



S.A.F.E. Investment Fund
(Secure Acquisition Financial Entity)

“Building wealth through secure acquisitions.”

Cash Flow . . .

“Many analysts as well as some of the greatest investors of all time place more weight on cash flow per share than earnings per share.”

Cash Flow . . .

Because earnings is more easily manipulated it's reliability can, at times, be questionable.

Cash is difficult, if not impossible, to fake.

You either have cash or you don't.

Therefore, **cash flow per share** is a useful measure for the strength of a firm and the sustainability of its business model."

Investopedia.com

Cash Flow . . .

1987 – The SEC requires all publicly traded companies to report “cash flow.”

1993 – The first year cash flow reporting was made electronic.

The Product . . .

- Over **\$22 million dollars** to create a product
- with Patent Pending Technology
- that monitors over **1,800 stock data points**
- Of more than **16,000 publicly traded stocks**
- **24 hours** a day, **7 days** a week





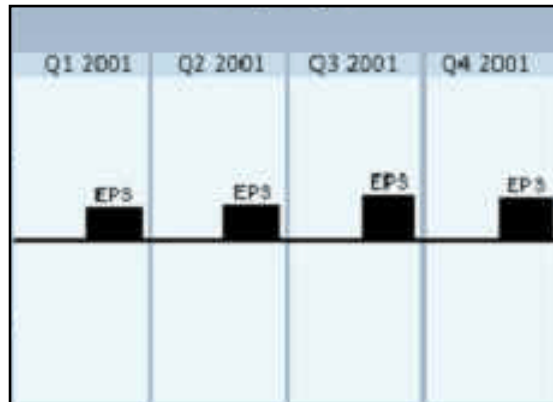
OPS

- OPS™ was created by StockDiagnostics.com™ and is an acronym for **"Operational-Cashflow Per Share."**
- "OPS" is calculated by dividing a company's Cashflow from Operations by the total number of shares outstanding. "OPS" (Operational-Cashflow Per Share) in contrast to EPS (earnings per share) reflects the **actual cash that a company is generating from its core business** and is not easy to manipulate.

**OPS™ Reveals the Truth
About Your Stocks!**

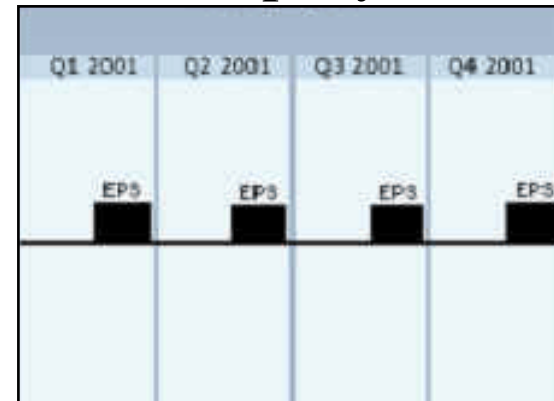
What is the Truth?

Company A



Wall Street – “Strong Buy”

Company B



Wall Street – “Strong Buy”

Both companies look healthy but...

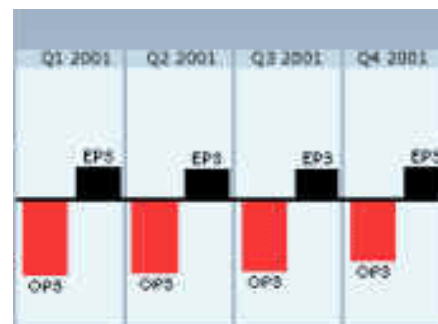
The Truth can be disturbing . . .

**Automatic Data Processing
(ADP)**



Wall Street “Strong Buy”
 Record High 11-30-00: \$69.64
 Recent price 3-14-02: \$55.87
 4+ years of record EPS and
 positive OPS

**Suprema Specialties, Inc.
(Chez)**



Wall Street “Strong Buy”
 Record High 7-11-01: \$17.90
 Recent price 3-14-02: \$.02
 4+ years of positive EPS and negative OPS
 Filed for bankruptcy on 2/24/02

- A. 11/7/01 Wall Street raises Suprema \$59 million by selling 4.5 million of its shares at \$13 in a secondary offering led by Janney Montgomery Scott.
- B. Wall Street “Buy” Ratings: 11/14/01 Janney Montgomery Scott, 11/13/01 Pacific Growth Equities
- C. 11/21/01, Suprema is diagnosed with the EPS Syndrome by StockDiagnostics
- D. 12/21/01, Trading in Suprema’s stock is halted at \$13.00 per share. After filing bankruptcy it re-opens at .03 down 99.9%.

In 2005 the Dow traded flat yet . . .

*“\$21.5 billion dollars in bonuses
were paid to Wall Street
in the year 2005”*

Source: Dow Jones

*“Wall Street bonuses hit a
record \$23.9 billion for 2006”*

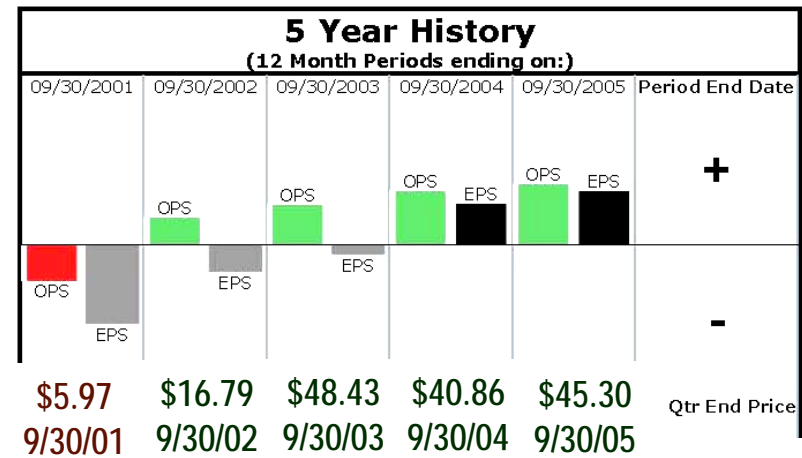
Source: CNN

Some go UP...

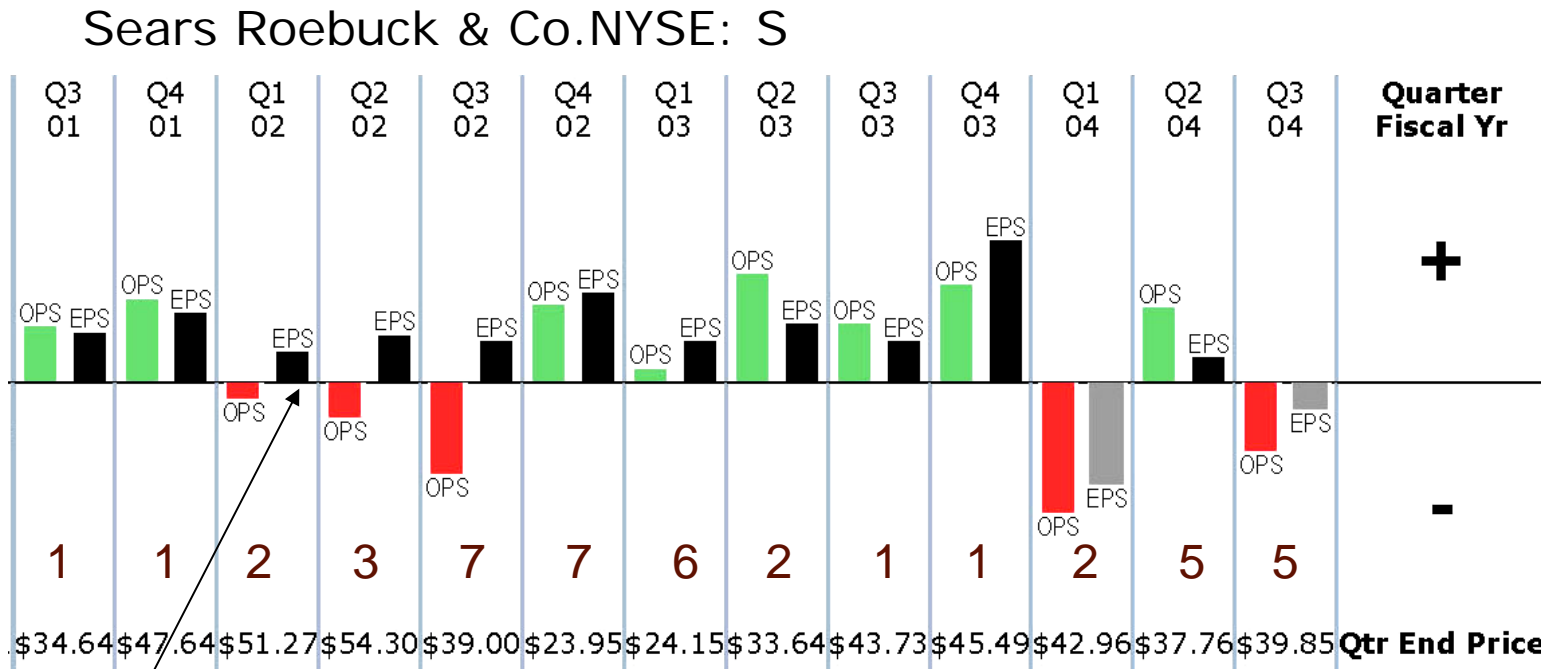


Amazon.com, Inc.
 NASDAQ: AMZN
 \$16.79
 9/30/02

2/12/03 - \$21.13



and some go *DOWN*...



\$52.46
3/31/02

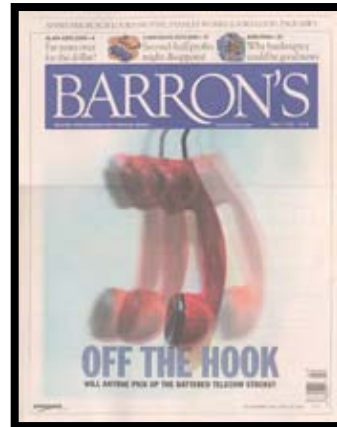
2/12/03 - \$21.50
59% decrease even though it
had POSITIVE earnings for
5 quarters!

Sears
purchased
Kmart – New
Symbol SHLD

Response to Product . . .

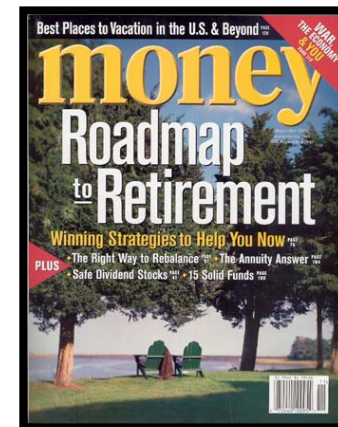
“It’s one to keep an eye on...so watch its track record.”

-Barron’s; June 3, 2002



“Portfolios based on this new measure of stock value beat the market by 12.6 percent annually.”

-Smart Money May 2004



“Everyone wishes there were an easy way to spot companies in financial trouble.

StockDiagnostics.com may have just such a tool.” -

Money Nov. 2002

Response to Product . . .



Financial Strategy

Markowski Goes With The Flow

Elizabeth MacDonald, 07.30.03, 4:07 PM ET

The Best Stock Picker on Wall Street?



By **Lawrence Carrel**

November 24, 2003

SmartMoney.com



High Concept: How to Spot an Enron

[Inc. Magazine, Dec 2002](#) | By: Kate O'Sullivan

The Solution -

StockDiagnostics™ information is collected and the strongest companies in the market are identified into three groups:

Top Large Cap – 100 Companies

(Market Value in Excess of \$2 Billion)

Top Mid Cap – 100 Companies

(Market Value from \$500 Million to \$2 Billion)

Top Small Cap – 50 Companies

(Market Value from \$150 million – \$500 million)

These companies represent the healthiest companies with strong cash flow analysis based on the patent pending technology of the StockDiagnostics™ database.

An Exclusive Arrangement . . .



&



- FOLIOfn is an independent third party on-line service that allows individuals the ability to invest their money across a variety of companies and own fractional shares
 - In effect you have your own personal mutual fund
 - Through this arrangement, StockDiagnostics™ makes the three lists: Top Large Cap, Top Mid Cap and Top Small Cap available as "Ready to Go **Premium**" Portfolios at FOLIOfn
 - These portfolios are updated daily allowing us to continually balance our holdings

A Total Solution . . .



S.A.F.E.
Investment Fund

The Product

that produces the data

The Platform

that allows us to invest money
across a variety of companies
through a “folio”

The Fund

A privately managed
investment fund that “*applies*”
the StockDiagnostics™ method
along with hand selected
investment opportunities

Let's BackTest the TRS/SDX Folios . . .

Index/Folio	1 Year	3 Years	5 Years
Dow Jones	.72%	34.7%	-0.65%
S&P 500	7.06%	57.23%	0.07%
Russell 2000	13.61%	96.41%	44.41%
Top Large Cap	30.82%	195.05%	167.3%
Top Mid Cap	33%	238.43%	225.9%
Top Small Cap	23.99%	279.74%	304.13%

Notes:

- All data as of February 3, 2006 (This is the day we performed historical back testing using the FolioFn site)
- Past performance **IS NOT INDICATIVE** of future performance
- Some securities may not have been available for all back testing periods

What about the Bad Times . . .



The Bear

1/15/00-10/22/02

Index	1/15/00-10/22/02	TRS/SDX Portfolio	1/15/00-10/22/02
Dow Jones	-27.92%	Large Cap	16.86%
S&P 500	-36.97%	Mid Cap	17.65%
NASDAQ	-68.19%	Small Cap	3.68%
Russell 2000	-28.55%		

Notes:

- Past performance **IS NOT INDICATIVE** of future performance
- Some securities may not have been available for all back testing periods

2006 Actual Performance

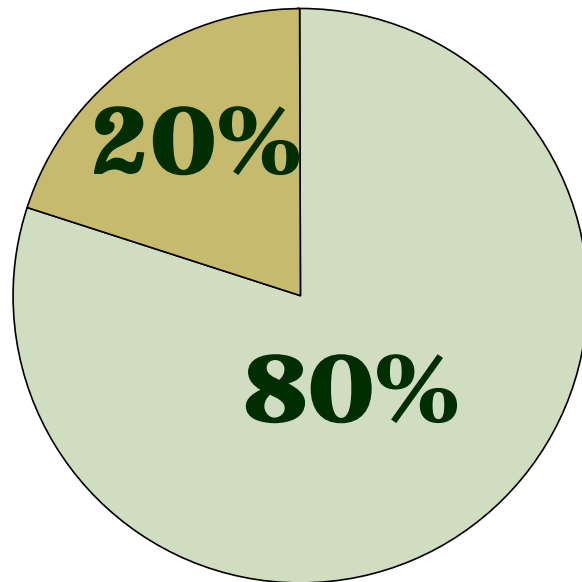
	2006 Full Year
Dow	16.29%
S&P 500	13.60%
NASDAQ Comp.	9.52%
Russell 2000	17.0%
Top Large Cap	21.92%
Top Mid Cap	23.44%
Top Small Cap	21.87%

Notes:

- Past performance **IS NOT INDICATIVE** of future performance

A Balanced Management Philosophy . . .

IPO's, Options, Short Indices: Ability to "short" a down trending market, invest in "IPO's" and companies with growth potential, as well as the ability to trade options to protect the larger balance of the money under management.




- OPS Companies
"StockDiagnosticsTM"
- Unique Investment Opportunities



OPS Companies: Three portfolios of over 200 companies with superior operational cash flow and fundamentals

SAFE Performance

	Performance Since Inception 6/1/06 thru 7/31/07	Monthly Average Since Inception	Trailing 12 Months 8/1/06 thru 7/31/07	YTD Performance 1/1/07 thru 7/31/07
Dow Jones	17.33%	1.23%	18.75%	6.01%
S&P 500	13.22%	.92%	14.02%	1.67%
NASDAQ	14.70%	1.05%	23.49%	5.42%
Russell 2000	5.38%	.38%	12.50%	-1.47%
Large Cap Folio	16.50%	1.18%	20.65%	12.90%
Mid Cap Folio	17.13%	1.22%	25.38%	11.85%
Small Cap Folio	19.71%	1.40%	27.75%	14.71%
SAFE Fund	29.05%	2.07%	47.51%	15.01%

Notes:

- Performance is as of June 1st, 2006, when the fund commenced operation with investor funds
- The SAFE Fund performance figure represents “net” performance after expenses
- The performance of the major indices are “gross” performance as fees for trading an index cannot be determined
- Past performance **IS NOT INDICATIVE** of future performance

Advantages of the SAFE Fund . . .

- Our back testing is provided by *Foliofn*, an independent company founded in 1998 by Steven Wallman, former SEC Commissioner
- Constant fund monitoring
- All fees are absorbed by the fund
- Strong Company Fundamentals based upon the Truth of Operational Cash flow (a proprietary software methodology)
- Diversity
- A portion of funds used for more aggressive and balanced positions
- It is important to note that the members of the General Partnership have invested in excess of a million dollars in the fund
- We only earn when we perform

Fund Structure

The fund is structured as follows:

- **General Partner receives 15% of profit**
- **2% Annual Management Fee paid monthly**
(The Management Fee will be calculated monthly at an annual rate of 2% of each member's capital account at the end of the monthly period.)

Notes:

- 30 Day Liquidity with 30 days written notice
- The SAFE Fund is approved to handle "qualified" funds including IRA, SEP, trusts etc.
- Our 3rd party fiduciary for "qualified" funds is FiServ
- The Fund uses a "high water mark" on a monthly basis which means we WILL ONLY EARN once we bring an investor beyond their highest account value

SAFE Fund's Investment Manager

Edward F. Hosinger

Ed Hosinger brings a lifetime of financial experience to SAFE's portfolio management including the following career highlights:

- **Earned the Chartered Financial Analyst (CFA) designation in 1969**
- **Member of the CFA Institute (the industry's professional society)**
- **Earned the Supervisory Analyst designation from the NYSE**
- **Has dedicated his career to analysis, research and evaluation of "cash flow from operations"**
- **Has been a Featured Speaker at many industry forums and private seminars discussing "how to analyze stocks, corporate and municipal bonds"**
- **His research on "Quantitative analysis" using cash flow metrics has received publicity in the New York Times, Money Magazine and Business Week among other financial news publications**

Thank You . . .

The S.A.F.E. Investment Fund is committed to

“Building Wealth through Secure Acquisitions”

We thank you for your time and interest
in our unique investment offering.

Appendices

Additional Information regarding
StockDiagnostics & SAFE

The Cost of the Methodology . . .

Item	TRS Information Packages	FOLIO <i>fn</i>	Monthly Total
Manager Top Large Cap List and access to StockDiagnostics evaluations of all stocks	\$60. per month	\$29.95 per month (1 folio)	\$89.95
Analyst Top Large & Mid Cap List and access to StockDiagnostics evaluations of all stocks	\$130. per month	\$49.95 per month (2 folios)	\$179.95
Professional Top Large, Mid & Small Cap List and access to StockDiagnostics evaluations of all stocks	\$300. per month	\$69.95 per month (3 folios)	\$369.95

The SAFE Alternative to Mutual Funds . . .

- Intelligent Computers (Quantitative Analytics) are outperforming their human counterparts (Mutual Fund Managers) in the stock market.
- Computers Remove human emotions from the decision making process. (Source: University of North Florida & T. Rowe Price Associates, Inc.)
- The risk in stocks decreases significantly when the number of stocks held in a portfolio is increased from 15 to 100 and above. (Studies show that the majority of mutual funds own between 16 and 80 stocks only. Source: University of Albany, 2005)
- StockDiagnostics™ software recommends three portfolios representing almost 250 stocks.

The SAFE Alternative to Mutual Funds . . .

- The risk in mutual funds increases during times of economic uncertainty because they tend to remain fully invested at market tops.
- At the end of 2000 (the top of the last bull market) equity mutual funds held only 5.8% of their assets in cash. (Research Source: University of Missouri, 2005)
- StockDiagnostics™ software recommends a cash position for a portion of your investment during times of economic uncertainty.