

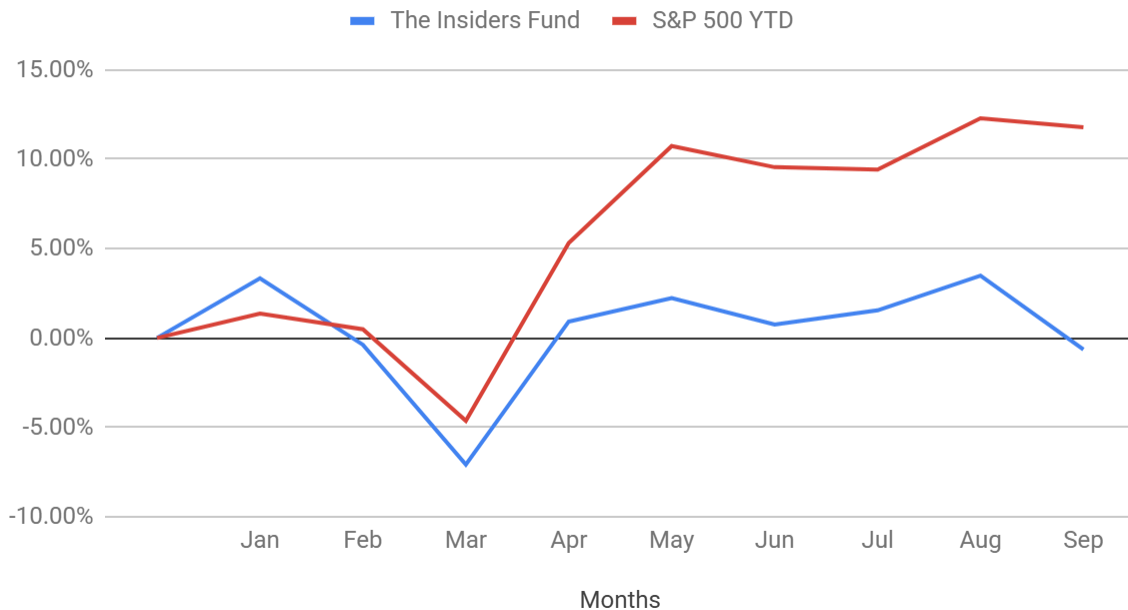
The Insiders Fund 3rd Quarter 2026 Partner Letter

*DEJA VU- it's All About AI
or dot-COM 10x*

The Insiders Fund lost 3.99% in September, was down 1.39% for the 3rd quarter and -0.65% YTD. For comparison, the S&P 500 returns were -0.40%, 2.03%, and 12.75% over the same period..

Fund returns are net of applicable fund-level fees and expenses and are based on information provided by NAV Consulting. Individual investor returns may vary due to investment timing and applicable fees. The S&P 500 Total Return Index is presented for comparison purposes only and is not directly comparable to the Fund's investment strategy.

The Insiders Fund and S&P 500 YTD



Winners and Losers:

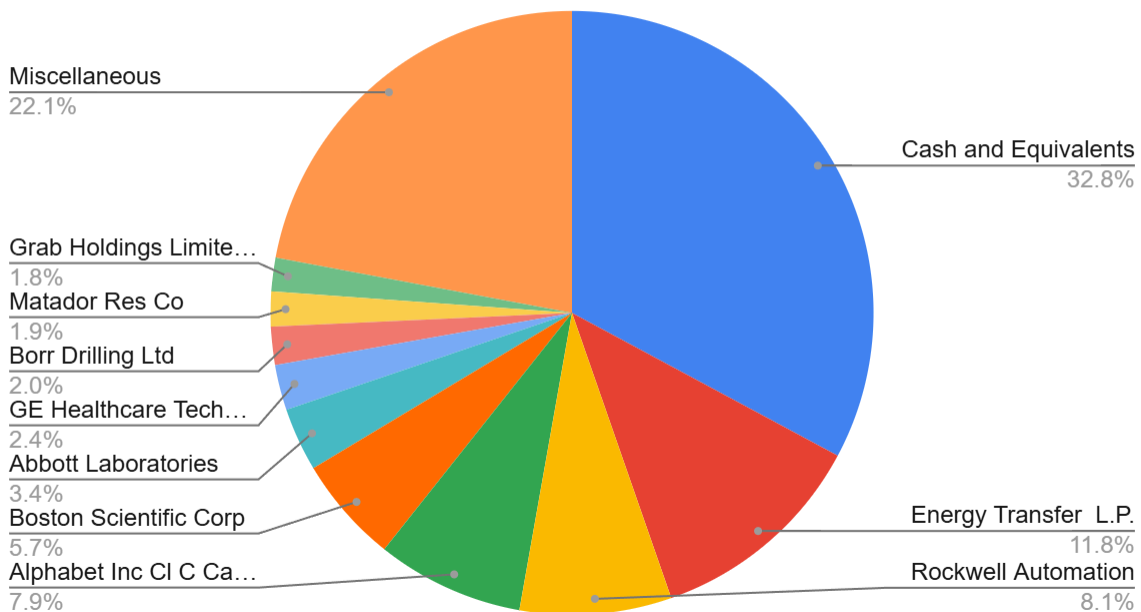
This letter is your report card. It's disappointing but what the numbers don't tell you is that the average stock as expressed by the Invesco equal weighted S&P 500 index, the RSP, was down the last thirteen weeks in a row before the quarter ended. Insiders found little to buy and what they did purchase has underperformed. It's a very bifurcated market. It's tech and not much else that has provided the alpha. Nine out of eleven sectors posted negative returns for the month. Today's Wall St Journal featured a headline article, "the yawning gap between the market's biggest winners and other stocks is growing larger. Less than half of the stocks in the S&P 500 closed above their 200-day moving average on Tuesday, Dow Jones Market Data shows, a figure that has steadily declined since August."

We took profits in Cencora, exited Pool with a minor loss, and took substantial losses on PODD despite strong insider support and solid fundamentals, as negative sentiment around diabetes monitoring devices is too strong to fight. Even GLP-1 winner Eli Lilly saw paper losses.

Portfolio Holdings:

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Portfolio Holdings 10-2-2026



1. Energy Transfer (ET)

- **Business:** Energy Transfer owns and operates one of the largest and most diversified portfolios of energy assets in the United States, managing approximately **140,000 miles of pipeline** and associated infrastructure across 44 states. Its core segments bridge the entire oil and gas value chain: natural gas midstream, intrastate/interstate transport, crude oil and natural gas liquids (NGL) logistics, and fractionation.
- **Insider Buying/Selling:** Founder Warren Kelcy bought \$21.2 million worth at \$21.26 in August. Fellow director Perry added to his holdings with a purchase of \$250,000 at \$20.23. Insiders rarely sell this stock. The only insider sale recorded in the last five years is just 1369 shares.
- **Recent News:** Revenue skyrocketed **32% YoY in Q1 2026** to \$27.77 billion, driven by record throughput. In a major strategic shift, Energy Transfer announced a long-term agreement with Cloudburst Data Centers to provide natural gas for a flagship AI-focused data center in Central Texas. This signaled to investors that ET is positioned to profit from the massive electricity demands of the AI industry. Management noted they are currently reviewing requests to connect to ~200 data centers across 14 states.
- **Our Thesis:** The story just continues to get better with ET even if the stock is a relative laggard in performance. Energy Transfer is a tollbooth on the energy highway—mission-critical pipelines moving natural gas to power-hungry regions. With regulated contracts, inflation-protected cash flows, and an ~6.4% yield, ET offers steady income, a 10-year dividend growth rate (CAGR) 6.86%. The war with Iran and the disruption of stable LNG flows from Qatar has created new growth opportunities for Energy Transfer.

2. Rockwell Automation (ROK)

- **Business:** Rockwell Automation (NYSE: ROK) is a leading provider of industrial automation and digital transformation solutions. The company operates through three segments: Intelligent Devices, Software & Control, and Lifecycle Services. These segments offer a range of products and services, including control systems, software, and consulting, aimed at enhancing manufacturing efficiency and productivity.
- **Insider Buying/Selling:** There has been no insider buying during the last quarter *and only a paltry 3000 shares were sold.*
- **Recent News: Strategic AI & Cybersecurity Initiatives:** Rockwell partnered with Anthropic's Project Glasswing to integrate AI into critical industrial cyber defenses and expanded its SecureOT Managed Services to support Fortinet firewalls.
Earnings & Guidance Momentum: Following earlier fiscal guidance hikes driven by solid demand across life sciences and core industrial sectors, Deutsche Bank issued

a "Catalyst Call: Buy" and raised its price target to \$500 ahead of Q4 earnings and the upcoming November 18 Investor Meeting.

Life Sciences & Operations Expansion: A new company report revealed that 90% of life sciences manufacturers consider digital transformation essential. Additionally, PBS Biotech embedded Rockwell's FactoryTalk technology to scale cell-therapy manufacturing platforms.

- **Our Thesis:** We identified Rockwell early on as a primary beneficiary of the current administration's desire to bring manufacturing jobs back to the U.S. We believe the only way this could happen is with intense automation to compete against lower wages abroad. Rockwell is the beneficiary of two secular tailwinds, reshoring and AI automation. It's been a steady winner for us and a long-term hold. It's expensive, though and I like Rockwell as a business more than as a stock at today's valuation.

3. Alphabet (GOOG)

- **Business:** Alphabet dominates search engine (90%+), browser (70%+ Chrome), and mobile OS (70%+ Android) markets. Also, a leader in AI (Gemini), Cloud, and autonomous driving (Waymo), significant stakes in moonshots including 5-7% of Space X shares at today's prices worth ~\$94 billion.
- **Insider Buying/Selling:** *No insider buying which is a surprising rarity in the tech space. Insiders sold only 698 shares in the quarter.*
- **Recent News: AI Launch & Cloud Growth:** Alphabet recently unveiled its **Gemini 4 Argon** AI model, reassuring analysts and supporting multi-billion-dollar enterprise cloud momentum driven by expanding enterprise adoption and in-house TPU cost advantages.
Capital Expenditure & Margins: Wall Street continues to scrutinize elevated AI infrastructure investments (with 2026 capital expenditure guidance around 195B – 205B), raising questions about near-term margin discipline despite strong top-line revenue growth.
Regulatory Scrutiny & Antitrust: Shares face ongoing headwinds from EU digital ad/data-sharing scrutiny and US ad-tech litigation, though recent dismissals of select AI Overview antitrust suits have helped ease some legal overhangs.
- **Our Thesis:** Alphabet remains a key holding. However, the market is dubious about hyperscalers exhausting free cash flow on datacenter builds despite perceived compute shortages and market demand signals. We reduced our position last quarter. We expect a strong upcoming quarter and may trade around our holdings.

4. Boston Scientific BSX

- **Business:** Boston Scientific Corporation (NYSE: BSX) is a global developer, manufacturer, and marketer of medical devices. The company focuses on less-invasive medical technologies designed to diagnose and treat complex medical conditions.

Core Business Segments:

Cardiovascular: The company's largest revenue driver, covering Interventional Cardiology (stents and structural heart therapies), Electrophysiology (such as the FARAPULSE Pulsed Field Ablation system), Cardiac Rhythm Management (defibrillators and pacemakers), and the flagship WATCHMAN left atrial appendage closure device.

MedSurg: Focuses on Endoscopy (devices for gastrointestinal and biliary disorders), Urology (solutions for kidney stones and prostate health), and Neuromodulation (spinal cord and deep brain stimulation for chronic pain and movement disorders).

- **Insider Buying/Selling:** Several insiders bought stock last quarter, the largest being CEO Mahoney purchase of ~\$9 million at \$48.33. *There were no sales.*
- **Recent News: Cyberattack Disruptions & Guidance Cut:** An August 2026 cyberattack disrupted global shipping, manufacturing, and operations. Management subsequently warned that BSX will miss its full-year 2026 net sales growth and EPS guidance, resulting in analysts cutting price targets.

Product Recalls & Regulatory Action: The FDA flagged recent product recalls, including power adapter issues with certain consoles and recall updates involving LUX Dx cardiac monitors and catheters.

Softness in Core Segments: Slower growth in key markets like Watchman and electrophysiology has contributed to pressure on the share price.

- **Our Thesis:** If AI can improve life expectancy, and that's a big "IF", an aging population will be good for business. Management restored key operations by mid-September. Additionally, significant insider buying (including the CEO purchasing over \$9 million in stock) and strong institutional support suggest potential upside for long-term investors.

5. Abbott Laboratories (ABT)

- **Business:** Abbott Laboratories is a global healthcare leader focused on life-changing technologies. Founded in 1888, the company operates across four primary segments: **Diagnostics, Medical Devices, Established Pharmaceuticals, and Nutrition.** Abbott is widely recognized for its "Dividend King" status, having increased its dividend for over 50 consecutive years. Key products include the **FreeStyle Libre** glucose monitoring system and the **BinaxNOW** rapid tests.

- **Insider Buying/Selling:** No buying during the quarter and there was some selling after a strong 2nd quarter stock performance.
- **Recent News:** FDA Approvals & MedTech Expansion: Abbott received FDA approval for updates to its CardioMEMS HF System (including the patient-facing CardioGuide HF App and Dynamic Treatment Plan), as well as approval for its TactiFlex Duo dual-energy ablation catheter for complex atrial fibrillation. Additionally, Abbott launched its SimpleScreen CRC blood test for colorectal cancer screening.
Analyst Upgrades: Wall Street sentiment got a boost as Rothschild & Co Redburn upgraded ABT from Neutral to Buy, raising its price target to \$127.
M&A and Legal Resolution: Abbott agreed to acquire Exact Sciences (EXAS) for \$21 billion to deepen its oncology portfolio, while settling infant formula litigation for \$385 million to clear major legal overhangs.
- **Our Thesis:** Abbott Laboratories is a “dividend king” so whenever we have an opportunity to buy a blue chip confirmed by insider buying, it’s almost an automatic buy. The purchase of Exact Sciences provides them with a Grail-like MCED cancer diagnostic test for their robust product line.

6. GE Healthcare Technology (GEHC)

- **Business:** GE HealthCare operates as a leading global medical technology, pharmaceutical diagnostics, and digital solutions innovator. The company organizes its operational architecture into **four primary business segments**:
Imaging: Focuses on comprehensive scanning and diagnostic hardware, including MRI, CT scanners, Molecular Imaging, X-ray, and Women’s Health technologies.
Ultrasound: Encompasses specialized equipment for radiology, cardiology, women's health, point-of-care, and primary clinical applications.
Patient Care Solutions (PCS): Develops comprehensive health monitoring equipment, anesthesia delivery systems, ventilators, diagnostic ECGs, and maternal-infant care systems.
Pharmaceutical Diagnostics (PDx): Produces diagnostic agents and radiopharmaceuticals (contrast media and molecular imaging agents) used to enhance medical imaging and visibility.
- **Insider Buying/Selling:** No buying or selling in the quarter.
- **Recent News: 945M M&A Expansion:** GE HealthCare agreed to acquire **SOFIE Biosciences** for \$945 million in cash. The deal expands its global position in nuclear medicine and PET radiopharmaceutical supply.

Analyst Reaffirmations: Wall Street sentiment remains bullish. Needham reiterated its **Buy** rating with a \$93 price target, pointing to strong valuation metrics, low P/E multiples, and potential upside from current trading levels.

Operational Strengths vs. Risks: Analysts highlight a strong backlog, growing equipment orders, and new AI-driven medical innovations. However, lingering macro pressures—such as supply-chain inflation and volatile market demand in China—remain key headwinds.

- **Our Thesis:** Strong position in imaging and ultrasound markets combined with the belief the market will rotate into a broader sector other than AI infrastructure names. Healthcare in general should be a beneficiary and in particular GE Healthcare as it has been a laggard. Significant insider buying portends that may be changing.

7. Borr Drilling (BORR)

- **Business:** Borr Drilling is an offshore jack-up rig operator, providing shallow-water drilling machines leased out to oil majors and national oil companies to drill wells in places like the North Sea, West Africa, and the Middle East. The business model is simple: own a modern fleet, sign multi-year contracts at a daily rate (a "dayrate"), and collect cash while the rig works. It's a capital-intensive, cyclical business tied directly to offshore drilling demand and oil company capex budgets.
- **Insider Buying/Selling:** Over \$17 million of insider buying primarily by Troim Tor Olaya prices near or below current share price.
- **Recent News:** The company secured fresh commitments for three premium jack-up rigs—including the *Norve* in West Africa, *Natt* in Nigeria, and *Joro* in the UK—extending its operating backlog into late 2026 and 2027.
- **Our Thesis:** The Middle East is proving itself to be an unreliable partner in the export of hydrocarbons. There will be a renaissance of offshore drilling around the world to replace this uncertainty. The insiders are buying with real money, the backlog is growing, and the cash generation is better than the ugly headline loss suggests. The risk is concrete, not vague: a thin 2027 contract book and double-digit short interest mean this stock needs more good news to keep grinding higher. On the numbers, the case leans bullish, but this is a cyclical, levered driller, not a sleep-well-at-night holding. We are monitoring this and other energy companies closely.

8. Matador Resources (MTDR)

- **Business:** Matador Resources is an oil and gas driller that spends its days punching wells into the Delaware Basin, the Texas/New Mexico corner of the Permian that happens to be the most productive oil patch in the country. The business is straightforward: find hydrocarbons, pull them out cheaper than the market pays for them, and pocket the spread. Domestic hydrocarbon plays will prove to be more

valuable than unstable commodities extracted from the Middle East and other countries.

- **Insider Buying/Selling:** (Director, Joseph Foran, Chairman and CEO): 3 buy(s), 19,675 shares, \$1,023,583 total, filed from 2026-05-28 to 2026-08-14.
- **Recent News:** Paloma Permian Acquisition: Matador recently closed its \$1.255 billion cash acquisition of Paloma Permian, adding 16,500 net acres in New Mexico and over 156 net drilling locations, which expands its core Delaware Basin footprint and drives future production growth.
Strong Q2 Results & Guidance Upgrade: Matador reported record Q2 2026 average daily oil production of 126,106 barrels, prompting management to raise full-year 2026 production and capital expenditure guidance.

Our Thesis: Domestic hydrocarbons are increasingly desirable versus an unstable Middle East supply. The stock is cheap on every multiple that matters. Management just closed a value-accretive acquisition, and insiders are buying with their own cash. The counterweight is real: double-digit short interest, a levered balance sheet, and net income that's actually shrinking even as cash flow holds up. On these numbers this leans bullish, a value name in a cheap sector catching a production and acreage tailwind, but it's a commodity stock first and a growth story second.

9. Grab Holdings (GRAB)

- **Business:** Grab Holdings is the Southeast Asian "superapp," running ride-hailing, food and grocery delivery, and a fast-growing digital financial services arm (digital banking, lending, and payments through its Superbank platform) across Singapore, Indonesia, Vietnam, Malaysia, Philippines, and Thailand. One app, three businesses, all leaning on the same driver and merchant network. That's not a niche.
- **Insider Buying/Selling:** Tan Anthony Ping Yeow (Director, Chief Executive Officer): 1 buy, 10,350,000 shares, \$29,876,310 total, filed 2026-09-21 to 2026-09-21.
Hungate Alexander Charles (Director, President and COO): 1 buy, 299,571 shares, \$866,839 total, filed 2026-09-21 to 2026-09-21. Large insider buys are our first screen.
- **Recent News:** Grab announced plans to acquire a majority stake in Atome Financial to accelerate growth in its Financial Services division. While management projects significant long-term EBITDA benefits, market sentiment has been mixed regarding transaction valuation.
Capital Return & Guidance: Grab committed to executing the remaining \$900 million of its share repurchase program over the next 12 months and raised its full-year 2026 revenue outlook following strong Q2 momentum

- **Our Thesis:** Southeast Asia has over 675 million people and still-rising smartphone and internet penetration, so the runway is real, it's the execution that's been the question mark for years. It's good to have some real Asian centric exposure with transparent financials. This is a profitable, cash-rich market leader trading at a 45%+ discount to both the Street's target and a conservative DCF, with the CEO personally backing up the thesis with a \$30 million stock purchase during the dip. The cash flow quality wrinkle and the Atome integration risk are real and worth watching, but on the numbers, the case leans bullish: growth is normalizing rather than collapsing, profitability is improving, and insiders are buying weakness instead of selling strength. The Perfect 10 composite of +4.7 (constructive) backs that read. This one's a show-me story that's starting to show something. It's a new holding and further research is warranted before increasing our exposure.

10. Miscellaneous

We have a lot of sub 2% holdings. Rather than provide a lengthy analysis of minor positions, I thought I would just list some of the more interesting ones.

SoFi Technologies, Pfizer, Aptiv Holdings, MSCI, Upstart, L3 Harris, and Inhibrx are just a few of the names we hold.

Our Outlook:

Global rising interest rates are driven by inflation, war with Iran, high deficit spending, political uncertainty, and strong corporate debt demand. With 10-year Treasury yields reaching multi-year highs, the U.S. Dollar's value reflects both yield and global security risks.

At what point do risk-free Treasuries present a genuine alternative to equities?

While no precise tipping point exists, investors—especially the Baby Boomer cohort—have historically shifted equity allocations into fixed income. When do bond yields become truly competitive with stocks?

Historically, equities have delivered long-term annualized returns in the range of 7.5% to 8.0%. However, extraordinary gains in recent market cycles have inflated baseline expectations, spoiling investors who now anticipate double-digit performance as the norm. Today, structural pressure is steadily mounting on equities as fixed-income alternatives become increasingly competitive. For example, Fidelity is offering 10-year AAA-rated municipal bonds yielding 5.30% and AA-rated munis yielding 5.70%. For high-net-worth investors situated in the top tax brackets, these figures correspond to a tax-equivalent yield of approximately 7.5%—effectively matching historical stock market returns with a significantly lower risk profile. A recent discussion with a Fidelity bond representative confirmed a sharp, surging interest among retail and institutional investors seeking to lock in these compelling, risk-adjusted yields.

The macro environment is plagued by conflicting forces. Fighting the hyper-scaler capex trend has proven futile, as it remains the only true engine of growth. However, relying entirely on a single supply chain leaves portfolios heavily exposed to capital spend fatigue. Until interest rates ease enough to allow consumer-driven sectors to capitalize on lower input costs, we remain locked in a two-speed market—where silicon reigns supreme, and everything else waits for the cross-currents to settle.

Our very high cash equivalent allocation is justified by this uncertainty. We will never forget that the capital entrusted to us is irreplaceable. Every investment decision begins—and ends—with that responsibility.

Harvey Sax
Portfolio Manager
Insiders Fund

The Insiders Fund 3rd Quarter 2026 Partner Meeting is tentatively planned for Tuesday, October 13th at 3:00PM MST. Be on the lookout for a calendar invite. Please feel free to email or call me anytime to discuss. Cell 435-269-4102.

Sincerely yours,



Harvey Warren Sax
Insomniac Hedge Fund Guy

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