

Investment Policy Statement (IPS)

It's important to note that this IPS provides broad guidance and outlines the core principles and strategies that guide our investment management approach. We believe that each client is unique, and as such, we establish a personalized IPS for each client at the time of onboarding. Your individual IPS will be crafted to reflect your specific financial goals, risk tolerance, and time horizon, ensuring that your investment strategy is fully aligned with your personal objective.

1. Introduction:

This Investment Policy Statement (IPS) establishes the framework for the investment management approach of Finomenon Investments a Registered Investment Advisor in Washington. This IPS is designed to guide Finomenon Investments' investment decisions, ensuring alignment with our clients' goals, risk tolerance, and time horizon.

2. Firm Profile and Investment Philosophy:

Finomenon Investments focuses on providing comprehensive asset management services tailored to the unique financial needs of high-earning professionals. Our investment philosophy is grounded in the pursuit of long-term capital appreciation, leveraging a disciplined approach to risk management. We prioritize growth-oriented investments, while employing strategies that mitigate downside risk to protect and enhance our clients' wealth over time. We do this by creating three distinct buckets of investments which carry its own features like income versus growth, volatility etc. We call it the Dynamic Sourcing Buckets.

3. Investment Objectives:

a) **Primary Objective:** To achieve substantial long-term capital growth for our clients by constructing diversified portfolios primarily focused on equities and other growth assets.

b) **Secondary Objective:** To maintain adequate liquidity to meet clients' short-term needs, while maximizing tax-efficient investment strategies that reduce lifetime effective tax.

4. Time Horizon:

Finomenon Investments typically works with clients who have a medium to long-term investment horizon (10-25 years), allowing for a higher allocation to growth assets. Portfolios are structured to accommodate this time frame, with periodic adjustments based on clients' evolving financial situations and goals. Our approach requires anticipating cash flow needs to work backwards from available runway for growth.

5. Risk Management Framework:

Finomenon Investments adopts a prudent risk management approach, recognizing the importance of aligning clients' risk tolerance with investment strategy. Given that our client base comprises financially savvy corporate executives, we design portfolios that balance growth potential with risk control, understanding that many clients are willing to accept higher volatility for the possibility of superior long-term returns. We establish Clients risk profile clearly through multiple interviews and data which is then refined and crystalized into an IPS.

6. Asset Allocation and Diversification:

Finomenon Investments’ portfolios are diversified across asset classes, sectors, and geographies to optimize growth while managing risk. The following asset allocation thresholds are used based on individual profiles of Investors.

Asset Classes (Objective)	Portfolio Allocation Thresholds
Equities (Growth)	20-90%
<ul style="list-style-type: none"> • Mutual Funds 	<ul style="list-style-type: none"> • 10-30%
<ul style="list-style-type: none"> • ETFs 	<ul style="list-style-type: none"> • 10-70%
Direct Equities	10-35%
Fixed Income (Stability)	10-20%
Corporate Bonds	5-50%
Government Bonds	5-15%
Alternative Investments	5-10%
Cash and Equivalent (Safety)	5-10%
Emergency Fund	2.5%
CD/HYSA/MMF	2.5-7.5%

7. Portfolio Monitoring and Review:

Portfolios are monitored regularly against relevant benchmarks and market conditions. The IPS and asset allocation strategies are reviewed annually, or more frequently if significant changes in the market or clients' financial situations occur. Adjustments are made as necessary to ensure alignment with clients' long-term goals.

8. Acknowledgment:

This Investment Policy Statement reflects the investment approach and strategies of Finomenon Investments. It has been reviewed and agreed upon by Finomenon Investments’ Managing Principal and CCO.

Authorized Signature:

Shabrish Menon

Title: Managing Principal

Location: Kirkland, WA

Date 08/14/2024