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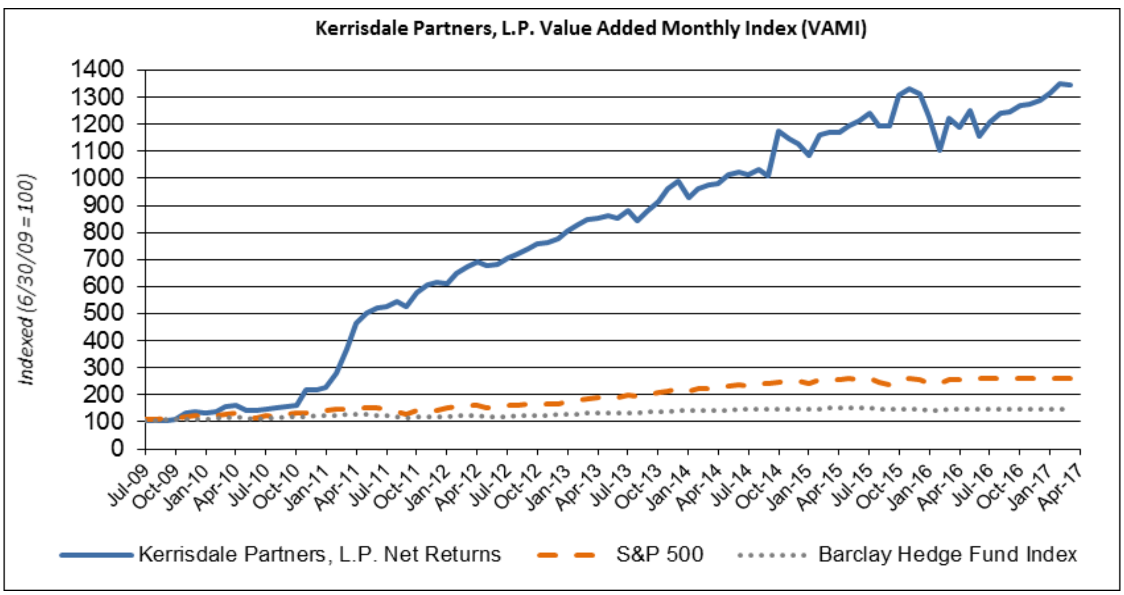
Report for Quarter Ended March 31, 2017

Dear Partners,

This is the quarterly letter for Kerrisdale Partners for the quarter ended March 31, 2017.

	Kerrisdale Partners, L.P.[1]	S&P 500	Barclay Hedge Fund Index[2]
Q1 2017	**4.3%**	**6.1%**	**3.0%**
2017 YTD	4.3%	6.3%	3.0%
2016	-1.9%	12.0%	6.1%
2015	16.4%	1.4%	0.3%
2014	14.0%	13.6%	2.9%
2013	27.2%	32.4%	11.1%
2012	26.4%	16.0%	8.3%
2011	201.2%	2.1%	-5.5%
2010	62.5%	15.1%	10.9%
2009[3]	36.6%	22.6%	11.5%
Since Inception	1,357.3%	202.5%	58.5%

(1) The returns are unaudited and show returns including reinvestment of all dividends, interest, capital gains and other earnings net of expenses, a 2% management fee and 20% performance fee. Please review legal disclaimer at end of letter for additional disclosures.
(2) Barclay Hedge Fund Index data as of May 15, 2017.
(3) 2009 performance only includes 7/1/09 to 12/31/09, due to fund launch date of July 1, 2009.

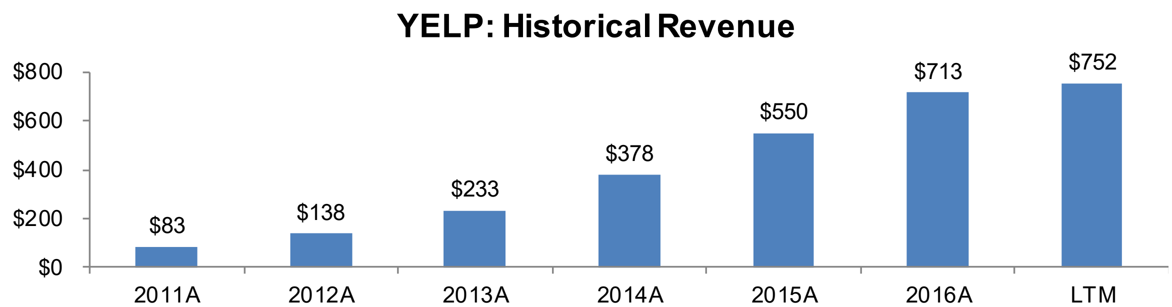


Kerrisdale Partners, L.P. was up 4.3% for the quarter ended March 31, 2017 net of fees, comprised of monthly returns of 2.3%, 2.3% and -0.4% for January, February, and March, respectively. In comparison, the S&P 500 was up 6.1% for the quarter, comprised of monthly returns of 1.9%, 4.0% and 0.1%. The Barclay Hedge Fund Index was up 3.0% for the quarter, comprised of monthly returns of 1.3%, 1.1% and 0.5%.

Since inception, Kerrisdale Partners, L.P. is up 1,357.3%, net of fees and expenses. In comparison, the S&P 500 is up 202.5% and the Barclay Hedge Fund Index is up 58.5% during that time.

Yelp

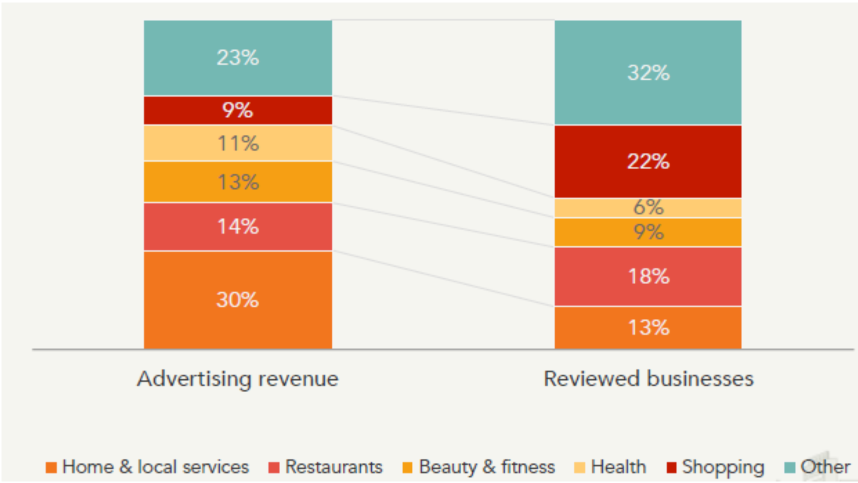
We recently reinitiated a long position in Yelp, a stock we have previously been long. With over 127 million reviews and nearly 200 million unique monthly visitors, Yelp is a leading and unique local search and review site. Due to higher than expected customer churn, management reset expectations for full year 2017 lowering revenue and EBITDA guidance by 4% and 13%, respectively, on its latest earnings call. This sent shares down 28% after-hours to below $25/share, implying a 34% decline in enterprise value (Yelp has a significant cash balance). We have previously conducted substantial diligence into the Yelp business model, including arranging numerous customer calls and having solicited a customized third party customer survey. We considered the price action a gross overreaction to the lowered guidance. The revised forecast has given us the opportunity to buy shares at 2x LTM revenue, 13x LTM EBITDA and 16x LTM FCF – a valuation level we haven't seen since the depths of the February tech sector drawdown of 2016.



	2011A	2012A	2013A	2014A	2015A	2016A	LTM
Revenue Growth	74.5%	65.2%	69.4%	62.0%	45.6%	29.7%	27.5%
Advertising accounts	19	31	54	84	111	138	143
Growth	*72.7%*	*63.2%*	*74.2%*	*55.6%*	*32.1%*	*24.3%*	*18.2%*
Desktop+Mobile visitors	n.a.	86,308	120,005	135,328	140,467	138,817	157,667
Growth			*39.0%*	*12.8%*	*3.8%*	*(1.2%)*	*8.0%*
Cumulative reviews	24,817	35,959	52,757	71,232	95,210	121,022	127,478
Growth	*64.2%*	*44.9%*	*46.7%*	*35.0%*	*33.7%*	*27.1%*	*25.5%*
Adj. EBITDA	($1)	$5	$29	$71	$69	$120	$136
Margin	*(1.4%)*	*3.3%*	*12.6%*	*18.8%*	*12.6%*	*16.8%*	*18.1%*
Free Cash Flow	($7)	($11)	$0	$18	$15	$90	$111
Margin	*(8.5%)*	*(7.7%)*	*0.1%*	*4.6%*	*2.6%*	*12.6%*	*14.8%*

Source: Company filings.
Note: FCF = Cash flow from ops less capex less capitalized costs.

Yelp is a very unique asset and we believe its brand, breadth of content and popularity would be extremely difficult, if not impossible, to replicate. While there's a perception of Yelp as being a restaurants/bars only review site, that category represents only 18% of reviews and even less than that in terms of % revenue.



For other businesses, such as a local dental office or a fitness center, understanding the value proposition of advertising on Yelp is easier for a variety of reasons -- nearby competitors are fewer, each customer review is more valuable for the client since less reviews are provided for non-restaurant businesses, etc. The emerging conclusion, which was reinforced through multiple customer conversations, was that being at the top of Yelp searches is similar to the need to be on the first page of Google results. Thus, we believe advertisers value the content and visibility that Yelp provides. In addition to the advertising model, in recent years Yelp has introduced other features on the site such as Eat24 (competes with Grubhub) and Yelp Reservations, an alternative to OpenTable that allows customers to make reservations directly on the Yelp site and app. While these other business lines currently represent less than 10% of revenue, their popularity is undoubtedly growing as transaction related revenues grew 28% in the last twelve months. More importantly, these new features are further engaging Yelp's user base, increasing the value of the platform to both the local businesses and users.

Overall, we view Yelp as an extremely attractive business that has the potential to grow well beyond its current base of 143,000 customers. Under its current plan, Yelp will grow top-line by 20% in 2017 and sell-side calls for ~$1.2 billion of revenue by 2019, representing a CAGR of 18%. Applying a 3.0x revenue or 20x FCF multiple (more than reasonable in our opinion) on 2019 revenue/FCF yields nearly $45/share, implying more than 60% upside. We also believe that Yelp has significant strategic value and in that scenario shares would be worth meaningfully more.

Conclusion

We continue to be confident about the composition of the current portfolio. Regardless of how the overall market performs, we expect our portfolio to fare well over the long term.

Thank you and please don't hesitate to contact me with any questions.

Disclosure:
This is not an offering or the solicitation of an offer to purchase an interest in Kerrisdale Partners, L.P. (the “Fund”). Any such offer or solicitation will only be made to qualified investors by means of a confidential private placement memorandum and only in those jurisdictions where permitted by law.

The performance data represents the performance of a hypothetical investor from inception of the Fund including reinvestment of all dividends, interest, capital gains and other earnings. The results labeled “net of fees” reflect the deduction of: (i) an annual asset management fee of 2.0%, charged quarterly; (ii) a performance allocation of 20%, taken annually, subject to a high water mark; and (iii) other expenses incurred by the Fund. Historical returns cited do not reflect the returns of actual investors in the fund who may be charged different fee arrangements based on the time of their initial investment and who will bear different performance compensation based on the timing of their investment. Past performance is not indicative of future results. The above analysis is prepared by Kerrisdale Advisers, LLC (“Kerrisdale”) and is specific to Kerrisdale Partners, L.P. Performance of investors in managed accounts and other investment vehicles managed by Kerrisdale, including Kerrisdale Partners Offshore, Ltd., will be different.

Certain information contained herein constitutes “forward-looking statements”, which can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, “target” or “believe” (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to future performance or such forward-looking statements.

An investment in the Fund is speculative and involves a high degree of risk. Opportunities for withdrawal, redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. There is no secondary market for the Fund interests and none are expected to develop. The fees and expenses charged in connection with this investment may be higher than the fees and expenses of other investment alternatives and may offset profits. No assurance can be given that the Fund’s investment objective will be achieved or that an investor will receive a return of all or part of his or her investment. Investment results may vary substantially over any given time period.

The Fund’s performance figures include the reinvestment of any dividends and other earnings, as appropriate. The holdings identified in this letter do not represent all of the securities purchased or sold in the Fund. A complete description of Kerrisdale’s performance calculation methodology is available upon request.

The S&P 500 Index (the "S&P 500") tracks the performance of the equity securities of a representative sample of 500 U.S. based large-cap companies. The S&P 500 is an unmanaged, market-value weighted index with each stock's weight in the index proportionate to its market value. There are significant differences between the Fund's investments and the S&P 500. For instance, the Fund also invests in non-U.S. securities. In addition, the Fund may use leverage and invest in securities that have a greater degree of risk and volatility, as well as less liquidity, than those securities contained in the S&P 500. Moreover, the S&P 500 is not subject to any of the fees or expenses to which the Fund is subject. It should not be assumed that the Fund will invest in any specific securities that comprise the S&P 500, nor should it be understood to mean that there is a correlation between the Fund's returns and the S&P 500.

The Barclay Hedge Fund Index (the "BHFI") is a measure of the average return of all hedge funds (excepting funds of funds) in the Barclay database. The BHFI is simply the arithmetic average of the net returns of all the funds that have reported that month. Only funds that provide Barclay with net returns are included in the BHFI index calculation. As such, it does not purport to be representative of the entire universe of hedge funds, nor is there any guarantee that any of the reporting hedge funds have investment strategies similar to that of the Fund.

The inclusion of the S&P 500 and BHFI is intended to be for comparative purposes only; they are not meant to be indicative of the Fund's performance, asset composition or volatility. It is not possible to invest directly in an index.

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