

# Executive Summary

## The Insiders Fund, LP

- The Insiders Fund, LP is a long-short equity fund and one of the top performing funds in the country as reported by Barclay Hedge, Evestment, and other independent data vendors.
- The Fund was established in February 2010. The founder, Harvey. Sax, has managed money in a substantially identical fashion for over 19 years.
- Partnership prefers to trade securities or sectors that have significant insider purchases/sales
- Low minimum investments of \$250, 000. No lock-ups
- Our risk adjusted performance is superior as measured by industry standard Sharpe & Sortino ratios.

# General Partner Harvey Sax



Mr. Sax was SVP at Oppenheimer, Paine Webber, and Assoc Director at Bear Stearns prior to Sax Angle Partners. In addition to his financial acumen, Sax is recognized as a pioneer in the technology field. He is responsible for creating one of the first publicly traded Internet companies.

Mr. Sax holds a B.A from Emory University and a Masters of Security Analysis and Portfolio Management (MSAPM) from Creighton University.

Stockbroker, Investment banker, CEO, Harvey has sat at most seats at the investment table. Mr. Sax's view is uniquely shaped by his 360 degree perspective.

# General Partner Chase Thomas



Chase is a seasoned financial professional, beginning his career in the financial industry at Fidelity Investments. After three years as a Retirement Relationship Manager, Chase was part of the team overseeing a half billion of 401(k) assets.

Chase assists in the management of the Fund and specializes in providing derivative hedging strategies. He is a Certified Financial Planner.

A Utah native from Park City and BYU graduate, Chase enjoys skiing, trail running, rock climbing, and the arts with his wife and growing family.

# General Partner Mark Kress, CFA



## **Founder and Portfolio Manager of Alpha Diversified Fund**

Mark was a Portfolio and Risk Manager for the global team at Guggenheim Investments, where he helped manage \$1bn in long/short, market neutral, and long-only equity strategies. Mark provides risk management advice for the Fund.

Mr. Kress holds a BS in Managerial Economics from the University of California at Davis, an MBA from the University of California at Berkeley Haas School of Business, and a Chartered Financial Analyst (CFA).

# Net Returns over Multiple Time Periods

4.88% YTD August

27.30% 2021

14.69% 2020

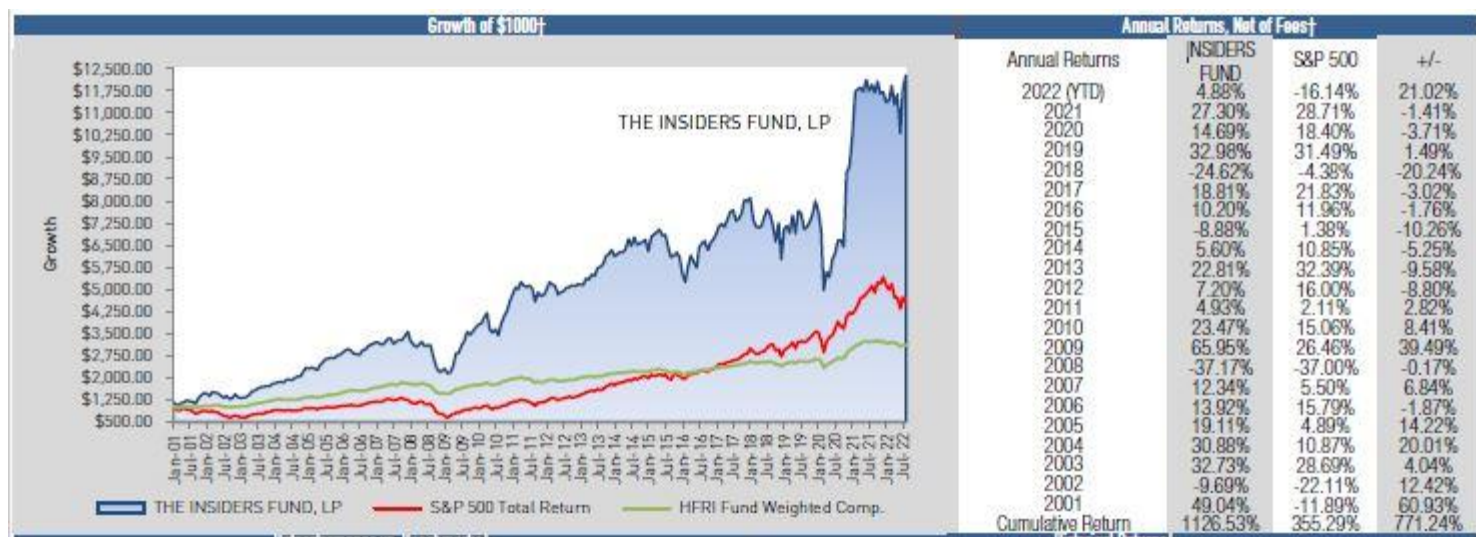
31.49% 2019

13.24% CAGR since inception

1126.53% Cumulative

771.24% over the S&P 500

# Strategy has Returned 771% more than the S&P 500 since Inception



\*The performance data prior to Feb 2010 does **NOT** represent the performance of The Insiders Fund, LP (the "Fund") but instead reflects the performance of personal trading accounts of Harvey Sax. The results reflect the deduction of: (i) an annual asset management fee of 2%, accrued monthly; (ii) a performance allocation of 20%, accrued monthly and taken annually, subject to a high water mark; and (iii) transaction fees and other expenses incurred by Harvey Sax. During the time period shown, the manager used only those investment strategies disclosed in the Fund's Private Placement Memorandum and there were no material market or economic conditions that affected the results portrayed. Performance compared to Barclay Hedge data dated February 2012..



# Top 10 Performance



This fund was ranked based on the data in BarclayHedge's hedge fund database



This fund was ranked based on the data in BarclayHedge's Database of hedge fund managers



This fund was ranked based on the data in BarclayHedge's hedge fund database



Hedge fund performance as ranked by the BarclayHedge's database



This fund was ranked based on the data in BarclayHedge's Database of hedge fund managers

# Investment Strategy

THE INSIDERS FUND is a long-short equity fund focused on companies with significant insider buying and/or unusual selling patterns.

Insiders have as close to perfect information as there is, but their motives are not always clear or even pure. It's our in-depth fundamental analysis combined with behavioral awareness that has us asking the question, "what does the insider see that the market is missing?"

Strict risk management rules are adhered to regarding liquidity, diversification, and leverage.



# Investment Process

- Our process is not to be confused with day trading or momentum trading, as all positions are analyzed from both a *fundamental* and *technical* point of view.
- We start our due diligence with the understanding that no one knows a business as well as the people running it. Therefore the Partnership prefers to trade securities or sectors that have significant insider purchases/sales, buying and selling the securities at prices and points in time determined by our own **proprietary** technical analysis.
- We spend a great deal of effort and time analyzing insider behavior and exploiting the "short swing rule." We also have developed a proprietary calendar and set of trading tools to exploit significant catalysts.

# Exploiting the “short swing rule”

The **short swing** rule restricts officers and insiders of a company from making short-term profits at the expense of the firm. It's part of United States federal securities law, and is a measure intended to guard against so-called insider trading.

The rule mandates that if an officer, director, or any shareholder holding more than 10% of outstanding shares of a publicly traded company makes a profit on a transaction concerning the company's stock during a given six-month period, that officer, director, or shareholder must pay the difference back to the company.

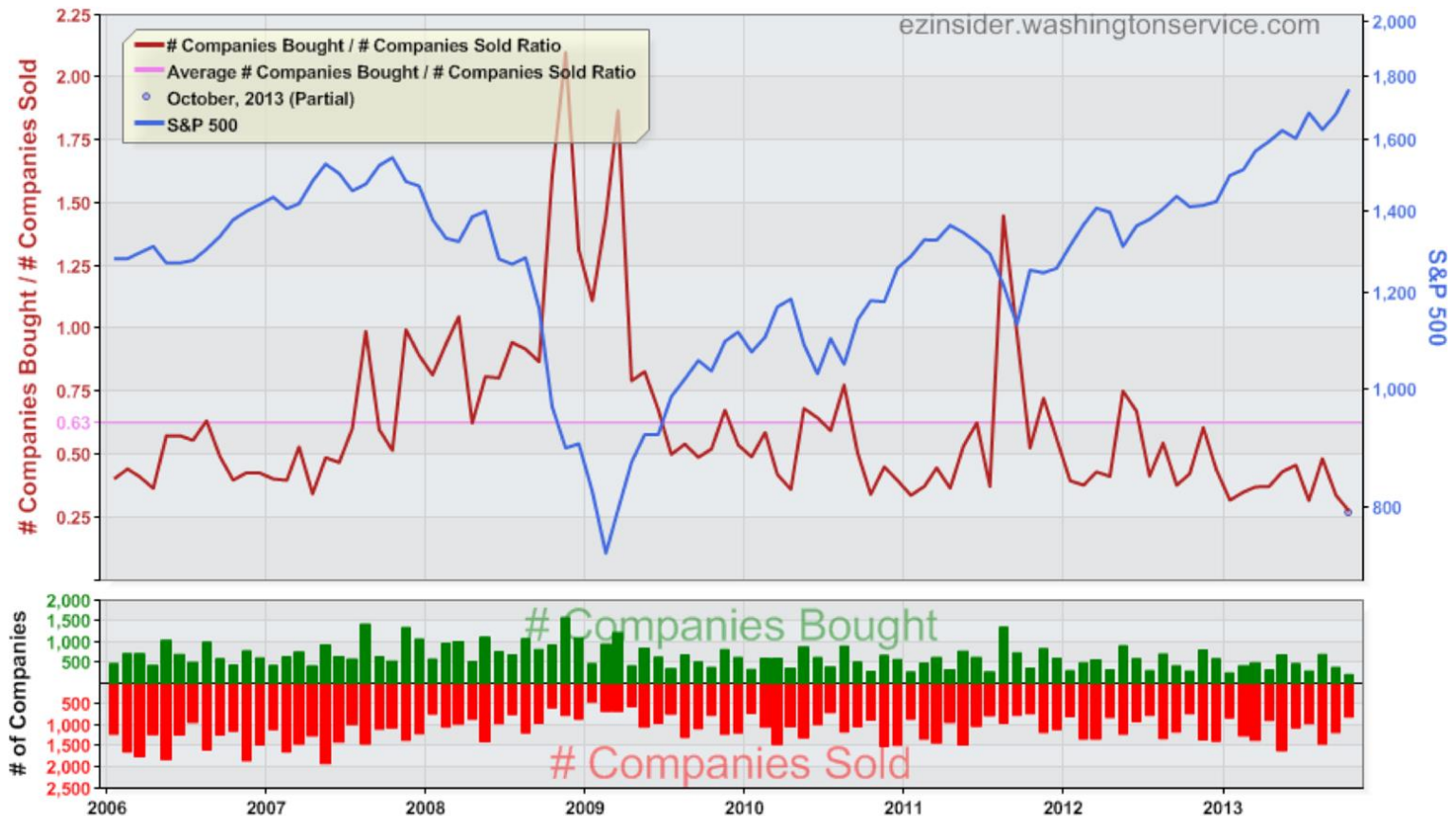
# Insiders have a proven superior investment track record.



**Average Annualized Insider  
Return  
46.5% vs. 19% for S&P 500**

- ◇ Over the last 12 months 2017 we tracked 475 insiders that bought \$100,000 or more of their company's stock.
- ◇ We omitted from this 10% owners as we view them more like hedge funds and not working C-level officers of the Company.
- ◇ We don't look at numbers less than \$200,000 because that can be window dressing, simply execs trying to pump up investor interest.

# Waves of Insider Buying at Historic Market Bottoms



Reflects data as of 10/28/13.

Most recent period reflects ratio for trailing 30 days activity.

# Comprehensive Review

- 1.CHART-** *Technical set-up, favorable chart pattern for buy/sell decision*
- 2.ANALYSTS-** *third party research analysis*
- 3.INSIDERS-** *strong emphasis on insider buying more so than selling*
- 4.MANAGEMENT DISCUSSION 10Q AND 10K-** *review of important SEC filings*
- 5.MARKET DIRECTION-** *80% of stocks follow market direction in the short term*
- 6.SECTOR OUTLOOK-** *buying a good stock in a bad sector can be a humbling experience*
- 7.CASH FLOW-** *cash flow is more accurate than earnings. Earnings can be more easily manipulated.*
- 8.PEG RATIO-** *it's good to find a company growing faster than it's multiple.*
- 9.VALUATION-** *contrary to popular opinion, valuation does matter. Use a discounted cash flow analysis. If the stock is trading for substantially less than its DCF, that's a 1.*
- 10.CATALYST-** *what's going to change the status quo?*

# Technical combined with Fundamental Analysis



Insider buying combined with technical analysis portends immense Monsanto rally 4<sup>th</sup> quarter 2010.



# Proven Methodology

TradeStation RadarScreen - Insider Buying

Symbol	Description	Industry	Last	Harve Sax ertPric	Net Chg	Net %Chg	Volume Today	Volume Avg	Volu m 3rkou Radar	Stoch Slow Radar	Alchem y RSIDiverg	ividend	EPS				
								Vol	VolAvg	Slow	Kullish	Yield	MRQ	FY	GR 3 Yr	GR 5 Yr	GR 10 Yr
ANF	Abercrombie & Fitch Co/A	Retail (Apparel)	69.20	35.51	-0.33	-0.47%	1,081,650	1,080,988	2,928,299	30.23		1.01%	\$1.03	\$1.67	-32.56%	-15.56%	0.78%
ACRN	Acorn Energy Inc	Software & Program	4.01	6.37	0.13	3.47%	63,855	63,855	31,523	77.68			\$0.25				
AEGR	Aegion Pharmaceuticals Inc	Biotechnology & Drugs	18.95	15.20	2.20	13.23%	20,157	19,859	35,252	32.20			\$0.82				
ATSG	Air Transport Services Group	Air Courier	7.51	5.18	0.00	0.77%	193,273	191,105	300,607	32.20			\$0.19	\$0.02	35.11%	3.76%	
ARG	Argus Inc	Chemical Manufactur	68.08	64.50	0.00	0.07%	493,970	492,423	1,477,881	30.23		1.71%	\$0.65	\$2.34	6.88%	14.51%	15.58%
AKAM	Akamai Technologies	Computer Services	40.45	41.70	0.47	1.19%	5,433,860	5,416,005	5,764,952	40.45			\$0.27	\$0.90	17.23%	-15.58%	
AIN	Albany WFA	Paper & Paper Product	24.23	22.87	-0.03	-0.12%	54,396	50,802	142,248	36.92		1.98%	\$0.68	\$1.21	39.19%	-11.47%	-0.30%
AB	AllianceBernstein Holding L.P.	Investment Services	21.59	22.47	-0.03	-0.14%	206,846	207,243	526,655	27.85		8.93%	\$0.42	\$1.32	-32.63%	-15.25%	-7.65%
ACG	AllianceBernstein Income Fd	Misc. Financial Service	7.60	7.58	0.03	0.39%	645,440	646,033	681,202	62.79		6.29%	\$0.35	\$0.87	-4.60%	5.78%	4.89%
CRMT	America's Car-Mart	Retail (Specialty)	24.13	22.03	-0.23	-0.96%	20,583	19,959	50,533	27.17			\$0.52	\$2.27	85.73%	8.70%	9.44%
APP	American Apparel Inc	Retail (Apparel)	1.50	1.58	0.32	25.81%	4,381,684	4,410,288	752,864	30.23			\$0.27				
AEO	American Eagle Outfitters Inc	Retail (Apparel)	15.99	13.58	-0.02	-0.12%	1,900,426	1,899,621	4,107,540	58.04		2.75%	\$0.44	\$0.90	-20.82%	-6.49%	7.60%
AMSC	American Superconductor	Electronic Instr. & Cont	11.90	30.08	0.24	2.02%	1,739,553	1,730,806	2,295,523	30.23			\$0.33				
AWK	American Water Works Co Inc	Water Utilities	28.38	27.53	0.07	0.23%	562,717	540,482	1,133,087	42.80		3.11%	\$0.23				
APU	Amgen Partners L.P.	Oil & Gas Operations	47.03	45.72	0.12	0.26%	41,483	40,983	79,315	49.73		6.01%	\$1.28	\$2.81	-4.80%	20.59%	22.87%
APH	Amphenol Corp/A	Electronic Instr. & Cont	54.73	29.90	-0.07	-0.13%	1,112,468	1,105,864	1,349,136	69.83		0.11%	\$0.72	\$2.82	13.31%	19.81%	16.17%
ACL	ACL Inc	Computer Services	19.77	20.97	0.28	1.43%	985,659	982,642	1,305,706	28.52			\$0.12	\$0.42	62.24%		2.47%
APAC	Apea Customer Services	Business Services	5.76	5.30	-0.11	-1.89%	139,410	138,319	155,900	30.23			\$0.12	\$0.42	62.24%		2.47%
ANV	Apollis Investment Corp	Misc. Financial Service	11.84	12.39	0.10	1.61%	1,200,795	1,181,758	1,229,016	41.37		9.61%	\$0.43	\$1.65	-23.14%	18.37%	
AGI	Argo Group International Ltd	Insurance (Prop. & Cai	31.29	35.49	-0.05	-0.15%	78,522	74,575	134,318	10.30		1.53%	\$0.44	\$2.76	-2.83%	-6.74%	
ARTC	ArtisCare Corp	Medical Equipment & S	34.11	28.50	-0.22	-0.63%	176,403	175,473	176,297	79.49			\$0.31	\$1.03	292.80%	2.96%	4.19%
AGO	Assured Guaranty	Insurance (Prop. & Cai	17.03	14.18	-0.10	-0.58%	1,087,548	1,010,563	2,558,554	69.40		1.05%	\$0.80			2.77%	
AF	Astoria Financial Corp	S&I/Savings Banks	14.30	13.15	-0.07	-0.49%	1,133,470	1,137,140	794,027	7.93		3.62%	\$0.30	\$0.78	-16.53%	-19.08%	-5.90%
ATNI	Atlantic Tele-NetWork Inc	Communications Serv	35.20	36.07	-0.15	-0.42%	22,867	22,545	77,120	33.23		2.49%	\$0.21	\$2.48	0.08%	17.61%	9.49%
ATIL	Atmel Corp	Semiconductors	14.72	5.80	-0.13	-0.89%	5,750,424	5,712,357	9,516,284	46.83			\$0.47	\$0.90	108.50%	4.99%	
ATW	Atwood Oceanics Inc	Oil Well Services & Eq	43.77	33.87	-0.08	-0.14%	377,292	376,019	619,869	46.83			\$0.81	\$3.95	21.94%	56.83%	25.25%
AVTR	Avatar Holdings	Real Estate Operations	18.61	17.89	-0.05	-0.29%	16,113	15,807	31,578	30.42			\$0.81				
BVBN	Baldwin & Lyons CFB	Insurance (Miscellaneous)	23.37	23.93	-0.15	-0.60%	4,147	3,864	10,999	38.32		4.25%	\$0.69	\$1.69	-22.49%	-0.00%	2.99%
BAC	Bank of America Corporation	Money Center Banks	12.44	13.10	0.13	1.04%	12,167,330	11,280,640	138,506,149	10.39		0.32%	\$0.17				
BGS	Barnes & Noble	Retail (Specialty)	9.90	20.06	-0.25	-2.44%	998,380	999,264	1,207,807	79.08			\$1.06				
BDO	Becton, Dickinson	Medical Equipment & S	83.92	65.50	-0.08	-0.10%	1,219,687	1,216,885	1,365,853	79.08		1.95%	\$1.35	\$4.90	14.04%	12.38%	12.04%
BMS	Bemis Co	Containers & Packagin	31.87	28.71	-0.12	-0.38%	713,112	712,786	787,055	28.51		3.00%	\$0.47	\$1.84	2.59%	4.02%	4.18%
BBOX	Black Box Corp	Computer Networks	34.44	29.45	-0.25	-0.71%	34,823	26,313	81,527	40.16		0.69%	\$0.78	\$1.97	-0.56%	5.35%	-2.76%
BLK	Blackrock Inc/A	Investment Services	197.13	152.57	-1.75	-0.88%	803,444	798,143	1,232,277	53.28		0.40%	\$2.89	\$10.55	12.71%	24.71%	22.86%
BA	Boeing Co	Aerospace & Defense	74.90	71.50	-0.54	-2.72%	2,520,525	2,505,788	4,903,409	79.08		2.23%	\$1.56	\$4.45	-5.41%	6.87%	6.18%
BSX	Boston Scientific Corporation	Medical Equipment & S	7.33	6.94	0.17	2.37%	20,869,930	23,817,652	17,595,579	32.41			\$0.01	\$1.62	4.59%	6.18%	
BR	Broadridge Fin Solutions Inc	Misc. Financial Service	22.91	22.05	0.08	0.35%	389,508	383,260	738,727	44.44		2.63%	\$0.08	\$1.62	4.59%	6.18%	
BRKR	Brinker International	Scientific & Technical I	20.00	14.35	-0.10	-0.88%	271,865	266,699	817,143	44.65			\$0.18	\$0.68	-1.47%	42.97%	34.38%
CA	CA Inc	Software & Program	24.10	23.77	0.00	0.00%	2,922,477	2,892,394	4,000,547	78.52		0.66%	\$0.39	\$1.47	88.00%	100.23%	1.66%
CACI	Caci Intl Inc	Software & Program	59.88	48.85	-0.26	-0.43%	107,868	104,009	240,513	41.69			\$1.08	\$3.47	11.39%	5.89%	16.21%
CDNS	Cadence Design Systems	Software & Program	9.96	9.77	0.05	0.52%	1,059,108	1,057,204	2,696,135	61.62			\$0.14	\$0.48	-21.21%	24.00%	9.60%
CCC	Calgon Carbon	Chemical Manufactur	16.95	14.58	-0.07	-0.80%	701,368	700,767	820,054	76.88			\$0.22	\$0.61	31.69%		9.25%
CLMT	Calumet Specialty Products	Oil & Gas Operations	23.43	16.35	0.34	1.47%	374,795	374,795	295,599	79.08		8.23%	\$0.26	\$0.46	-43.84%	-0.15%	
CMO	Capstead Mortgage Corporation	Real Estate Operations	12.88	11.40	-0.03	-0.23%	315,883	310,283	750,098	46.53		12.70%	\$0.33	\$1.52	99.60%		
CEDC	Carroll Education	Real Estate Operations	21.50	17.50	0.17	1.49%	528,949	528,495	698,471	79.08			\$0.19	\$2.06	19.41%	-2.96%	21.83%
CMRG	Casual Male Retail Group	Retail (Apparel)	4.19	3.07	-0.13	-0.30%	123,873	121,435	128,538	17.59			\$0.11	\$0.32	52.67%	1.49%	9.99%
CBL	CBL & Associates Prop	Real Estate Operations	17.95	5.98	0.16	0.90%	2,054,421	2,018,769	1,538,698	79.08		4.72%	\$0.12	\$0.21	-35.39%	-36.08%	-15.64%
CE	Celene Corporation	Chemical Manufactur	48.35	19.37	-0.10	-0.21%	1,290,772	1,289,745	1,544,229	79.08		0.41%	\$0.67	\$2.89	11.08%	15.88%	
CELG	Celgene Corp	Biotechnology & Drugs	66.30	10.80	-0.08	-0.69%	1,611,712	1,576,117	3,988,805	64.13			\$0.44	\$1.69	51.74%	60.29%	
CEV	Central Euro Media Enter/A	Broadcasting & Cable	20.29	21.77	-0.22	-1.07%	214,357	213,579	361,706	79.08			\$0.41				

Software designed to exploit inefficiencies in the market like "short swing" rule, overbought/oversold stochastics, RSI divergence, breakout volume, etc.

Our software allows us to monitor hundreds of securities in real time based on technical indicators some of which are proprietary to us.



# Portfolio Risk Management

- The Fund invests in Level 1 securities exclusively.
- Strict diversification guidelines avoid concentrations one sector and in any one security, most investments have material insider buying
- Fund may hedge trades with pairs trades, ETF's, futures, and/or derivatives.
- Small agile fund may be entirely in cash or short, can change investment posture quickly to meet changing world

# Tax Advantages

Favorable tax advantaged strategy. We employ market to market accounting as well as harvesting long term capital gains.

Mark to market accounting provides ordinary business income with no capital gain carry-forward loss limitations. Losses can offset most ordinary income as well.

Securities identified in a segregated account allow us to be long term capital gain investors.

Alpha Wealth Funds does not provide tax or legal advice. Investors should rely on their tax experts

# Financial Results

- Monthly performance and shareholder reports supplied by an independent administration firm
- Public Accounting Oversight Board certified firm conducts annual audit and prepares partners K-1's
- No lock ups. Investors can withdraw funds at any time 30 day notice or immediately upon the event of death or incapacitation of Principal(s)
- Outside counsel has experienced and specialized hedge fund practice
- Harvey Sax has a long unblemished background in the securities industry. Harvey Sax was the founder and CEO of a public company.

# Fund Structure and Terms

Name of Fund	The Insiders Fund	Management Fee	2.00% Annually
General Partner	Alpha Wealth Funds	Incentive Allocation	20% of Profits with High Water
Legal Entity	Limited Partnership	Lock-up	No Lock-up
Prime Broker	TradeStation Securities, Inc.	Redemption Period	Monthly with 30 Days Notice
Attorney	The Investment Law Group	Minimum Invest	\$250,000
Fund Admin	NAV Consulting		
Auditor	Berkower LLC		