Fellow Shareholders,

During my days at Merrill Lynch and BlackRock, the portfolio managers (PMs) would get together once a week and we would talk stocks and equity markets. When it was my turn, I would specifically talk about my portfolio, my over-weights, my under-weights, what I was buying, what I was selling, and my overall views of the market. We all pitched stocks to each other. We had a department of diverse managers ranging from value investors to growth investors, ones with domestic focus versus international focus, and PMs that focused on small caps to large caps. The phrase "iron sharpens iron" is found in Proverbs 27:17: "As iron sharpens iron, one man sharpens another." It would be impossible for one piece of iron to become sharper without the presence of the other. For our equity department, we believed that despite our different methods of managing money, a collaborative discussion amongst us all could improve the effectiveness of everyone.

Several of us were starting to become bullish on oil and oil companies starting in 2003 and 2004. For much of the 1980's to 2003, oil was stuck at an average price of $25 a barrel. Beginning with the invasion of Iraq, a country with a large amount of global oil reserves, the demand for energy began to outstrip supply. Fueled by limited supply growth, we felt growing economies would lead to an increase in demand for energy, and as a result, an increase in global oil prices. My team began the process to overweight energy in our portfolios. Many of us in the room agreed except for one PM, who saw the world completely different and believed not only would oil prices not go up, but that they would go down. I think his bearish stance revolved around the actual trading and price of oil. We were so used to a flat energy price being the norm, that when it moved higher, he thought it was up for no reason. All his funds were underweight energy by a substantial amount.

With each passing meeting and year, energy prices moved higher and oil stocks became significant outperformers. By 2004, the price of oil climbed to $40 a barrel, and by the time Hurricane Katrina impacted refining capacity, the price moved to $66 a barrel. For those that were constructive on energy, their portfolios showed significant outperformance. For the one bearish PM, he refused to change his bearish outlook (despite never having a great thesis in my opinion); and as a result, his performance suffered, resulting in outflows from his funds. As tensions continued to heighten due to the Iraq War and North Korean missile launches, the price of oil continued to move higher. When the dollar weakened, the oil price went up. When growth in Asia accelerated, the price of oil went up. When the loss of production capacity in Venezuela was not offset by an increase in supply from OPEC producers, the price of oil went up. This continued on and on and on. In every meeting, the bearish PM defended his position and discussed how his underweight in energy was causing significant underperformance. With each passing meeting, you could see his stress level increasing, and honestly, it was painful to listen to him. His thesis never centered around the fundamental analysis of supply and demand of the energy complex; it just focused on the price of oil. It was up and he thought it would go back down. At the very least, we had hoped he might have realized somewhere along the way he was wrong and take a more neutral stance. But to each his own and there are always bear cases made to offset bull cases.

But, then it happened. At one meeting in late 2007 or early 2008, he came to the meeting pitching energy as his favorite sector and a certain stock as his favorite idea. Overnight, he went from a significant underweight of energy to a sizable overweight. He laid out the entire bull case for why demand would outstrip supply and the price of crude would stay higher for longer. Oil had broken $100 a barrel and it would stay there forever… until it didn't! The economic catastrophe of 2008 and the destruction of energy demand caused energy prices to collapse from well over $100 a barrel back to the $40s. Energy stocks imploded and the PM's performance continued to deteriorate, except this time the under-performance was because he was overweight energy. The funny part (perhaps funny is the wrong adjective) was he was 100% convinced of his bullish stance, after being 100% convinced of his bearish stance for four years. You have heard of the saying, "Often wrong, never in doubt"? This was the perfect illustration for that saying. For the most part, that was the PM's closing chapter for his career and his funds in our department.

Q3 2021 gave me a gigantic headache. For those that know me, you know I beat myself up pretty well when times are rough; I am my own harshest critic. We are committed to investment excellence for 180 shareholders, and take underperforming quarters very personally. That said, before we talk about how "bad" this quarter was, I do want to keep it in perspective. Our public portfolio gross total return year-to-date through Q3 2021 is +27.0% (+29.3% including potential carried interest from our SMA) and our net asset value per share (NAV) year-to-date through Q3 2021 is up 11.7%. These results are hardly the indications of a major problem! This quarter, however, was the tale of two cities and two different markets. While the S&P 500 advanced +2.4% and was reaching all-time highs in Q3 2021, the Russell Micro Index declined -5.0% and the Russell Microcap Value Index fell -1.9%. 180's public portfolio gross total return (including our potential SMA's carried interest) declined by -8.2% and our NAV declined 2.9%. Compared to the first half of 2021, when our public portfolio gross total return was +35.9% (+40.8% including SMA carried interest), this quarter felt like it went on forever. For the quarter, AFI declined by 47.4%, MVEN declined by 22.7%, PBPB declined by 13.7%, QMCO declined by 21.1%, SCOR declined by 8.1% and SNCR declined by 29.5%. Yes, we did have a good quarter of performance from ALTG, ENZ, LTRX, MRAM, PFSW, and SYNL, but it was not enough to offset the declines of our other holdings. I wish I had a concrete story to tell you as to why many of our stocks were down so much, but I do not, at least not for all of them. We did mention in our last letter how the pandemic was wreaking havoc on the supply chain, and the businesses of some of our holdings (e.g. QMCO and AFI) were materially affected by this issue. That is one reason, but I have no real reasons to offer why MVEN, PBPB, and SNCR were down; certainly not information that would alter our bullish stances on all three.

One of my favorite quotes comes from Charles Sindoll is "Life is 10% of what happens to you and 90% how you react to it." You see, I learned a long time ago that you can complicate bad performance by making a series of bad decisions at exactly the wrong time. How can you possibly be so bearish on energy for so long and then turn bullish near the absolute peak? I read a Forbes article by John Jennings recently about how to avoid becoming panicked at the wrong time. I remember this quote from the article that provides some important perspective on such situations: "I go through life in a constant state of anxiety about how many likes my Instagram posts get, but when my grandfather was my age, he was in Europe getting shot at by Nazis."

Simply put, you need to put the stress of investing in its proper perspective. I read another great article in the middle of the pandemic last year titled, "Stress is bad for investing. So What Do You Do When There's No End in Sight?" by Christopher Schelling and published by Institutional Investor. The article can be found at: https://www.institutionalinvestor.com/article/b1mjs9g9947v19/Stress-Is-Bad-for-Investing-So-What-Do-You-Do-When-There-s-No-End-in-Sight. Here are some paragraphs from the article:

> *"Psychological research has pointed to a few potential causes. Some research has shown that heightened stress levels cause our attention to narrow. Humans already have a tendency to focus on often irrelevant, but readily accessible, characteristics when making decisions. Factors like the familiarity bias and recency effect lead institutional investors to overweight equities of local businesses or retail investors to buy stocks recently in the headlines — habits that result in lower returns.*
>
> *When all the headlines are bad, and we feel overwhelmed, we adopt a simpler mode of information processing, relying even more heavily on such superficial information for making decisions. Panic selling at the bottom just because everything is in the red may ease our acute stress, but it's unlikely to be a great investment decision.*
>
> *Other research has shown that the more stress people feel, the more inclined they are to see patterns that don't exist. Researchers at the University of Texas formed two groups of undergrads — one group was given a task that was simple, and the other an impossible and frustrating task. When presented with the real experiment, which was intended to measure their ability to recognize patterns, the stressed-out students reported seeing more images that didn't exist in digital pictures and consistently selected certain stocks based on what was actually random, uncorrelated data.*
>
> *Time and again, the group that felt more stress claimed to see images where there were none and found stock patterns that didn't truly exist. It's not terribly difficult to see how this could impede real-world investment decisions."*

This quarter was stressful. When you come in every day, wait for the opening of the market, and by 9:30am and one second, every one of your stocks is down, it's frustrating, especially when you can't isolate any meaningful reasons. It's very hard to remain committed to holdings when they are significantly underperforming the market. Fear of missing out (FOMO) on what is working is a real emotion when you see others enjoying great performance while you are struggling. Why should I own this underperforming company if that other company is outperforming? I am missing out on the party.

We have a rigorous process at 180. When we own a company, it is because we have uncovered a catalyst that we believe the rest of the market may not be focused on. Hopefully over time, that catalyst will come to fruition and propel the company's share price higher. As long as the original reason for owning a company continues to exist, we will remain committed to that name. When the story changes for the worse, we acknowledge our mistake, and we move on from the investment. At the very worst time, and due to significant duress and stress, that PM I discussed earlier decided his original thesis about energy stocks was wrong and he flip-flopped at the peak. He compounded his first mistake by making a fateful decision to do the opposite; it was the wrong decision at the wrong time. For us, challenging quarters are going to happen, but reacting to that quarter by selling out of positions for no other reasons other than they "underperformed" would simply exacerbate the problem and cause us to perpetually underperform. We believe the upside for SNCR remains 100%. We believe the upside for QMCO remains 100%. We believe the upside for PBPB remains 100%. The stories haven't changed and the investment thesis for all of them are intact. If they weren't, like SONM, we would be more than willing to sell, acknowledge our mistake, and move on to the next idea.

When I was a younger PM, I did some dumb things that I regretted later. I am incredibly competitive, and losing is an intolerable feeling for me. When something went wrong with one of my holdings or my portfolio as a whole, I would smash my computer board with my hand or break my HP calculator. One time I was so upset with myself, I slammed my office door so hard that it broke the hinge and exited on the other side of the hinge, outside in. Real mature, huh? Being emotional about investing accomplished nothing. Absolutely nothing. It is wasted energy. Doing real research, being analytical in your approach, asking inquisitive questions, ensuring your thesis for ownership remains intact, and having intellectual curiosity are actual alpha-generating activities that will hopefully lead your portfolio to outperformance. We ask ourselves everyday why we own what we own. Asking that question and then having a process where there is an actual answer to the question is a much more impactful exercise than breaking a keyboard. So, while the quarter was a struggle, we made agnostic, unemotional, and analytical decisions to not only retain our positions in the names that hurt us in the quarter, but to increase our weightings in some of the names. A few paragraphs down, we will provide details about each holding so you can see our view. Hopefully, going back to Charles Sindoll's quote, we had a productive 90% reaction to the 10% of what happened this quarter. Further, we believe our investors will benefit from our investment approach in the coming quarters.

As we mentioned last quarter, 180 was pursuing SPAC sponsorship opportunities with who we believe are value added partners or management teams and have demonstrated a core competency in sourcing merger candidates. The first of these efforts is Parabellum Acquisition Corp. (PRBM). We are thrilled the company had a successful IPO this past quarter, raising $143.75 million. 180 was the lead investor in the sponsor and Daniel Wolfe serves on PRBM's Board of Directors for 180. We are excited to be working on this effort with the founders of PRBM, Narbeh Derhacobian and Ron Shelton, the former CEO and CFO of Adesto Technologies Corp. With the IPO behind us, PRBM is now on the hunt for target companies. 180's holdings of PRBM are currently owned through the sponsor, Parabellum Acquisition Holdings, LLC. The fair value of our holdings of PRBM as of the end of Q3 2021 was $6.3 million on a cost basis of $2.7 million. In addition to PRBM, we continue to work with another partner in connection with exploring a SPAC sponsor group investment opportunity, although we cannot assure you when or if such investment will ultimately be consummated. We look forward to being able to discuss these continuing efforts in more detail in the future.

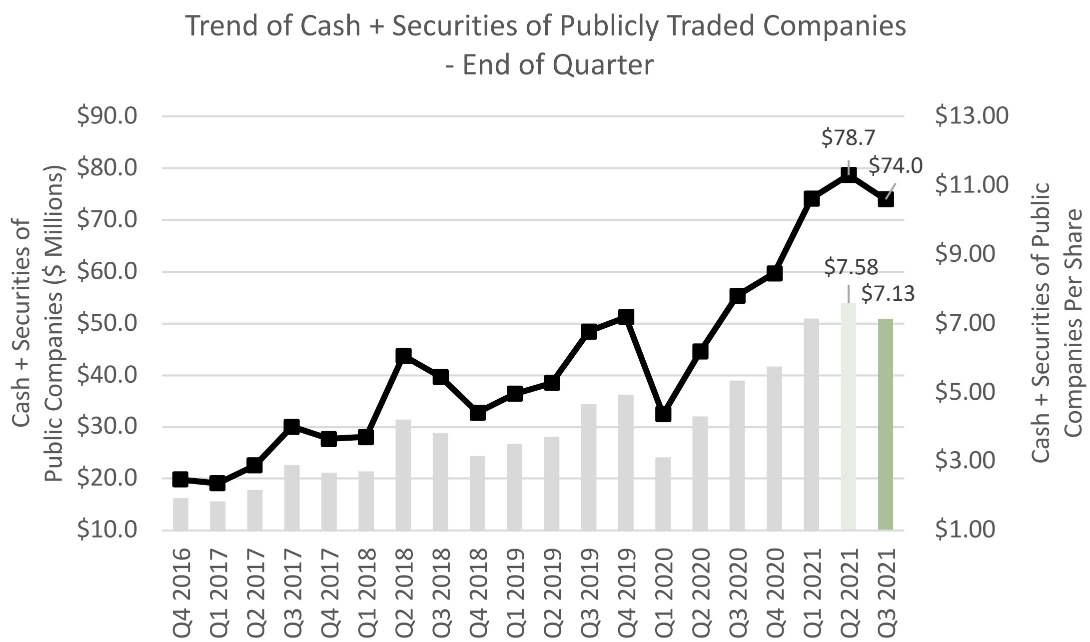
For those who loved the show like I did, I feel that the Seinfeld episode, “The Opposite,” summarizes this quarter. Instead of our public holdings outperforming our private holdings as has usually been the case, the reverse occurred. Our private portfolio increased by $2.9 million for the prior quarter, led by D-Wave Systems, Inc. and Nanosys, Inc. While we had a small monetization this quarter from one of our private portfolio holdings (Black Silicon Holdings, Inc. for approximately $1 million), our hope and expectation is we are getting closer to larger ones. I know many of you consistently ask us when we can expect them. It pains me not to be able to share more information on certain of our private holdings, but, simply put, we aren’t always at liberty to freely talk about what we own and what we know. That doesn’t mean activities are not happening; it just means we can’t talk about those activities until the company’s themselves have made such information public. All we can say is the SPAC market raised $83 billion in 2020 and has raised over $125 billion so far in 2021. Many of those SPACs are still seeking homes for their capital, and therefore, we believe our private companies have a better chance of going public today then at any time in the last few years.

NET ASSET VALUE PER SHARE

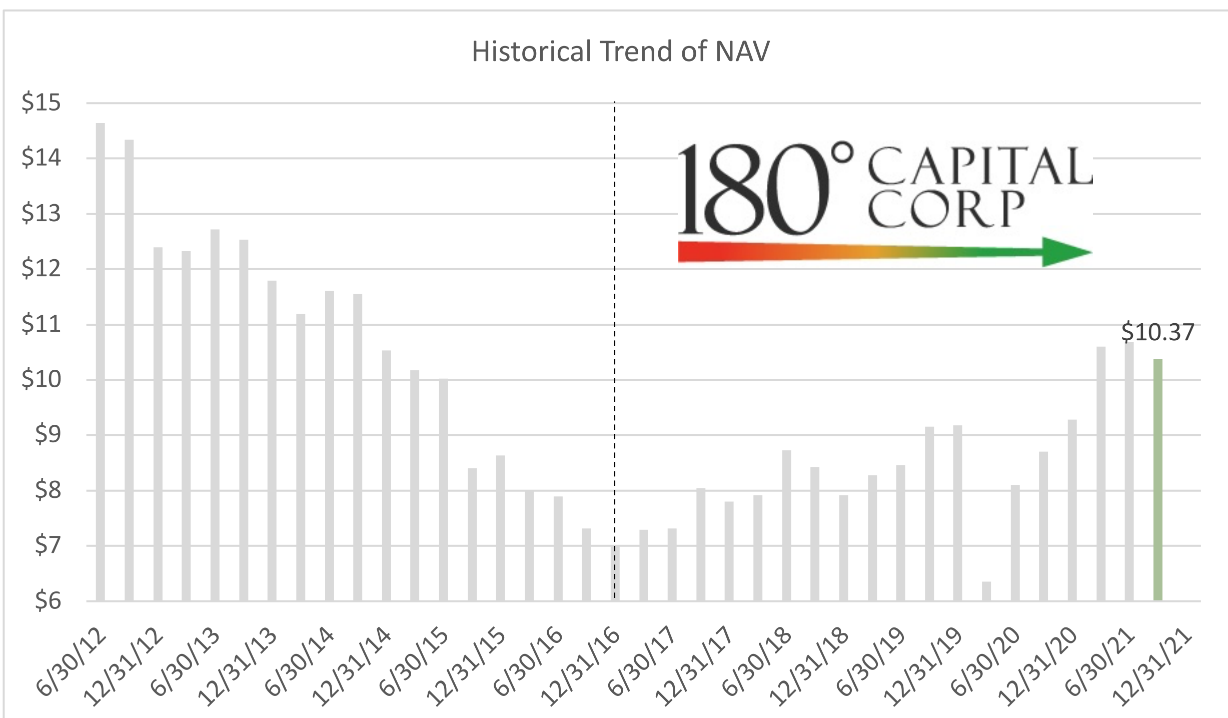
Our net asset value per share (“NAV”) decreased this quarter from $10.68 to $10.37, a decline of 2.9%. Our Fund has three principal components to the variance in our NAV: our public portfolio, our private portfolio, and our expenses. For the quarter, our public portfolio companies caused our NAV to decline by $0.50, while our private portfolio companies increased our NAV by $0.28. Operating expenses, ongoing expenses and an accrual for a potential year-end bonus pool decreased NAV by $0.09.

	Quarter	YTD	1 Year	3 Year	Inception to Date
	Q3 2021	Q4 2020-Q3 2021	Q3 2020-Q3 2021	Q3 2018-Q3 2021	Q4 2016-Q3 2021
Change in NAV	(2.9%)	11.7%	19.2%	23.0%	47.7%
Russell Microcap Index	(5.0%)	22.6%	61.0%	41.2%	78.6%
Russell Microcap Value Index	(1.9%)	32.3%	76.8%	39.5%	70.4%
Russell 2000	(4.4%)	12.4%	47.6%	35.0%	72.5%

As bad as a quarter as this has felt to us, I would offer the following chart to provide some perspective on our performance over a longer period of time. Despite a slight dip this quarter, we have grown our cash and liquid securities to a level greater than our share price, illustrating just how cheap we believe our stock is.



And relative to our NAV, as you can see from the following before and after the beginning of 180, we have made considerable strides in growing our book value.



Note: Historical NAV shown on a 1-for-3 reverse split adjusted basis. NAV at 9/30/21 does not include potential carried interest from pension account.

Public Portfolio

In the chart below, you see our quarter to date, one-year, three-year, and inception to date performance numbers. For Q3 2021, we showed a gross total return for our public portfolio of --6.6% (-8.2 % including carried interest), versus a gross total return for the Russell Microcap Index of -5.0% and a gross total return for the Russell Microcap Value Index of -1.9%. Year to date, our +27% return (+29.3 % including carried interest) compares favorably to the +22.6% gross total return for the Russell Microcap and lags the gross total return of the Russell Microcap Value Index (+32.3%). Our three-year and inception to date numbers, as seen in the chart below, trounce the indices.[1]

	Quarter	YTD	1 Year	3 Year	Inception to Date
	Q3 2021	Q4 2020-Q3 2021	Q3 2020-Q3 2021	Q3 2018-Q3 2021	Q4 2016-Q3 2021
TURN Public Portfolio Gross Total Return (Excluding SMA Carried Interest)	(6.6%)	27.0%	33.7%	113.9%	346.5%
TURN Public Portfolio Gross Total Return (Including SMA Carried Interest)	(8.2%)	29.3%	41.7%	126.6%	373.0%
Russell Microcap Index	(5.0%)	22.6%	61.0%	41.2%	78.6%
Russell Microcap Value Index	(1.9%)	32.3%	76.8%	39.5%	70.4%
Russell 2000	(4.4%)	12.4%	47.6%	35.0%	72.5%

Let's dig into the significant sources of the changes in value in our public portfolio in Q3 2021.

Sources of material decreases in value:

- Synchronoss Technologies Inc. (NADSAQ:SNCR) - Despite reporting results that were generally above analyst projections with a reiteration of guidance, the stock declined 33.1% this quarter. As you may recall, we helped lead an equity raise at $2.60 that allowed the company pay off very expensive and restrictive preferred stock on its balance sheet. Sometimes stocks are down just because they are down, not because of any fundamental reason. Because we spent the entire quarter looking for a reason, we manufactured the following: After the company's Q2 2021 results were announced, AT&T announced it will be using Google for its front-end messaging app rather than SNCR. This announcement

[1] Past performance shown in the tables above and throughout this letter is not an indication or guarantee of future performance. Amounts gross unrealized and realized total returns compounded on a quarterly basis. 180 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 a material portion of its investment portfolio in legacy privately held investments. Please see 180's filings with the SEC, including its 2020 Annual Report filed on Form N-CSR for information on its expenses and expense ratios.

was not unexpected, but since SNCR has been silent with updates to its cloud and messaging business, investors became skittish. Oh, and some sell-side research firm downgraded the stock when it was trading at $2.72 (I believe they initiated with a buy when the stock was close to $8.00… thanks for the help!). The story hasn't changed. The recent financing gave the company flexibility to invest in its business. We never thought that AT&T would yield a partnership and we are hopeful the company will announce a messaging partnership with another large telecom company. Over the long term, we hope the company will sell its messaging business so that one day, SNCR will be a pure play cloud storage company and be afforded a much higher multiple on what we expect to be a business with better margins and a higher proportion of recurring revenue. We bought 563,015 shares at an average price per share of $2.33 this quarter. SNCR decreased our NAV by $3.8 million, or $0.36 per share.

- TheMaven, Inc. (OTC:MVEN) - In August 2021, MVEN regained compliance with SEC reporting requirements by filing its financial statements through Q2 2021. The stock has been under pressure since late August when news of Jim Cramer's departure began circulating. This departure was later confirmed as fact. A few things to note. First, the company's income statement is probably enhanced in the short term by Cramer's departure as MVEN will not have to pay his high compensation effective immediately and we believe any material subscriber losses will take time to occur, if such losses occur at all. Second, we believe that subscriber losses since Cramer's departure have been minimal. Third, we always wanted the company to diversify away from Cramer, particularly, given his age. You simply never want to be beholden to one person, no matter how talented they are. Fourth, boards hire management teams to run a business, and when circumstances change, we expect the company to act and adapt. I am fairly certain Ross Levinsohn isn't sitting on his hands and is working on solutions to bring talented financial expects into TheStreet.com. Cramer isn't the only person in the world who can talk stocks. Fifth, we believe MVEN has the potential to be an approximately $200-220 million in revenue company in 2022. Jim Cramer's business generated approximately $20 million in revenue for the company. That business is not nearly as important as it was when TheStreet.com was a public company generating $53 million in revenue. Sixth, if Cramer didn't want to be at TheStreet, then he should leave. I learned this lesson a long time ago. Despite what some may think about themselves, everyone is replaceable, and the business will evolve with different people. The volume weighted average price per share to reach 1% of outstanding tradable stock (VWAP) declined from $0.7357 to $0.5550 during the quarter. MVEN decreased our NAV by $2.8 million, or $0.27 per share

- Quantum Corporation (NASDAQ:QMCO) – QMCO reported results for Q2 2021 that continued to reflect supply chain issues with tape drives. Guidance for Q3 2021 was also below expectations. Management did indicate during the call that they expect the supply chain issues for tape drives to abate coming out of Q3 2021 and be back to normal levels by the end of 2021. For the particular part they need, there is literally one supplier in the world (QMCO used to be a supplier, but a prior management team sold the business). The part is manufactured in an Asian country which is lagging in vaccinations for COVID-19, and its government continues to enforce stay at home orders. As a result, the stock declined 24.8% in the quarter. We try to be very objective about what we own. Sometimes management teams make major mistakes in running their businesses and other times, events happen that are not within 100% of their control. In our view, this event is the latter. While we aren't in the habit of making excuses for poor results, in this case, we can't be overly critical. It's not the company's fault there is only one supplier (especially since another management team at QMCO sold the business) and it certainly isn't their fault that there is a pandemic. Do I understand why the stock is down? Yes. Do I think management became stupid overnight? No, I don't. The turnaround will continue, and the share price will resume its growth trajectory as soon as the tape drive supply chain issue subsides. This past quarter, we purchased 353,968 shares at an average price of $5.47. QMCO decreased our NAV by $2.2 million or $0.21 per share.

- Potbelly Corporation (NASDAQ: PBPB) – PBPB raised capital in Q1 2021 to improve its balance sheet and aid in the restructuring of its debt. The company reported solid results for Q1 2021 and said that starting in April 2021, average weekly same-store sales exceeded 2019 levels. Q2 2021 earnings showed continued improvement in their business and the company accelerated its expectation of generating positive cash flow to Q3 2021 with enterprise-level profitability in the second half of 2021. Despite that, the stock was down 14.2% in the quarter. Perhaps it was because of the Delta variant causing a surge in COVID-19 cases. With vaccines widely available, we do not believe that we will revert to the early days of the pandemic when nobody left their homes. We also don't believe PBPB's business suffered an unexpected setback during the quarter, but won't know until they report Q3 earnings. Clearly the market became worried, but we are not. We believe this business under the leadership of Robert Wright and Steve Cirulis will show meaningful improvement over the ensuing years and deliver double digit EBITDA margins. We purchased 32,515 shares of PBPB during the quarter at an average price per share of $6.31. PBPB decreased our NAV by $1.4 million, or $0.13 per share.

- Armstrong Flooring, Inc. (NYSE:AFI) – As we suspected would be the case, AFI reported weak results for Q2 2021 that were impacted by both inflation and supply chain issues for raw materials. This led to under-utilization at its fabrication facilities and the inability of the company to meet demand for its products during the quarter. While backlog was communicated as robust, the company did not provide any underlying details for the backlog, making it hard to model the business going forward. Unlike SNCR and PBPB, AFI deserved to be down, and the stock sold off 49.4% in the quarter. If you recall, because we were worried about the short term, last quarter we cut our position in half selling 502,523 shares at an average price of $5.46. As one smart investor told me, "The company seems to be good at selling assets, but has yet to prove to anyone that they know how to run a business." We agree. While we still believe in the potential for this business, management simply must become more realistic about the inflationary pressures and its cost structure. The company has a completely dormant investor relations program, and the company spends what seems like half the year in its "quiet period." 180 delivered a letter to AFI's Board of Directors in October 2021 requesting greater transparency and a review of the business. If the company can't show improving margins and a growth trajectory, they should probably pursue strategic alternatives. We understand the supply chain issues plaguing the company. But if this company can't report after tax profits after generating $170 million in quarterly sales and nearly $700 million in annual sales, then we believe it shouldn't be a public company and AFI's Board of Directors should put the business in the hands of bigger players with greater financial resources. We purchased 55,730 shares of AFI during the quarter at an average price per share of $3.82. AFI decreased our NAV by $1.6 million or $0.15 per share.

- Sonim Technologies, Inc. (NASDAQ:SONM) As much as we got this one wrong, the position was contained at a $1.3 million loss, or a loss on our investment of 28.7%. We closed out our position this quarter.

Sources of material increases in value:

- Parabellum Acquisition Holdings, LLC (NYSE:PRBM) – As mentioned previously in this letter, PRBM is a SPAC we anchored that is run by the former management team at Adesto. The company completed a public offering on September 28, 2021. Through our investment in the PRBM's sponsor and as of September 30, 2021, we owned 729,195 shares of class A common stock and 2,556,696 warrants for the purchase of Class B Common Stock at $11.50. PRBM has 18 months to complete an acquisition. We are members of the Board of Directors and are actively engaged in the search process for a merger candidate. PRBM increased our NAV by $3.6 million or $0.35 per share.

- PFSweb, Inc. (NASDAQ:PFSW). As we discussed in our last shareholder letter, PFSW was a major positive contributor this quarter. PFSW's stock price increased from $7.38 to $12.90 during the quarter following the sale of its LiveArea subsidiary for $250 million in July 2021. The company is now focused on selling the remaining PFS Ops business. We sold 368,312 shares at an average price of $12.02 per share. PFSW increased our NAV by $2.6 million, or $0.25 per share.

Private Portfolio

For the quarter, our private portfolio, led by D-Wave Systems, Inc. and Nanosys, Inc., increased in value by $2.9 million, or $0.28 per share. The largest decreases in value occurred in HALE.life Corporation and Seaport Diagnostics, Inc., both due to financing risk. The sale of the asset held by Black Silicon Holdings, Inc., yielded a distribution to 180 of approximately $1.1 million that was received in Q3 2021. 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 we have not been active in attempting to monetize the portfolio. We are always attempting to monetize the portfolio. That said, given our success in remaking our balance sheet over the last four years, we do not have to sell anything. And we won't unless the price makes sense. In 2016, at the start of TURN, we had 32 private holdings. Today, we have 16 but only 7 that matter. Those 7 private holdings comprise 91% of all the private assets. My hope is the SPAC market has made the opportunities for further monetizations more likely than at any time since I have been CEO of 180.

EXPENSES

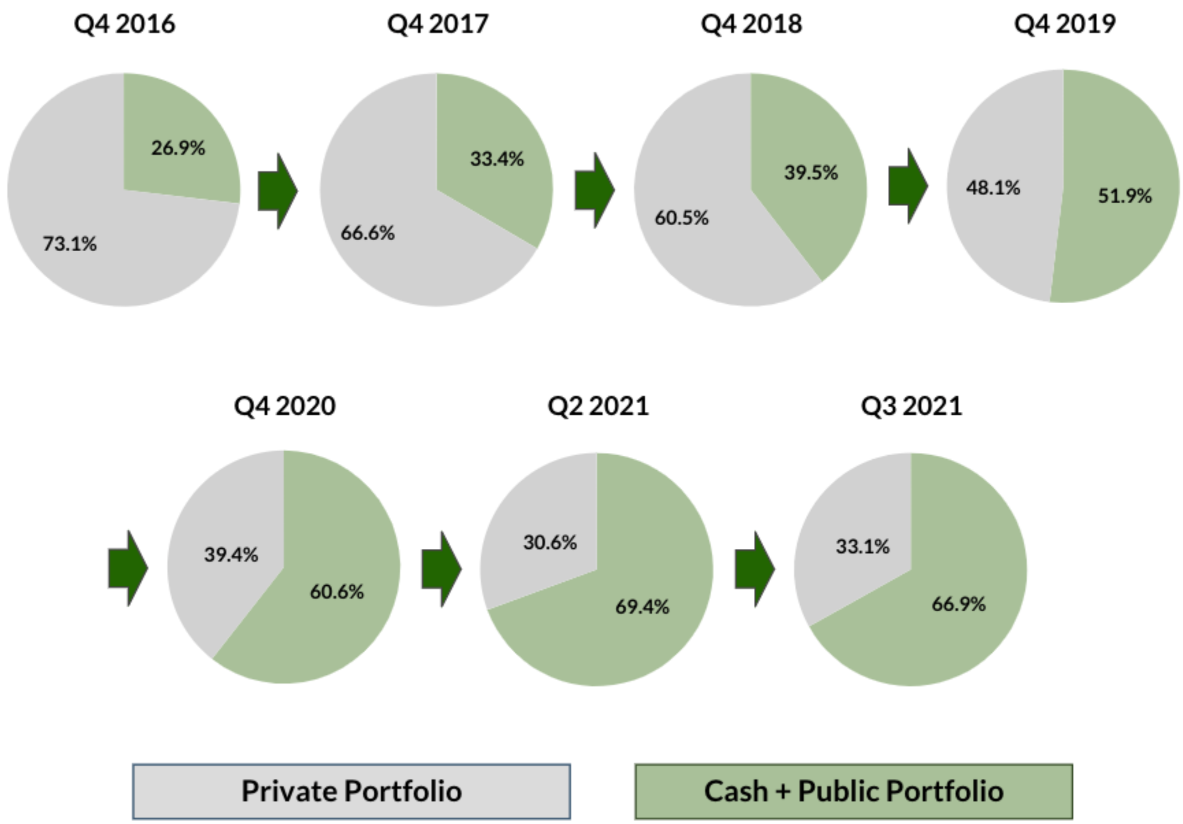
As we have noted in previous letters, we have dramatically reduced our cost structure under our new strategy. In 2016, before our Fund's change in investment focus and management team, our operating expenses, excluding stock-based compensation and interest on outstanding debt, averaged approximately $1.3 million per quarter. For Q3 2021, our operating expenses equaled approximately $800,000. Given our persistent and outsized performance for the full year 2021, the Compensation Committee approved an additional accrual of approximately $223,520 for an expected bonus pool at year end 2021. It should be noted the pool amount will fluctuate based on our total performance for the balance of 2021. We will maintain a lean cost structure (outside of fixed expenses for being a public company) focusing our expenses on activities solely designed to enhance our investment performance or to increase our revenues from managing outside capital.

TURN/NAV: SUM OF THE PARTS

As of the end of Q3 2021, TURN traded at 70% of NAV. Our securities of publicly traded companies, cash, and other assets net of liabilities and including the pro rata portion of potential carried interest from our SMA were $6.96 per share. Our stock price was $7.25. If we received 100% credit for the value of these assets net of liabilities, the market is ascribing a value of approximately $0.29 per share or $3.0 million, to our private portfolio. Given our private assets are valued at approximately $36.6 million, the market is discounting the value of our private portfolio assets by approximately 92% as of the end of Q3 2021. Given where we are as of November 9, 2021, our share price now trades below our cash and liquid securities.

As we grow our cash and securities of publicly traded companies, the discount our stock trades to NAV should narrow. As I have mentioned in previous letters, the value of AgBiome alone is fair valued at a far 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 retain ownership in a spinout company that will seek to monetize additional assets of the company, 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.

At the end of the day, the private portfolio is becoming less and less important to our success. From the chart below, look at how dramatically different our balance sheet looks today versus almost five years ago. It is my humble opinion, given our performance in the public markets combined with a stock price that "only" trades at the value of our cash and liquid securities, TURN's stock is grossly mispriced. And as you have seen almost every quarter, if the valuation gap doesn't close, our management team will continue to be buyers in the open market. Management purchased 52,585 shares during the quarter. I will remind you that these purchases for over $350,000 were made using after-tax money from our management team.



CONCLUSION

I know it's been frustrating in the last quarter to watch our stock languish. Just like it's been frustrating for me to watch some of our holdings this past quarter. At the end of our last letter, we talked about how the start of the third quarter was extremely choppy amidst the Delta variant spreading across the country. We also spoke of supply chain issues in semiconductor chips, lumber, etc…, which we knew were negatively affecting many of our holdings. Unfortunately for 180 and for microcap stocks in general, our fears became reality, and we had a sloppy quarter. That said, Q3 is over, Q4 has started. As of the writing of this letter, we are having the opposite start to the quarter as last quarter. Many of our names have risen off their low Q3 levels and our book value has grown as a result. I am looking forward to hearing about the progress our companies are making when they report Q3. Unlike last quarter, I am not dreading the reports, but rather, I am looking forward to them, as we believe our companies are performing better than the market thinks they are, just like 180.

We have completely remade our business and created a real business with a real name in the 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 the end of the Q3 2021 we have approximately $74 million on our balance sheet and grew the assets for our SMA client from $25 million to $37 million. Did we have a lackluster quarter? Yes. Were the results bad enough to justify a stock price that trades at our cash and liquid securities and prices our private portfolio at zero? In my opinion, absolutely not. You have seen our commitment to TURN's stock with the myriad of insider purchases. I myself have bought over 400,000 shares of TURN stock in the open market with after-tax dollars. These insider purchases will continue for as long as we believe the share price doesn't equate to the true worth of our business.

Stymie, from the Little Rascals said, "I don't know where we're going but we're on our way." 180 is on its way and, unlike Stymie I believe I know exactly where we are headed. The first four years generated a 100% return on our stock, and we are attempting to drive towards a $20 stock price four years from now. The market for microcaps is ripe with inefficiencies and asymmetric risk/reward characteristics. If you get your stock picking right, you can achieve outsized returns. Based on our research, we believe some of the individual companies we own have upside of 100% over a three-year cycle. If you think someone is going to scare us out of owning SNCR because it trades down to $2.33 for no reason, then you are unfamiliar with our investment process and discipline. I started this letter by telling you a story about a former PM who boxed himself into a bearish oil strategy because instead of being objective, I felt like he was being a "right fighter." I thought about his decision tree during this past quarter as many of our holdings went through a rough patch at the same time. If we felt, given the declines of certain stocks, that the longer-term opportunity for value creation no longer existed, we would have no problem selling out of positions. Selling because something isn't working for three months, especially when the story is intact, is the equivalent of being bearish on oil for four years and then reversing yourself at the peak. I have seen a lot of smart people make terrible investment reasons out of sheer desperation, stress, and panic. We are here for the long haul, we are going to make rational objective decisions, we are going to use our activist approach when the situation calls for it, and we expect to have more quarters talking about good performance rather than explaining bad ones.

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

Forward-Looking Statements

This shareholder letter may contain statements of a forward-looking nature relating to future events. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect the Company's current beliefs, and a number of important factors could cause actual results to differ materially from those expressed in this press release. Please see the Company's securities filings filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties. The reference and link to the website www.institutionalinvestor.com has been provided as a convenience, and the information contained on such website is not incorporated by reference into this press release. 180 is not responsible for the contents of third-party websites.