Quarterly Report

July 31, 2017

Roumell Asset Management, LLC

Second Quarter Summary

Performance Summary

	2Q 2017	YTD	Annualized as of 6/30/17: 1 Year	3 Year	5 Year	10 Year	Since Inception*	Cumulative Return Since Inception*
Roumell Opportunistic Value (Net)	**3.66%**	**10.37%**	**22.16%**	**-1.55%**	**2.84%**	**1.52%**	**7.98%**	**313.55%**
60% Russell 2000 Value / 40% Barclays US Govt Credit	1.11%	1.42%	14.48%	5.56%	9.09%	5.94%	7.99%	314.40%
S&P 500	3.09%	9.35%	17.91%	9.62%	14.63%	7.18%	5.73%	180.22%
Russell 2000 Value	0.67%	0.54%	24.86%	7.02%	13.39%	5.92%	9.33%	420.39%
Roumell Balanced (Net)	**3.28%**	**8.63%**	**18.55%**	**0.36%**	**3.48%**	**1.91%**	**6.37%**	**213.34%**
Thomson US Balanced Index	2.27%	6.15%	10.13%	4.03%	7.67%	4.53%	4.50%	125.77%

**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®). Ashland Partners & Co. LLP, our independent verifier, completed its examination of the composite performance returns for the period of 1999 (inception) through December 31, 2016. All returns include reinvested dividends and interest. Please refer to the annual disclosure presentations at the end of this letter.

RAM Deep Value Investing vs. "Great Company" Investing

In May, I attended Berkshire Hathaway's annual meeting in Omaha, NE. A few weeks later, I gave a presentation at a value investment conference in Zurich, Switzerland hosted by John Mihaljevic's Manual of Ideas (MOI). MOI is a thoughtful community of value investors from all over the world. At each venue, I spoke to a number of professional investors about their approaches to investing. Buffett's shareholder meeting, often referred to as "Capitalism's Woodstock," is a cult of sorts for investors in search of "great companies." In fact, most investors, even ones with an overall value orientation, are in search of great companies. I often feel like the odd man out at these events. It's worth reflecting on why RAM does not pursue *great companies* but rather focuses on finding significantly *undervalued securities.*

What is a "great company"? A great company is most often viewed as one with a high return on invested capital (ROIC) or return on equity (ROE), and with an opportunity to reinvest its cash flows with high returns as well, which is often referred to as a return on incremental invested capital. Moreover, the reinvestment opportunities should have a long runway. Such companies are often longingly referred to as "compounders." For example, Coca Cola, a long time Buffett favorite, has an average return on equity of roughly 35% over the past 25 years—clearly qualifying as a great company.

Do great companies make great investments? Yes and no. They certainly make wonderful investment candidates if held for long enough periods of time and if their ROIC/ROE rates remain intact. Over time, these common stocks' returns will likely track their internally generated investment returns. Thus, the reasoning goes, it's best to find companies that have strong underlying investment returns because these returns will ultimately be reflected in the investor's stock returns.

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The great company investor faces one overarching challenge—will the company remain great? History has proven that our dynamic, ever-disrupting economy, can humble even the best of companies. Eastman Kodak, accounting for an estimated 90% of film sales and 85% of camera sales in the mid-1970s, filed for bankruptcy in 2012. A & P, with an estimated 75% market share of U.S. grocery sales in the 1950s, filed for bankruptcy in 2015. Today, IBM is struggling in ways not imagined 10 years ago, while Whole Foods is being acquired by Amazon at a price below where its stock traded five years ago. It's worth asking: How many companies have a true economic moat around their businesses? Remember, investors typically "pay up" for these companies based on the belief that their business models are highly sustainable and consequently there's often little margin of safety, given the price paid.

An additional challenge for the great company investor is the difficulty of adding value to buying such businesses. In other words, given that the investment demand for company compounders (high return on invested capital and incremental capital investments) is so high, how does one add investment value? Deep value investor and friend Marty Whitman once noted, "No successful investor ever made money buying what is popular when it is popular." Recent history may challenge Marty on this front, but we believe the basic insight is eminently rational and spot on.

Indexing is the solution commonly put forth to address the difficulty of trying to pick which great companies will remain great and which ones are mispriced. The S&P 500 Index contains many great companies. Some will maintain and/or grow their internal return rates, while others will be disrupted or simply mismanaged. Many believe they should just buy the whole basket at a low fee and go fishing. It's not an unreasonable idea. Think about it…if a business has stable, reliable cash flows and reinvestment rates, everyone has the basic numbers to appropriately price the security.

To be clear, there are investors who seem particularly adept at determining the strength of a company's competitive edge and genuine growth prospects, and can thus capture mispricing if the overall market is not sufficiently pricing in the durability of future cash flows. However, it's not a skill set that RAM possesses. It's not what we do. That said, as we have often noted, we do episodically find great companies that are momentarily in the dog house and priced accordingly. We have no qualms when it comes to purchasing such securities. After all, Wall Street is mostly comprised of followers best described as individuals trafficking in the average opinion of the average opinion. Collectively, Wall Street tends to fall in love or out of love as a group. Savvy contrarians can periodically exploit this communal tendency to hide out in the safety of crowds.

Our investment mantra lies in pursuing value not by searching for great companies, even ones that might be reasonably priced, but rather in sourcing **"Out of favor, overlooked and misunderstood"** securities. The rationale is simple enough to us — the odds of discovering mispricing are far greater in such an arena. Admittedly, the inputs for RAM securities are not as neat and formulaic as the inputs for great companies. While the vast majority of investors are focused on near-term company cash flow or earnings, we are decidedly interested in areas where investor interest is low because of poor current outlooks or uncertainty — two things which frighten most investors who are comforted by identifiable positive characteristics. RAM is comforted by bargain prices. The fact remains that most investors chase the same investment characteristics and therefore reduce the probability of adding investment value.

In other words, our securities possess "hair," i.e., their current profit profiles often look terrible. They definitely don't screen well, which is precisely why mispricing is much more likely. The inputs are more complicated. To properly analyze such securities, one must possess a rich ecosystem of industry contacts. Walking trade show floors often proves to be invaluable. Assessing probabilities and suitably weighing odds are the tricks of the trade. Thus, while math is at the center of what we do, deep value is not the domain of accountants, economic forecasters, and those never wanting to leave their offices. Deep value investing, as practiced by RAM, more accurately relies on the skill sets of detectives, investigative journalists, and insurance underwriters. Insurance is a game of pricing probabilities and investing similarly boils down to probabilities, not certainties.

It is important to highlight that RAM's approach is anchored in viewing businesses not strictly as going-concern entities, but also as owning assets that are potentially desirable to larger companies operating in the same industry. In fact, building a business most often involves buying smaller ones. Generous premiums to market prices are often paid because the cost to recreate the asset(s) would be even greater, while also consuming the precious commodity of time. RAM's north star has always been driven by answering a simple question: Would we take this company private, in a heartbeat, at its current price? The answer to this question is deeply informed by whether we believe the business could be sold at a materially higher price.

For RAM, resource conversions have always been source of value creation. In the past eighteen months, for instance, we have had five of our holdings bought out by larger companies: WCI Communities (WCIC), Sizmek (SZMK), Fortress Investments (FIG), Atwood Oceanics (ATW) and Covisint (COVS).

RAM mitigates the risk of buying unloved securities in several ways:

- **Balance Sheet Strength—**Provides time for investment optionality to play out and ability to average down
- **Unique Assets—**If the company cannot segue to profitability as a going-concern, the assets are desirable to competitors
- **Multiple Shots on Goal—**Like to have several ways to win, providing investment redundancy
- **Alignment of Interests—**Management and board incentives
- **Price—**Demand a sizable discount to our calculation of intrinsic value

Additionally, we add to our investment differentiation by greater portfolio concentration (often 5% to 7% positions compared to typical portfolios with 2% company weightings). It is in our DNA to be highly opportunistic. As such, we are disciplined enough to hold cash in the absence of compelling investment candidates, and are willing to average down our cost basis. Finally, it is worth noting, as we have done previously, we are committed to maintaining a modest level of assets under management that allows us to optimally execute our strategy, focusing as it does in micro and small cap securities. Simply put, large pools of money seem to be highly correlated with diminishing returns.

We believe RAM's results since inception give credence to our approach of buying out of favor, overlooked and misunderstood securities, despite the significant underperformance in 2014 and 2015. Since inception, the annualized return of the RAM Opportunistic Value composite is 7.98% vs the S&P's return of 5.73%. However, the pure returns don't tell the whole story. Since our inception we have averaged 26% cash. We compare ourselves to the S&P 500 because that seems to be the general public's premier benchmark and the one pundits most often refer to in arguing the case for passive investing. As an aside, an investment in Berkshire Hathaway stock on January 1, 1999 (RAM's inception date), has compounded at 7.25% through June 30, 2017, below RAM's annualized return.

There is another factor worth noting when viewing our returns against benchmarks. Indexes are comprised of leveraged companies since most capital structures combine equity and debt financing. RAM is typically holding a basket of unleveraged companies. For example, the current median debt to EBITDA ratio for non-financial companies in the S&P 500 is roughly 2.3x (it's the highest ratio since 2000). Our top ten equity holdings, on the other hand, collectively not only have no debt, but also hold significant amounts of cash. Our top ten holdings as of June 30th have an average cash balance equaling roughly 40% of their market capitalizations. Company leverage flows through to underlying company investment returns as a company's ROE is a function of its return on assets and the degree to which those assets are leveraged.

What is it that we might be doing right wherein unlevered ugly ducklings are beating the debt-enhanced beautiful swans? Notwithstanding our research process and risk mitigation strategies, we believe the answer lies in one word—price. *Paying a bargain price has added value.* The sizable mispricing that results from the institutional and psychological bias to own what's pretty, combined with the parallel fear of being seen hanging out with the unpopular kids, can be put to profitable use. While others long to belong with the in-crowd, we long to buy cheap.

Finally, a word on the current environment's pricing of corporate assets: plant and equipment, inventory, intellectual property, etc. The compound annual growth rate in book value for the S&P 500 is 4% over the past five years, but the index itself has compounded at nearly 15% during the same period. Notwithstanding the shortcomings of book value as an analytical tool, this fact strongly suggests that prices have outstripped the growth in corporate net worth by a considerable amount in the past five years.

Yes, in the current environment, deep value securities are difficult to find…but it's not impossible. With regularity, the degree to which some security and/or industry is being taken out to the woodshed is often too dramatic. Our job is to find these situations. We feel confident that patience and discipline will pay off and feel well-positioned to take advantage of possible market disruption. However, if valuations stay elevated — a clear possibility if interest rates remain super low — our ability to find pockets of value, and to own them in meaningful size, will provide ample return optionality, in our opinion.

Below are two common stocks few people want to be seen with these days that we purchased in the second quarter. We like the price we paid in exchange for what we own. The other security purchased was an unsecured note purchased for income.

Top Three Purchases

Liquidity Services Inc., LQDT. This is our second time investing in LQDT. At its current price, LQDT once again qualifies as an out of favor, overlooked and misunderstood security. To recap, LQDT operates several leading online auction marketplaces for industrial surplus, salvage and retail assets. The company enables the Department of Defense (DOD), WalMart (WMT) and over 9,000 municipal governments to cost effectively liquidate obsolete or excess assets. LQDT's reverse supply chain management online platform allows customers to realize greater value for their goods due to much greater buyer reach as compared to traditional onsite auctions which are typically attended by local buyers. William "Bill" Angrick co-founded LQDT and is its Chairman and CEO.

LQDT qualifies as a business with currently poor operating results and near-term uncertainty. To wit, revenues and EBITDA declined from $475 million and $96 million in 2012 to last year's revenue of $316 million and negative $28 million in EBITDA. LQDT's downturn can be traced to several factors. First, the company was forced to renegotiate its DOD contracts on much less favorable terms than prior contracts. Second, the company walked away from what was previously a highly profitable contract with WalMart that it had purchased three years ago after WMT sought to effectively change the terms of the contract by altering the mix of inventory provided to LQDT. Third, the downturn in the oil/gas industry significantly reduced LQDT's energy business that once accounted for a sizeable portion of the company's GMV (gross merchandize value). The DOD and WMT issues can generally be viewed as the result of heightened competitive pressures.

LQDT is currently a very unpopular company. Few investors want to own the shares given the trend of its operating metrics. Five years ago, the company's operating margin was over 10%; today, it's effectively zero. Who wants to hang out with a loser? Notwithstanding the dramatic drop in revenues and profitability over the past five years, the investment question *today* is straightforward—does the 90% drop in the company's shares since 2012 represent a bargain when compared to today's intrinsic value? We believe the answer is yes.

First, LQDT's balance sheet is exceptionally strong, cash-rich and debt-free, providing time for the business to be turned around. The company has $126 million of cash (this includes a $10 million short-term note), representing about 60% of the company's market capitalization based on our purchase price. Moreover, the company has generated $40 million of average annual operating cash flow over the past five years, coupled with a modest $7 million of average annual capital expenditures, despite its operating margins turning dramatically downward. In the past six months, however, the company did—uncharacteristically—burn $18 million, likely a contributing factor in sending the shares south by about 35% in the past few months. We expect the recent cash burn to reverse itself and believe the company has ample levers to pull to avoid becoming a perennial cash burner.

Second, LQDT possesses unique assets. The company has invested heavily in having built what is one of the leading online industrial strength reverse supply chain platforms. The company is regularly named "Asset Disposal Firm of the Year" by ACG Magazine's Global Awards. LQDT's GMV is the largest of any online platform we're aware of and no other platform has the breadth of liquidation services. The company still transacts over $600 million of GMV and over $300 million in revenue. Despite having walked away from what was a particularly profitable WMT contract, WMT remains a major customer. In fact, the relationship with WMT is growing and now accounts for roughly 15% of company revenue. LQDT has a sizable, and hard to duplicate, community of buyers and sellers.

Third, LQDT possesses multiple shots on goal as a result of serving multiple end markets. We've identified one online marketplace in particular that we believe is worth the company's current enterprise value alone. LQDT's GovDeals business marketplace now accounts for roughly $200 million in GMV and $25 million of revenue. GovDeals is a pure commission business, with payouts of roughly 10% of GMV. LQDT manages no inventory for this vertical, so this is effectively a self-service platform. LQDT reports having signed up over 9,000 municipalities (there are over 80,000 in the U.S.), up from 6,000 two years ago. The next largest competitor is estimated to have less than 1,000 clients. In the last quarter, GovDeals revenue was up 26% on a year-over-year basis. Although the company does not break out segment margins, one can safely assume that this division has a highly desirable business model given that it's asset light, self-serve, has repeat customers, and is growing nicely. RAM interviewed a number of LQDT's GovDeals clients and the feedback was very favorable:

- "We are very happy. Over the years, our value (on goods sold) has increased. Excellent customer service. To change vendors would require us to put a resolution before our town council and we have no reason to do that."
- "We love GovDeals and how they handle things. We've never had a problem. We used to do an annual live auction—it was too much work, we would have to warehouse things for up to a year. Now, we just sell stuff when we want to and the buyer picks it up."

- “Wonderful, wonderful, wonderful. We used to do live auctions, it was so time consuming, costly, a waste of time. We’ve looked at it and we’re getting 30% more on our sales compared to our live auctions because we’re now reaching a national audience. We have so many repeat buyers now.”

We believe LQDT’s GovDeals business alone is worth the company’s current enterprise value of $75 million ($200 million in market capitalization at $6.50/share and 31 million shares, less $126 million in cash and no debt). In effect, the additional shots on goal are free and include the other $275 million of revenue flowing from its DOD, retail and industrial/energy liquidation marketplaces. Candidly, we don’t know which business line(s) might turn out to be profitable, but we understand the value of “free options”—the cornerstone of our investment thesis.

There are several private market transaction data points that underscore our LQDT thesis. Optoro is a private company that competes with LQDT in the retail vertical. In December 2016, Optoro closed on a $30 million funding round, bringing to $100 million the total capital raised by the company. Our industry contacts suggest that the pre-money valuation used was $300 million. Further, we believe Optoro is at best one-third the size of LQDT in terms of GMV. If Optoro is being valued at even $200 million, we believe it is quite reasonable to assume that LQDT’s business, with multiple marketplaces, a much stronger brand and a significantly larger buyer/seller community, is worth considerably more than the $75 million implied business value after subtracting the company’s net cash from its current market cap. In fact, we find it hard to fathom that LQDT isn’t worth more than its much smaller, single vertical peer, Optoro.

Separately, LQDT’s principal competitor, privately-owned IronPlanet, was purchased by Ritchie Bros. in August 2016 for over $700 million. Industry contacts suggest that IronPlanet’s GMV was in line with LQDT’s, albeit the company had good margins and generated handsome operating income. We assume that over time the gross margins in the reverse supply chain business should be more or less the same for all industry participants. Moreover, LQDT is roughly two-thirds complete on its Liquidity One platform, which will absorb what is today eight separately managed platforms onto one with an estimated $6 to $8 million in cost savings per year.

Lastly, in terms of alignment of interests, Mr. Angrick owns roughly 18% of LQDT’s outstanding stock, a nearly $40 million stake, that we believe is a very meaningful piece of his net worth given the fact that Mr. Angrick has never been an active seller of his company’s shares.

TICC Capital Corp., 6.50% unsecured notes due 2024, TICCL. TICC Capital Corp. is a publicly-traded business development company (“BDC”) primarily engaged in providing debt capital to a wide-range of U.S.-based companies. The company holds assets in syndicated bank loans and debt and equity tranches of collateralized loan obligations. TICC’s focus is primarily on small to mid-sized companies. TICC generally invests between $5.0 million and $50.0 million in each of its portfolio companies.

The 6.5% notes, purchased at par, are a new issuance of notes. TICC disclosed that it will use the net proceeds from this offering to repay or repurchase a portion of the outstanding indebtedness under its 7.50% convertible notes due 2017. CEO Jonathan Cohen owns 2%, or about $7mm, of the TICC common shares.

Regulatory restrictions under the Investment Company Act of 1940 limit the amount of debt that a BDC can have outstanding. Generally, a BDC may not issue any class of indebtedness unless, immediately after such issuance, it will have asset coverage of at least 200%. For example, if a BDC has $1 million in assets, it can borrow up to $1 million, which would result in assets of $2 million and debt of $1 million. If TICC were to breach this regulatory limit it would be forced to take action to come back into compliance. These actions could include the sale of assets and repayment of a portion of the debt or the issuance of new common equity. In the absence of any such action, TICC would be required to suspend payment of its common stock dividend, which would effectively de-lever the balance sheet to the benefit of bondholders. The debt limit restriction brings us a great deal of comfort that our notes are well protected by significant asset coverage.

Edgewater Technology Inc., EDGW. Edgewater helps the C-suite drive transformational change through its selection of business and technology services, and channel-based solutions. The classic consulting disciplines (such as business advisory, process improvement, organizational change management, mergers and acquisitions due diligence, and domain expertise) are blended with technical services (digital transformation, technical roadmaps, data and analytics services, custom development and system integration) to help organizations leverage investments in legacy information technology (IT) assets.

In our opinion, EDGW is a typical under-earning, mismanaged, small consulting company ignored by investors who fail to appreciate the durability and recurring nature of its revenue. Given a newly constructed board, resulting from a shareholder proxy fight won by Ancora Advisors earlier this year, we believe a turnaround or sale is likely. We have a high degree of faith in Ancora's team as operationally savvy, shareholder friendly and overall solid stewards of capital. Ancora, based in Cleveland, OH, has combined assets under management of over $4 billion. It is highly experienced in shareholder activism and the firm's principals and employees have significant personal investments in their underlying investment vehicles. Ancora is not a "quick sell" activist, but brings real operational heft to the table, unlike many of today's activists. In particular, Ancora combines the ability to analyze a business's cost structure, and to right-size it, with the need to build a work culture that rewards high performing employees.

Ancora now owns roughly 11% of the company. The four board members put forward by Ancora, including its CEO Frederick DiSanto, have all personally made significant open-market purchases of EDGW stock, separate and apart from the firm's 11% stake.

EDGW's market capitalization is roughly $90 million, with $13 million in net cash and about $125 million in annual revenue. While the company's cost structure has been bloated, it has nonetheless consistently generated free cash flow over the past five years. The company's SG&A expenses have averaged roughly 33% over the past five years versus an industry average among its North American IT consulting peers of about 20%. Similarly, its EBITDA margins have averaged 5.5% versus industry peers of 11%. Thus, the opportunity to double margins is not unrealistic. Moreover, prior executive compensation was absurdly high despite underwhelming operational results. In its proxy filing, Ancora noted, "Since 2002, EDGW's CEO, CTO and Board have been cumulatively paid nearly 50% of the Company's total cumulative EBITDA."

Our purchase price represents a premium to company book value (which has grown over the past five years despite mismanagement) of a modest 20% and an enterprise value to sales multiple of roughly 0.7x. Simply bringing SG&A costs in line with industry averages results in an additional $0.50 per share in earnings on a $7 per share stock. We believe the odds are quite high that the business is right-sized and ultimately sold at an appropriate time. We trust the new leadership ushered in by the people at Ancora to successfully manage the company's turnaround.

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
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 by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2016. 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, 2016. 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
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 by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2016. 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 Opportunistic Value Composite has been examined by Ashland Partners & Company LLP for the periods January 1, 1999 through December 31, 2016. 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 2016, wrap fee accounts made up 33%, 36%, 31%, 33%, 41%, 40%, 41%, 43%, 31%, 13% and 9% 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.