

AETHLON CAPITAL LLC

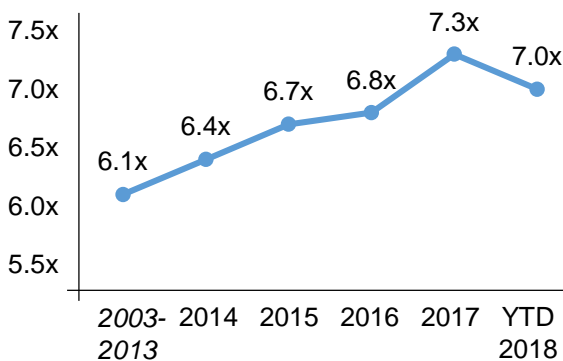
CHAMPIONS OF ENTREPRENEURS AND BUSINESS OWNERS.

Q3 2018 Consumer Products Report

Even with the uncertainty surrounding government trade policies and regulations, the consumer products space continues to be robust. US GDP is expected to grow by 3.1 percent in 2018, as noted in the Federal Open Market Committee meeting on September 26th. This growth is driven partly by low unemployment and rising incomes. US consumer sentiment rose in September to 100.1, the second highest reading this year behind March's 101.4 and a large jump from August's 96.2. This reading was also only the third time since January 2004 that it crossed the 100.0 mark.

M&A Transaction Multiples

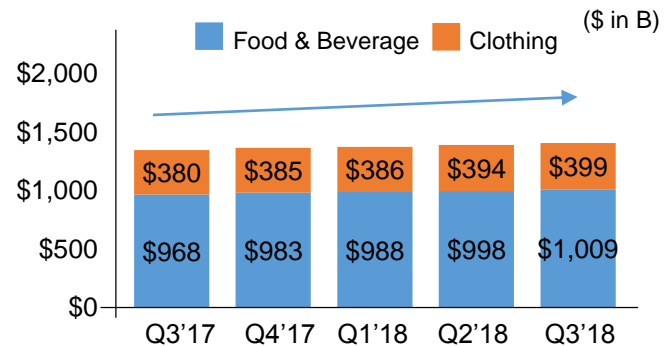
M&A transaction multiples in 2018 have come down slightly from the 2017 high, driven by a 6.8x average multiple in Q1 2018.



Source: GF Data ©

Consumer Products Spending

Consumer spending on food & beverage (excluding on-premises purchases) and clothing has been modestly increasing over the past year and is expected to continue through 2018.



Source: Bureau of Economic Analysis

Recent Consumer Products M&A Transactions

Hometown Food Company buys various brands.

Focus Brands acquires publicly-traded Jamba Juice.

Johnson & Johnson acquires Zarbee's, Inc.

Sept. 2018 – Hometown Food purchased a portfolio of brands from The J.M. Smucker Company.

Aug. 2018 – Focus Brands purchased 800-unit Jamba Juice for \$13 a share.

Jul. 2018 – J&J bought naturally-based healthcare products company Zarbee's.

This newsletter is not a research report and is provided for informational purposes only. This newsletter should not be construed as a solicitation or offer to buy or sell any securities or related financial instruments. Aethlon Capital, LLC (Aethlon) believes the sources for the information contained in this newsletter are reliable, but Aethlon makes no representation as to the information's accuracy or completeness. Aethlon does not accept liability for any information, errors, or omissions in the contents of this newsletter. Opinions expressed in this newsletter may not necessarily reflect the opinion of Aethlon's advisors and may be subject to change without notice. No part of this newsletter may be copied or duplicated in any form or by any means, or redistributed, without Aethlon's prior written consent.

About Aethlon Capital, LLC

Aethlon is a Minneapolis-based specialized investment bank focused on mergers and acquisitions, growth capital, and strategic advisory services. We work with established companies with \$10 million to \$100 million in revenues. Known for delivering outstanding results, Aethlon enjoys long-term client relationships from raising growth capital to selling the entire business.