

**Ferndale Capital Management, LLC**  
**750 Lexington Avenue**  
**New York, New York 10022**

**7114 East Stetson Dr, Suite 400**  
**Scottsdale, Arizona 85251**

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Ferndale Capital Management, LLC (“Ferndale”), operating as Ferndale Group of Companies, issues its current financial profile. This is unaudited financial information prepared for tax purposes with PricewaterhouseCoopers.

<i>\$\$ actual</i>	Full year 12/31/2017	Full year 12/31/2018	Actual Trailing 12 2/28/2019	Estimate Full year 12/31/2019
Total Assets	\$2,849,702	\$4,194,046	\$4,708,813	\$4,850,077
Portfolio Income (a)	16,327 (b)	200,298	220,243	325,000
Short Term Net	(3,890)	121,851	125,000	60,000 (c)
Long Term Net	33,159	38,553	30,000	20,000
<b>Total Gross Income *</b>	<b>\$45,596</b>	<b>\$360,702</b>	<b>\$375,243</b>	<b>\$405,000</b>
<i>Gross Portfolio Yield</i>	<i>1.6%</i>	<i>8.6%</i>	<i>8.0%</i>	<i>8.4%</i>

*\*This information is based on marketable securities only and does not include Backyard Feeds.*  
 (a) Ferndale pays interest expense which needs to be considered in net income; income is scheduled not guaranteed  
 (b) This income is based on assets ramping up to higher yielding equities in late 4Q 2017, thus does not represent a full pro forma. If one were to normalize for today's portfolio yield on those assets, the portfolio income would be \$182,380.  
 (c) A conservative forecast becomes less reliant on selling at gains and an increasing reliance on scheduled portfolio income.

The table shows the ramp up in current assets from year end 2017 to the current period 2/28/2019, and then the 2019 year-end estimate. The year-end estimate could be materially greater should Ferndale decide to monetize certain unrealized gains, primarily in Specialty Real Estate and to a lesser extent Tobacco, where percentage of overall assets is less relatively less.

Since the market reached a temporary peak in early March, Ferndale divested out of the low yielding, faster growth securities it bought at the beginning of 2019 on pullback, and reinvested proceeds back into IRM and CTL. Ferndale did re-purchase a position in UNH following its two day pull back in early March. If the Dow were to dip below 25,000 we would consider repurchasing the low yield basket.

*The total gross income is shown before any Interest expense. Ferndale borrows funds and should financing not be made available in the future, the company's balance sheet would reduce in size and adjustments would have to be made that could impair value. Furthermore, although portfolio income is scheduled it is not guaranteed; the overall value of Ferndale would be negatively impacted should investee companies adversely alter payout ratios.*

## **About Us**

Ferndale was established in 2012 to provide U.S. Baby Boomers with liquidity and income for the next stage of life entering retirement. We seek small business owners in need of liquidity strategies to maximize business value on exit and seek monthly income going forward with a focus on capital preservation and risk aversion through active management of public securities. Ferndale has offices in New York, NY and Scottsdale, AZ.