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RAMSX was up 3.84% in the first half of 2024. Not bad, besting the Russell 2000 Value index return of -0.85% and a blended 60% Russell 2000 Value index/40% Bloomberg U.S. Government/Credit index return of -0.62%, but lagging the S&P 500 return of 15.29%. The S&P 500 return was largely driven by the artificial intelligence surge in large cap tech stocks. Google's parent Alphabet, Amazon, Apple, Meta Platforms, Microsoft and Nvidia accounted for well over half of the S&P 500's return[1]. As an opportunistic capital allocator with a deep-value bias in selecting individual securities, we did not participate in the first half run. We remain committed to assessing underlying value and being highly disciplined about what we deem to be a reasonable price to pay for securities. During the first six months of 2024, we added to several of our core positions and decreased others due to pricing movements and portfolio weightings. As of June 30th, our top 10 holdings accounted for 63% of the portfolio. We had cash and cash equivalents of almost 20% and are prepared to take advantage of opportunities as they arise. In terms of current portfolio concentration, our energy holdings now represent over 18% of the portfolio and our REIT (Real Estate Investment Trust) holdings are nearly 10% of the portfolio. Later in this letter, we will discuss our investment thesis for each of these meaningful baskets.

**Performance as of June 30, 2024**

| | 2Q24 | YTD | 1 Year | 3 Year[1] | 5 Year[1] | 10 Year[1] |
|---|---|---|---|---|---|---|
| RAMSX | -2.01% | 3.84% | -1.10% | -14.20% | 2.74% | 1.83% |
| S&P 500 Total Return Index | 4.28% | 15.29% | 24.56% | 10.00% | 15.03% | 12.85% |
| 60% Russell 2000 Value Index / 40% Bloomberg U.S. Government/Credit Index | -2.12% | -0.62% | 7.95% | -1.01% | 5.23% | 5.03% |
| Russell 2000 Value Index | -3.64% | -0.85% | 10.90% | -0.53% | 7.07% | 6.22% |
| Bloomberg Capital U.S. Government/Credit Index | 0.05% | -0.68% | 2.74% | -3.11% | -0.07% | 1.51% |
| Lipper % Rank in category [2] | - | - | 100% | 100% | 93% | 97% |
| # of funds in Lipper category | 127 | 127 | 126 | 123 | 117 | 107 |

[1] 3 year, 5 year and 10 year returns are annualized

[2] Mixed-Asset Target Allocation Moderate; based on Total Return performance; fee have been waived during the ranking periods listed in the chart per the Advisor's expense limitation agreement with the Fund

*The performance information quoted represents past performance, which is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. An investor may obtain performance data current to the most recent month-end by calling 1-800-773-3863. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions.*

*Annual Fund Operating Expense for the Roumell Opportunistic Value Fund is 1.46% (before fee waiver and/or Expense Reimbursement).*

[1] Wall Street Journal, *AI Frenzy Propels Stock to Monster First Half*, June 28, 2024

**Energy holdings – 18.25%: Liberty Energy Inc., (LBRT) – 7.03%, Select Water Solutions (WTTR) – 6.84% and Patterson UTI Energy (PTEN) – 4.38%**

Although the world is heading towards clean energy (which we wholeheartedly support), we believe that fossil fuels will be necessary during the transition for at least the foreseeable future. We consider our Energy holdings as a "basket" in determining position size as they are in the same industry, and all are correlated with the price of oil and, to a lesser extent, natural gas.

LBRT is a leading energy services company focused on providing hydraulic fracturing services and related technologies to onshore oil and natural gas exploration and production companies in North America. We wrote extensively on LBRT in our year-end 2023 letter.

WTTR operates through three segments: Water Services, Water Infrastructure, and Chemical Technologies. The Water Services segment provides water sourcing, water transfer, flowback and well testing, water containment and fluids hauling. The Water Infrastructure segment engages in the recycling, gathering, transferring, and disposal of water through a network of permanent pipeline infrastructure, semi-permanent pipeline infrastructure and water recycling facilities. The Chemical Technologies segment provides technical solutions, products, and services related to chemical applications in the oil and gas industry.

PTEN operates through three segments: Drilling Services, Completion Services, and Drilling Products. The Drilling Services segment provides drilling services in onshore oil and natural gas basins. The Completion Services segment offers services for hydraulic fracturing, wireline and pumping, completion support, and cementing; and involved in the power solutions natural gas fueling, and logistics and storage businesses. The Drilling Products segment manufactures and distributes drill bits for energy and mining markets.

We feel important aspects of the energy services sector are misunderstood and undervalued. We believe that, in the past, the industry overspent on capital expenditures and underpriced their services to win business. More recently, that mentality has changed across the industry and, as we analyzed LBRT, PTEN and WTTR, we discovered that the management teams were very focused on return on investment and returning significant capital to shareholders through dividends and share repurchases. We found the stock valuations to be compelling given the attractive free cash flow generation.

The following table summarizes certain key operating and estimated valuation metrics[2]:

| | **LBRT** | **PTEN** | **WTTR** |
|---|---|---|---|
| Enterprise value/2024 EBITDA | 3.4 | 3.8 | 4.9 |
| Free cash flow yield | 10.3% | 11.9% | 5.8% |
| Adjusted EBITDA margin | 23.2% | 23.8% | 17.8% |
| Price earnings ratio | 8.7 | 22.5 | 23.3 |

[2] FactSet, consensus estimates

Based on our discussions with industry insiders and certain Sell-Side Analysts, it is our understanding that an EV/EBITDA ratio of 5.0x is considered adequate value for these companies to be sold. We feel this historical metric might be conservative as the industry capital allocation has improved in recent years. The primary improvement is management teams and boards of directors showing more discipline in demanding sufficient return on capital investment combined with more significant share repurchases. With WTTR trading near 5.0x EBITDA, we are in the process of re-assessing its place in the portfolio.

At an EV/2024 Adjusted EBITDA estimate ratio of 5x, LBRT stock would be just over $31 and PTEN would be $14.60. These valuations are approximately 49% and 41% higher, respectively, than the June 30th stock price.

The following table summarizes the dollar amount of share repurchases since January 1, 2022 (in millions)[3,4,5,6,7,8]:

| | LBRT | PTEN | WTTR |
|---|---|---|---|
| Share repurchases Q1 2024 | 30.2 | 97.8 | 7.0 |
| Share repurchases 2023 | 203.1 | 200.7 | 61.8 |
| Share repurchases 2022 | 125.3 | 70.1 | 20.2 |
| Total since January 1, 2022 | 358.6 | 368.6 | 89.0 |

In addition to attractive free cash flow yields of these securities, the buybacks are another indication, in our minds, of the management teams' prudent decision-making regarding capital allocation.

**REIT holdings – 9.84%: Kite Realty Group Trust (KRG) – 4.43%, Whitestone REIT (WSR) – 3.33%, and Site Centers Corp. (SITC) – 2.08%**

Our three REIT holdings are all in the open-air essential service retail space. Most of the locations are anchored by essential service grocery stores, drug stores and/or convenience stores. We consider our REIT holdings as a "basket" in determining position size as they are in the same property category (open-air essential service) and have similar risk/reward characteristics.

KRG is the largest of our three REITs with a market capitalization of about $4.9 billion. SITC and WSR have market capitalizations of about $3 billion and $674 million, respectively.

We believe the property book values (which are historical cost less depreciation) are understated as the properties could not be replicated today anywhere near book value due to the increased cost of labor,

[3] Liberty Energy, Inc., Form 10-Q, March 31, 2024
[4] Liberty Energy, Inc., Form 10-K, December 31, 2023
[5] Patterson-UTI Energy, Inc., Form 10-Q, March 31, 2024
[6] Patterson-UTI Energy, Inc., Form 10-K, December 31, 2023
[7] Select Water Solutions, Inc., Form 10-Q, March 31, 2024
[8] Select Water Solutions, Inc., Form 10-K, December 31, 2023

building materials, land, etc. This provides significant downside protection because if any of the stocks were to trade near book value, we believe they would likely become an acquisition target. WSR has recently been approached with an all-cash offer (discussed below).

We purchased these REITs with capitalization rates (calculated by dividing a property's net operating income by the current market value) over 8% while witnessing individual property sales around 6.5% to 7%. We see opportunities to realize significant appreciation including sales of individual properties at capitalization (cap) rates lower than where the REIT stock price trades, overall market interest rate declines, sales to private equity or other investors, etc.

We estimate the cap rates for the current stock price of KRG, SITC and WSR at approximately 8%, 7.5% and 8.5%, respectively.

KRG is one of the premier REITs in the open-air essential service sector with about 68% of its properties in the Sun Belt. Its debt is rated BBB- by S&P and Baa2 by Moodys[9]. On January 12, 2024, KRG announced it issued $350 million of 10-year notes at a yield of 5.673%[10], only about 170 basis points over the then prevailing 10-year treasury note[11] - a testament to its creditworthiness. We estimate that at a 6.5% cap rate, KRG would approximate $30 per share.

On WSR’s May 2, 2024 earnings call, the CEO noted the following:

*“Our capital recycling efforts are going very well also. This year, we have completed the sale of one center for $28 million and acquired two centers for approximately $50 million. Since we began our recycling efforts in late 2022, we now have completed $84 million in dispositions at an average cap rate of 6.2% based on the trailing 12-month NOI [Net Operating Income], and we have completed $104 million of acquisitions at an aggregate cap rate of 7.1%.”*[12]

Apparently, we are not the only ones who believe WSR is undervalued. WSR’s recently received a buyout offer as noted in a June 4, 2024 news article from Dow Jones:

*“Institutional investment-management firm MCB Real Estate has offered to buy Whitestone REIT in a cash deal that values the real-estate investment trust at about $700 million. In a filing with the U.S. Securities and Exchange Commission, MCB disclosed that it has built a 9.4% stake in Whitestone and that it has made a non-binding proposal to buy the rest of the company for $14 a share.”*[13]

We believe WSR’s value is about $18.50 per share which represents an approximate 7% capitalization rate.

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[9] Kite Realty Group Investor Update Q1 2024, April 30, 2024
[10] GlobeNewswire, Kite Realty Group Trust Announces Pricing of $350 Million Senior Notes Offering, January 12, 2024
[11] FactSet, 10-Year Treasury Note Yields
[12] FactSet CallStreet, LLC, Whitestone REIT, Q1 2024 Earnings Call, May 2, 2024
[13] Dow Jones, Whitestone REIT Gets Buyout Proposal from MCB Real Estate, June 4, 2024

SITC is in the midst of a planned spin-off of the company's convenience assets and has been selling some of its properties to re-direct proceeds towards more convenience-related assets. The spin-off is expected to be completed around October 1, 2024. On SITC's April 30, 2024 investor call, the CEO noted the following:

*"We have closed $170 million of wholly owned property sales year-to-date, with total closed transactions since July 1 (2023) of just under $1.1 billion at a blended cap rate of under 7%. The volume of disposition activity has increased since our call last quarter, resulting in over $1 billion of real estate currently either under contract, in contract negotiation, or with executed nonbinding LOIs [Letter of Intent], at a blended cap rate of roughly 7%."*[14]

In a January 11, 2024, press release, SITC noted the following:

*"SITE Centers closed on the sale of 12 properties in the fourth quarter bringing total dispositions since June 30, 2023, to $854.5 million including fourth quarter dispositions of $736.2 million at a blended 6.5% cap rate."*[15]

We believe SITC's pre-spin-off value is at least $16 per share which represents an approximate 6.75% capitalization rate.

In summary, we very much like the risk reward characteristics of our REIT holdings. The values are backed by income producing properties. The properties tend to perform well in various economic cycles (grocery stores, pharmacies, Starbucks, etc.). There are no office property exposures. We believe that the costs to replicate these properties today far exceed GAAP (Generally Accepted Accounting Principles) carrying value due to increased costs of materials, land and labor. As such, the risk of over-supply coming to market is low. Additionally, the capitalization rates these stocks are trading at exceed the rates individual properties could be sold for. Lastly, while we do not predict interest rates, we believe that the stocks would react very positively to lower market interest rates as the investors' estimate of the value of the income stream would increase. While we wait for value to be realized, we are receiving a dividend yield for KRG, SITC and WSR of 4.5%, 3.6% and 3.7%, respectively.

Thank you for your continued trust and confidence.

Kind Regards,

Jim Roumell

Disclosure: The specific securities identified and described do not represent all of the securities purchased, sold, or recommended, and the reader should not assume that investment in the securities identified and discussed were or will be profitable.

**An investor should consider the investment objectives, risks, and charges and expenses of the Fund before investing. Current and future holdings are subject to change and risk. The prospectus contains**

[14] FactSet CallStreet, LLC, SITE Centers Corp, Q1 2024 Earnings Call, April 30, 2024
[15] Businesswire, SITE Centers Provides 2023 and YTD 2024 Transactions Update, January 11, 2024

**this and other information about the Fund. A copy of the prospectus is available at [www.roumellfund.com](http://www.roumellfund.com) or by calling Shareholder Services at 800-773-3863. The prospectus should be read carefully before investing.**

***An investment in the Fund is subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Investment in the Fund is also subject to the following risks: Opportunistic Investment Strategy Risk, Non-diversified Fund Risk, Sector Risk, Liquidity Risk, Investment Risk, Cybersecurity Risk, Common Stocks Risk, Small-Cap and Mid-Cap Securities Risk, Micro-Cap Securities Risk, Risks Related to Investing in Other Investment Companies, Shareholder Activism Risk, Large-Cap Securities Risk, Preferred Stock Risk, Convertible Securities Risk, Lower-rated Securities or "Junk Bonds" Risk, Risks of Investing in Corporate Debt Securities, Interest Rate and Credit Risk, Maturity Risk, Government Debt Markets May Be Illiquid or Disrupted, Inflation Risk, Risks of Investing in REITs, Currency Risk, and Foreign Securities Risk. More information about these risks can be found in the Fund's prospectus.***

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