Quarterly Report

April 30, 2013

Roumell Asset Management, LLC

First Quarter Summary

Performance Summary

	1Q 2013	Annualized as of 3/31/13: 1 Year	3 Year	5 Year	10 Year	Since Inception*	Cumulative Return Since Inception*
Roumell Total Return (Net)	**11.11%**	**21.05%**	**7.91%**	**7.46%**	**10.48%**	**10.67%**	**324.22%**
S&P 500	10.61%	13.96%	12.67%	5.81%	8.53%	3.62%	65.88%
Russell 2000	12.39%	16.30%	13.45%	8.23%	11.51%	7.28%	172.19%
Russell 2000 Value	11.63%	18.09%	12.12%	7.29%	11.29%	8.92%	238.09%
Roumell Balanced (Net)	**8.93%**	**16.39%**	**7.24%**	**6.58%**	**8.73%**	**8.03%**	**200.58%**
Thomson US Balanced Index	5.51%	9.16%	8.45%	4.85%	6.53%	3.96%	73.93%

**Inception of Roumell Total Return and Roumell Balanced is 1/1/99. Prior to 1/1/13, Roumell Total Return was known as Roumell Equity.*

Roumell Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Ashland Partners & Co. LLP, our independent verifier, completed its examination of the composite performance returns for the period of 1999 (inception) through December 31, 2012. All returns include reinvested dividends and interest. Please refer to the annual disclosure presentations at the end of this letter.

Our first quarter performance was good, particularly in light of our equity exposure. Corporate events that were core to our investment theses are beginning to play out. We took advantage of good news to rebalance certain core positions, and we redeployed capital into other securities that we believe offer much better opportunities at current prices. Our first quarter 2013 performance was attained with about 55%, 22%, and 23% exposure to equities, corporate bonds, and cash, respectively.

The Pervasiveness of Short-Termism

Imagine the following scenario. An investment manager watches a stock fall sharply to $10. Through thorough analysis, the manager determines that the company's risk of insolvency is virtually zero and that, in better times, the stock will be worth $30 or more. The manager, of course, should buy the stock. But if he has to worry about short-term performance, he will be reluctant to buy at $10 on the fear that the stock will fall to $5, despite his high conviction that it will ultimately rise to $30. We believe this scenario frequently plays out in various forms in the stock and bond markets. The lesson, of course, is that pressures of short-term performance lead to poor investment decisions.

The average holding period for NYSE listed stocks has declined to less than one year from eight years in the 1950s and 1960s. The increasing pervasiveness of short-termism creates a favorable environment for opportunistic investors. It is therefore incumbent upon investment managers to cultivate a client base who themselves appreciate the steep cost of impatience and the myriad opportunities available to those who are not constrained by it.

According to Jeremy Grantham, Co-Founder and Chief Investment Strategist of GMO LLC, "The central truth of the investment business is that investment behavior is driven by career risk…. The prime

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directive, as Keynes knew so well, is first and last to keep your job. To do this, he explained that you must never, ever be wrong on your own. To prevent this calamity, professional investors pay ruthless attention to what other investors in general are doing. The great majority 'go with the flow,' either completely or partially. This creates herding, or momentum, which drives prices far above or far below fair price. There are many other inefficiencies in market pricing, but this is by far the largest."

In addition to career risk, recency bias—or the inclination to give too much weight to recent experiences—can drive short-term behavior. Many investors want to be in the market after it surges, and they want out after it declines. *The Wall Street Journal* profiled a married couple, two doctors living in Texas, who sold all of their stock investments after losing half of their savings in the 2008 bear market. Not until the stock market reached new highs at the end of March of this year did the couple decide to get back in the market. Therein lies the irony of the investment business. Clients generally want more equity exposure when investment opportunities are few, and redemptions are highest when investment opportunities are great, as they were at the depths of the 2008–2009 bear market.

Career risk and recency bias affect not only the behavior of investors but also that of analysts who sell research for the Wall Street firms. Mirroring similar behavior by investors, Wall Street research analysts compound mispricing in the stock market. One statement that caught our attention last month was made by bank analyst Meredith Whitney, who was one of the most negative analysts on Wall Street during the credit crisis. With the stock market having more than doubled since the 2009 trough, she now stated, "I have not been this constructive, this bullish on the U.S., on equities in my career." The market's climb has hypnotized not only Meredith Whitney but the analyst community at large. We sampled analyst coverage on 60 randomly selected companies from the S&P 500 during the last week of March. Of the 1,510 analyst ratings, only 85, or 5.6%, were negative. Yet in the last five years, on average 37% of stocks in the S&P 500 generated a negative return (including dividends) in each year.

The analyst community tends to be bullish during periods of high prices and more bearish when prices are low, in direct contrast to a profitable investment strategy. Seventy-one percent of analysts covering Amazon.com, Inc. had bullish ratings when that stock peaked at the end of 1999. Most analysts ignored the fact that it traded for 22x revenue and was unprofitable. When the stock bottomed in the fall of 2001, only 45% of analysts were bullish. Similarly, 69% of analysts covering Wells Fargo & Co. were bullish when that stock peaked in the fall of 2007. As it bottomed in the spring of 2009, only 40% of analysts had bullish ratings.

The analyst community in aggregate simply does not accurately portray risk or opportunity in its rating systems. Wall Street firms are in the business of selling securities as well as servicing corporate clients. An analyst's positive bent, therefore, serves two purposes. It can help sell securities, and it can also help ingratiate analysts with management teams who may be or may become clients. Although regulatory changes preclude analysts from receiving direct compensation from investment banking activity, make no mistake, conflicts remain. For example, when reading the disclosure section of Wall Street research, one will find language like, "The research analyst principally responsible for preparation of this report has received compensation that is based on the firm's overall revenue, which includes investment banking revenue." Moreover, analysts rarely stray too far from the herd, because if you are wrong with the herd you keep your job. If you are wrong and against the herd, you're fired.

One of the starkest examples of investors' detrimental behavior can be seen in their approach to Ken Heebner's CMG Focus Fund, which was the best-performing mutual fund of the decade from 2000 to

2009, according to *The Wall Street Journal*. The fund returned 18% annualized, which far outpaced the market's negative return. What was particularly notable was that the typical investor in that fund lost 11% annually, due to the tendency to chase good returns and run from bad returns. Despite Heebner's impressive long-term performance, his returns were quite volatile year to year, owing largely to a level of portfolio concentration with which we would not be comfortable. However, the point remains, investors habitually sold Heebner's fund when they should have bought.

Conventional daily performance reporting adds to the difficulty of maintaining a long-term view. Most people innately feel the need to be proactive because it's hard to distinguish inactivity from laziness. A 2007 study[1] concluded that, as a result of action bias, soccer goalkeepers remain in the center of the goal only 6% of the time during penalty kicks, despite the ball being kicked to the center 29% of the time. Investors' collective proclivity toward action and impatience is exactly the reason why value investing has historically been so effective. We believe opportunities for those investors who truly take a multi-year view offer the best reward relative to risk, primarily because of the pervasiveness of impatience elsewhere. Most investors shun these opportunities, which in turn get priced far below intrinsic value.

Value stocks often take a while to return to intrinsic value; these companies are typically under-earning their potential at the time the stocks are purchased. These issues can make for a bumpy ride for the investor. Revered value investor Seth Klarman has said:

> Value investors have a perspective that allows them not to suffer these interim losses, but to relish or at least appreciate them — because interim price declines allow an investor to average down, to buy more at an even better price, which results in much greater profits over time than if prices had not declined at all. It is critical that you remind your clients, your investment team, and, as often as necessary, yourself that you can only control your process and approach — that you cannot forecast the vagaries of the market, which in any case are an opportunity and not a problem for value investors.

We agree that volatility provides opportunity. For example, over the past year, we averaged down on nine of our top 10 equity holdings and reduced our cost basis by an average of 19%.

We believe the best strategy for retail and institutional investors is to select good portfolio managers and stick with them through the volatility. We do not manage for a given quarter or a given year. We manage with a three-year time horizon because the impact of company fundamentals on stocks is diminished over shorter investment periods. To quote Benjamin Graham, "In the short run the market is a voting machine. In the long run it's a weighing machine."

Top Three Purchases

J. C. Penney Co., Inc. 5.65% 6/1/20 Bonds. In our fourth quarter letter, we highlighted our position in the 2020 issue of J. C. Penney bonds. We purchased the company's debt again in the first quarter, given our belief that the bonds represent a solid total return investment. In our minds, JCP's 39% ownership of its real estate, combined with its below-market leases on its remaining footprint ($4/sq. ft. versus a roughly $8/sq. ft. market value), provides substantial downside protection in the event that JCP is

[1] M. Bar-Eli, O. H. Azar, I. Ritov, Y. Keidar-Levin, and G. Schein, "Action Bias among Elite Soccer Goalkeepers: The Case of Penalty Kicks," *Journal of Economic Psychology* 28 (2007): 606–21.

unable to turn around its business by creating a mall within a store. That said, we believe JCP has ample liquidity with which to execute a turnaround. The company ended 2012 with roughly $850 million in cash and a line of credit of $1.85 billion (recently increased without an increase in the interest rate paid), in total providing $2.7 billion of liquidity.

To be clear, JCP has significant challenges ahead in its turnaround efforts. In the fourth quarter of 2012, same store sales dropped a stunning 32%. Reflecting these challenges, Vornado Realty Trust, which was the second largest shareholder and has a seat on the Board, sold 40% of its common stock in the first quarter. Earlier this month, the Board ousted CEO Ron Johnson after just 17 months on the job, likely in part related to expected dismal first quarter results. Moreover, the legal battle with Macy's over the Martha Stewart brand creates further uncertainty. We believe Johnson had a great vision for what he wanted JCP to become, but he did not manage the transition well. Mike Ullman, who was JCP's CEO for seven years prior to Johnson's arrival, was named as Johnson's replacement. Ullman has indicated that, following the company's completed installation of the new home section in May, he will pause on store transformations. In addition, he will return to the company's promotional pricing strategy, with the intention of getting traffic back in the stores.

By the end of May 2013, roughly 30% of JCP's footprint across 500-plus stores will be converted. In its last quarterly conference call, the company stated, "We will move from having a few islands of improved space to critical mass." Sales per square foot on converted (mall within a store) space is over 30% more, as compared to that same space prior to conversion. The combination of improved space, new brands, and the absence of disruptive construction should drive some improvement in sales and margins over time. That said, we are closely monitoring this fluid situation.

First and foremost, a corporation must meet its debt obligations, which include paying interest, making principal payments at stated maturity, and remaining in compliance with protective debt covenants. These contractual obligations must be met before any payments can be made to equity shareholders by way of dividends, stock buybacks, or other corporate actions. Thus, as bondholders we depend less on a highly successful turnaround than on the company simply meeting its debt obligations and retaining access to the capital markets. Ultimately, our safety rests upon having an asset value greater than the market value of its net debt of $2 billion (the current enterprise value is $5 billion). Bond rating agencies such as Moody's and S&P focus more on cash flow, not assets, when assigning ratings. In our opinion, this creates an opportunity for the asset-oriented bond investor. RAM conducts its own credit analysis on each issuer and does not rely on S&P or Moody's ratings.

The 8.55% yield-to-maturity on our JCP bonds through 2020 is an attractive return, particularly in light of historical equity returns. The financial services industry often references an annualized return of 10% for the period of 1926 to the present. Although that is accurate, it ignores the fact that the S&P 500 (including dividends) failed to produce an annualized return of even 8% in more than 40% of the monthly rolling 10-year periods dating back to 1926. Thus, we own a contract buttressed by real assets, not an option on earnings, that captures a return that has not been realized in many 10-year market periods. Lastly, our JCP debt features a change of control provision; in the event of a common stock ownership change of 50% or more, the company would be obligated to repurchase our bonds at 101% of par value, thus significantly increasing our yield-to-maturity.

Ultra Petroleum Corporation, UPL. Ultra owns long-life, low-cost natural gas assets primarily located in the Pinedale and Jonah fields in Wyoming. The company also owns significant acreage in the Marcellus shale in Pennsylvania. After peaking at $13.50 per Mcf in 2008, natural gas prices were driven down by the adoption of new drilling techniques that resulted in significant new supply. However, after bottoming at $1.90 in April 2012, prices have recently recovered to about $4.00. Ultra is a good example of a situation in which the analyst community is overly bullish at high prices and overly bearish at low prices. When natural gas prices peaked in the summer of 2008, 81% of analysts covering Ultra had bullish ratings while the stock reached nearly $100 per share. When natural gas prices bottomed in the spring of 2012, only 24% of analysts were bullish on Ultra while the stock fell below $18 per share. For us, Ultra is another example of taking advantage of volatility to reduce our cost basis, which now stands below $19 per share.

While we do not know the immediate direction of natural gas prices, we do know that oil is trading at more than 25 times the price of natural gas but contains only 5.825 times the energy equivalency. Furthermore, most shale gas cannot be profitably extracted below $5 per Mcf. Excess supply should decline until natural gas prices recover to the marginal cost of production. Shale wells typically decline more than 60% in the first year, so we believe excess supply should decline fairly quickly. On the demand side, several liquefied natural gas exporting facilities are being developed in North America, with the first scheduled to begin exporting in 2015. Export demand should be strong given that natural gas prices in Europe and Asia are three to four times the U.S. price. In addition, since 2003 the use of natural gas in U.S. electricity generation has increased 89%, while the use of coal has declined 23%, according to the U.S. Energy Information Administration (EIA).

There is strong evidence that natural gas demand will continue to grow as utilities switch from coal to cleaner-burning natural gas. According to Constellation Energy Group Chief Executive Mayo Shattuck, "It's pretty clear that, whether it's caused by future carbon legislation or action by the EPA, the migration away from coal has begun." Progress Energy, Inc., of Raleigh, North Carolina, recently announced its intention to shut down four coal-burning plants and replace two of them with gas-fired ones by 2017. In its new 20-year plan, the Tennessee Valley Authority emphasizes nuclear energy and natural gas, with fewer coal plants. Of the new industry capacity coming online in 2013, coal-burning facilities are estimated to fall to 10%, from 18% in 2009, while natural gas is expected to climb to 82%, compared to 42% in 2012, according to the EIA.

Our natural gas investments thus far have rested primarily on the debt side. For instance, as natural gas prices dropped precipitously over the past few years, we purchased these companies' debt instruments at discounts to par value as their credit spreads widened, often capturing 8% to 10% yields even while the greater high-yield debt market tightened. Those bonds have continued to pay handsomely and now trade above par. The common stocks of these companies are still trading near their historic lows. Why, then, did we choose to invest in the equity of Ultra Petroleum?

We chose Ultra because it is a low-cost producer, its assets are long-life assets (17-year average life), and it has a disciplined management team. Management maintains a 20% IRR threshold for committing capital and is investing only as cash flow allows. The company's all-in cost per Mcf in 2012 was $3.00, landing it in a first-place tie atop more than 30 peers, while the industry mean was $6.31 per Mcf. In this investment instance, we wanted an undervalued, moderately levered company in order to take advantage of an ultimate price recovery in gas, even a modest one. Ultra has $1.8 billion of debt after paying down more than $300 million in the fourth quarter from asset sales. The company's net debt to EBITDA is 3.1x, and there are no meaningful debt maturities until 2018. As a result of its capital structure, the company estimates that a move in gas prices from about $3.50 to $4.50 will double Ultra's EBITDA from $600 million to $1.2 billion over the next few years.

We recently met with Michael Watford, Chairman, President, and CEO, and walked away confident that he is a capable steward of our investment. Mr. Watford has held his current position since 1999, has nearly 40 years of industry experience, and owns roughly $75 million of Ultra common stock.

Aeropostale, Inc., ARO. Aeropostale, a retailer of teen and children's apparel, provides an opportunity at current prices to take advantage of the strong tendency for corporate margins to revert to their means. We are paying about a 15% discount to the historical enterprise value/EBITDA multiple, but EBITDA margins are 60% lower than their historical median. So, by paying a lower multiple on lower earnings, we are getting a double discount. Furthermore, ARO has net cash on its balance sheet of roughly $3.00 per share and has generated free cash flow every year for the past 10 years. We believe the strength of cash flow and the balance sheet provide protection to our invested capital.

From a cost perspective, Aeropostale has generally been well managed. As evidence, over the last several years inventory has grown slower than sales, and SG&A per square foot has grown slower than the rate of inflation. Aeropostale also has a history of returning capital to shareholders; the company has repurchased nearly 40% of its outstanding stock, net of option grants, since 2005.

Nevertheless, recent sales performance has been disappointing. Yet periods of disappointing sales have often created opportunities for value-minded investors. Aeropostale and two of its primary competitors, American Eagle and Abercrombie & Fitch (both stocks we have owned in the past), all experience wide fluctuations in comparable store sales over time. In the eight-quarter period ending in the third quarter of 2010, ARO's comparable store sales increased 77%, compared to declines of 3% at American Eagle and 73% at Abercrombie. Coming off those awful sales results for Abercrombie, an investment made in the third quarter of 2010 would have been very profitable because the market had abandoned the stock following its weak sales results. Conversely, coming off the great sales numbers at ARO, an investment made in the third quarter of 2010 would have done poorly because the market had bid up the stock on the heels of its strong sales results.

Aeropostale's recent sales weakness has again run investors off, and so the stock is trading at a large discount to our estimate of intrinsic value. Weak sales typically trigger adjustments by management, and the current scenario is no different. The company is closing many underperforming stores, a common retailer strategy for improving productivity of the remaining store base. In addition, the company's newer P.S. chain, which targets younger children, has been a drag on margins as management has been building scale. P.S. is expected to break even in 2013, and it could ultimately grow to 500 stores from 100 currently. International stores are having a positive impact on the company's profitability and are expected to increase substantially in number over the next three years. The company is employing a licensing model for its international stores, which transfers risk away from ARO. In terms of inventory management, the company has recently made supply chain investments that have decreased time to market from nine to two months. As lower cotton prices flow through the income statement, coupled with the supply chain and store base improvements, a recovery in margins should ensue, which should drive earnings higher.

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

YEAR END	TOTAL FIRM ASSETS (MILLIONS)	COMPOSITE ASSETS USD (MILLIONS)	COMPOSITE ASSETS NUMBER OF ACCOUNTS	ANNUAL PERFORMANCE RESULTS COMPOSITE NET	ANNUAL PERFORMANCE RESULTS THOMSON US BALANCED MUTUAL FUND	COMPOSITE DISPERSION	3-YR ANNUALIZED STANDARD DEVIATION COMPOSITE NET STANDARD DEVIATION	3-YR ANNUALIZED STANDARD DEVIATION THOMPSON US BL MF STANDARD DEVIATION
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 balanced accounts (consisting of equity, fixed income, and cash investments). 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 by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2012. 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. The Balanced Composite has been examined by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2012. 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. Beginning in 2010, 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: 1.75% on the first $200,000, 1.50% on the next $300,000, and 1.00% on assets over $500,000; 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
Total Return 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	S&P 500	Russell 2000	Russell 2000 Value	Composite Dispersion	Composite Net Standard Deviation	S&P 500 Standard Deviation	Russell 2000 Standard Deviation	Russell 2000 Value Standard Deviation
2012	286	157	367	13.92%	16.00%	16.35%	18.05%	1.86%	8.63%	15.09%	20.20%	19.89%
2011	306	175	466	-9.51%	2.11%	-4.19%	-5.49%	2.17%				
2010	311	189	479	14.71%	15.06%	26.85%	24.49%	2.17%				
2009	249	153	414	42.19%	26.47%	27.18%	20.57%	5.57%				
2008	166	104	413	-27.35%	-36.99%	-33.79%	-28.93%	3.40%				
2007	270	178	549	-7.67%	5.49%	-1.57%	-9.78%	2.68%				
2006	280	176	458	16.89%	15.79%	18.37%	23.48%	2.18%				
2005	199	111	312	12.38%	4.91%	4.55%	4.71%	2.59%				
2004	123	47	125	20.18%	10.88%	18.33%	22.25%	2.69%				
2003	66	15	46	32.13%	28.69%	47.25%	46.03%	4.04%				
2002	41	8	44	-10.15%	-22.10%	-20.48%	-11.43%	4.33%				
2001	31	5	30	32.76%	-11.89%	2.49%	14.02%	6.33%				
2000	19	2	12	7.97%	-9.10%	-3.02%	22.83%	4.05%				
1999	16	2	9	26.02%	21.04%	21.26%	-1.49%	3.92%				

Total Return Composite contains fully discretionary equity accounts. Roumell Asset Management, LLC (Roumell) is an opportunistic capital allocator with a deep value bias. Total Return 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 Total Return Composite is measured against the S&P 500, Russell 2000, and Russell 2000 Value Indices. The S&P 500 Index is used for comparative purposes only and is not meant to be indicative of the Total Return 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 Total Return Composite was created January 1, 1999. Prior to January 1, 2013, this composite was known as the Equity 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 by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2012. 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. The Total Return Composite has been examined by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2012. 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, 2006, 2007, 2008, 2009, 2010, 2011, and 2012, wrap fee accounts made up 33%, 36%, 31%, 33%, 41%, 40%, and 44% 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: 1.75% on the first $200,000, 1.50% on the next $300,000, and 1.00% on assets over $500,000; for Sub-Adviser Services: determined by adviser; for Wrap Fee Services: determined by sponsor. Actual investment advisory fees incurred by clients may vary.