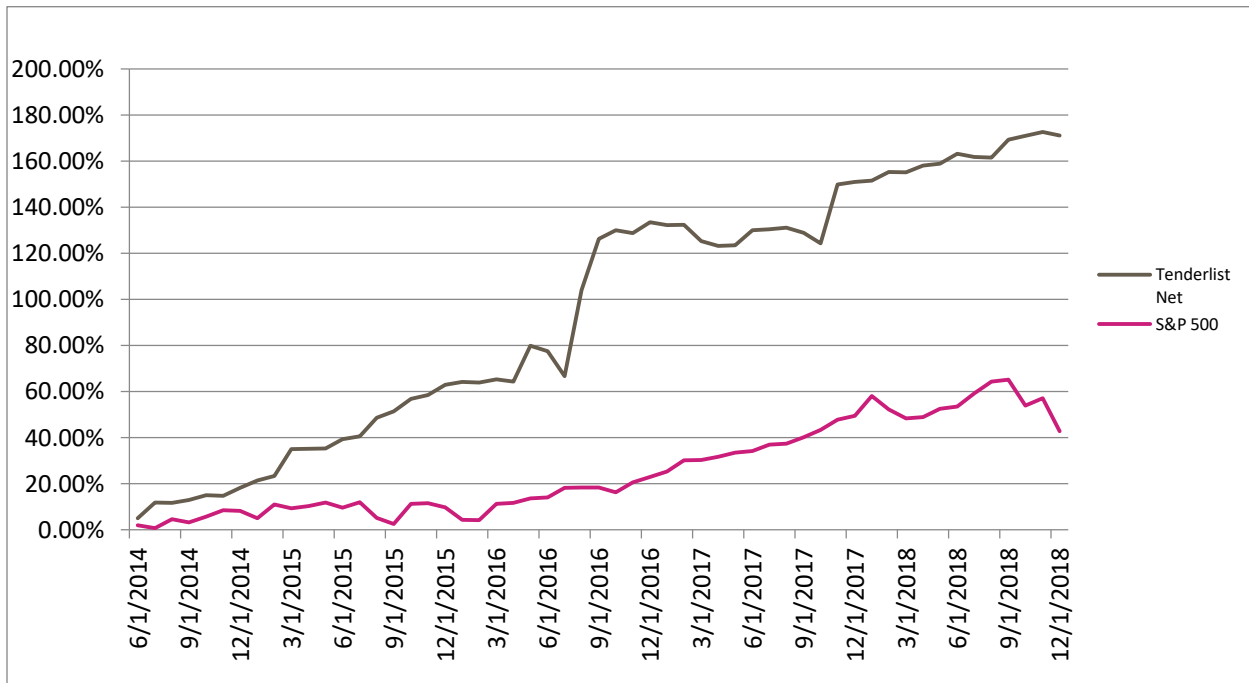


Tenderlist Update (January 2019)

Tenderlist declined 0.5% in the final month of the year against a 9.0% loss for the S&P 500. For 2018, Tenderlist earned 7.9%* versus a 4.4% loss for the S&P 500.



December Commentary

The RAMP tender offer, which we had traded once for a gain, priced at the bottom of the range and thus produced a ~ \$100 per account loss per account late in the month. This was an unusual outcome given the size of the RAMP tender offer and where the stock traded while the tender was open. But an outcome like this happens in these types of deals once every couple of years or so, inexplicably. Over time, these types of tender offers with price ranges have on average settled at about 102% of the midpoint. We trade them accordingly, knowing that once in a while one won't work out as well. The CZZ tender produced a modest gain and settled early in 2019.

We're in a nice bank odd-lot which should settle late in the month. Enzon, a name we've periodically held during the last couple of years to our benefit, received a milestone event in late December and traded up from 21 cents to 25 cents. The base case is 30 cents with some chance of a 50 cent outcome. We're also in two low-risk, micro cap merger arbs which should wrap up imminently and within a month, respectively.

2018 in Review

2018 was our leanest year yet, with the average account posting a 7.5% gain for 2018. We were constrained by the volume of opportunity in the tender offer arena. That said, we earned positive

returns in the 4th quarter while the S&P 500 lost 13.5%. We spend much of the time in cash, and thus Tenderlist has a tendency to avoid major market losses and capital drawdowns. Tenderlist is lumpy: we have earned 70% of our returns in a mere 9 unique months. In 2018, our worst month was down 0.5% and our best month was up 3.0%. It was a year of middling opportunity, and no huge winners.

	Tenderlist Historical Returns*				
	2018	2017	2016	2015	5/31-12/31/14
\$5k Account	6.7%	9.7%	42.5%	38.1%	18.7%
\$10k Account	7.8%	8.2%	34.1%	24.2%	N/A
S&P 500	-4.4%	21.8%	12.0%	1.4%	8.3%

I'll note that in 2018, smaller accounts posted lower returns than larger ones due to the fact that the fixed fee has a higher effect on smaller accounts.

I continue to have a substantial investment personally in Tenderlist, including my wife and my IRAs, 3 entity accounts, a portion of my kids college savings, including duplicate accounts at other brokerages such as Vanguard and Schwab. I love Tenderlist-primarily for the strong returns we've generated, but also for the fact that the returns have been uncorrelated with those of the market.

TenderList is an investment strategy focused on corporate tender offers and special situations. The strategy is non-scalable and is ideal for accounts of \$5,000-\$15,000.

About us

Harper Asset Management, LLC, is a boutique investment management shop. We specialize in managing separate accounts for private clients.

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*Average return across all TL accounts, net of fees. Past performance is no guarantee of future results. Such transactions are irregular by nature and results in any one period will vary significantly. Individual results vary. Cumulative returns are calculated from the monthly time-weighted return of the sum of all Tenderlist accounts open during the entire month. Due to the non-scalable nature of Tenderlist, returns will diminish as account size increases.