

ULTIMATE ALPHA PARTNERS, LLC

# The Ultimate Alpha Fund, LP

June 2007

*A Dynamic Investment For The 21st Century  
For Accredited Investors*



JOIN OUR FAMILY OF INVESTORS

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# *Table of Contents*

## **3 THE FUND – A DYNAMIC INVESTMENT**

- Investment Summary
- Past Performance

## **5 INVESTMENT STRATEGY**

- Overview of Strategies
- Section I: Description of Strategies
  - A) Primary Strategies
  - B) Secondary Strategies
  - C) Integration of Strategies
- Section II: Portfolio Management Issues

## **22 AN INTELLIGENT INVESTMENT**

- Like No Other Fund – Why To Invest
- Management Team
- General Information – Term Sheet

## **32 EXTERNAL COUNCIL**

- Auditor
- Prime Broker

## **33 GENERAL HEDGE FUND INFORMATION**

- Definition of a Hedge Fund
- Accredited Investors
- Hedge Fund vs. Mutual Funds
- Historical Hedge Fund Performance

## A DYNAMIC INVESTMENT

### Investment Summary

The Ultimate Alpha Fund is a domestic equity portfolio, utilizing multiple strategies to identify securities with high growth potential, by finding securities inappropriately priced due to market misconceptions or short term factors.

The fund is continuously hedged between 15-20% through short strategies, and employs additional risk reduction strategies, including market hedges, risk arbitrage, and covered option writing.

### Portfolio Characteristics

- Methods employed have historically exhibited superior long-term performance.
- Quantitative mathematical modeling, statistical analysis, market cycles, and fundamental analysis are all employed in a highly integrated strategy.
- The portfolio is diversified among strategies, sectors and individual securities.
- Holding period averages 16 months, which lower transaction costs and maximize capital gain tax advantages.
- Performance is driven by individual security selection. Companies are chosen based upon fundamentals, management, and valuation, with an emphasis on finding securities inappropriately priced due to market misconceptions or short term factors.
- The risk management philosophy includes maintenance of a continuous hedge with net long exposures of 80-90%. Of this net long position approximately 25% is invested into relatively low risk covered option writing and risk arbitrage strategies.
- To maintain diversification and minimize risk, initial investments into any one security do not exceed 8% of the portfolio. Positions that, through growth, exceed 15% of the total fund assets, are reduced.
- The fund uses limited levels of leverage (margin).

### Fund Objective

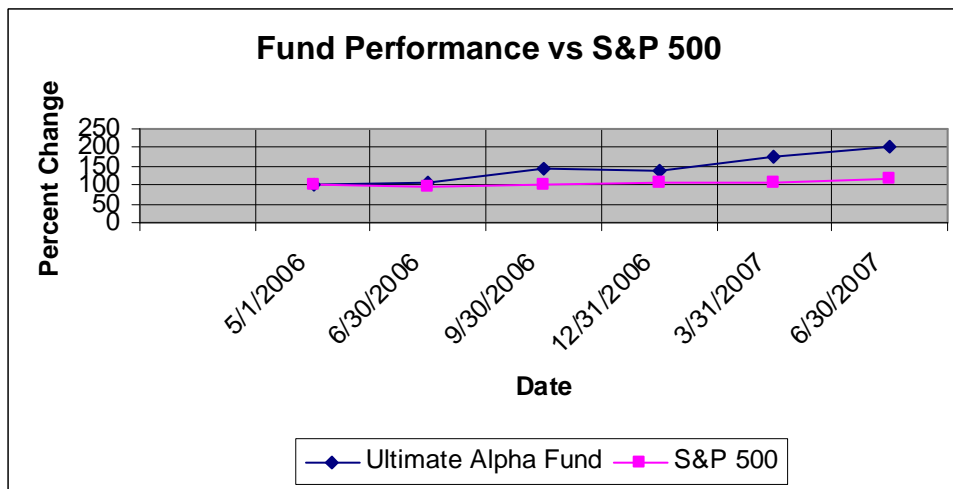
- ⇒ Exceed the return of the S&P 500 index by 10% annually.
- ⇒ Preserve investment capital through managed exposure to risk.
- ⇒ Produce positive returns for investors each year.

# A DYNAMIC INVESTMENT

## Past Performance

The methodology closely resembling that used in the portfolio has been put into practice in an existing portfolio for 6 years (6/00 through 5/06), producing average annualized returns of 42%\* and a total return of 815%\*. Return on the portfolio since inception (5/01/06) through 6/30/07 are as follows:

Ultimate Alpha Fund:	+100.2%	Fund outperformed all 3 indexes
Dow Jones Industrials	+18.0%	Fund outperformed Dow Industrials by 82.2%
S&P500	+14.7%	Fund outperformed S&P500 by 85.5%
NASDAQ	+12.1%	Fund outperformed NASDAQ by 88.1%



The top 5 holding of the portfolio as of June 30, 2007 are as follows:

	Stock	Ticker	Portfolio Percentage	Purchased	Current Price 6/30/07
1.	Garmin Ltd	GRMN	12%	9/06 – \$45.28	\$ 73.41
1.	Schlumberger	SLB	11%	11/06 – \$64.28	\$ 84.78
2.	Lifeway Foods	LWAY	9%	5/07 – \$ 9.25	\$ 11.29
3.	Northern Tech	NTI	9%	8/06 – \$ 8.07	\$ 9.70
4.	Priceline.com	PCLN	6%	6/06 – \$30.00	\$ 68.74

**\*Notes to the returns displayed are as follows:**

The Ultimate Alpha Fund, LP became operational on 5/01/06. Prior to this the methodology was utilized in a private portfolio.

No management fees were incurred by the portfolio through 5/01/06; Beginning 5/01/06 fees apply.

Past performance is not a guarantee of future results.

The fund is not approved or regulated by the SEC.

The fund is not insured against loss.

# INVESTMENT STRATEGY

## Overview of Strategies

The Ultimate Alpha Fund employs aggressive strategies focusing on the selection of both growth and value securities. Approximately 30-45% of invested assets are in securities selected using growth strategies and 20-35% of invested assets are in securities selected using value strategies. Among growth and value selection, multiple strategies are employed.

The methods used are best summarized as intelligent investments into superior companies at the appropriate time.

The use of such multiple investment strategies makes the fund unique and adds to the diversification of the portfolio. Although each strategy employed has its particular strength, the methods used are best summarized as intelligent investments into superior companies at the appropriate time.

In addition to the above strategies, several secondary strategies are employed as a means of limiting risk. The secondary strategies act as a direct hedge, and buffer the higher risk growth and value strategies against severe market declines. Approximately 40% of portfolio assets are dedicated to these strategies. Such a high percentage is employed into these strategies because of the belief that no potential return is worth the risk if investment capital is not preserved as a consequence.

No potential return is worth the risk if investment capital is not preserved as a consequence.

While these strategies can not guarantee the prevention of losses, they do act to reduce the risk of such occurrence.

