



## **Alpha Investment Management**

### **Investment Philosophy**

Alpha Investment Management specializes in risk management for long-term investors. Unlike traditional managers, Alpha uses a quantitative and rule-oriented approach which is designed to eliminate subjectivity and emotional reactions to both negative and positive developments in the stock market.

Alpha's investment strategies are fully disclosed. This means that the rules governing our strategies are objective, easy to understand and explain, and are completely revealed. No black boxes, no exotic techniques, and no manager-dependent skills are involved. Full disclosure and rule-governed methodologies mean that Alpha's clients understand the why, what and when of their investments. This understanding creates a client commitment to the long-term which is vital to the success of any disciplined investment approach.

Alpha's strategies seek to control market risk by focusing on structural factors which affect the stock market consistently over decades. These factors tend to be calendar-driven; that is, they are related to specific timeframes. The repetition of these patterns over time serves as an indicator that there are real causes embedded in the investment equation which are systematically affecting the behavior of the market. Alpha emphatically denies that stock market returns are random. Instead, Alpha's viewpoint is that there are probabilities at work which will favor the investor who exploits them consistently over time.

Finally, Alpha designs strategies which seek positive returns every year, regardless of calendar-year results in the stock market. Our strategies use bond funds to a great extent as risk-cushions and return-generators during time periods when market risk tends to be high and unacceptable. While our strategies are based on fact and solid research, they are not guaranteed. Every investment discipline, despite the best efforts to control risk, contains unexpected and unexamined elements which are not, and, perhaps, can never be accounted for.