

**ALEPH INVESTMENTS EQUITY STRATEGY**

***STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS***

**DECEMBER 31, 2010**

# ALEPH INVESTMENTS EQUITY STRATEGY

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## INDEPENDENT ACCOUNTANT'S REPORT

**Mr. David Merkel, Managing Member  
Aleph Investments, LLC**

We have examined the accompanying Statement of Account Performance Calculations (herein referred to as the Performance Calculations) for the Aleph Investments Equity Strategy for the period beginning August 31, 2000 through December 31, 2010. The Performance Calculations are your responsibility. Our responsibility is to express an opinion on the Performance Calculations based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Performance Calculations and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Performance Calculations referred to above present, in all material respects, the investment performance of the Aleph Investments Equity Strategy for the period beginning August 31, 2000 through December 31, 2010, in conformity with the total return calculation methodology prescribed in Section 7.152(b) of the American Institute of Certified Public Accountants Audit and Accounting Guide covering audits of Investment Companies with conforming changes as of May 1, 2010 for the presentation of financial highlights for nonregistered investment companies not utilizing a unitized net asset value. This calculation methodology is further explained in Note 2.

*BBD, LLP*

**BBD, LLP**

**Philadelphia, Pennsylvania  
April 21, 2011**

# ALEPH INVESTMENTS EQUITY STRATEGY

## STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS

December 31, 2010

	Aleph Investments Equity Strategy			Benchmark Index S & P 500		
	Quarterly Total Return (a)	Annual Total Return	Cumulative Total Return	Quarterly Total Return (a)	Annual Total Return	Cumulative Total Return
<b>Four Month Period ended December 31, 2000</b>						
8/31/00 – 9/30/00	-0.61%			-5.28%		
10/1/00 – 12/31/00	4.98%	4.34%	4.34%	-7.82%	-12.69%	-12.69%
<b>Year ended December 31, 2001</b>						
1/1/01 – 3/31/01	3.90%			-11.86%		
4/1/01 – 6/30/01	16.70%			5.85%		
7/1/01 – 9/30/01	-12.32%			-14.68%		
10/1/01 – 12/31/01	15.23%	22.51%	27.82%	10.69%	-11.89%	-23.07%
<b>Year ended December 31, 2002</b>						
1/1/02 – 3/31/02	10.26%			0.27%		
4/1/02 – 6/30/02	-5.45%			-13.40%		
7/1/02 – 9/30/02	-28.58%			-17.28%		
10/1/02 – 12/31/02	10.79%	-17.51%	5.45%	8.44%	-22.10%	-40.07%
<b>Year ended December 31, 2003</b>						
1/1/03 – 3/31/03	-5.10%			-3.15%		
4/1/03 – 6/30/03	21.71%			15.39%		
7/1/03 – 9/30/03	10.80%			2.65%		
10/1/03 – 12/31/03	18.47%	51.62%	59.88%	12.18%	28.68%	-22.88%
<b>Year ended December 31, 2004</b>						
1/1/04 – 3/31/04	3.54%			1.69%		
4/1/04 – 6/30/04	1.93%			1.72%		
7/1/04 – 9/30/04	5.80%			-1.87%		
10/1/04 – 12/31/04	12.51%	25.63%	100.85%	9.23%	10.88%	-14.49%
<b>Year ended December 31, 2005</b>						
1/1/05 – 3/31/05	3.92%			-2.15%		
4/1/05 – 6/30/05	1.03%			1.37%		
7/1/05 – 9/30/05	9.48%			3.60%		
10/1/05 – 12/31/05	-0.11%	14.82%	130.63%	2.09%	4.91%	-10.29%
<b>Year ended December 31, 2006</b>						
1/1/06 – 3/31/06	10.04%			4.21%		
4/1/06 – 6/30/06	-1.45%			-1.44%		
7/1/06 – 9/30/06	6.78%			5.67%		
10/1/06 – 12/31/06	9.64%	26.95%	192.79%	6.70%	15.79%	3.87%
<b>Year ended December 31, 2007</b>						
1/1/07 – 3/31/07	4.81%			0.64%		
4/1/07 – 6/30/07	7.18%			6.28%		
7/1/07 – 9/30/07	-4.10%			2.03%		
10/1/07 – 12/31/07	-3.95%	3.49%	203.00%	-3.33%	5.49%	9.58%
<b>Year ended December 31, 2008</b>						
1/1/08 – 3/31/08	-3.48%			-9.45%		
4/1/08 – 6/30/08	2.76%			-2.73%		
7/1/08 – 9/30/08	-9.14%			-8.37%		
10/1/08 – 12/31/08	-25.17%	-32.57%	104.31%	-21.94%	-37.00%	-30.96%
<b>Year ended December 31, 2009</b>						
1/1/09 – 3/31/09	-10.98%			-11.01%		
4/1/09 – 6/30/09	21.36%			15.93%		
7/1/09 – 9/30/09	13.79%			15.61%		
10/1/09 – 12/31/09	5.70%	29.94%	165.48%	6.04%	26.47%	-12.69%
<b>Year ended December 31, 2010</b>						
1/1/10 – 3/31/10	6.09%			5.39%		
4/1/10 – 6/30/10	-6.99%			-11.43%		
7/1/10 – 9/30/10	8.87%			11.29%		
10/1/10 – 12/31/10	9.46%	17.59%	212.18%	10.76%	15.06%	0.46%

See Notes to Statement of Account Performance Calculations

# ALEPH INVESTMENTS EQUITY STRATEGY

## STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS

December 31, 2010

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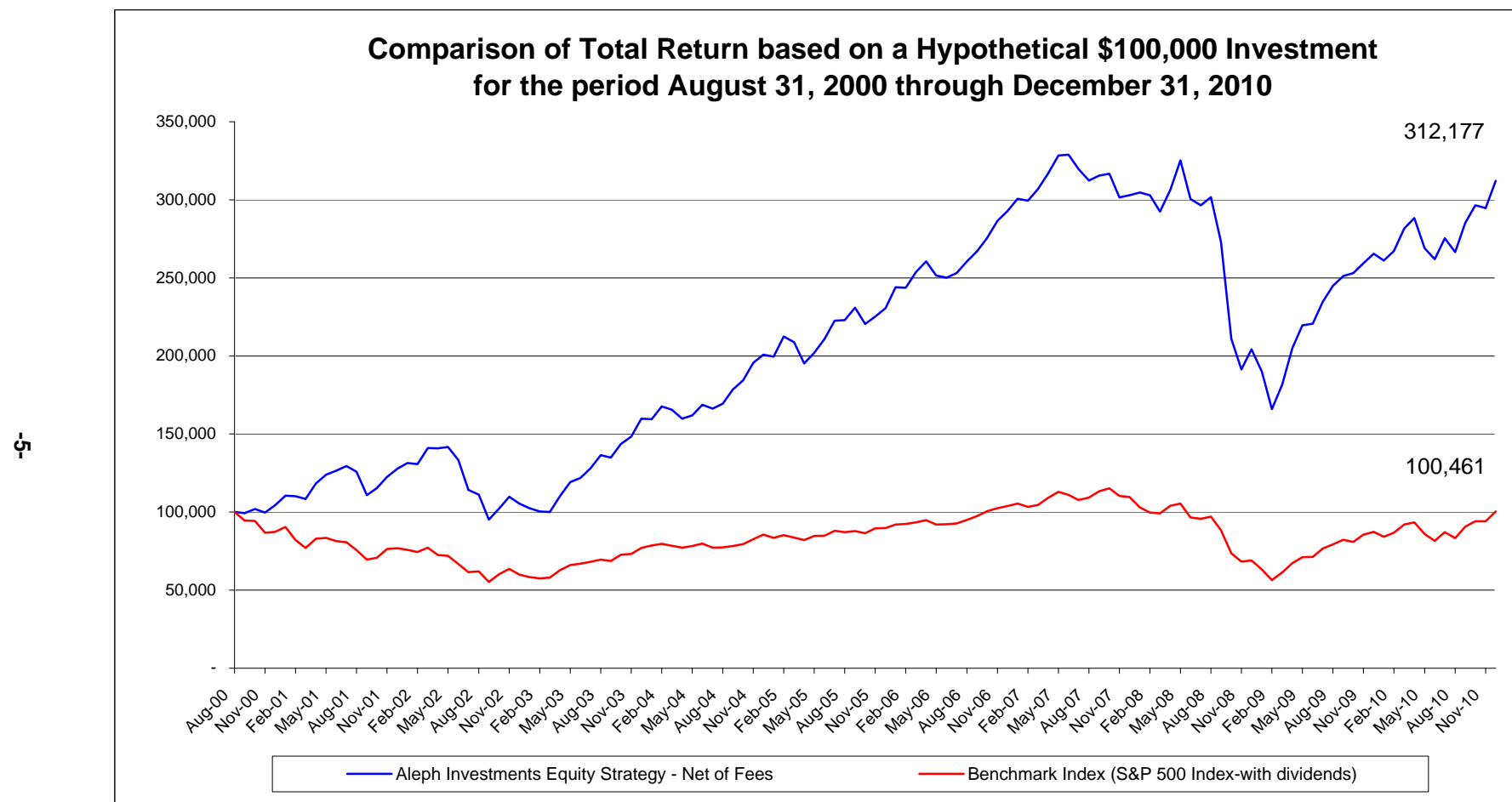
	<b>Standard Deviation</b>	
	<b>Over the 10 Year Period Ending December 31, 2010</b>	
	<b>Aleph Investments Equity Strategy</b>	<b>Benchmark Index S &amp; P 500</b>
Monthly Interval	5.35%	4.73%
Annualized	18.53%	16.40%

(a) Performance calculations for periods of less than one year have not been annualized.

# ALEPH INVESTMENTS EQUITY STRATEGY

## STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS

December 31, 2010



This graph shows the value of a hypothetical \$100,000 investment using the Aleph Investments Equity Strategy (the "Strategy") for the period August 31, 2000 through December 31, 2010. The result is compared to the result of a similar \$100,000 investment in the benchmark index (the S&P 500 Index-with dividends). The ending value of each investment as of December 31, 2010 for the Strategy and the benchmark index was \$312,177 and \$100,461 respectively. The index is the Strategy's primary comparative index, and is an unmanaged index that measures the performance of a representative sample of the 500 leading companies, in leading industries, of the United States of America.

**See Notes to Statement of Account Performance Calculations**

# ALEPH INVESTMENTS EQUITY STRATEGY

## NOTES TO STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS

December 31, 2010

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### (1) BASIS OF PRESENTATION

The accompanying Statement of Performance Calculations and Performance Comparison Chart presents the investment performance of the Aleph Equity Strategy (the "**Strategy**"). The Strategy entails value investing with industry rotation. It is US-centric, but invests in foreign companies when conditions warrant. Additionally, the Strategy focuses on companies with higher quality balance sheets and better earnings quality.

### (2) CALCULATION OF INVESTMENT PERFORMANCE

The investment performance has been calculated in conformity with the total return calculation methodology prescribed in Section 7.152(b) of the American Institute of Certified Public Accountants Audit and Accounting Guide covering Audits of Investment Companies with conforming changes as of May 1, 2010 for the presentation of financial highlights for nonregistered investment companies not utilizing a unitized net asset value. Performance calculations have been prepared on a quarterly basis and the quarterly total returns have been linked to calculate annual total returns. The total returns are calculated as follows:

$$R = \frac{\text{ENAV} - \text{BNAV}}{\text{BNAV}} \times 100$$

Where: BNAV = beginning net asset value  
ENAV = ending net asset value  
R = quarterly rate of return

$$I = [(1 + R_1) * (1 + R_2) \dots * (1 + R_n)] - 1$$

Where: I = rate of return for reporting period  
R<sub>1</sub> = rate of return in the first period of the reporting period  
R<sub>2</sub> = rate of return in the second period of the reporting period  
R<sub>n</sub> = rate of return in the last period of the reporting period

### (3) MANAGEMENT FEES AND TRADING COSTS

The results are net of all trading costs. Aleph Investments, LLC (the investment management firm wholly owned and operated by David J. Merkel, CFA), charges one percent (1%) of assets to manage an investment account. This fee is charged in arrears on a quarterly, pro-rated basis. This management fee has been subtracted from the investment results presented herein. The investment results presented for the S&P 500 index do not have a management fee subtracted from them. No provision has been made for income taxes that an investor would pay on any taxable income. Past investment performance does not predict future performance.

# ALEPH INVESTMENTS, LLC

## NOTES TO STATEMENT OF ACCOUNT PERFORMANCE CALCULATIONS

December 31, 2010

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### (4) STANDARD DEVIATION

Standard deviation is a widely used measure of risk in the investment profession. A monthly standard deviation has been calculated in order to measure how widely the values are dispersed from the average. The monthly standard deviation is calculated according to the following formula:

$$s = \sqrt{\frac{\sum_{i=1}^N (x_i - \bar{x})^2}{N-1}}$$

In this formula,  $\bar{x}$  is the value of the mean,  $N$  is the sample size, and  $x_i$  represents each data value from  $i = 1$  to  $i = N$ .

The  $\sum$  symbol indicates that you must add up the sum of:  
 $(x_1 - \bar{x})^2 + (x_2 - \bar{x})^2 + (x_3 - \bar{x})^2 + (x_4 - \bar{x})^2 + (x_5 - \bar{x})^2 \dots + (x_N - \bar{x})^2$ .

The  $\sum$  symbol represents the "summation function" in mathematics.

An annualized standard deviation of monthly returns has been calculated so as to provide at least this one comparison between the risk of using the Strategy versus investing in the index. The annualized standard deviation of monthly returns is calculated according to the following formula:

Annualized standard deviation of monthly returns =  
Square root of 12 x Standard deviation of monthly returns

Past volatility, as measured by standard deviation, does not predict future volatility.



