performance could be episodic. We have seen that in full force throughout our history. For Q1 2021, we showed a gross total return for our public portfolio of +28.3%, versus a gross total return for the Russell Microcap Index of +23.9% and a gross total return for the Russell Microcap Value Index of +30.7%. Further, in Q1 2021, our public portfolio's gross total return was +31.8% when including the carried interest that would be generated from our SMA, if it was the end of 2021 when we actually receive those fees. We have generated +124.5% performance (including actual and estimated SMA carried interest) over the 1-year period, versus +120.3% and +120.5% respectively for the Russell Microcap Index and Russell Microcap Value index. As you can see from the chart below, we have trounced the indices over the past three-years (+188.3%, versus +58.2% and +49.9% for respective indices) and inception to date (+382.3%, versus +80.5% and +68.2%).

	Quarter	1 Year	3 Year	Inception to Date
	Q1 2021	Q1 2020-Q1 2021	Q1 2018-Q1 2021	Q4 2016-Q1 2021
TURN Public Portfolio Gross Total Return (Excluding SMA Carried Interest)	28.3%	110.0%	169.7%	351.2%
TURN Public Portfolio Gross Total Return (Including SMA Carried Interest)	31.8%	124.5%	188.3%	382.3%
Russell Microcap Index	23.9%	120.3%	58.2%	80.5%
Russell Microcap Value Index	30.7%	120.5%	49.9%	68.2%
Russell 2000	12.7%	94.8%	51.0%	73.0%

Let's dig into the significant sources of the changes in value in our public portfolio in Q1 2021. Sources of material increases in value:

- Quantum Corporation (NASDAQ: QMCO) completed a $90 million upsized public offering of stock to pay off half of its very expensive debt. It continues to make progress on its product development to transition from hardware to SaaS. The recovery in its media and entertainment vertical began in Q1 2021. We sold 332,542 shares at average price per share of $8.68. For the quarter, QMCO's stock increased by 36.1% and increased our NAV by $0.33 per share.

- TheMaven, Inc. (OTC:MVEN) is a media coalition of professional content destinations, operating exclusively on a shared digital publishing, advertising, and distribution platform. MVEN provides a major media scale alternative to news and information on social platforms. The high-scale, unified platform offers operating leverage to all participants in MVEN's ecosystem by eliminating all non-content operating expenses. MVEN's distributed operating leverage enables its entire suite of services to be provided on a revenue share basis, which creates lower, non-fixed operating costs than if a media company was forced to run its own platform and digital ad sales team. MVEN provides distribution across 100+ million monthly users in a single platform, allowing advertisers to be more successful with return on investments in marketing. Among its many properties, MVEN operates a 100-year license agreement to run Sports Illustrated and owns TheStreet.com, after acquiring that asset in 2019. The long-awaited filing by MVEN of its historical financial statements with the SEC started in Q1 2021. We currently believe the company will be current in its filings at some point in Q2 2021, which will enable it to seek a listing on a national exchange. The revamp of MVEN's board is ongoing, and given we believe the company is making good progress under the leadership of Ross Levinsohn, 180 has reduced its day-to-day involvement with the business. For the quarter, MVEN's stock increased 36.4% (based on a 1% VWAP of outstanding shares less a discount for lack of marketability) and increased our NAV by $0.31 per share.

- Potbelly Corporation (NASDAQ: PBPB) - In June 2020, we filed an amended Form 13D noting the poor performance of the company under its then CEO, while commending PBPB's Board for hiring a new CFO, Steve Cirulis, with restaurant experience. Subsequently, PBPB's board hired Robert (Bob) Wright, the former COO of Wendy's as its new CEO. PBPB raised capital in Q1 2021 to improve its balance sheet and aid in the restructuring of its debt. We purchased 201,514 shares and 80,605 warrants at a combined price per unit of $4.91. After a difficult start to 2021 due to weather and the ongoing effect of the COVID-19 pandemic, trends have continued to improve. Bob continues to build out the management team and implement best practices throughout the organization. For the quarter, PBPB's stock was up 34.3% and increased our NAV by $0.23 per share.

- Alta Equipment Group, Inc. (NASDAQ: ALTG) completed an upsized $315 million public debt offering to replace its existing facility with more favorable terms. Strong recovery of its business continued in the quarter across its business verticals. ALTG's stock increased 31.6% and increased our NAV by $0.21 per share.

- Synacor, Inc. (NASDAQ: SYNC) was acquired by Centre Lane Partners at $2.20 in a deal that closed on April 1, 2021. While there is no way I would call this a successful investment from start to finish, I will note from when I was named Chairman of SYNC's Board in March 2020 to the close of the acquisition, SYNC's stock advanced 93%. The bottom line for our investment was the unforeseen loss of the AT&T business (lost revenue, lost cash flow) which was too much for the company to overcome. Did we learn valuable lessons from this investment that will aid us in future investments? Yes. Am I willing to share them with you in this letter? No. They are too personal and too targeted to put into words. I am glad the experience is over. That said, we made money for our SPV investors. As one of our SPV investors told us: "If your worst investments actually still result in me making money, you will be in good shape as an investor." SYNC's stock increased by 61.8% and increased our NAV by $0.14 per share.

- Babcock & Wilcox Enterprises, Inc. (NYSE: BW) - We established a position in BW through participation in an upsized and oversubscribed underwritten offer at $5.85. The company provides power generation equipment and offers water-tube boilers, environmental systems, steam, and other products. BW's new CEO Kenny Young has done a superb job turning the business around, improving both its cash flow and balance sheet. BW was up 61.9% and increased our NAV by $0.11 per share.

- Armstrong Flooring Inc. (NYSE: AFI) - We began building our position in AFI in Q4 2020, but it became a core position in Q1 2021. AFI designs, manufactures, and sells resilient and wood flooring for residential, commercial, and institutional construction sectors. New CEO, Michel Vermette, joined in September 2019 after serving as a long-time executive at Mohawk Industries. Under Michel's leadership, AFI has streamlined operations and reduced costs with an eye towards improving EBITDA and gross margins. The company recently completed the sale of its South Gate facility for $77 million, dramatically improving the company's balance sheet and removing liquidity concerns. We believe AFI is well positioned as a recovery play. We purchased 743,562 shares in the quarter at average cost of $4.27. AFI was up 28.0% and increased our NAV by $0.06 per share.

Private Portfolio

For the quarter, our private portfolio decreased in value by approximately $1.5 million, or $0.14 per share. The largest decreases were in the value of our potential for future milestone payments from the sale of BioVex Group, Inc. to Amgen, Inc. (-$0.13/share) due to a material reduction in the probability of receiving future milestone payments resulting from the termination of a Phase 3 clinical trial in Q1 2021, for futility. Additionally, ABSMaterials, Inc. declined in value (-$0.05/share) as the business is in the process of being shut down and liquidated for the benefit of creditors. Increasing in value were in Black Silicon Holdings, Inc. (+$0.02/share), AgBiome LLC (+$0.017/share), and Nanosys, Inc. (+$0.019/share) which helped offset the down performance described above.

In almost every shareholder letter, we state that while we desire to shepherd our existing private portfolio to exits or explore opportunities to sell our positions in those companies, "we have the luxury of being able to sell our private holdings when we believe it makes sense for shareholders rather than being forced to do so to survive." Because you haven't seen a monetization in any given quarter, doesn't mean that we have not been active in attempting to monetize certain holdings. The remaking of our business and the significant cash and securities of public portfolio companies that we have built, means that we don't have to sell anything unless we feel that it is the right thing to do for shareholders. I can tell you that we have rejected numerous bids for the private portfolio from "sharks" thinking they can come in and steal the portfolio from us. That will never happen under our watch. I can't emphasize enough the difference between having to sell and wanting to sell. Given our success in remaking our balance sheet over the last four years, we do not have to sell any of our holdings, and we won't, unless the price makes sense. Since the start of TURN, our private portfolio has reduced NAV by $0.72/share while our public investing strategy has increased NAV by $6.01/share. As of the end of 2016 we had 32 holdings. Today we have 22, but only 10 that matter. Those 10 private holdings comprise 93% of all the private assets.

EXPENSES

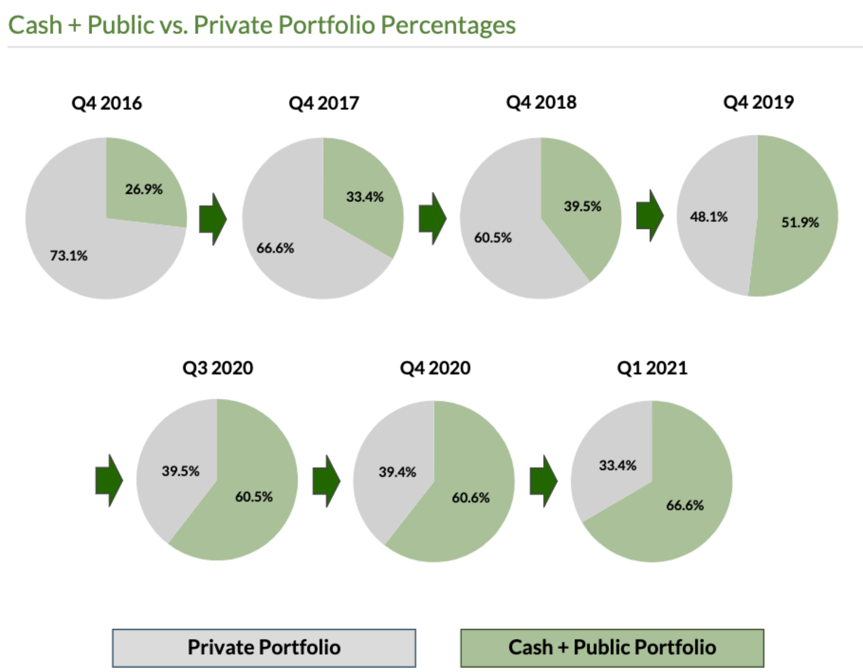
As we have noted in previous letters, we have dramatically reduced our cost structure under our new strategy. In 2016, before our Fund's change in investment focus and management team, our operating expenses, excluding stock-based compensation and interest on outstanding debt, averaged approximately $1.3 million per quarter. For Q1 2021, our operating expenses equaled approximately $919,000. Given our corporate and individual performance through Q1 2021, the Compensation Committee approved approximately $500,000 of an accrual for a potential bonus pool at year end. It should be noted the pool amount will fluctuate based on our Compensation Committee's assessment of corporate and individual performance over the rest of 2021.

TURN/NAV: SUM OF THE PARTS

As of the end of Q1 2021, TURN traded at 70% of NAV. Our securities of publicly traded companies, cash, and other assets net of liabilities were $7.03 per share. Our stock price was $7.40. If we received 100% credit for the value of these assets net of liabilities, the market is ascribing a value of approximately $0.34 per share, or $3.5 million, to our private portfolio. Given our private assets are valued at approximately $37.3 million, our stock price as of the end of Q1 2021 is discounting the value of our private portfolio assets by over 90%.

As we grow our cash and securities of publicly traded companies, the discount our stock trades to NAV should narrow. At the beginning of our strategy in 2017, we had 27% of our cash and total investments in cash and public securities, and we were trading at a 41% discount to NAV. At the end of Q1 2021, we had 67% of our assets in cash and securities of public companies and our stock traded at a 30% discount to NAV. I have mentioned in previous letters, the value of AgBiome alone is fair valued at a greater value than the market is pricing the entire portfolio. I will remind you that Petra Pharma Corporation was acquired in Q2 2020, and between our direct ownership in Petra and our indirect ownership through Accelerator IV-New York Corporation, we received approximately $4.7 million in cash. We could receive an additional $350,000 held in escrow in May 2021, we will receive approximately $60,000 from the sale of additional assets of the company in late 2021, and we could receive future milestone payments of up to approximately $86.9 million. While the timing and likelihood of achieving these milestones is uncertain, and we could ultimately receive none of these milestone payments, the Petra acquisition was a material and positive event for 180 and its shareholders. We believe that our other private holdings not only have real value today, but also have the potential to monetize into cash in the future.

Most importantly, the private portfolio is becoming less and less important to our success. From the chart below, you can see how dramatically different our balance sheet looks today versus four years ago. It is my humble opinion that TURN's stock is grossly mispriced given our performance in the public markets combined with a stock price that "only" trades at a slight premium to the value of our cash and securities of publicly traded companies. As you have seen almost every quarter, our management team will continue to take advantage of this mispricing and be buyers of TURN in the open market.



Here is another chart. This is a chart of TURN's historical stock price discount to NAV. We haven't gotten a lot of credit in our discount in over 4.25 years despite having driven our cash and securities of publicly traded companies per share from $1.92 to $7.42 per share, as of May 10, 2021.

TURN Stock Price Discount to NAV History

As a long-term shareholder, I am pleased our share price up 78.7% since we started, through March 31, 2021, but I won't be satisfied until its materially higher from where it is today. And if you know me, I probably wouldn't be satisfied if the share price equaled $20.00. We will continue to do what we have been doing and drive towards a goal of providing investment excellence for our shareholders.

CONCLUSION

So far, 2021 is off to a great start but it is only a start. We have plenty of year left and much to navigate with regards to the economy: the hopeful end of COVID-19, inflation fears, and enormous fiscal stimulus resulting in continued massive deficits. As I said, we have completely remade our business and created a real business with a real name in our microcap world. When I first joined the Board of Directors in mid-2016, we had just approximately $17 million in cash and securities of public companies net of outstanding debt. As of May 10, 2021, we have approximately $77.0 million on our balance sheet and grew the assets for our SMA client from $25 million to $41.5 million. If our performance in Q1 2021 remains the same as of the end of 2021, we have the potential to receive $2.0 million in carried interest at year end. I remind shareholders that this potential carried interest is not included in our NAV as of March 31, 2021. This represents approximately 77% of our normal operating expenses, not including bonuses. Many of you have asked why we haven't raised more outside capital. To be clear, the economics must make sense for 180 and its shareholders. We are spoiled by having permanent capital at 180. The permanent capital 180 has results in us netting 100% of the profits on that capital, if we properly invest the money. With outside capital, it's different. Imagine having $100 million of outside capital and economics of 1% management fee and 10% carried interest. Let's say we achieved performance of +20%. We would generate $3 millions of fees and while that is not a number to scoff at, it also comes with a tremendous amount of time spent marketing, doing calls with clients, and incurring operational expenses. Additionally, and potentially more importantly, when we manage outside capital, we generally allocate a portion of each investment between 180 and the outside capital accounts based on objective criteria and weightings within each portfolio. Sometimes we are not able to achieve a full position before a stock runs away from a price we are willing to pay. In those situations, we could have had a larger position at 180 and captured more of the profits than we otherwise would have when managing outside capital. Accepting outside capital must make economic sense as it relates to potential upside versus time spent managing that capital and the overall opportunity cost for 180. Right now, we have a wonderful partner with our SMA client, and we are laser focused on creating value for them.

In 2021, we will continue to build our asset base for those that want to invest in our strategy. Much of our investing results are episodic. There may be quarters where we don't participate in the upside or perhaps underperform on the downside. We take significant positions in microcap names and use activism as a mechanism to create value.

Sometimes we get paid quickly (HEAR, PRCP) and other times it takes longer (TST, IOTS), but from start to finish our numbers are what our numbers are and, since we started, that equates to a +382.3% gross total return, including carried interest from our SMA, versus a +80.5% gross total return for the Russell Microcap Index and a +68.2% gross total return for the Russell Microcap Value Index. This quarter we generated a +31.8% return including realized and projected carried interest from the SMA. I love the last chart below. It is the health of our business and the progress we have made. Using per share calculations of the cash, it should also be the floor for our share price, not the ceiling.

It is our belief that our share price will ultimately reflect the direction of this chart, as well as our ability to monetize our private portfolio. We hope that everyone is staying safe and healthy as we navigate to the end of COVID-19, and we look forward to reviewing our subsequent quarters as the year unfolds.

Thank you for your continued support.

Kevin Rendino
Chairman and Chief Executive Officer