ServePoint Capital, LLC
Investment Policy Statement (IPS)

Date:
Prepared for:

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1. Purpose

The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between ServePoint Capital and its clients regarding the investment objectives, strategies, risk tolerance, and guidelines for managing investment portfolios. This IPS is designed to provide a disciplined framework for decision-making and to ensure consistency in investment management.

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2. Firm Philosophy

ServePoint Capital's investment philosophy can be described in one phrase: heads we win, tails we don't lose much. Every investment decision has to be asymmetric. The manager also believes in concentration. The firm will run separately managed accounts and deploy capital in areas with the most conviction that offer the most upside within a reasonable period of time. Holding periods will vary, but the manager believes that performance will be best with a **three year** mental commitment on all holdings. Some investment decisions will work quicker than others, but a long-term orientation is most favorable for the investment style the manager will be committing to. During periods where the manager does not see favorable opportunities, cash will be held in a liquid, money market fund, earning the risk-free rate.

In summary, the manager will operate with a disciplined approach; the investment decisions made will never deviate from its core principles.

1) Every investment idea must be simple enough to be explained in one sentence.
2) The investment idea, if an individual holding, must have simple and predictable free cash flow.

Lastly, the manager believes that the following quote will be the single most important phrase in order to deliver long-term positive returns for the portfolio.

3) "**The trick in investing is just sit there and watch pitch after pitch go by and wait for the one right in your sweet spot. And if people are yelling, "Swing, you bum!' ignore them. - Warren E. Buffett**