Quarterly Report

July 31, 2019

Roumell Asset Management, LLC

Second Quarter Summary

Performance Summary

	2Q 2019	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Cumulative Return Since Inception*
			Annualized as of 6/30/19					
Roumell Opportunistic Value (Net)	**-0.90%**	**10.54%**	**2.72%**	**8.62%**	**0.02%**	**5.33%**	**7.42%**	**333.83%**
60% Russell 2000 Value / 40% Barclays US Govt Credit	2.41%	11.16%	0.09%	7.21%	4.83%	9.44%	7.57%	346.07%
S&P 500	4.30%	18.54%	10.41%	14.19%	10.71%	14.70%	6.36%	253.87%
Russell 2000 Value	1.38%	13.47%	-6.23%	9.81%	5.39%	12.40%	8.69%	451.87%
Roumell Balanced (Net)	**-1.94%**	**9.08%**	**0.76%**	**6.48%**	**0.58%**	**4.96%**	**5.82%**	**219.10%**
Thomson US Balanced Index	3.11%	12.06%	6.13%	7.56%	4.93%	8.46%	4.67%	155.11%

**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.

Turnarounds

Most investors avoid turnarounds, and for good reason…they're difficult to execute and most fail. As a result of overall investor disdain for turnarounds, such securities can fall deeply out of favor and, in our opinion, offer exceptional pricing opportunities. We're attracted to securities experiencing investor fatigue and love outright investor capitulation. We have a disciplined, highly duplicable process, honed over the past twenty years, that we believe provides a material investment edge.

First, we leverage an industrial-strength network of contacts that provides us with a steady source of investment ideas. This network is made up of like-minded investors whose work we value and trust, C-level executives we've built relationships with over many years, rank and file employees who we've been introduced to, and other key industry participants and/or thought leaders. We do not source ideas by using traditional screens since screening, at day's end, is a commodity. On the other hand, building long-lasting, valuable relationships with key industry participants will never be commoditized, in our view. As investment generalists, we utilize our network to understand the current dynamics and the emerging trends inside the industries being analyzed.

Second, we stress companies with strong balance sheets. We want very long-dated turnaround options without liquidity and/or refinancing risks or, if such risks are present, we demand a substantially greater discount to our calculation of intrinsic value.

Third, we want to possess multiple shots on goal. The most common investment narrative for us—RAM's **"sweet spot"**—is a company with a legacy business in some type of stress or disruption that is the focus of investor sentiment and pricing, masking emerging investment stories that are being wholly, or largely, ignored. In our minds, this is an effective way to potentially capture early stage investment returns for free since the nascent opportunities within these businesses are not currently appreciated by public market participants. We want investment redundancy. The fewer shots on goal, the larger the discount demanded to own the security.

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Lastly, we need to understand the company's culture and whether the board and management are fundamentally on the side of shareholders. There is always a degree of tension between insiders and outside passive investors. We want to be partnered with people appropriately incentivized and who we believe are ethical and trustworthy. We seek to align ourselves with value creators who are looking to restructure their businesses through corporate actions which will ultimately lead to a re-rating of the security in the public markets or perhaps draw the attention of strategic or financial buyers.

In executing our turnaround-focused strategy we think probabilistically. Sherman Kent is a legend in intelligence circles. "Estimating," Kent said, "is what you do when you do not know." In investing, we rarely "know," so we're always handicapping probabilities. In short, Kent discovered that terms like "fair chance" meant vastly different things to different people and "possible" implied a probability of almost 0% to almost 100%. He replaced gauzy predictive terms with quantifiable ranges to be used by intelligence officers. For example, in Kent's framework, "Almost certain" should meet a 93% threshold (give or take about 6%) for occurring while a term like "Probably not" should meet a threshold of 30% (give or take about 10%) for not occurring. We force ourselves to think deeply about probabilities.

Precisely because forecasting and assessing probabilities is difficult, we try to tilt the odds in our favor with our strategy of focusing on situations where we have multiple ways to win, and/or protect our downside against serious loss. For example, let's say a given security has three distinct investment options each possessing a 50% chance of experiencing a favorable outcome with "favorable outcome" defined as the value creation needed to equal the company's current market capitalization. The probability that all three options will not occur is 12.5% (50% of 50% of 50%), providing meaningful downside protection in our view. To be clear, the three options must be genuinely uncorrelated in order to capture the full "safety" of the strategy. The point is simply to illustrate the value of probabilistic thinking and RAM's goal to construct a portfolio with an overall high margin of safety.

"Pure plays" (those investments with little to no investment redundancy) are often more rewarding when we get them right. For the majority of our high conviction ideas, however, we basically trade the optionality of achieving individual home runs for singles, doubles and the occasional triple. However, we weight our core holdings in a manner that can effectively provide home run-like returns to our overall portfolio. We like the safety that comes with our "multiple shots on goal" investment emphasis and are not shy about heavily weighting such securities to provide real investment value to our investors.

Top Three Purchases

ZAGG Inc., ZAGG. In our 4th Quarter 2018 letter, we noted that we initiated a small, entry-level size position in ZAGG after the stock had fallen roughly 50% from its 52-week high. During the 2nd Quarter 2019, the company's shares dropped an additional 30%. After further due diligence, we concluded that the drop presented us with an extremely compelling buying opportunity and we decided to make it our largest portfolio holding. As such, we will devote the lion's share of this letter to this important core holding.

We purchased our additional ZAGG shares at an estimated 3.5x TTM EV/EBITDA, 5x TTM earnings, and a 25% plus free cash flow yield based on a market capitalization of roughly $200 million (at $7/share and 29 million outstanding shares). ZAGG's net debt is roughly $80 million (1x EBITDA). The company has guided for 2019 EBITDA of $82 to $85 million and free cash flow of about $55 million (basically duplicating 2018 results). The company's EBITDA margin has increased from 9% in 2016 to today's 13% to 14% range.

There were two approximate causes to ZAGG shares selling off in the second quarter. First, while indicating strong annual guidance, the company indicated that 70% of its sales would occur in the back-half of the year given its dependence on mobile launches and the sales cycles of its acquired businesses. iPhone 11 is expected to be launched in the fall. Second, roughly 40% of ZAGG's revenue is sourced in China and the implementation of an additional 10% tariff created further investor anxiety. Q1 2019 weakness was attributed to several factors we find credible, including pull-through sales in Q4 2018 in anticipation of rising tariffs. We believe ZAGG's share price sell-off more than discounted these issues and provided us with a sizable margin of safety.

ZAGG fits squarely within RAM's sweet spot. Based on our analysis, ZAGG's core legacy business—high-end glass mobile screen protectors—is not actually distressed; rather its dramatic growth over the past five years has simply flatlined. The company's screen protector business produces significant free cash flow that has enabled the company to diversify its revenue stream by acquiring several adjacent business lines that also serve the mobile accessory market.

ZAGG's anchor legacy asset is its InvisibleShield mobile screen protector business. The company's screen protector revenue in 2013 was $92 million versus 2018's $306 million (a steady 27% five-year organic CAGR). ZAGG is the screen protector market leader with an estimated 50% U.S. market share. Segment sales have increased as a result of the growth in smartphone sales, expansion of its distribution network, and benefiting from the industry's overall rise in "attachment rates", i.e., a greater percentage of mobile phone buyers purchasing screen protectors.

Wireless carriers like Verizon, AT&T, T-Mobile, Sprint, and Carphone Warehouse (U.K.) make up roughly 48% of ZAGG's sales. Major retailers like Amazon, Best Buy, Walmart and Apple account for roughly 37% of sales. The balance of sales is comprised of e-commerce or smaller strategic retail stores. While Apple does not disclose its sales channel breakdown, industry insiders estimate that only about 15% of iPhones are sold at Apple stores. ZAGG built its business largely by servicing Apple's retail partners. For instance, Verizon, one of ZAGG's major customers, was the largest channel for Apple in 4Q18. Samsung and other manufacturers like LG and Motorola rely completely on carriers and retailers as they do not have their own stores. While Apple sells a number of ZAGG products, the company sells competitor Belkin's screen protectors, not InvisibleShield.

After years of steady growth, ZAGG's screen protector business has stalled. Revenue is expected to be roughly $285 million in 2019, down roughly 7% from 2018. In our view, investors are overly obsessed with the company's stalled screen protector business, while ignoring ZAGG's emerging, and quite promising, additional mobile accessory products. To wit, in 2015, screen protectors represented 67% of the company's revenues, in 2018 that percentage was down to 57% and in 2019 screen protector revenue is expected to be between 35% to 40% of its estimated $620 million in total sales as a result of the company's diversification strategy.

ZAGG's vision is to be the leading mobile accessory product company (in power, protection and productivity), with a goal of reaching "$1 billion in sales and higher profitability." Logitech (LOGI), the industry leader in providing accessories to the desktop industry, has nearly $3 billion in sales, a $6 billion market cap and trades at 15x EV/EBITDA.

As the famous SNL character Chico Escuela (played by Garrett Morris) might say, "Screen protectors have been berry, berry good to ZAGG." The company's flat glass protectors sold to protect iPhones carry a gross margin of roughly 50% by our estimates (the company does not break out category margins, but carries a mid-30% overall gross margin). ZAGG gained its 50% U.S. market share position from its

ability to quickly take a planogram (mobile phone design), manufacture the screen protector in large quantities and get it on retail shelves within two weeks. ZAGG's supply chain capabilities, dedicated customer service culture (providing a partial lifetime warranty valued by customers), and strong retail sell-through are at the center of its market leading position.

The company is quite proud to note that three years ago, Car Warehouse, the UK's "Best Buy" with 2,400 store locations, decided to go "in-house" in an attempt to capture the full margin on screen protectors. Car Warehouse came back to ZAGG within six months and re-established its relationship. This story was confirmed to us by a former high-level company executive.

The InvisibleShield product itself has long been recognized as setting a quality standard based as it is on using a clear thin film originally designed to protect the blades of military helicopters in harsh desert conditions. Nevertheless, there can be little doubt that competitive, and cheaper, products have emerged in the space. ZAGG must continue to innovate and emphasize strong customer service to retain its leadership position. One way that ZAGG differentiates itself is with its InvisibleShield On-Demand (ISOD) offering, where 550 U.S. locations, and 2,500 global ones, are able to provide same-day specialty-cut screen protectors for over 12,500 devices. Recently, the company introduced its InvisibleShield with VisionGuard to protect against harmful blue light, which received the endorsement of the Vision Health Advisory Board. The company is now also selling smart watch screen protectors.

Notwithstanding its market leadership position, there are a variety of headwinds facing the company's InvisibleShield franchise. First, fewer mobile devices are being sold as the market matures and the replacement cycle is extended. In 2011, roughly 30% of U.S. adults owned a smartphone; today it's about 75%. Manufacturers are finding it more difficult to add features that encourage replacement and consequently device sales are down. This impacts ZAGG since an exceptionally high percentage of ZAGG's protectors are sold as a result of a new mobile device launch. Despite these recent trends, ultimately, we believe the company's screen protector business is likely to grow as a result of rising attachment rates. Attachment rates are still low overall in the mid-20 percent range, while up from mid-teens several years ago, according to NPD Group/Retail Tracking Service data.

Second, there is the perennial bear thesis that mobile device manufacturers will come out with a screen that does not need additional screen protection. For instance, Gorilla Glass is a brand of chemically strengthened glass developed and manufactured by Corning. It is used by the major smartphone manufacturers and is now on its 6th iteration. While this risk cannot be ignored, RAM got comfort with this issue by noting the industry's rising attachment rate despite the steady rise in the strength of Gorilla Glass, which like all glass, still scratches. There appears to be a strong behavioral bias wherein people like buying the extra protection for their devices, which often cost as much as $1,000.

In fact, there does not appear to be a good reason why manufacturers would want to discourage the purchase of additional screen protectors as these products are highly profitable to the manufacturers' retail partners, who often make very little selling smartphones themselves. While device screens themselves have steadily gotten stronger, it has not been accompanied by any manufacturer encouraging its customers to forego additional screen protection. With the exception of Apple's modest iPhone store sales as compared to its overall sales, these partners are where the vast majority of device sales occur and undermining their profitability doesn't make economic sense.

Lastly, there are much cheaper, non-glass, screen protectors. While Amazon is sure to gain its share of business selling much cheaper screen protectors purchased by "do-it-yourselfers," point-of-sale buyer preferences, including having professional installation (avoiding the bubble issue), seem to limit the Amazon threat and provide ZAGG with a steady stream of customers going forward, albeit not nearly

duplicating the growth rate the company enjoyed over the past five years. Moreover, carriers simply roll the screen protector price into the overall device cost, which is typically spread over 12 to 24 months, adding very little to the customer's monthly charge.

While we believe InvisibleShield's future is bright, it's difficult to know how the headwinds and tailwinds noted above will net out, over time. Fortunately, our ZAGG investment has real investment redundancy, dramatically increasing the *probability* of it being a successful investment.

In addition to InvisibleShield, the company's portfolio of accessories serving consumers' smartphone protection and power needs now includes the following brands: mophie (battery cases, external power packs and wireless charging pads), Gear4 (protective cases) and Halo (portable power). The company's current line-up offers a compelling portfolio of leading mobile lifestyle brands. The following market share information is provided by The NPD Group/Retail Tracking Service in the U.S. and by GfK for the U.K. for the three months ended March 31, 2019:

- #1 market share (49%)—U.S. Screen Protection
- #1 market share (21%)—U.K. Protective Cases
- #1 market share (27%)—U.S. External Power
- #1 market share (26%)—U.S. Wireless Charging Pads
- #2 market share (25%)—Battery Cases

Additionally, ZAGG has a small presence in the speaker and earbuds markets through its Braven and IFROGZ brands and also sells tablet keyboard products under the ZAGG brand itself.

ZAGG has made several acquisitions over the past few years. ZAGG purchased mophie in 2016 for $100 million, or effectively $85 million after a recent settlement with the seller over misrepresentation claims. The mophie acquisition immediately incurred problems as Apple did not provide the company with the necessary designs to enable it to market to Apple's newly issued phone models. Contemporaneously, Apple introduced its own battery case ($30 higher than ZAGG's). Apple no longer carries mophie's battery cases, but continues to sell its wireless charging pads and external backup batteries. In fact, on July 16th, ZAGG announced that a select number of Apple stores will be expanding their mophie accessory offerings. In 2018, power cases and management accounted for $172 million in sales, or 32% of total revenue.

Today, mophie continues to be a premier brand widely recognized as the leading mobile external power company. The initial post-acquisition integration issues appear to be resolved. Chris Ahern, ZAGG's current CEO, moved his family from Scotland, where he was leading the company's European sales efforts, to California in order to steady mophie's sales and operations in 2017. After successfully completing that assignment, he was offered, and accepted, the company's CEO position and moved his family to ZAGG's headquarters in Salt Lake City, UT in March 2018.

In November 2018, ZAGG purchased protective case maker Gear4 for $40 million. Gear4's 21% U.K. market share results from its innovative specialty shock-absorbing material that lines its cases. The specialty material is licensed from U.K. company D30. It can be found in motorcycle and athletic helmet applications and has the unique characteristic of being a soft material that instantly hardens upon impact. Gear4 has a 4-year licensing agreement with D30 as its exclusive mobile accessory partner, with the option to extend at the end of four years. Gear4 received an excellent review in *Forbes* in March 2018 concluding, "The Gear4 Mayfair is available through the company's website for $59.99, which makes it $10 more than Apple's leather case option, but based on my experience with both, I would say the added protection and durability of Gear4's version makes the extra 10 bucks worth it." In May 2019 it was announced that Verizon will begin carrying a selection of Gear4 cases for Apple's iPhone.

Finally, in January 2019, ZAGG purchased power company HALO for $38.5 million. HALO is a leading direct-to-consumer accessories company with an extensive IP portfolio. According to the company, "HALO designs, develops and markets innovative technology products to make consumers' lives easier. This acquisition will enable us to enter new distribution channels, and to leverage new technology to enter into new consumer markets."

HALO's Bolt ACDC Wireless battery—"The Ultimate Power Source" - provides for multiple power backup functionality. The Bolt, 7 inches by 4 inches by 2 inches, is a car jump starter, has an AC outlet (65 watts), LED Floodlight, 2 USB ports and wireless charging capability. It is a fabulous little box of power. HALO sells directly to consumers through QVC and HSN. In its HALO purchase, ZAGG not only acquired an IP-rich portable power company, but also opened up a new and exciting distribution channel at QVC/HSN where it expects to introduce other products. Historically, over 80% of Bolt sales occur in the 3rd and 4th quarters as QVC/HSN shoppers evidently find it to be a great gift idea. Check it out at www.halo2cloud.com. Bolt's Amazon reviews are excellent.

ZAGG has publicly said that InvisibleShield, Gear4 protective cases, and HALO power are above the corporate average of mid-30% gross margins, while mophie power, BRAVEN audio, iFrogz audio and ZAGG keyboards are at or below the corporate average. The company indicates it has a number of programs in place to drive costs out and believes it has a big opportunity to increase profitability on the mophie brand as it moves from an internally engineered product to a more factory sourced model.

When we sat down with Taylor Smith, CFO, and Brian Stech, President, in May 2019, we were impressed by their views regarding capital allocation. After deep industry and product-specific due diligence, the company was particularly price-conscious, likely as a consequence of the problems encountered when it purchased mophie in 2016, in making the recent Gear4 and HALO acquisitions. Further, ZAGG is disciplined in its modest use of debt (the company has a low-cost variable rate credit line of $125 million that doesn't mature until 2023) and has stated its intention to limit debt to 1x EBITDA.

ZAGG consistently buys back stock and has repurchased roughly 8% of its shares, $50 million worth, over the past six years. In March of this year, the company announced a meaningful $20 million buy back (10% of ZAGG's market cap), signaling its confidence in the longer-term business outlook. The company has made clear that it is not considering any acquisitions for the remainder of 2019, and likely 1H of 2020, with its stated intention to pay down its credit line. Thus, in one year, $200 million market cap ZAGG, could be near debt-free and generating over $50 million in free cash flow. We would be surprised if private equity financial buyers didn't become interested if ZAGG's shares remain depressed.

While consensus investors seem to be overly concerned about ZAGG's legacy screen protector business, and pricing the company as if it's an "ice-cube" given its 3.5x EV/EBTIDA and 5x earnings multiples, we see a well-managed, conservatively financed company, leveraging its deep tracks into the wireless carrier and retail distribution markets in order to become a diversified mobile accessory market leader. In June 2019, ZAGG was named, "Accessory Manufacturer of the Year" at the 17th annual U.K. Mobile Industry Awards. Further, given that 80% of the company's sales are in the United States, there are real opportunities to further grow its international presence.

ZAGG is not changing the world, it has no claim to cutting-edge cloud software technology and it isn't involved in A.I. ZAGG is, however, a trusted business partner intricately embedded into the ecosystem supplying protection, power and productive accessories to the new mobile-enhanced lifestyle. Properly understood, ZAGG is as much a B to B (business to business) company, as it is B to C (business to consumer); with #1 or #2 market share positions in its core product areas. While many investors chase popular, and often complicated 5G plays, we believe we found a simple one that should greatly benefit from

the tailwinds of the game-changing functionality that the new network will provide to mobile users. In fact, there is increasing market confidence that Apple will introduce a broad range of 5G phones in 2020 after its settlement in April with Qualcomm and recently announced purchase of Intel's modem business. ZAGG's products may be commodities, but its business is a good one, in our opinion. If done right, it's nice to be in the business of supplying accessories to people who replace their devices every couple of years.

Liquidity Services Inc., LQDT. Liquidity Services has been a holding in our portfolio multiple times as we've taken advantage of movements in its share price over the past several years. When the price ran up earlier this year, we lightened up on our position size while retaining a smaller amount of exposure. We decided to add to our position again when the price declined during the quarter. We last wrote on LQDT in our 3rd Quarter 2017 letter, but as a refresher, LQDT is an industry leader in the reverse supply chain industry and has 3 primary segments: GovDeals (online surplus goods marketplace serving North American municipalities), Retail Supply Chain (merchandise returns), and Capital Assets (energy and industrial commercial goods). LQDT continues to become a more asset-light model.

In the second quarter, the company reported GMV of $155.4 million and GAAP revenue of $56.8 million, with double-digit organic growth year-over-year for each division, as well as a positive Non-GAAP Adjusted EBITDA. This reflects the progress of LQDT's "RISE" strategy of focusing on recovery maximization, increasing sales, service expansion and expense leverage. The company continues towards completing LiquidityOne, which will provide registered buyers with a single, online destination to search for, find and buy any asset from across its network of sellers.

GovDeals current revenue run-rate is $30 million. Assuming it grows 10% per year over the next 5 years, GovDeals revenue will reach $50 million. With 90% gross margins and a double-digit growth rate, if we apply a 4x revenue multiple, we get a value of $6/share…the current share price. This does not include any value for Retail, Capital Assets or the optionality we believe resides in its nascent, but growing, commercial self-serve market. In fact, LQDT continues to execute on its overall strategy to expand self-serve offerings where it simply receives commissions for bringing buyers and sellers together, i.e., the eBay model. Moreover, we continue to believe LQDT's retail division is play on the steady rise in online purchasing that results in an estimated 3x the amount of returned goods versus in-store shopping that need to be monetized in some way.

LQDT has a solid balance sheet with cash and short-term investments of $64 million and no debt, which provides the company time to once-again become a cash-generative business. With Chairman and CEO Bill Angrick owning 16% of outstanding shares, his incentives are aligned with shareholders such as us.

Leaf Group Inc., LEAF. Leaf Group is a diversified consumer internet company that builds enduring, digital-first brands that reach passionate audiences in large and growing lifestyle categories, including fitness and wellness and art and design. RAM initiated a small, entry-level size position in the company while we wait for more evidence to confirm what appears to be a cheap growth company. LEAF is debt-free, has a stock market capitalization of roughly $180 million, sits on $30 million in cash and trades at about 1x EV/Revenue in an industry where M&A comparables are typically 2x revenue or more.

LEAF has two primary business segments: marketplaces and media. Its online marketplaces include Saatchi Art Group and Society6 Group. These sites provide a platform for artists to sell their work. Society6 focuses on print-on-demand home decor (typically blank products that are created with the sole intention of having a custom design printed on them), while Saatchi is one of the world's largest online art galleries with a focus on emerging artists. In 2018, LEAF's marketplace revenue reached $94 million.

LEAF's media properties (selling advertisements as opposed to goods) are comprised of Well + Good (a leading healthy living media brand), Livestrong.com (a premier destination and action-oriented community for people who want to become their best selves—physically, mentally and emotionally) and Hunker (a home design media site dedicated to helping first-time homeowners improve their homes with practical solutions). In 2018, LEAF's media revenue reached $61 million, resulting in total company-wide revenue of $155 million in 2018 in relation to its current enterprise value of roughly $150 million.

Industry comparables include j2Global's purchase of Everyday Health (EVDY) in 2016 for 2x revenue, and E.W. Scripps (SSP) 2015 purchase of Cracked for 3.6x revenue. Publicly traded, and similar sized Future (FUTR-LN), currently trades at 4.5x revenue.

Separate and apart from introducing new retail products on its marketplaces, LEAF's goal is to grow its media business viewership (deliver more eyeballs to advertisers) in order to "move up the ad-stack." LEAF has three properties that have reached the key inflection point of possessing 10 million unique visitors a month allowing it to increasingly sell branded direct ads where the CPM (cost per thousand) is in the $6-$12 range compared to $0.50/CPM for Google AdSense and $2-$4/CPM for programmatic ad selling. In 2017, LEAF's ad breakdown was roughly 50% Google AdSense, 40% programmatic and 10% Direct versus about 25%, 50% and 25%, respectively, in 2018. LEAF's media traffic now reaches an estimated one-fifth of all internet users, placing it in the top 25 combined trafficked North American sites according to industry analytics company Comscore (SCOR). LEAF's combined June SCOR data indicates combined unique visitors of over 65 million for the month.

LEAF's CEO, Sean Moriarty, ran Ticketmaster for nearly a decade at IAC. Moriarty will need to closely manage the company's finances as it is still modestly cash flow negative on an operating basis. In April, at the behest of major shareholder Osmium Partners, LEAF announced that it was commencing a comprehensive strategic review to maximize shareholder value. We believe shareholders Oak and Spectrum support Osmium's strong desire to have the company sold. These entities combined 30% ownership create a greater than 50% probability that LEAF gets sold (likely in pieces) by year-end, in our opinion. In the absence of a sale, it's a well-capitalized, cheap going-concern investment with multiple shots on goal.

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.

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