



ALPHA WEALTH FUNDS

- Alpha Diversified Fund

## ● ALPHA WEALTH FUNDS

○ Founded in 2010, our services include emerging hedge funds, separately managed accounts, financial planning, estate & trust services, private placements and in-house concierge services for high net-worth individuals, families and businesses.

## ● ALPHA DIVERSIFIED FUND

- The fund focuses on building and maintaining a low volatility, multi-manager hedge fund portfolio that seeks to have low correlation to the broader debt and equity indices.
- The fund's investment objective is capital appreciation with limited variability of returns. The fund attempts to achieve this objective by allocating capital among several pooled entities, each managed by an independent investment adviser who invest in a variety of asset classes.

## ● MANAGER SELECTION

### ○ Network

Manager due diligence covers a variety of alternative asset classes, sourced through our extensive network and reach within the investment community, as well as the broader investment bank capital introduction network.

### Boutique

Many of the strategies employed by outperforming fund managers simply do not work at scale. If funds grow too large, they are forced to operate outside of their strategy to deploy capital. Therefore, we focus on sourcing Managers who are limiting their capital raising efforts to ensure effective execution of their underlying strategies.

### Optimized

We optimally diversify broadly among these boutique managers to position the portfolio to have low correlation to systematic risk exposure and to deliver superior risk adjusted returns.

## ● CASE FOR BOUTIQUE MANAGERS

- Boutique hedge fund managers are often overlooked by the institutional investor community.
- They are deemed too small to make an impact on the bottom line and too risky in terms of institutional mandate and consultant reputation.
- This reluctance to invest in these funds provides opportunities for investors to capture excess returns.
- Advantages
  - Boutique manager's small size may allow them to be much nimbler, enabling them to respond much more efficiently to market changes as compared to their larger counterparts.
  - Boutique funds may be able to tap into market niches, which could allow them to exploit market inefficiencies.

## ● MANAGER EVALUATION PROCESS – WHAT WE LOOK FOR

### ○ Qualitative Attributes

High-integrity management aligned with clients

Strong pedigree and history of success

Superior depth and quality of research

Prudent portfolio management and risk controls

### Quantitative Attributes

Analyze performance to verify manager skill

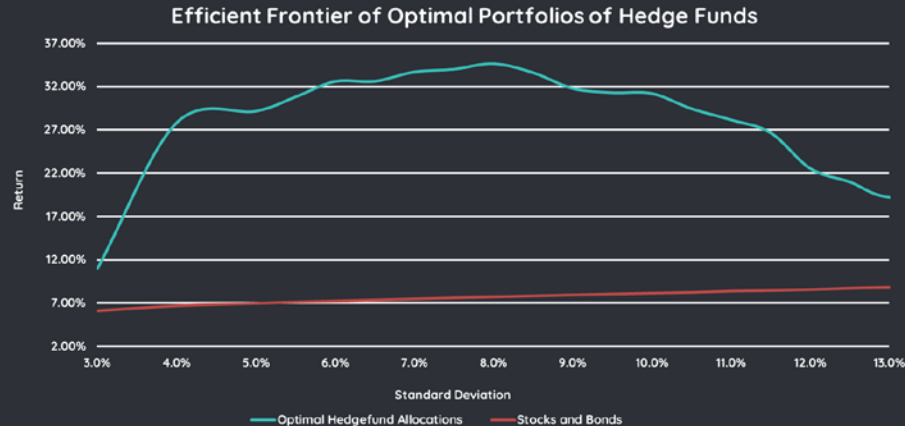
Determine key drivers of results

Conduct detailed portfolio review

Assess leverage, liquidity, and concentration risk

## OPTIMAL PORTFOLIO CONSTRUCTION

- Boutique hedge fund managers can individually introduce idiosyncratic risks to an overall allocation.
- Optimally combining a diverse set of strategies each with their own source of alpha and risk profile can limit these risks.
- Specifically, combining managers that have uncorrelated sources of alpha offset much of the volatility of the individual managers



Alpha Wealth Funds internal research. Efficient frontier of hedge funds followed.

## ● PORTFOLIO CONSTRUCTION/MONITORING



### **Diversification**

We take smaller positions in a diverse portfolio of 12-20 managers.

### **Rebalancing**

As managers outperform relatively to others, we closely monitor positioning and review exposures monthly with a minimum 6 month rebalance process.

### **New Managers**

We continue work to identify additional managers to replace those underperforming expectations.



## CASE FOR DIVERSIFICATION INTO HEDGE FUNDS

- In the current market environment, the returns profile shown by hedge funds makes them ideal candidates for inclusion in an overall asset allocation. Bond yields in US have been minimal for several years now. In addition, the potential of default or a rising interest environment represent a risk for bondholders.
- Similarly, equity markets have become more volatile and unpredictable since the start of the year. In February, equity-market volatility hit a two-year high, and ongoing international trade tensions along with pandemic fears are keeping global markets under serious pressure.
- In these circumstances, increasing numbers of investors are seeking new ways of diversifying their investments by gaining exposure to asset classes that show limited correlation with market movements.
- We focus on hedge funds that use flexible, highly liquid instruments to form investment strategies that show little correlation with equity and fixed-income markets, while also limiting risk.

# ALPHA DIVERSIFIED FUND – ACTUAL / SIMULATED

Performance Summary [Actual/Simulated]													
	Alpha Diversified Fund Net (1/10)	HFRX Global Hedge Fund Index	60% Stocks & 40% Bonds	Barclays US Aggregate	Thomson Reuters Private Equity Buyout	Thomson Reuters Venture Capital	S&P 500						
Monthly Return (12/31/22)	-0.3%	-0.1%	-3.6%	-0.5%	-4.2%	-8.1%	-5.7%						
Year-to-Date (12/31/21-12/31/22)	11.4%	-4.4%	-15.8%	-13.0%	-31.6%	-55.7%	-18.1%						
Trailing 3-Year Return Analysis (12/31/19 - 12/31/22) [Actual/Simulated]													
Annualized Return	27.4%	1.9%	3.7%	-2.9%	2.2%	-4.2%	7.6%						
Annualized Std Dev	9.1%	5.4%	14.0%	5.8%	35.4%	36.9%	21.1%						
Sharpe Ratio	2.92	0.20	0.21	-0.64	0.04	-0.14	0.32						
Beta to S&P 500	0.15	0.20	0.65	0.14	1.63	1.55	1.00						
Annual Performance [Actual/Simulated]													
2022 YTD	11.4%	-4.4%	-15.8%	-13.0%	-31.6%	-55.7%	-18.1%						
2021	32.4%	3.7%	15.7%	-1.9%	27.9%	19.7%	28.6%						
2020	40.2%	6.8%	14.6%	7.2%	21.9%	65.5%	18.4%						
2019	28.8%	8.6%	22.1%	8.7%	34.6%	49.5%	31.3%						
2018	25.4%	-6.7%	-2.3%	0.0%	-12.7%	5.4%	-4.4%						
Monthly Performance: Alpha Diversified Fund Net (1/10)													
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2022	0.40	0.08	8.78	4.36	0.11	-4.77	2.14	2.13	-3.41	0.88	0.99	-0.25	11.4%
2021	1.52	5.05	2.42	2.52	2.71	0.29	1.24	0.61	4.84	5.99	0.23	1.16	32.4%
2020	2.38	0.58	6.18	5.99	2.09	1.76	2.71	2.09	1.38	0.16	4.68	4.52	40.2%
2019	3.53	1.69	2.78	1.91	2.08	2.93	1.98	2.14	1.35	0.02	1.82	3.42	28.8%
2018	6.94	-1.40	1.63	2.53	3.30	1.96	3.70	1.70	0.72	-0.87	0.74	2.17	25.4%
	Actual			Estimate of live performance				Simulated performance of funds owned					

The performance data before 1/2022 does not represent the performance of the Fund, but rather, represent the simulated performance of a composite portfolio of the boutique hedge funds the Alpha Diversified Fund is currently invested. Stock benchmark used in the analysis is the S&P 500 and the bond benchmark is Barclays US Aggregate. Past and simulated performance is not necessarily indicative of future performance.

# ALPHA DIVERSIFIED FUND – ACTUAL / SIMULATED - ALLOCATION

## Performance Summary [Actual/Simulated]

	Alpha Diversified Fund Net (1/10)	S&P 500	Absolute Return	Absolute Return	Absolute Return	Absolute Return	Global Macro	Global Macro	Global Macro	Global Macro	L/S Equity	L/S Equity	L/S Equity	L/S Equity	Systematic	Systematic	Systematic	Long Biased Equity	Long Biased Equity	Cash
Alpha Diversified Fund Current	100.0%		4.5%	2.5%	6.3%	6.7%	5.7%	7.1%	6.0%	7.9%	5.5%	7.2%	7.3%	6.6%	7.2%	4.0%	6.1%	2.8%	1.6%	4.9%
Year-to-Date (12/31/21-12/31/22)	11.4%	-18.1%	-28.9%	-0.2%	-1.7%	16.3%	191.2%	27.9%	95.6%	28.5%	-34.4%	18.7%	26.4%	6.5%	26.4%	-45.9%	-4.0%	-1.4%	-43.3%	
Trailing 12 Month Return (12/31/21-12/31/22)	11.4%	-18.1%	-28.9%	-0.2%	-1.7%	16.3%	191.2%	27.9%	95.6%	28.5%	-34.4%	18.7%	26.4%	6.5%	26.4%	-45.9%	-4.0%	-1.4%	-43.3%	
Trailing 24 Month Annualized (12/31/20-12/31/22)	21.4%	2.6%	-11.6%	6.2%	11.5%	17.6%	122.2%	15.9%	137.1%	41.8%	-1.5%	19.6%	32.2%	18.8%	39.6%	-16.4%	-3.2%	11.7%	-14.5%	
Trailing 36 Month Annualized (12/31/19-12/31/22)	27.4%	7.6%	2.3%	17.6%	17.8%	19.7%	84.5%	16.6%	104.8%	47.4%	30.5%	25.7%	40.4%	21.9%	42.9%	1.9%	16.8%	12.7%	-3.1%	

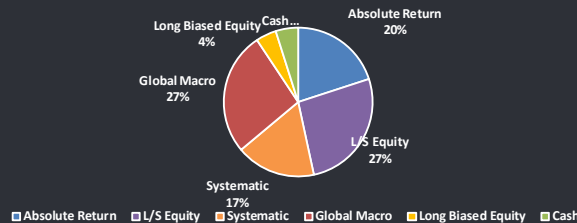
## Trailing 3-Year Return Analysis (12/31/19 - 12/31/22) [Actual/Simulated]

Annualized Return	27.4%	7.6%	2.3%	17.6%	17.8%	19.7%	84.5%	16.6%	104.8%	47.4%	30.5%	25.7%	40.4%	21.9%	42.9%	1.9%	16.8%	12.7%	-3.1%
Annualized Std Dev	9.1%	21.1%	25.0%	8.3%	15.0%	1.5%	53.8%	19.2%	51.3%	28.9%	34.3%	20.9%	22.4%	17.2%	11.4%	33.6%	27.4%	35.0%	23.5%
Sharpe Ratio	2.92	0.36	0.09	2.13	1.19	12.80	1.57	0.87	2.04	1.64	0.89	1.23	1.80	1.27	3.78	0.06	0.61	0.36	-0.13
Beta to S&P 500	0.15	1.00	0.46	0.14	0.08	0.00	-0.93	-0.01	-0.46	-0.17	0.99	0.34	0.53	0.29	0.09	0.35	-0.32	1.15	0.81
3-Year Alpha to S&P500	25.52	0.00	-1.66	15.88	16.42	18.87	89.96	15.82	107.10	47.72	22.97	22.49	35.95	19.07	41.43	-1.31	18.16	4.07	-9.36

## Annual Performance [Actual/Simulated]

2022 YTD	11.4%	-18.1%	-28.9%	-0.2%	-1.7%	16.3%	191.2%	27.9%	95.6%	28.5%	-34.4%	18.7%	26.4%	6.5%	26.4%	-45.9%	-4.0%	-1.4%	-43.3%
2021	32.4%	28.6%	9.9%	13.0%	26.4%	19.0%	69.6%	5.1%	187.5%	56.5%	47.9%	20.5%	38.2%	32.6%	54.1%	29.2%	-2.3%	26.6%	29.0%
2020	40.2%	18.4%	36.9%	44.4%	31.5%	23.9%	27.1%	18.0%	52.8%	59.2%	129.3%	38.7%	58.4%	28.2%	49.7%	51.4%	69.8%	14.7%	24.6%
2019	28.8%	31.3%	20.5%	14.4%	28.0%	24.5%	31.3%	22.8%	36.6%	34.2%	45.8%	32.2%	12.4%	49.4%	90.0%	51.0%	19.1%	33.0%	40.8%
2018	25.4%	-4.4%	-1.9%	8.9%	0.5%	33.6%	8.1%	36.1%	42.3%	9.5%	3.0%	35.9%	10.5%	-15.3%	62.5%	63.8%	76.9%	-24.6%	31.0%

Absolute Return	20.0%
L/S Equity	26.6%
Systematic	17.3%
Global Macro	26.7%
Long Biased Equity	4.5%
Cash	4.9%
<b>Total</b>	<b>100.0%</b>

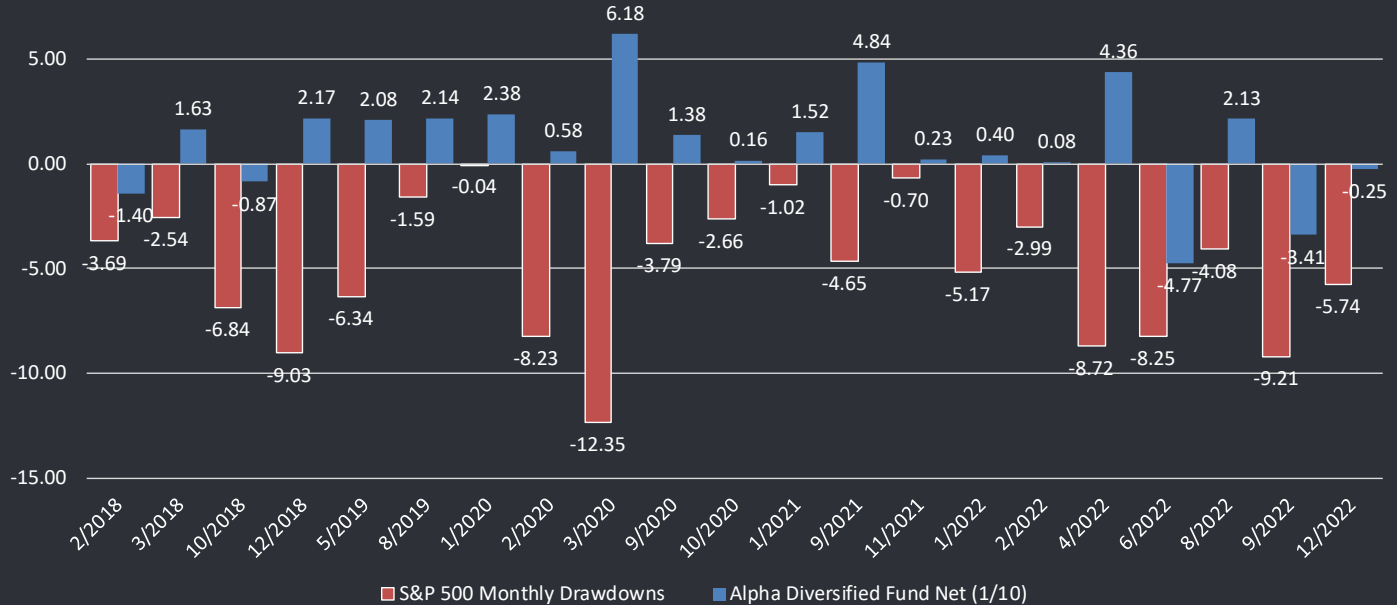


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# ALPHA DIVERSIFIED FUND - DOWN-SIDE PROTECTION

Alpha Diversified Fund [Actual/Simulated] vs S&P 500 Drawdowns



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## TEAM



**Mark Kress, CFA**  
PORTFOLIO MANAGER

Mark brings decades of portfolio and risk management experience to manage asset allocation and hedge fund portfolios for family offices to maximize risk-adjusted returns.

Since 2013 Mark has consulted with both multi and single-family offices on sourcing alternative investments and portfolio management solutions. In 2018 Mark launched Arden Advisory who manages hedge fund allocations for Family Offices. From 2001-2011 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 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 is a Chartered Financial Analyst (CFA).

## TEAM



**Chase Thomas**  
GENERAL PARTNER

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 team overseeing a half billion of 401(k) assets.

Chase assists in the management of the Fund and specializes in providing financial planning advice to our partners that request it. He is 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 son.



**Harvey Sax**  
GENERAL PARTNER

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) 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.

## TERMS AND SERVICE PROVIDERS

### Terms

Minimum Investment	\$250,000
Management Fees	1%
Performance Fees	10%
Redemption Period	Quarterly with 30 Days Notice Prior to Quarter
High-Watermark	Yes

### Service Providers

Legal Counsel	Investment Law Group
Administrator	NAV Consulting
Auditor/Accountant	Berkower

Subject to change without notice



# CONTACT INFORMATION

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# DISCLOSURES

This material does not constitute an offer or the solicitation of an offer to purchase an interest in Alpha Diversified Fund, LP (the “Fund”), which such offer will only be made via a confidential private placement memorandum (the “Memorandum”). An investment in the Fund is speculative and is subject to a risk of loss, including a risk of loss of principal. There is no secondary market for interests in the Fund and none is expected to develop. No assurance can be given that the Fund will achieve its objective or that an investor will receive a return of all or part of its investment. All statements herein are qualified in their entirety by reference to the Memorandum, and to the extent that this document contradicts the Memorandum, the Memorandum shall govern in all respects.

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The performance data discussed herein do not represent the performance of the Fund, but rather, represent the performance of a composite model portfolio of 12-20 boutique hedge funds selected using the allocator mechanism developed for the Fund. As such, these data represent hypothetical results of the Investment Manager’s strategy and are included for informational purposes only. Results generated in the Fund once the Fund is launched could be materially different than those results shown. The results shown under the heading “Alpha Diversified Fund Net (1/10)” reflect the deduction of: (i) an annual asset management fee of 1.0%, charged quarterly; (ii) a performance allocation of 10.0%, taken annually, subject to a “high water mark;” and (iii) transaction fees and other expenses actually incurred. The management fee and performance allocation were applied retroactively and do not reflect actual fees charged. The results shown under the heading “Alpha Diversified Fund Gross” do not reflect the deduction of the afore-mentioned fees and expenses. None of the results shown reflect the deduction of certain organizational and operating expenses common to investment funds, which would serve to decrease profits or otherwise increase losses. Results were achieved using the investment strategies described in the Memorandum.

Hypothetical or back-tested model performance results have inherent limitations, some of which are described below. Back-tested returns do not represent the results of actual trading and are calculated through the retroactive application of the Investment Manager’s model portfolio and strategy configurations, designed with the benefit of hindsight. Since back-tested results do not represent actual trading, they may not reflect the impact that material economic and market factors might have had on the decision-making processes of the Investment Manager, if the Investment Manager was actually managing those assets during the back-test period.

**NO REPRESENTATION IS BEING MADE THAT THE INVESTMENT MANAGER’S STRATEGY WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SIGNIFICANT MATERIAL DIFFERENCES BETWEEN BACK-TESTED PERFORMANCE RESULTS AND PERFORMANCE RESULTS SUBSEQUENTLY ACHIEVED BY FOLLOWING A PARTICULAR STRATEGY.**

In addition, back-tested performance does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses could have material adverse effects on trading results. There are numerous other factors related to the markets and to the implementation of specific investment programs that cannot be fully accounted for in the preparation of back-tested performance results and all of which can adversely affect actual trading results.

The results shown are compared to the performance of the S&P 500 Index, the HFRX Global Hedge Fund Index, and a number of other indexes (collectively, the “Comparative Indexes”) for informational purposes only. The Fund’s investment program does not mirror any of the Comparative Indexes and the volatility of the Fund’s investment program may be materially different from the volatility of the Comparative Indexes. The securities included in the Comparative Indexes are not necessarily included in the Fund’s investment program and criteria for inclusion in the Comparative Indexes are different than criteria for investment by the Fund. The performance of the Comparative Indexes reflects the reinvestment of dividends, as appropriate.

This material contains certain forward-looking statements and projections regarding market trends, investment strategy, and the future asset allocation of the Fund, including indicative guidelines regarding position limits, exposures, position sizing, diversification, and other indications regarding the Fund’s strategy. These projections and guidelines are included for illustrative purposes only, are inherently predictive, speculative, and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The guidelines included herein do not reflect strict rules or limitations on the Fund’s investment program and the Fund may deviate from the guidelines described herein. There are a number of factors that could cause actual events and developments to differ materially from those expressed or implied by these forward-looking statements, projections, and guidelines, and no assurances can be given that the forward-looking statements in this document will be realized or followed, as described. These forward-looking statements will not necessarily be updated in the future. **PAST PERFORMANCE, INCLUDING HYPOTHETICAL PERFORMANCE, IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**