Quarterly Report

April 30, 2019

Roumell Asset Management, LLC

First Quarter Summary

Performance Summary

		Annualized as of 3/31/19					Cumulative Return Since Inception*
	1Q 2019	1 Year	3 Year	5 Year	10 Year	Since Inception*	
Roumell Opportunistic Value (Net)	**11.54%**	**6.97%**	**10.76%**	**0.53%**	**7.81%**	**7.56%**	**337.77%**
60% Russell 2000 Value / 40% Barclays US Govt Credit	8.54%	2.42%	7.65%	4.80%	10.38%	7.54%	335.61%
S&P 500	13.65%	9.49%	13.52%	10.91%	15.92%	6.22%	239.28%
Russell 2000 Value	11.93%	0.17%	10.86%	5.59%	14.12%	8.73%	444.36%
Roumell Balanced (Net)	**11.24%**	**5.36%**	**8.98%**	**1.30%**	**6.86%**	**6.00%**	**225.41%**
Thomson US Balanced Index	8.86%	3.88%	7.21%	5.00%	9.40%	4.58%	147.42%

**Inception of Roumell Opportunistic Value and Roumell Balanced is 1/1/99.*

Roumell Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Our independent verifier completed its examination of the composite performance returns for the period of 1999 (inception) through December 31, 2017. All returns include reinvested dividends and interest. Please refer to the annual disclosure presentations at the end of this letter.

It's a tale of two markets. On the one hand, risk-assets have experienced several years of rising valuations driven by an environment characterized by super-low interest rates. This fact is no more clearly demonstrated than with the current U.S. Total Household Net Worth to GDP ratio. According to the Federal Reserve Flow of Funds Report, total household net worth, which is driven by risk-assets such as stocks and real estate, is now over $100 trillion versus U.S. GDP of about $20 trillion. The current 5.3x multiple is the highest on record dating back to 1952; higher than the 4.5x ratio reached at the peaks of both the technology and housing bubbles in 2000 and 2007, respectively. To be clear, it's possible the current interest-rate environment may be the "new normal", therefore justifying higher equity valuations. However, there is no margin of safety if there's no such "new normal".

While popular indices and assets seem solidly "rich," RAM is able to patiently wait for highly specific (often event-driven) investment stories, purchased at particular prices—that's what we do. RAM seeks special situations in out of favor, overlooked and misunderstood securities as a result of deep dive, bottom-up fundamental analysis. In the absence of compelling risk-reward situations, we wait. Short-term U.S. Treasuries and a mixture of special situation fixed income securities like Business Development Company (BDC) debt, which is yielding roughly 6%, have recently risen to roughly 50% of our portfolio as many of our long-held securities reached their target prices.

Despite not being "macro" investors, we cannot completely ignore overall economic growth as a component of the investment landscape that often informs the security selection process. Thus, it concerns us that the International Monetary Fund (IMF) recently reduced its 2019 global growth rate to 3.3%, the weakest outlook since 2009. It's the third time the IMF has downgraded its outlook in the past six months. Global trade tensions were one of the principal risks the IMF sited in its downgrade noting, "Failure to resolve differences…would lead to higher costs of imported intermediate and capital goods and higher final goods prices for consumers."

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World Trade Organization (WTO) Director-General Roberto Azevêdo recently commented that growing trade disputes "…risks a major economic impact." According to Azevedo, "It threatens jobs and growth in all countries." In fact, countries are beginning to by-pass the WTO process and immediately launching retaliatory measures, primarily against the U.S. The potential for major economic disruption vis-à-vis trade does not seem to be fully appreciated by markets, in our opinion. The historical record is clear—everyone loses in a trade war.

Notwithstanding today's investment environment, the three investments highlighted below underscore what we believe is our ability to find special situations where we capitalize, as we often do, on investor disinterest, fatigue, outright capitulation and herd mentality.

We've long said that there is no better way to learn a manager's investment style than to be methodically walked-through a security selection. We've highlighted Enzo Biochem, ENZ, previously at some length and consequently will restrict our comments to a brief update. Since Tower Semiconductor, TSEM, was was bought and sold within the quarter, its commentary will also be concise. We've chosen to detail our current investment rationale of Paratek, PRTK. In the analysis, you will find "us" and see first-hand how we're navigating the current investment environment where not much is genuinely on sale, but where dogged detective work, and a willingness to think and act independently, can generate attractive investment returns.

Top Three Purchases

Paratek Pharmaceuticals Inc., PRTK. RAM investors know our long history with PRTK, a small biotech company focused on developing new novel antibiotics in a world desperately in need of them. We originally invested in PRTK in 2014 when its lead drug—omadacycline—was ready to enter its first, of what would ultimately be three, Phase 3 trials. RAM exited two-thirds of its position roughly one year ago at about $27/share (the stock currently trades at about $6/share). At the time of our exit, while FDA approval appeared increasingly likely (and priced-in to the stock), dilutive, albeit necessary, capital raises materially reduced our estimate of the company's per share intrinsic value.

Recently, we've been rebuilding our position in reaction to: 1) Omadacycline (now renamed NUZYRA for commercial purposes) receiving FDA approval with an exceptionally "clean" label and 2) PRTK's stock price dropping to a value that we find exceptionally compelling. In contrast to our original investment thesis that hinged on FDA approval, today our PRTK investment is predicated on commercialization success. **NUZYRA is the first FDA-approved once-daily, IV to oral antibiotic to treat both pneumonia (CABP) and skin infections (ABSSSI) in nearly twenty years.** We do not believe PRTK's drug is another "me-too" antibiotic.

The company's vision for NUZYRA is clear. From its 12/31/18 10K, "We believe that NUZYRA has the potential to become the primary choice of physicians for use as a broad-spectrum monotherapy antibiotic for ABSSSI, CABP, UTI and other serious community-acquired bacterial infections, where resistance is of concern. We believe NUZYRA will be used in the emergency room, hospital and community care settings. We have designed NUZYRA to provide potential advantages over existing antibiotics, including activity against resistant bacteria, broad-spectrum antibacterial activity, oral and IV formulations with once-daily dosing, no dosing adjustments for patients on concomitant medications and a generally safe and well tolerated profile."

To recap the problem: Some twenty-five years ago, pharmaceutical companies pursued a business model of cheap and abundant antibiotics with the intent to "make it up in volume." Antibiotic usage skyrock-

eted. Branded drugs eventually went off patent and drug prices dropped even further as generic versions became widely adopted. Pharmaceutical companies pulled back on antibiotic development because the return on investment was no longer economical. Over time, as bug resistance grew, and antibiotic development fell-off, we entered a period of antimicrobial resistance that leading health organizations around the world now regularly describe as being a "crisis."

Governments, showing increased alarm in recent years, have entered the fray to help spur antibiotic drug development. For example, in 2012, the U.S. Congress passed the Generating Antibiotic Incentives Now (GAIN) Act as part of the Food and Drug Administration Safety and Innovation Act (FDASIA) to encourage the development of new antibiotics. Effectively, the government, on a bipartisan basis, endorsed a price *increase* for antibiotics, even while fighting to *decrease* the cost of many other drugs. GAIN was embedded in the FDA Safety and Innovative Act (FDASIA) and passed the House with a vote of 387 to 5 and the Senate by a vote of 92 to 4.

The Pew Foundation's Antibiotic Resistance Project's team is credited with providing the leadership to getting the GAIN Act passed. In our discussion with members of Pew's project team, they indicated that they view GAIN as a "first step" in a broader set of solutions to address the economics of antibiotic development. They shared with us their current efforts working with all stakeholders to create a unified legislative "ask" that they hope to propose to Congress in the near future.

Lord Jim O'Neil, Chair of the Chatham House think tank and former Goldman Sachs chief economist, headed up a British government global review of antimicrobial resistance in 2016. He believes the problem is so severe that he's recommended government bonus payments of between $1 billion and $1.5 billion for any successful new antibiotic drug. In the book "Super-Bugs—An Arms Race Against Bacteria," published in 2018, the authors highlighted a variety of market-oriented ideas percolating to reward antibiotic development or warn that it will need to switch to a publicly-financed system.

If the macro industry dynamics aren't bad enough with plentiful cheap generics and payor pressures, the micro factors are daunting as well. The antibiotic market is very complex. No two antibiotics are the same, patients respond differently, and doctors have to make choices involving these issues as well as considering ease-of-use. Two years ago, two of PRTK's would-be competitors, Cempra, which was acquired by Melinta (MLNT), and Tetraphase (TTPH), were each valued at $2 billion in the public market. Both companies have been big disappointments, with Cempra failing to get its drug approved by the FDA. Recent "failure to launch" events have cast a pall over the entire antibiotic industry, i.e., when the cops show up, sometimes the innocents get rounded up, too.

Why invest in an emerging antibiotic company with the uphill challenge of differentiating one's product in a crowded space with pricing pressures? First, for the reasons cited above, there is tremendous disdain for the entire antibiotic space. Achaogen's (ACHO) announcement to file for bankruptcy protection on April 14th has further cast a dark cloud over the industry. Second, we believe PRTK has the right stuff—a differentiated product designed for a niche market in instances where generics are not appropriate and a AAA-rated management team that knows how to execute.

Evan Loh, MD, PRTK's President and Chief Operating Officer, and Adam Woodrow, Chief Commercial Officer, launched Tygacil in 2006 while working at Wyeth. Wyeth was subsequently purchased by Pfizer where Evan served as Senior Vice President of Development and Strategic Operations, Worldwide Research and Development from October 2009 to January 2012. Tygacil reached over $400 million in peak sales *despite* being IV-only and possessing a black-box warning noting increased risk of death such that its use is restricted for situations in which alternative treatments are not suitable. Evan was recently

named the new Chairman of the Antimicrobials Working Group (AWG). AWG was founded in 2012 in order to improve the regulatory, investment and commercial environment for emerging infectious disease companies. On April 1, 2019, the American Chemical Society awarded a Heroes of Chemistry Award to the scientific team that worked on NUZYRA (omadacycline) and Seysara (sarecycline). Evan received the same award in 2006 for the development of Tygacil.

One antibiotic industry analysis succinctly summed up the environment's risks and opportunities: "One of the major areas of debate has centered around the reimbursement for antibiotics in the hospital setting. Hospitals face the challenge of a fixed payment system in the diagnosis-related group (DRG) world. Convincing hospitals to put a premium priced drug on their formularies in a fixed-payment environment is a challenge, even if backed by the most solid clinical data. Hospitals, already operating on tight margins, are responsible for any expenses incurred beyond the flat reimbursement rate they currently receive under the longstanding DRG system. Therefore, an oral antibiotic that can shorten the length of hospital stay should have a significant pharmacoeconomic value." We're well aware of the fact that PRTK undoubtedly faces reimbursement risk.

In December 2018, Senators Hatch and Casey introduced S. 3787, the Developing an Innovative Strategy for Antimicrobial Resistant Microorganisms (DISARM) Act of 2018. To encourage antibiotic development, DISARM would allow Medicare to offer an add-on payment to inpatient hospitals that use qualifying antibiotics to treat serious or life-threatening infections, effectively by-passing the DRG system. Senator Hatch noted, "Senator Casey and I want to encourage the development of novel drug and biological products that treat these serious and life-threatening infections. Working together with researchers, physicians, hospitals and other healthcare providers, we will find solutions that ensure good stewardship and help overcome economic obstacles to innovate in this area." Hatch called the situation a health emergency and Casey compared the dearth of antibiotic development to cancer, natural disasters and nuclear threats.

However, policy solutions like the one introduced by Hatch and Casey may be slow in coming. One industry report recently noted, "A sense of urgency within the U.S. government, foundations, the academic and medical community, as well as industry is evident. We detect a greater degree of collaboration among various stakeholders, but we do not yet have conviction that anything meaningful will be implemented in 2019."

NUZYRA possesses an IV to oral switch mechanism for its pneumonia and skin indications, allowing the patient to go home after only three days. There is also an oral-only dosing schedule for serious skin infections. PRTK strongly believes that its drug will send patients home from the hospital sooner (while lowering the chance of recidivism because of its broad-spectrum capability), thereby saving payors money. NUZYRA received an exceptionally "clean" FDA label (no black box warning and no heightened-risk labeling in the doctor instruction package). NUZYRA, a tetracycline, has a high tolerability profile and an attractive once-daily dosing regimen. It was our clear sense from attending the FDA's Advisory Committee hearing on NUZYRA in October 2018 that the FDA's scientists and doctors thought highly of the drug.

We ask ourselves: What's the probability that a team with as much antibiotic domain knowledge as exists at PRTK would embark on a multi-year journey without having thoroughly thought through all of the industry dynamics and challenges to successfully bring this specific drug—NUZYRA—to market? We think the probability is low; but most importantly, it's low in relation to the hurdle-rate embedded in today's share price.

We've spoken with many industry experts. One of the most valuable of these experts is an antibiotic clinical investigator and emergency physician who has worked with most of the leading novel antibiotic biotech firms. This investigator told us, "It is a tough road and it's a crowded space." Nonetheless, he believes that PRTK's NUZYRA is a likely winner. According to this individual, "The drug's IV to oral switch along with being broad-spectrum lends itself to being a popular drug. I do think it's well priced and with hospitals running out of beds, if they can get a patient out of the hospital a day or two early that's big. It comes down to having faith in the management team's ability to execute on its plan. Evan and his team are the strongest team I've worked with." This management team has earned our full respect. Dating back five years, they have met or exceeded every developmental milestone and been savvy capital raisers as well (despite requiring significantly more capital than we originally anticipated).

To be clear, NUZYRA is not a first-line antibiotic. It is designed for particular situations when generics are not appropriate. There are roughly 6.7 million people hospitalized in the United States each year for serious skin and pneumonia infections. PRTK estimates that roughly 13% of these cases are "high-risk" situations that could be well-served by NUZYRA. These patients are often high risk for Clostridium Difficile Infection (C. diff). Importantly, tetracyclines have long been associated with being neutral to protective against the C. diff infection. Not a single case of C. diff was observed in NUZYRA's Phase 3 pneumonia trial. Other high-risk situations include patients that are allergic to penicillin, taking an SSRI (which often interact badly with traditional antibiotics), or possessing co-morbidity issues like diabetes or vascular disease. High-risk individuals cannot gamble with being mistreated with a failed first-line antibiotic and often must be treated empirically with a broad-spectrum drug like NUZYRA (covering gram positive and negative bugs) because the pathogen is unknown to the prescribing doctor.

PRTK now has 40 salespeople targeting "Early Adopter" healthcare providers in 400 high-value institutions. By the end of 2019, the company expects to have 80 salespeople targeting 800 hospitals. There are an estimated 6,000 hospitals in the United States. The company is projecting a slow revenue ramp with projected sales of $10 to $13 million in 2019. The company strongly believes that the slower "hospital to community" strategy pays off in the long-run by first building brand value inside leading institutions that ultimately leads to acceptance in community settings.

PRTK hopes to capture about 15% of the high-risk population. For example, of the 6.7 million total skin/pneumonia hospitalizations, roughly 890K (13%) are estimated to be high-risk situations. If PRTK captures 15% of 890K prescriptions, or 133K annual scripts, at $3K for a 10-day course, that equates to $400 million in annual revenue. NUZYRA's price is in-line with newer branded antibiotics. For example, Melinta's Vabomere is priced at roughly $5K for a 5-day course, Achaogen's Zemdri is priced at roughly $4K to $13K for a 4 to 14-day treatment, and Merck's Dificid costs about $4K for a 10-day course.

Big pharma typically pays 3x+ peak revenue to purchase branded drugs. This equates to about $1.2 billion for PRTK's NUZYRA, or roughly $24/share on a fully-diluted basis before accounting for additional possible indications. In light of our view of the potential take-out value for PRTK, we find its shares exceptionally compelling at today's $6/share price. Based on 32 million shares, the company's market cap is roughly $200 million. The company has approximately 17 million additional shares of potentially dilutive securities if all were converted to common stock. However, most would only be converted at significantly higher prices. The company has about $290 million in cash/investments and $230 million in debt. PRTK smartly issued a 4% coupon, $16/share convert in April 2018. **PRTK recently indicated that it is capitalized "beyond the 1st quarter of 2021."** Potential sources of non-dilutive funding options include selling non-U.S. commercial rights for NUZYRA or the non-U.S. rights for Seysera, if needed. Unlike many of its peers, PRTK's management team opportunistically raised capital and has not been caught flat-footed.

After subtracting out what we believe is a conservative $50 million value for its 10% royalty interest for U.S. Seysera sales, which is now owned by Spanish Almirall, the implied value for NUZYRA is around $100 million. Note, it's taken roughly $400 million to bring NUZYRA to market and over 10 years of development time. What's the probability that NUZYRA is not worth 25% of its sunk capital costs after the elimination of 10-plus years of development time in a world desperately in need of new antibiotics?

The above analysis ascribes no potential revenue value to the current Phase 2 trial for a third indication, urinary tract infection, UTI (topline data expected in in the second half of 2019), or the soon-to-be announced Phase 3 trial for an oral-only pneumonia dosing option. One of the biggest unmet needs is an oral antibiotic to treat UTI. PRTK is currently running one oral-only dosing trial for uncomplicated UTI and a separate IV-to-oral dosing schedule for complicated UTI. In fact, the company presented new data in Amsterdam, The Netherlands, on April 15, 2019 at the 29th European Congress of Clinical Microbiology & Infectious Diseases that shows NUZYRA is "highly potent *in vitro* activity against" urinary tract infections (UTI). Evan Loh, M.D., said, "These data expand the understanding of NUZYRA's *in vitro* activity against pathogens responsible for urinary tract infections, where there is a significant unmet need for new oral, broad-spectrum antibiotic agents."

Moreover, PRTK's soon-to-be announced oral-only pneumonia Phase 3 trial is a well-positioned option to treat community pneumonia given FDA guidelines that discourages the use of fluoroquinolones, as well as dramatically rising macrolide resistance.

We believe we possess a healthy margin of safety given the near complete absence of optimism embedded in PRTK's price. To wit, even if sales turn out to be 20% of expectations, PRTK should turn out to be an adequate investment based on today's price. Interestingly, in a press release announcing its purchase of Allergan's dermatological assets, Almirall highlighted Seysera as being the jewel in the portfolio, and estimated its annual peak sales between $150 to $200 million. Almirall's positive view on Seysera was recently underscored by PRTK's recent note issuance backed wholly by its 10% royalty interest in the drug. NUZYRA has a much bigger market opportunity than acne drug Seysera. NUZYRA has always been considered PRTK's crown jewel, while Seysera was its "other drug."

While consensus opinion throws all emerging antibiotic companies into the same bucket, we've gone our own way betting on a particular one, at a particular price. We believe PRTK possesses an excellent and differentiated product, a superior management team, and a cheap price. While the investment industry often trades on the "average opinion of the average opinion", we look to differentiate ourselves in our thinking, our due-diligence process and our willingness to go against the herd.

Enzo Biochem Inc., ENZ. On March 26th, RAM filed a Form 13D with the SEC encouraging the company to take actions that we believe are necessary and prudent to realize the value we believe is embedded in ENZ's shares. We have analyzed and discussed our ENZ investment rationale in our two past quarterly letters, thus we will not restate the case here. RAM now owns 4% of the company. Below are a few highlights from our letter to ENZ's Board of Directors:

> If the Board acts responsibly, shareholders should be richly rewarded from the current depressed market price. We believe our investment rationale is sound, predicated on the multiple avenues the company possesses to unlock significant shareholder value. Our investment thesis rests on the simple observation that the company has "multiple shots on goal", a cash-rich balance sheet, and a market price significantly below any reasonable sum of the company's discrete assets.

> The Board should take a careful and discerning look at the amount of capital and time required to execute its growth strategy, as well as assessing the probability of success as a stand-alone enterprise. We believe it's likely that the company's enviable product and IP portfolio would be better suited in a larger company's hands, where Enzo's promising AmpiProbe platform can go to market more efficiently and quickly. In reviewing the company's long history, one cannot avoid noting that the company's leading-edge IP assets did not translate into shareholder returns. Why will this time be different? The Board should consider the advice of Warren Buffett when he said, "*Aesop Was Right…a bird in the hand is worth two in the bush*."
>
> We would also like to remind the Board of its fiduciary responsibilities to shareholders.
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> We encourage all shareholders to strongly weigh in with the Board on the matters raised in this letter. We intend to talk to other shareholders, as well as to potential strategic buyers for Enzo or its valuable and various assets, in an effort to realize shareholder value today.

On April 8th, Harbert Fund Advisors also filed a 13D indicating an ownership stake of 6.92%. We will be meeting with ENZ's senior management team in NYC in the upcoming weeks.

Tower Semiconductor Ltd., TSEM. Tower Semiconductor and its subsidiaries operate collectively under the brand name TowerJazz. TowerJazz is a global specialty foundry leader. TowerJazz manufactures next-generation analog integrated circuits in growing markets such as consumer, industrial, automotive, medical, and aerospace and defense. To provide multi-fab sourcing and extended capacity, TowerJazz operates two manufacturing facilities in Israel, two in the U.S., and three in Japan.

One year ago, TSEM was trading at $36 per share. Due to industry-wide challenges with inventory, declining revenue and profit margins, and weakness in the Apple supply chain, as well as a company-specific issue of an expiring supply contract with Panasonic, its joint venture partner, the shares declined over the course of 2018, dropping under $14 per share in December.

The semiconductor industry is highly cyclical. In general, the time to buy semiconductor stocks is at the bottom of the cycle. Of course, it's difficult to predict the bottom. At the $14 per share price we paid, EV/EBITDA was 3.3x, EV/Sales was 0.9x and the free cash flow yield was over 11.5%. On its February earnings call for the 4Q18, TSEM stated that it expected its main business units to grow further this year despite macroeconomic headwinds facing the sector. TSEM rallied on the news and we decided to exit the position with a satisfying gain.

Disclosure: The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. The top three securities purchased in the quarter are based on the largest absolute dollar purchases made in the quarter.

Roumell Asset Management, LLC
Balanced Composite
Annual Disclosure Presentation

		COMPOSITE ASSETS		ANNUAL PERFORMANCE RESULTS			3-YR ANNUALIZED STANDARD DEVIATION	
YEAR END	TOTAL FIRM ASSETS (MILLIONS)	USD (MILLIONS)	NUMBER OF ACCOUNTS	COMPOSITE NET	THOMSON US BALANCED MUTUAL FUND	COMPOSITE DISPERSION	COMPOSITE NET STANDARD DEVIATION	THOMSON US BL MF STANDARD DEVIATION
2018	86	4	15	-8.10%	-5.41%	2.84%	7.74%	6.33%
2017	105	8	21	10.35%	13.16%	6.00%	7.28%	5.92%
2016	91	9	24	14.25%	7.00%	6.48%	7.49%	6.51%
2015	94	12	37	-11.35%	-1.71%	4.41%	7.32%	6.56%
2014	170	49	93	-7.71%	6.00%	4.25%	6.23%	6.08%
2013	288	82	140	11.85%	15.73%	5.69%	6.62%	8.06%
2012	286	82	156	10.50%	11.71%	3.02%	6.50%	9.79%
2011	306	79	173	-5.19%	0.53%	4.28%		
2010	311	83	167	12.25%	11.75%	2.59%		
2009	249	55	124	33.19%	23.19%	5.79%		
2008	166	40	121	-22.82%	-26.97%	5.01%		
2007	270	75	154	-7.58%	5.76%	3.71%		
2006	280	87	158	14.00%	10.47%	3.69%		
2005	199	73	142	8.56%	4.22%	2.67%		
2004	123	66	119	16.48%	7.79%	3.82%		
2003	66	42	100	28.26%	18.60%	3.94%		
2002	41	27	79	-9.70%	-11.36%	3.77%		
2001	31	17	39	21.18%	-4.19%	4.75%		
2000	19	10	23	8.47%	1.95%	4.53%		
1999	16	9	22	12.53%	8.35%	2.63%		

Balanced Composite contains fully discretionary accounts. Roumell Asset Management, LLC (Roumell) is an opportunistic capital allocator with a deep value bias. On average, Balanced accounts have a target of 65% equity (provided an appropriate number of securities are found that meet Roumell's deep value investment criteria), with the remaining 35% in fixed income and cash. The equity allocation is all cap with a focus on smaller companies. In selecting bond investments, Roumell exercises its value discipline and buys only fixed income securities that it believes represent value on a risk-adjusted basis. It may buy individual government agency, investment grade and high-yield corporate, municipal, and foreign bonds and closed-end bond funds. When fully invested, accounts will hold about 25 to 30 positions. Roumell will hold cash in the absence of sufficient investment opportunities. For comparison purposes, the Balanced Composite is measured against the Thomson US Balanced Mutual Fund Index. In presentations shown prior to March 31, 2006, the composite was also compared against the Lipper Balanced Index. Additionally, in presentations prior to December 2006, the composite was measured against the Vanguard Balanced Index Fund. The Thomson US Balanced Mutual Fund Index is a blend of more than 500 balanced mutual funds and is therefore deemed to more accurately reflect the strategy of the composite. The Balanced Composite was created January 1, 1999.

Roumell Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Roumell Asset Management, LLC has been independently verified for the periods January 1, 1999 through December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Balanced Composite has been examined for the periods January 1, 1999 through December 31, 2017. The verification and performance examination reports are available upon request.

Roumell Asset Management, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. From 2010 to 2013, for certain of these accounts, net returns have been reduced by a performance-based fee of 20% of profits, paid annually in the first quarter. Net returns are reduced by all fees and transaction costs incurred. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Prior to and post 2006, there were no wrap fee accounts in the composite. For the year ended December 31, 2006, wrap fee accounts made up less than 1% of the composite. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Returns include the effect of foreign currency exchange rates. Exchange rate source utilized by the portfolios within the composite may vary. Composite performance is presented net of foreign withholding taxes. Withholding taxes may vary according to the investor's domicile.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Dispersion calculations are greater as a result of managing accounts on a client relationship basis. Securities are bought based on the combined value of all portfolios of a client relationship and then allocated to one account within a client relationship. Therefore, accounts within a client relationship will hold different securities. The result is greater dispersion amongst accounts. The 3-year annualized ex-post standard deviation of the composite and/or benchmark is not presented for the period prior to December 31, 2012, because 36 monthly returns are not available. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is as follows: for Direct Portfolio Management Services: 1.30% on the first $1,000,000, and 1.00% on assets over $1,000,000; for Sub-Adviser Services: determined by adviser; for Wrap Fee Services: determined by sponsor. Actual investment advisory fees incurred by clients may vary.

Roumell Asset Management, LLC
Opportunistic Value Composite
Annual Disclosure Presentation

	COMPOSITE ASSETS			ANNUAL PERFORMANCE RESULTS					3-YR ANNUALIZED STANDARD DEVIATION			
YEAR END	TOTAL FIRM ASSETS (MILLIONS)	USD (MILLIONS)	NUMBER OF ACCOUNTS	COMPOSITE NET	60% RUSSELL 2000 VALUE/ 40% BARCLAYS US GOVT CREDIT	S&P 500	RUSSELL 2000 VALUE	COMPOSITE DISPERSION	COMPOSITE NET STD DEV	60% RUSSELL 2000 VALUE/ 40% BARCLAYS US GOVT CREDIT STD DEV	S&P 500 STD DEV	RUSSELL 2000 VALUE STD DEV
2018	86	10	30	-7.04%	-7.70%	-4.39%	-12.87%	2.26%	8.51%	9.19%	10.80%	15.76%
2017	105	14	40	12.67%	6.42%	21.84%	7.84%	1.19%	8.83%	7.94%	9.92%	13.97%
2016	91	17	50	15.00%	19.99%	11.97%	31.74%	2.34%	9.09%	9.10%	10.59%	15.50%
2015	94	23	77	-15.27%	-4.26%	1.38%	-7.46%	2.80%	9.23%	8.12%	10.47%	13.46%
2014	170	61	163	-10.74%	5.18%	13.70%	4.22%	3.41%	7.97%	7.71%	8.97%	12.79%
2013	288	130	281	12.83%	18.61%	32.38%	34.51%	3.12%	8.90%	9.16%	11.94%	15.82%
2012	286	157	367	13.92%	12.82%	16.00%	18.05%	1.86%	8.63%	11.36%	15.09%	19.89%
2011	306	175	466	-9.51%	0.59%	2.11%	-5.49%	2.17%				
2010	311	189	479	14.71%	17.97%	15.06%	24.49%	2.17%				
2009	249	153	414	42.19%	15.13%	26.47%	20.57%	5.57%				
2008	166	104	413	-27.35%	-15.77%	-36.99%	-28.93%	3.40%				
2007	270	178	549	-7.67%	-3.05%	5.49%	-9.78%	2.68%				
2006	280	176	458	16.89%	15.40%	15.79%	23.48%	2.18%				
2005	199	111	312	12.38%	4.00%	4.91%	4.71%	2.59%				
2004	123	47	125	20.18%	14.92%	10.88%	22.25%	2.69%				
2003	66	15	46	32.13%	28.38%	28.69%	46.03%	4.04%				
2002	41	8	44	-10.15%	-2.31%	-22.10%	-11.43%	4.33%				
2001	31	5	30	32.76%	12.26%	-11.89%	14.02%	6.33%				
2000	19	2	12	7.97%	18.50%	-9.10%	22.83%	4.05%				
1999	16	2	9	26.02%	-1.54%	21.04%	-1.49%	3.92%				

Opportunistic Value Composite contains fully discretionary accounts. Roumell Asset Management, LLC (Roumell) is an opportunistic capital allocator with a deep value bias. Opportunistic Value accounts can have up to 100% of their assets invested in stocks in the ideal situation where an appropriate number of securities are found that meet Roumell's deep value investment criteria. Historically, these accounts have emphasized common stocks (all cap with a focus on smaller companies). However, Roumell will also selectively purchase a mixture of high yield bonds and discounted closed-end bond funds if it is believed that these offer a favorable risk/reward profile. When fully invested, accounts will hold about 25 to 30 positions. Roumell will hold cash in the absence of sufficient investment opportunities. For comparison purposes, the Opportunistic Value Composite is measured against the S&P 500, a blend of 60% Russell 2000 Value and 40% Barclays U.S. Government Credit (calculated on a monthly basis), and Russell 2000 Value Indices. Presentations provided prior to January 1, 2014, showed the Russell 2000 in place of the blended index. The change was made to better reflect the opportunistic strategy of the composite. As noted before, the composite's allocation to equity, fixed income, and cash will vary depending on Roumell's investment decisions. The S&P 500 Index is used for comparative purposes only and is not meant to be indicative of the Opportunistic Value Composite's performance. In presentations shown prior to March 31, 2005, the composite was also compared against the Nasdaq Index. The benchmark was eliminated since it did not represent the strategy of the composite. The Opportunistic Value Composite was created January 1, 1999. Prior to January 1, 2014, this composite was known as the Total Return Composite.

Roumell Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Roumell Asset Management, LLC has been independently verified for the periods January 1, 1999 through December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Opportunistic Value Composite has been examined for the periods January 1, 1999 through December 31, 2017. The verification and performance examination reports are available upon request.

Roumell Asset Management, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Net returns are reduced by all fees and transaction costs incurred. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Wrap accounts are included in the composite. As of December 31 of each year 2006 through 2018, wrap fee accounts made up 33%, 36%, 31%, 33%, 41%, 40%, 41%, 43%, 31%, 13%, 9%, 6% and 5% of the composite, respectively. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Returns include the effect of foreign currency exchange rates. Exchange rate source utilized by the portfolios within the composite may vary. Composite performance is presented net of foreign withholding taxes. Withholding taxes may vary according to the investor's domicile.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Dispersion calculations are greater as a result of managing accounts on a client relationship basis. Securities are bought based on the combined value of all portfolios of a client relationship and then allocated to one account within a client relationship. Therefore, accounts within a client relationship will hold different securities. The result is greater dispersion amongst accounts. The 3-year annualized ex-post standard deviation of the composite and/or benchmark is not presented for the period prior to December 31, 2012, because 36 monthly returns are not available. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is as follows: for Direct Portfolio Management Services: 1.30% on the first $1,000,000, and 1.00% on assets over $1,000,000; for Sub-Adviser Services: determined by adviser; for Wrap Fee Services: determined by sponsor. Actual investment advisory fees incurred by clients may vary.