Second Quarter Summary

Performance Summary

		Annualized as of 6/30/11						Total Return
	2Q 2011	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Since Inception*
Roumell Equity (Net)	**0.83%**	**2.82%**	**17.12%**	**11.69%**	**4.52%**	**7.81%**	**11.29%**	**280.78%**
S&P 500	0.10%	6.02%	30.69%	3.34%	2.95%	2.72%	2.38%	34.24%
Russell 2000	-1.61%	6.20%	37.40%	7.77%	4.08%	6.27%	6.92%	130.73%
Russell 2000 Value	-2.65%	3.78%	31.35%	7.09%	2.23%	7.52%	8.64%	181.71%
Roumell Balanced (Net)	**0.42%**	**2.33%**	**14.06%**	**9.04%**	**3.59%**	**6.23%**	**8.26%**	**169.53%**
Thomson US Bal Index	0.50%	4.32%	20.00%	4.13%	3.81%	3.57%	3.47%	53.13%
Roumell Fixed Income (Net)	**0.92%**	**2.56%**	**8.34%**	**N/A**	**N/A**	**N/A**	**19.07%**	**54.71%**
Barclays US Aggregate Bond	2.29%	2.72%	3.90%	N/A	N/A	N/A	6.09%	15.93%
Barclays US Corp Hi Yield	1.05%	4.97%	15.66%	N/A	N/A	N/A	29.61%	91.24%

**Inception of Roumell Equity and Roumell Balanced is 1/1/99. Inception of Roumell Fixed Income is 1/1/09.*

Roumell Asset Management, LLC has prepared and presented this report in 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 March 31, 2011. All returns include reinvested dividends and interest. Please refer to the annual disclosure presentations at the end of this letter.

Our second quarter results were achieved with an allocation of about 45% of firm assets in a very select group of high-conviction higher-yielding corporate bonds (now earning roughly 8%), 40% in equities, and 15% in cash equivalents. Our current allocation reflects both an overall cautious investment posture and an unwillingness to deploy capital into equities without a healthy margin of safety. Clients should realize that we are not managing against any particular benchmark. We deploy capital opportunistically in a thoughtful, disciplined, and balanced manner, retaining cash in the absence of sound ideas, and appreciate that returns will be delivered unevenly. We will remain focused on producing strong risk-adjusted returns over time, not every time, as has been successfully demonstrated since inception. It is our firm belief that strong "over time" results require a willingness to resist full participation in markets that do not offer superior pricing, even if those markets are moving higher. Remember, we, the partners of Roumell Asset Management, are fully invested right alongside you, our clients.

What's Your Investment Edge?

Investing is often thought to be a game of numbers focused on valuing assets, future cash flows, profit margins, and the like. While math proficiency is absolutely essential to investing, it is not sufficient on its own. Otherwise, we would likely see a large number of wealthy math teachers. The question is fair if elusive: What attributes contribute to sustainable, replicable positive risk-adjusted investment results? We have long identified three critical investment attributes for bottom-up, fundamental-oriented, deep value investors like ourselves: **math proficiency, detective strength, and steady temperament.**

2 Wisconsin Circle, Suite 660 • Chevy Chase, Maryland 20815 • P: 301-656-8500 F: 301-656-8501 • www.roumellasset.com

It seems obvious that investors should be highly competent with numbers and have strong **math** skills. Investors need to know how return on equity is linked to a company's leverage and also that return on assets is what allows one to actually assess management's capital allocation decisions. Gross, operating, and net margins each contribute to understanding a company's profile. All else being equal, a company with persistently superior margins within an industry deserves to be valued at a higher multiple of its revenue than its peers. Book value is an accounting mechanism that may or may not reflect economic reality. Instead, book value should serve as a starting point to grasp a company's net asset value and needs to be marked up or down to arrive at intrinsic and/or replacement cost value. For instance, a retailer's inventory should be viewed with suspicion; a technology company's intellectual property is often not reflected in GAAP book value.

Nonetheless, math skills can only go so far in developing the narrative of an investment opportunity. A large appetite for **detective** work, in our view, seems necessary to gain an investment edge. At its most elemental level, an investment is a play wherein the investor shows up in the middle act. The investment story may be the potential monetization of unappreciated assets or an increase in future earnings power vis-à-vis market share gains, margin expansion, or secular trends. Whatever the investment thesis, however, make no mistake, the story is central. Thus, the analyst needs to know: What came before the current scene and who are the people now onstage? What is the nature of the challenge faced by these actors and what are the odds that their methods of engagement will result in a favorable resolution to the specific struggle embedded in this story?

In summing up a business's prospects, what do customers, competitors, and others circling the story really think of the enterprise being analyzed and its leaders? What are some of the macro forces pushing upon this company? In the second quarter, in pursuit of such answers, we visited a very important customer of one of our portfolio companies, spoke at length to another company's primary distributor, and visited management teams on their respective premises in Nashville, Boston, Ann Arbor, Greenwich, Minneapolis, and Los Angeles. We believe you cannot just sit in your office and read about the story and its numbers.

The late Peter Falk's portrayal of Lieutenant Columbo had it right in terms of the investor's proper analytic stance. The lieutenant often scratched his head and said, "Sir, it just doesn't make sense to me, it doesn't add up," followed by his signature line, "Oh, there's just one more thing…" Roumell Asset Management is at its best when finding small, undiscovered opportunities before investor crowds arrive, be they well-capitalized secular growth stories or mature, overly discounted ones. Detective work is particularly valuable in getting to the bottom of these undiscovered ideas, although it is less useful in analyzing large, liquid companies. (In large caps, the investment edge lies more in patiently waiting for particular valuation metrics to appear and also in the discipline to hold such securities through a period of market hatred.) Little has been written about an investor's interviewing skills as a tool for getting to the bottom of the story. The FBI has virtually made a science of the interviewing process with such techniques as first asking a number of questions with known answers to help establish the credibility of the interviewee. For investors like ourselves, once contact has been established with management, an industry source, competitor, or other player, superior questions slowly emerge through imagination and creativity—all with the goal of getting to the bottom of the story.

More important than interviewing skills, however, is the analyst's ability to create lasting relationships within various industries that provide reliable sources of "scuttlebutt" that can be invaluable in piecing together the story at hand. People talk to people they like and trust. We have long cultivated a strong, rich, and varied network of individuals built upon mutual respect. Strong personal relationships help us in many ways: finding new ideas, discussing internally generated ideas, and knowing when to stay away from others. Any cop worth his pay has good neighborhood sources, and so it is with successful investors.

The third investment attribute that we believe is necessary, and perhaps the most difficult to quantify, discuss, or analyze, is **temperament**. Here's what often happens in the real world of investing: you've done your math and your detective work and they both signal a compelling investment opportunity. You purchase your position and then it drops in price, sometimes more than you would have ever predicted. Now what? Temperament will likely determine your investment outcome because it will mediate the emotional interplay between your math/detective work and the market's current unimpressed view of your investment conclusion. "Did I miss something?" "Are the sellers smarter than I am?" "I knew I should have asked 'one more thing...'" "Should I add to my position?" "Or do I recognize I made a mistake and sell?" In this business, you make your bones by managing your emotions as public prices weigh in daily against your calculation of intrinsic value. We added to five positions in the second quarter at prices below our initial purchase price, thereby reducing our cost basis, because of our confidence in our calculation of intrinsic value, even if the market doesn't currently agree with our assessment.

The role temperament plays in the investment enterprise is rarely discussed because it is difficult to analyze. Nonetheless, in our recently published firm brochure we stated, "No combination of overall strategy and implementation tactics can be separated from individual temperament. We believe our analytical and research strengths are anchored by mental toughness, imagination, and conservative judgment." Mental toughness is paramount because the ability to remain steadfast in one's analytical conclusions will be tested when dealing with publicly traded securities, given the multitude of short-term factors that contribute to daily pricing. Imagination is akin to the gift of sight, which we would argue is a distinguishing factor shared by great investors. Conservative judgment is a temperamental factor that can hardly be overstated. In business, things will go wrong. The numbers will often prove too rosy because we all love a good story with a happy ending and risks never remotely considered will likely emerge. Note to self: demand a healthy margin of safety!

To wit, investing in public securities occurs within the context of markets composed of human beings wrestling with their own unique emotional histories and personal narratives resulting in both rational and irrational behavior. Temperament will likely determine whether an investor can effectively leverage his or her math and detective conclusions. A sea captain can know all there is to know about winds, currents, and the equipment on his ship, but if he is unable to remain calm during storms, such knowledge will be of limited use. **In fact, managing during times of extreme market volatility will likely be a key determinant in establishing long-term investment success because of the impact of both actual dollar losses and the cost of missed opportunities**. During the past ten years, the S&P 500 has witnessed two distinct turbulent periods in which it dropped by 50%. In our view, the results shown in the table below during these all-important, highly volatile periods reflect our own abilities and shortcomings in the areas of math proficiency, detective strength, and temperament.

PERFORMANCE UNDER PRESSURE

Bursting of the Tech/Internet Bubble

Year	RAM Equity	S&P 500	Russell 2000	Russell 2000 Value
2000	7.97%	-9.10%	-3.02%	22.83%
2001	32.76%	-11.89%	2.49%	14.02%
2002	-10.15%	-22.10%	-20.48%	-11.43%
Total Return	**28.79%**	**-37.61%**	**-20.97%**	**24.05%**

Financial Crisis

Year	RAM Equity	S&P 500	Russell 2000	Russell 2000 Value
2007	-7.67%	5.49%	-1.57%	-9.78%
2008	-27.35%	-36.99%	-33.79%	-28.93%
2009	42.19%	26.47%	27.18%	20.57%
Total Return	**-4.62%**	**-15.93%**	**-17.11%**	**-22.69%**

Our Top Purchases

Hewlett Packard Co., HPQ. Hewlett Packard (HP) is the global leader in PC, server, printer, and printer-supply sales. HP stock has recently been in the penalty box, falling from a high of just under $49 in February to its current mid-$30s range after the company lowered its 2011 guidance. Additionally, there were signs indicating that consumer notebook sales were beginning to ebb after a brisk recovery in the first half of 2010 and that HP's Enterprise Services segment was underperforming. In less than a year, HP has gone from a Wall Street favorite to a stock few want to own.

Our investment in HP is based on the thesis that we are purchasing a global titan in the PC, printer, and server business at an extremely attractive free cash flow yield of roughly 15%. For HP, the math element of the thesis is simple—the free cash flow yield is more than 2x that of the corporate high yield debt market and, unlike a bond that pays a fixed coupon, we believe HP's free cash flow will continue to grow. There's little detective work that we can do on HP that hasn't been done by hundreds of other analysts. However, we still reached out to key information technology professionals and confirmed that HP continues to execute and remains a key player in its markets.

We believe our edge boils down to, first, being highly price conscious at the point of purchase and, second, being patient. As with most of our large-cap free cash flow investments, we are looking to "rent" the stock; to buy when it is hated and sell when it is mildly disliked. We are fairly confident that management will continue to optimally invest capital or, as has recently been the case, return it to shareholders in the form of stock buybacks. Shares outstanding have been reduced by 12% over the last eighteen months. HP also recently took advantage of the historically low rates offered in the debt market and raised $5 billion that could be applied to accelerating its stock buyback program. We believe that eventually the market will come to its senses on the current valuation of HP and that the free cash flow yield that investors demand will contract and, inversely, HP shares will rise and trade more in line with other mega-cap industry leaders with a high single-digit free cash flow yield. Until then, our temperament will guide us to remain patient and potentially add to the position should shares become meaningfully cheaper.

American Safety Insurance Holdings, Ltd., ASI. American Safety is a Bermuda-based specialty property and casualty insurance company that primarily underwrites and manages environmental, construction, and alternative risks. About six years ago, ASI began deemphasizing longer-tail exposures, particularly in the construction market, as competition heated up and pricing deteriorated to the point that return on investment was no longer sufficient. Since then, the company has refocused most of its new business on short-to-medium-tail policies in healthcare and other professional lines. In researching the nature of ASI's legacy policies, some of which are asbestos related, we engaged a veteran insurance plaintiff attorney who concluded ASI's liability exposures were not significant given the specific lines of business written and the company's use of caps.

ASI falls into our more favored investment bucket: small and, for the most part, undiscovered. We purchased ASI shares at approximately 0.7x book value and 10x trailing twelve months earnings per share. In short, we believe our investment provides us a free option on a number of potential positive events, such as:

- An improving economy facilitating greater insurance demand and consequently a harder insurance market resulting in higher pricing.
- Rising interest rates—the company's low yielding investment portfolio has a very short duration of just over three years and thus could be quickly redeployed into higher-yielding securities that would lead to increased investment returns without assuming additional investment risk.

- ASI's successful implementation of a more automated, streamlined binding authority platform (should be completed in mid-2012) that would enable select brokers to immediately obtain pricing and coverage on new policies if certain criteria are met. This would result in fewer underwriters reviewing new business and, consequently, significantly reduce the company's expense ratio from the low 40% area to the low-to-mid 30% range.

If none of these catalysts comes to fruition and ASI remains unable to attain at least a 10% return on investment (ROE), we believe the company will very likely be sold at a price meaningfully higher than our cost. Our research indicates that even some unattractive books of business are sold into runoff at 0.9x book value. We have spoken with Stephen Crim, CEO, who has a property and casualty insurance underwriting background, and believe he is a conservative manager and a good steward of capital who will not chase high-risk, low-return business for the sake of short-term earnings. Outside of his personal residence, Steve has 100% of his net worth invested in ASI. We always prefer to partner with management teams that have skin in the game.

Tecumseh Products Co., TECUA. Tecumseh designs, manufactures, and markets hermetic compressors primarily sold to the commercial refrigeration and window air conditioner end-markets. As many of our clients already know, this is not our first time investing in Tecumseh and over the years we have gotten to know the commercial compressor business fairly well. Tecumseh has worked hard the last couple of years to become a relevant competitor after years of struggling against Copeland and Danfoss due to under-investment in research and development. Although input headwinds, mainly copper and steel, have prevented Tecumseh from becoming profitable this year, strong signs indicate that the business is heading in the right direction. Absent restructuring charges and the increase in cost of goods sold from commodity inflation, Tecumseh would have generated a $5 million operating profit in the first quarter—a noteworthy accomplishment after struggling just to break even the past three years.

We believe there are better days ahead for Tecumseh. Investments in upgrading its products should drive margin expansion even if sales do not grow. Assuming sales remain stagnant at $1 billion, we believe the company can achieve a 4% operating margin, which translates into $40 million of free cash flow, excluding changes in working capital. In addition, the company enjoys significant tax-loss carryforwards that will shelter earnings for the foreseeable future. At our average cost of around $10/share, Tecumseh's market capitalization is about $200 million. Tecumseh currently carries a minimal amount of net debt, about $0.50/share, and is expecting roughly $2.50/share of non-operating cash refunds over the next twelve months.

We believe the intrinsic value of Tecumseh is roughly $18/share, based on applying an 8x multiple to a 4% operating margin, plus expected cash refunds and net debt. If our analysis proves incorrect, we believe there are potential buyers that would be interested in purchasing Tecumseh either in whole or geographical piecemeal at a price in excess of our average cost. We met with management in June and were impressed with the progress the company has made and remain confident in the company's ability to further expand margins. As a small $200 million cap company, with no sell-side analyst coverage, Tecumseh fits our sweet spot of off-the-beaten-path ideas for which we can leverage our detective appetites in sourcing the story. In our view, the company's global compressor footprint derived from its 75-year history possesses real value that will be realized on a going-concern or takeout basis.

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		
YEAR END	TOTAL FIRM ASSETS (MILLIONS)	USD (MILLIONS)	NUMBER OF ACCOUNTS	COMPOSITE NET	THOMSON US BALANCED MUTUAL FUND	COMPOSITE DISPERSION
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) and for comparison purposes 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.

Roumell Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). 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. Additional information regarding the policies for calculating and reporting returns is 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.

The Balanced Composite was created January 1, 1999. Roumell Asset Management, LLC's compliance with the GIPS® standards has been verified for the period January 1, 1999 through March 31, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Balanced Composite beginning January 1, 1999. A copy of the verification report is available upon request.

Roumell Asset Management, LLC
Fixed Income Composite
Annual Disclosure Presentation

		Composite Assets		Annual Performance Results			
Year End	Total Firm Assets (Millions)	USD (Millions)	Number of Accounts	Composite Net	Barclays US Aggregate Bond	Barclays US Corp High Yield	Composite Dispersion
2010	311	6	11	8.85%	6.54%	15.15%	1.07%
2009	249	5	11	38.06%	5.94%	58.21%	N/A

N/A—Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Fixed Income Composite contains fully discretionary fixed income accounts (consisting of closed-end bond funds, individual bonds, and open-end bond funds) and for comparison purposes is measured against the Barclays Capital US Aggregate Index and Barclays Capital US Corporate High Yield Index.

Roumell Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). 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. 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. 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. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is as follows: for Direct Portfolio Management Services: 1.00% on all assets; for Sub-Adviser Services: determined by adviser. Actual investment advisory fees incurred by clients may vary.

The Fixed Income Composite was created and incepted January 1, 2009. Roumell Asset Management, LLC's compliance with the GIPS® standards has been verified for the period January 1, 1999 through March 31, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Fixed Income Composite beginning January 1, 2009. A copy of the verification report is available upon request.

Roumell Asset Management, LLC
Equity Composite
Annual Disclosure Presentation

YEAR END	TOTAL FIRM ASSETS (MILLIONS)	COMPOSITE ASSETS USD (MILLIONS)	COMPOSITE ASSETS NUMBER OF ACCOUNTS	ANNUAL PERFORMANCE RESULTS COMPOSITE NET	S&P 500	RUSSELL 2000	RUSSELL 2000 VALUE	COMPOSITE DISPERSION
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%

Equity Composite contains fully discretionary equity accounts and for comparison purposes 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 Equity Composite 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.

Roumell Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). 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, and 2010, wrap fee accounts made up 33%, 36%, 31%, 33%, and 41% 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. Additional information regarding the policies for calculating and reporting returns is 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.

The Equity Composite was created January 1, 1999. Roumell Asset Management, LLC's compliance with the GIPS® standards has been verified for the period January 1, 1999 through March 31, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Equity Composite beginning January 1, 1999. A copy of the verification report is available upon request.