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**Item 1. Form ADV Part 2A**

**Form ADV 2A – Firm Brochure**



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Date: July 28, 2025

This Form ADV Part 2A Disclosure Brochure provides information about the qualifications and business practices of Omen Advisory LLC (hereinafter, “we,” “our,” the “Firm” or “Omen”). If you have any questions about the contents of this brochure, please contact us at 330-583-4914 or at [team@agentomen.com](mailto:team@agentomen.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Omen is seeking registration as a registered investment adviser.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; refer to the actual investment offering and related legal documentation for complete disclosures. Please note that registration as an investment adviser does not imply a certain level of skill or training. An adviser's written and oral communications provide information to determine whether to retain the adviser's services.

If you have any questions about the contents of this brochure, please contact us at the telephone number or email address shown above.

## **Item 2. Material Changes**

For future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (“IAPD”) at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). We may, at any time, update this Disclosure Brochure and send a copy to you with a summary of material changes, or send you only a summary of material changes that includes an offer to send you a copy of the full brochure either by electronic means (email) or in hard copy form.

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## **Item 4. Services, Fees And Compensation**

### **A. Description of Omen**

Omen is seeking registration as an investment advisory firm registered as an internet-only investment adviser with the U.S. Securities and Exchange Commission (“SEC”). An internet-only investment adviser provides investment advice to all its clients exclusively through an operational interactive website which includes a mobile application or similar digital platform (“Omen Platform”). The company was formed as a Limited Liability Company in Delaware and is a wholly owned subsidiary of Omen, Inc., a Delaware-based Corporation. Omen, Inc., is currently owned by Seong-Min Daniel Jeong and Kevin Yuan Ma.

### **B. Advisory Services Offered**

Through Omen Platform, Omen provides portfolio and cash management services on a discretionary and non-discretionary basis to individuals. The Omen Platform’s portfolio management services allow clients to allocate the assets that they have committed for Omen to manage into three general categories:

- Cash – A client can direct that a specified percentage of their assets be maintained in cash within a FDIC-insured cash sweep program through the client’s brokerage account
- Specific Securities – A client can direct that a specified percentage of their assets be held in on or more specific securities.
- Artificial Intelligence Managed Portfolios– A client can direct that a specified percentage of their assets be managed in one or more portfolios that are developed using our proprietary artificial intelligence system (“AI Agents”).

Our core offering is the artificial intelligence portfolios powered by our AI Agents which leverage advanced artificial intelligence and machine learning models to autonomously analyze market conditions, formulate investment decisions, and execute trades within client-specific risk parameters and investment profiles. When selecting an artificial intelligence managed portfolio, clients can opt into an existing AI Agent portfolio that has been developed by an Omen AI Agent and reviewed by human personnel at Omen. Clients also could prompt the AI Agents into a developing a portfolio based on the client’s inputs. Client prompted portfolios are not subject to human review (other than the client) before implementation. Omen will periodically review both client prompted portfolios and Omen prompted portfolios to ensure that they are functioning in a manner consistent with their prompts. While human oversight is maintained to set strategic guidelines and monitor performance, the AI Agent used on the Omen Platform is designed to independently manage and optimize portfolios and respond to market dynamics.

In order avail themselves of our services, Clients engaging with the Firm must grant the Firm discretionary authority upon signing our Investment Advisory Agreement. This discretionary authority is used to ensure that the Firm can maintain the client’s assets within the percentage thresholds specified by the client for each of the categories identified above. A client must also open a securities brokerage account and provide discretionary authority over that account to Omen. Brokerage accounts, agreements, and order processing are conducted through Alpaca Securities LLC (“Alpaca”), an SEC registered broker-dealer that provides brokerage related services to Omen’s clients. Using Alpaca’s application program interface (“API”), the Omen Platform allows clients to open a brokerage account through the platform. Alpaca will also provide (or facilitate through third parties) execution, clearance, settlement, and custody services for Omen. Alpaca’s execution venues can be found in its latest 606 statement, [here](#). Alpaca custodies cash at BMO Harris as well as with other [partner banks](#) for purposes of Alpaca’s FDIC-insured cash sweep program. The assets in each client’s account are held in a separate account in the name of the client at Alpaca, and not with Omen.

### **C. How Services are Tailored to Clients**

When opening an account with Omen, clients are required to provide basic information that advisory firms generally solicit when establishing advisory accounts (e.g., basic identifying information, financial information, etc.). Omen also elicits information from clients for purposes of assessing the client’s investment profile and risk tolerances. This information is solicited through a series of pymetric games that help Omen assess a client’s risk tolerance. The Omen Platform will assess the client’s responses to these games, and coupled with the quantitative information

Omen receives from the client, propose an asset allocation plan within one of the following buckets: less aggressive, moderately aggressive, and more aggressive growth. For instance, a less aggressive asset allocation may have a high percentage of assets allocated to the FDIC-insured cash sweep. Because the asset allocation recommendations generated for each client are based solely upon the information provided by the client through the Omen Platform, the suitability of the asset allocation recommendations is limited by, and relies on the accuracy and completeness of, the information provided by the client. Omen does not use any client information not otherwise obtained the means identified above. The types of restrictions a client may impose or override on an asset allocation are: (i) the degree of risk level (less aggressive, aggressive and more aggressive growth); (ii) the specific securities to which assets are allocated; (iii) which AI Agent portfolios to allocate assets to (irrespective of whether such portfolios are Omen generated or generated through a client prompt), and (iv) the percentage of assets invested in each category (i.e., cash, specific securities, portfolios). A client cannot change the composition on an AI Agent generated portfolio. Rather, clients can develop a new prompt to generate a different AI Agent portfolio and redirect assets to that portfolio, or use a different Omen generated portfolio.

Clients are required to update their information through the Omen Platform promptly if there are changes to the information solicited through the questionnaire, such as their financial situation, goals, objectives, personal circumstances, time horizon or if other relevant information changes or becomes available

#### **D. Wrap Programs**

We currently do not offer or participate in any wrap fee programs.

#### **E. Assets Under Management**

Omen will be managing assets on a discretionary basis. As of the date of this brochure, however, Omen does not have any assets under management.

### **Item 5. Fees And Compensation**

#### **A. Fee Schedule**

Omen receives advisory fees for our services. Omen charges users according to the following structure:

- Flat Fee – \$4.00 flat monthly flat fee (“Flat Fee”) if the client’s average portfolio value over the previous trailing 30 calendar days is \$15,000 or less.
- AUM Fee – 0.30% annualized AUM-based fee billed monthly at 0.025% - the (“AUM Fee”) - if the user’s average portfolio value over the previous trailing 30 days is more than \$15,000.

The balance on day 1 – after an initial 7-day free trial – is used to determine whether the user pays the Flat Fee or the AUM Fee for the first month of billing, since there are no historical values. As a result, client’s will pre-pay for their first month of service. Every subsequent month Omen uses the trailing 30-day average daily balance to determine the amount that will be charged to the customer.

#### **B. Fee Collections**

Fees are collected via journal transfers through Alpaca’s Broker API, transferring from the user’s account to Omen’s firm account. All billing events are logged to a billing history table for auditability. Omen generally deducts its fees from the uninvested cash balance in your account which includes amounts that may be part of a FDIC sweep program. If your account does not have uninvested cash available for these fees Omen may, as necessary and in its sole discretion, sell securities in your account with Alpaca to generate free cash in order to deduct its fee.

To ensure accurate billing and protect against fee avoidance by Clients, Omen reserves the right to impose a cash withdrawal restriction in each client’s brokerage account equal to the maximum of:

- \$4.02
- 4 bps (0.04%) of the 30-day trailing portfolio value

- Any user-initiated withdrawal amount

Users can only withdraw unrestricted cash. Withdrawals do not trigger immediate fees. Billing continues based on total AUM managed during the billing period.

Alpaca, as qualified custodian, agrees to deliver an account statement or notice that an account statement has been posted to the client's account, at least quarterly, directly to the client, showing all disbursements from the client's brokerage account. Clients should review all account statements for accuracy. Omen will receive access to a duplicate copy of the statement that was delivered to the client.

### **C. Additional Fees**

Clients pay any transaction and related fees that Alpaca may charge for a brokerage account. In Alpaca charges transaction fees, then an increase in transactions will correspond to an increase in fees. A client may be charged transaction fees by Alpaca if Omen has to sell securities in the account in order for us to collect our fees.

### **D. Pre-Paid Fees**

Omen offers a 7-day free trial. The balance on day 1 (after an initial the 7-day free trial) is used to determine whether the user pays the Flat Fee or the AUM Fee for the first month of billing, since there are no historical values. As a result, client's will pre-pay for their first month of service. Past the 7-day free trial, any pre-paid fees will not be refunded. Clients otherwise do not have to pre-pay fees.

### **E. Sales Compensation**

Neither Omen nor any of its personnel accept compensation for the sale of securities or other investment products.

## **Item 6. Performance-Based Fees And Side-By-Side Management**

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Side-by-side management occurs when advisers manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee. We do not charge or collect performance-based fees, nor do we engage in side-by-side management.

## **Item 7. Account Requirements and Types Of Clients**

Omen primarily offers its services to natural persons opening accounts with Alpaca. Omen currently does not offer accounts to entities, trusts, or institutions. We generally have an account minimum of \$10.

## **Item 8. Methods Of Analysis, Investment Strategies And Risk Of Loss**

### **A. Method of Analysis and Investment Strategies**

Omen is the only portfolio manager. Our advice and services are based on the individual needs of our clients as determined after assessing the quantitative and qualitative information Omen receives from the client. Clients may impose reasonable restrictions on investing in portfolios with certain risk profiles by informing Omen of their risk tolerance (less aggressive, aggressive, and more aggressive growth) based on the information provided in the questionnaire. The types of restrictions a client may impose or override on an asset allocation are: (i) the degree of risk level (less aggressive, aggressive and more aggressive growth); (ii) the specific securities to which assets are allocated; (iii) which AI Agent portfolios to allocate assets to (irrespective of whether such portfolios are Omen generated or generated through a client prompt), and (iv) the percentage of assets invested in each category (i.e., cash, specific securities, portfolios). A client cannot change the composition on an AI Agent generated portfolio. Rather, clients can develop a new prompt to generate a different AI Agent portfolio and redirect assets to that portfolio, or use a different Omen generated portfolio.

Omen has developed a fundamental research process, which includes both qualitative and quantitative factors, that it employs to construct portfolio recommendations based on a client's investment profile. The research process

aims to construct portfolios that meet certain characteristics such as: target volatility, target return, target skew, target kurtosis, asset exploration, agentic preferences, and absolute wealth goals.

Omen does not engage in holistic financial planning. Omen's primary approach is to provide its clients with a collection of potential asset allocations and portfolios. As part of the analysis and review process, Omen may add, remove, re-categorize, or replace investments. In the event an investment is removed and replaced with another substantially similar investment, Omen will liquidate the client's positions to cash and directly initiate a reinvestment in the replacement investment. In the event an investment is re-categorized from a suitability standpoint, the investment may be liquidated to cash if the investment is no longer suitable for the client and a new re-investment allocation will be made pursuant to the client's new suitability profile.

Omen's portfolios may offer exposure to stocks receiving excessive attention on various social media sites as determined by a combination of factors including but not limited to: the sentiment and quantity of comments, posts, tweets, images, and messages mentioning said stock tickers.

Omen uses AI Agents to develop potential portfolios for users. Clients can also prompt AI Agents ("I believe AI will do well in the next few years. Make me a portfolio to reflect this.") and return an investment summary, thesis, as well as potential portfolio allocations. These allocations can be automated and periodically rebalanced at the AI Agent's discretion subject to client consent. All AI Agents take a user's personal risk tolerance into account and will be labeled as such. These agents can be subscribed to other clients who believe in similar theses and can follow the AI Agent's trades as well if the Client subscribes to the AI Agent and provides consent.

There are always risks to investing. Due to the volatile nature and risks involved when investing in certain types of strategies and/or securities, clients should be aware that the actual return and value of their account(s) may fluctuate and at any point in time be worth more or less than the amount originally invested. We do not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All clients should be aware that all investments are subject to potential loss of principal, which clients should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each client and may depend on different risks, each of which may affect the probability and magnitude of any potential loss. The following risks are not exhaustive but should be considered carefully by a prospective client before retaining our services.

## **B. Material Risks**

### **1. General Risks**

It is not possible to describe all possible types of risks which may affect investments. Some general risks associated with investing include the following:

- Concentration Risk. To the extent a portfolio is concentrated in assets related to a particular industry or geographic region, the portfolio will be subject to additional volatility risks associated with such industry or region. In addition, concentrating in a single industry or group of industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that industry or group of industries.
- Market Risk. Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- Currency Risk. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Interest Rate Risk. Movements in interest rates may directly cause prices of fixed income securities fluctuate. For example, rising interest rates can cause "high quality, relatively safe" fixed income investments to lose principal value.

- Credit Risk. Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client. For example, if debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.
- Purchasing Power Risk. Purchasing power risk is the risk that an investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- Maturity Risk. The value of bonds or notes may change from the time of issuance to the time of maturity. Generally speaking, maturity risk increases as the length of time until maturity increases.
- Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
- Political Risk. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- Risks Related to Investment Term. If the client requires a liquidation of their portfolio during a period in which the price of the security is low, the client will not realize as much value as they would have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- Horizon and Longevity Risks. The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.
- Business Risk. Many investments contain interests in operating businesses. Business risks are risks associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Financial Risk. Many investments contain interests in operating businesses. Excessive borrowing to finance a business' operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- Cybersecurity Risk. There is cybersecurity risk with the increased use of technologies such as the Internet to conduct business. Omen and its service providers are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events.

Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents affecting us or our service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of clients to transact business, violations of applicable privacy and other law. While both we and our service providers have established business continuity plans in the event of such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we are unable to control the cyber security plans and systems put in place by our service providers or any other third parties whose operations may affect us and or its clients. As a result, Omen and its clients could be negatively impacted.

- **Robo-adviser Risk.** The inherent risk with automated investment advice (or a “robo- adviser”) is that it lacks human judgment and oversight. A robo-adviser might rely on broad assumptions that may not reflect current economic conditions or a client’s particular situation. Algorithms may not provide personalized recommendations based on a client’s overall tax situation, other investments a client may own, and the client’s ability or desire to withstand losses. The algorithm might rebalance client accounts without regard to market conditions at an inopportune time. The algorithm may not address prolonged changes in market conditions. It is possible that Clients or Omen itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Omen’s software-based investment advisory service.

## **2. AI Use Risk**

We use AI Agents—including machine learning and large language models—in different parts of our business, such as research, data analysis, risk management, and improving your experience as a client. While these tools can help us work smarter and faster, they also come with some important risks you should know about:

- **Model and Data Risks:** AI tools are complicated and can sometimes make mistakes, give wrong or confusing answers, or show bias based on the data they were trained on. They might not always cover every situation, and sometimes they can be used in ways we didn’t intend. We have people review AI outputs to catch problems, but we can’t guarantee we’ll catch everything. Also, as markets and conditions change, AI tools might become less accurate or useful. Using AI doesn’t guarantee better results or lower risk.
- **Data Source Risks:** We get our data from third-party sources we believe are reliable, but we can’t promise that all data will always be available, accurate, or up to date. If these data sources have issues—like being corrupted, stopped, or delayed—it can affect how well our AI tools work.
- **Privacy and Data Leakage Risks:** There’s a chance that sensitive information, including client data, could leak if AI systems aren’t well controlled. We have measures in place to protect data, but no system is perfect.
- **Transparency Risks:** AI systems, especially complex ones, can be hard to fully understand. This means we might not always be able to explain exactly how an AI tool made a decision or came up with a result.
- **Operational Risks:** AI can increase some existing risks, like cybersecurity threats. For example, AI-generated code might accidentally create security gaps. Problems with our computers or networks can also disrupt how AI tools work.
- **Cybersecurity Risks:** AI can make us more vulnerable to cyberattacks, data breaches, or fraud. Hackers might even use AI to launch attacks. While we have security measures in place, we can’t guarantee complete protection, especially when we rely on outside vendors.
- **Regulatory and Compliance Risks:** Laws and rules about AI are changing quickly. We may need to adjust how we use AI to stay compliant, which could increase costs or risks. Not following the rules could lead to penalties or damage our reputation.

- Third-Party AI Tools: Sometimes we use AI tools made by other companies. We do our best to check these vendors, but we can't see everything under the hood or guarantee their tools are risk-free or always work as expected.
- Over-Reliance and Human Oversight: We require our staff to review any information from AI before using it in our services to you. Still, relying too much on AI without enough human review can lead to mistakes or missed risks.

### 3. Specific Risks

There are also risks related to the recommendation of specific types of securities. A portfolio may be comprised of stocks, bonds, preferred securities, publicly traded partnerships, ETFs, mutual funds, separately managed accounts, listed options on ETFs and stocks, leveraged ETFs cash or cash equivalents and select alternative investments. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

- Large-Cap Stock Risk. Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.
- Small/Mid-Cap Stock Risk. Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.
- Social Media Risk. Omen views the content of select users and forums on social media platforms including Reddit, X, Yahoo Finance, Stocktwits, and discussion boards. Posts and comments are digested using sentiment analysis, stripping out sarcastic and extraneous comments. All information is stored in a data lake, and Omen uses all the gathered information surrounding a stock including social media to gauge its opinion of a particular stock using large language models to create an ordinal ranking of stocks relative to each other and create portfolios. System prompts are well designed to ensure that desired portfolios reflect the user's risk profile and suitable recommendations are made based on the user's goals and opinions observed on social media.
- Hedge Fund Index Risk. An automatically rebalancing fund of the top 30 highest conviction stock picks by select hedge funds from their quarterly 13F filings. Hedge fund selection is determined by considering a variety of factors, including but not limited to: size of the fund and past returns of the hedge fund over its lifetime and over a recent period. Selection for highest conviction picks is determined by a number of factors, including the number of individual funds invested in the stock, total amount invested in the stock, market cap of the stock, and net flow into or out of the stock. Filtered by a "quality" rating based on profit margins, turnover, financial strength, and returns on capital. Intuition based on [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1364827](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1364827), which asserts that while hedge funds as a whole often do not beat the market, their best ideas do. This fund relies on tracking 13F filings for hedge funds, which are lagging indicators of hedge fund picks. At the latest, the filings come a quarter after the investment has been made. Not all hedge funds have to file a 13F, including those that don't meet AUM requirements. Previous investigations have uncovered certain problems casting doubts on the reliability of 13F filings by hedge funds in disclosing their investments.
- All Weather Portfolio Risk. Fund based on Bridgewater founder Ray Dalio's All-Weather Fund, recreated through ETFs. Its goal is to weather all market environments — higher inflation than expected (rising prices), lower than expected inflation (or increasing deflation), higher than expected economic growth, and lower than expected growth. Underperforms S&P in annual return. The larger bond allocation means it underperforms during periods of high growth.

- Leveraged All Weather Portfolio Risk. Fund based on Bridgewater founder Ray Dalio's All- Weather Fund, recreated to give leveraged exposure to the strategy's diversified approach. Its goal is to weather all market environments — higher inflation than expected (rising prices), lower than expected inflation (or increasing deflation), higher than expected economic growth, and lower than expected growth. Because leveraged ETFs use financial derivatives to give you 3x or 2x leverage to the underlying, they do not always fully track the index. The return of leveraged funds for periods longer than a single day will be the result of its return for each day compounded over the period. In a rising market, this generally means that a 3x leveraged instrument would likely deliver more than 3x returns, but in a sideways or falling market, a 3x leveraged instrument would underperform its underlying by more than 3x. This is especially important in high-volatility markets, where leveraged ETFs may underperform their expected returns due to the compounding effects detailed earlier. In a very general sense, the reason for this is that tracking restarts at the start of each trading day — 3x ETF performance is based on the daily move of its underlying 1x, and not on the 3x ETF's share value itself.
- Bogleheads' Three Fund Risk. Fund type popularized by Bogleheads, a forum of investing enthusiasts named after Jack Bogle, founder of Vanguard. Built for those attracted by Bogle's ethos of "the majesty of simplicity" due to the total-market tracking of basic asset classes. Allocated as 60% US stocks, 20% international stocks, and 20% US bonds.
- Leveraged S&P + Bonds Risk. Fund that invests into leveraged ETFs/ETNs (exchange- traded funds and notes) that track the S&P (up to 3x leverage), the bond market (up to 3x leverage), and volatility (up to 2x leverage). Tracking volatility means it should go up if market volatility goes up. Because leveraged ETFs use financial derivatives to give you 3x or 2x leverage to the underlying, they don't always fully track the index. The return of leveraged funds for periods longer than a single day will be the result of its return for each day compounded over the period. In a rising market, this generally means that a 3x leveraged instrument would likely deliver more than 3x returns, but in a sideways or falling market, a 3x leveraged instrument would underperform its underlying by more than 3x. This is especially important in high-volatility markets, where leveraged ETFs may underperform their expected returns due to the compounding effects detailed earlier. In a very general sense, the reason for this is that tracking restarts at the start of each trading day — 3x ETF performance is based on the daily move of its underlying 1x, and not on the 3x ETF's share value itself. Additionally, volatility is tracked by market participants — if the VIX goes up, the ETN goes up because market participants are buying, rather than an underlying asset rising in value.
- Leveraged Nasdaq + Bonds Risk. Fund that invests into leveraged ETFs/ETNs (exchange- traded funds and notes) that track Nasdaq (3x leverage), the bond market (2x leverage), and volatility (2x leverage). Tracking volatility means it should go up if market volatility goes up. Because leveraged ETFs use financial derivatives to give you 3x or 2x leverage to the underlying, they don't always fully track the index. The return of leveraged funds for periods longer than a single day will be the result of its return for each day compounded over the period. In a rising market, this generally means that a 3x leveraged instrument would likely deliver more than 3x returns, but in a sideways or falling market, a 3x leveraged instrument would underperform its underlying by more than 3x. This is especially important in high-volatility markets, where leveraged ETFs may underperform their expected returns due to the compounding effects detailed earlier. In a very general sense, the reason for this is that tracking restarts at the start of each trading day — 3x ETF performance is based on the daily move of its underlying 1x, and not on the 3x ETF's share value itself. Additionally, volatility is tracked by market participants — if the VIX goes up, the ETN goes up because market participants are buying, rather than an underlying asset rising in value.
- Leveraged ETF Risk. Fund that invests into leveraged ETFs/ETNs (exchange- traded funds and notes) that track underlying securities that range from single stocks, to indices, or bonds. Because leveraged ETFs use financial derivatives to give you 3x or 2x leverage to the underlying, they don't always fully track the index. The return of leveraged funds for periods longer than a single day will be the result of its return for each day compounded over the period. In a rising market, this generally means that a 3x leveraged instrument would likely deliver more than 3x returns, but in a sideways or falling market, a 3x leveraged instrument would underperform its underlying by more than 3x. This is especially important in high-volatility markets, where leveraged ETFs may underperform their expected returns due to the compounding effects detailed earlier. In a very general sense, the reason for this is that tracking restarts at the start of each trading day — 3x ETF performance is based on the daily move of its underlying 1x, and not on the 3x ETF's

share value itself. Additionally, volatility is tracked by market participants — if the VIX goes up, the ETN goes up because market participants are buying, rather than an underlying asset rising in value.

- Politician Tracker Risk. A fund that follows the publicly available equity exposure of Rep. Nancy Pelosi and politicians others than Nancy Pelosi. Automatically rebalanced as public accounts change. A person's status as a government representative does not inherently correlate with above-market returns. Per the STOCK Act, members of Congress are required to file reports disclosing securities transactions within 45 days after the trade takes place, but this delay means that this tracking fund can not immediately correlate with any Congressional member's portfolio.
- Exchange Traded Fund ("ETF") Risk. Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs. The returns from the types of securities in which an ETF invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes may underperform fixed- income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

- Generalist AI Agent Risk. Omen uses AI Agents to construct portfolios and preset portfolios and stock allocations based on client requests. These portfolios are themed based on user queries and made available to other Omen clients at the client's discretion. These portfolios are at risk of the theme specified by the user query and are usually speculative in nature. The portfolio holdings are determined by AI Agents, which have been trained to perform financial analysis and information retrieval using retrieval-augmented generation pipelines to enhance the accuracy and granularity of each portfolio to fit the user's query. Portfolios can be constructed around any stock, industry, sector, event, or opinion. There is no guarantee that the thesis of the portfolio will materially realize, and the AI Agent portfolios will be subject to either static reallocation, where a specified list of assets has fixed allocation percentages that are rebalanced periodically, or the user can choose to use modern portfolio theory to rebalance to the tangent portfolio using these assets. These portfolios may contain any combination of single-stocks, ETFs, ETNs, and other ETPs.

- Options Risk. Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. Options trading involves certain risks which trading in the underlying securities alone does not. For example, interest rates and market volatility affect values, and options have limited life spans and so may expire worthless despite the underlying position becoming profitable soon thereafter. If a portfolio fund writes (sells) options, it may sustain major marked-to-market losses — even if the options sold are never “in-the-money” — as a result of increases in market volatility and/or market movements towards the strike prices of such options. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the “expiration date”). The two types of options are calls and puts:
  - A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
  - A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier. The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the
- options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing
- value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk substantial losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.

- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.
- Leveraged ETFs Risk. Leverage is the investment strategy of using borrowed money: specifically, the use of various financial instruments or borrowed capital to increase the potential return of an investment. Leverage can also refer to the amount of debt used to finance assets. When one refers to something (a company, a property or an investment) as "highly leveraged," it means that item has more debt than equity. Like other ETFs, leveraged ETFs are individual securities that trade on an exchange and can be bought and sold in intraday trading. But leveraged ETFs differ from their traditional cousins in that they typically invest in one or more derivatives, which will cause their prices to rise or fall exponentially farther than the underlying benchmark against which they trade. For example, an ETF that is double leveraged against the S&P 500 Index would rise and fall twice as much in price as the index itself. If the index rises 2% in a day, then this fund would rise by 4% in value. These funds can be leveraged at different rates, with some moving twice as much as the underlying market or index and others rising or falling three, four or more times as much as the benchmark. There are also leveraged ETFs that move inversely to their benchmarks, where the fund will fall in price by a given exponential rate when the benchmark rises and vice-versa. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. These investment vehicles may be extremely volatile and can potentially expose a portfolio to significant losses.
- Leveraged ETF Leveraged Risk: The leveraged ETF obtains investment exposure in excess of its assets in seeking to achieve its investment objective — a form of leverage — and will lose more money in market environments adverse to its daily objective than a similar fund that does not employ such leverage. The use of such leverage could result in the total loss of an investor's investment.
- Leveraged ETF Compounding Risk: Compounding affects all investments, but has a more significant impact on a leveraged fund. Particularly during periods of higher Index volatility, compounding will cause results for periods longer than a single day to vary from the stated multiplier of the return of the Index. This effect becomes more pronounced as volatility increases.
- Leveraged ETF Use of Derivatives: The leveraged ETF obtains investment exposure through derivatives. Investing in derivatives may be considered aggressive and may expose the leveraged ETF to greater risks than investing directly in the reference asset(s) underlying those derivatives. These risks include counterparty risk, liquidity risk and increased correlation risk (each as discussed below). When the leveraged ETF uses derivatives, there may be imperfect correlation between the value of the reference asset(s) and the derivative, which may prevent the leveraged ETF from achieving its investment objective. Because

derivatives often require only a limited initial investment, the use of derivatives also may expose the leveraged ETF to losses in excess of those amounts initially invested. The leveraged ETF may use a combination of swaps on the Index and swaps on an ETF that is designed to track the performance of the Index. The performance of an ETF may not track the performance of the Index due to embedded costs and other factors. Thus, to the extent the leveraged ETF invests in swaps that use an ETF as the reference asset, the leveraged ETF may be subject to greater correlation risk and may not achieve as high a degree of correlation with the Index as it would if the leveraged ETF only used swaps on the Index. Moreover, with respect to the use of swap agreements, if the Index has a dramatic intraday move that causes a material decline in the leveraged ETF's net assets, the terms of a swap agreement between the leveraged ETF and its counterparty may permit the counterparty to immediately close out the transaction with the leveraged ETF. In that event, the leveraged ETF may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the leveraged ETF's investment objective. This, in turn, may prevent the leveraged ETF from achieving its investment objective, even if the Index reverses all or a portion of its intraday move by the end of the day. Any costs associated with using derivatives will also have the effect of lowering the leveraged ETF's return.

In addition, there is no assurance that a mutual fund, an ETF, or any security will achieve its investment objective. The principal risks of investing in any mutual fund or ETF are market risk, diversification risk and style risk (growth investing risk and mid-cap company risk). To the extent that a mutual fund or ETF invests in foreign securities or debt securities, a fund would be subject to foreign exposure risk, interest rate risk and credit risk. A fund may invest in derivative instruments that carry derivative instruments risk. A principal risk is the risk that the value of equity securities may decline. Although a mutual fund or ETF may be a diversified fund, it may invest in securities of a limited number of issuers to achieve a potentially greater investment return than a fund that invests in a larger number of issuers. As a result, price movements of a single issuer's securities will have a greater impact on this fund's net asset value causing it to fluctuate more than that of a more widely diversified fund. These and other risk considerations are discussed in a fund's prospectus. Past performance of investments is no guarantee of future results.

Mutual fund investing involves risk including the possible loss of principal. Non-diversified funds are more susceptible to financial, market and economic events affecting the particular issuers and industry sectors in which they invest and therefore may be more volatile or risky than less concentrated investments. There can be no assurance that any fund will be able to achieve its investment objective. For more information on a particular fund's associated risks, please refer to that fund's prospectus or equivalent disclosure document.

#### **Item 9. Disciplinary information**

Omen is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures to report.

#### **Item 10. Other Financial Industry Activities And Affiliations**

Omen does not have a related person or management person that is:

- A broker-dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- An investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- An accountant or accounting firm
- A lawyer or law firm

- An insurance company or agency
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

## **Item 11. Code Of Ethics, Participation Or Interest In Client Transactions And Personal Trading**

Omen, its management and supervised persons (collectively “personnel”), subscribe to a strict Code of Ethics. The Code of Ethics is designed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. The Firm’s inherent fiduciary duty requires that the Firm act solely in its clients’ best interest and adhere to standards of utmost integrity in its communications and transactions. These standards ensure that clients’ interests are preeminent.

Accordingly, Omen has implemented extensive policies, guidelines, and procedures that promote ethical practices and conduct by all of the Firm’s personnel. The Firm’s Code of Ethics specifies and prohibits certain types of transactions deemed to create conflicts of interest (or perceived conflicts of interest), as well as to establish reporting requirements and enforcement procedures relating to personal transactions by its personnel. The Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes the Firm’s ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of the complete Code of Ethics to any client or prospective client upon request.

### **A. Proprietary Trading**

Omen and its representatives are permitted to buy or sell securities for their own accounts that the Firm also recommends to clients, consistent with the Firm’s policies and procedures. This presents a conflict of interest because it may be possible for us or our representatives to receive more favorable prices than our clients. We will always document any transactions that could be construed as a conflict of interest. To mitigate this conflict of interest, we will monitor trading reports for adherence to our Code of Ethics

### **B. Participation or Interest in Client Transactions**

The Firm does not recommend that Clients buy or sell securities in which it or a related person may have a material financial interest.

## **Item 12. Brokerage Practices**

Omen recommends that clients utilize the brokerage and clearing services of Alpaca. Factors which Omen considers in recommending Alpaca or any other broker-dealer to clients include their respective financial strength, breadth of service, existing relationships, execution, pricing, research and resources available. Not all investment advisers recommend that a client use a particular broker-dealer.

### **A. Research and Other Soft Dollar Benefits**

Omen does not currently receive but may receive soft dollar benefits in the future in the form of research or other products or services from broker- dealers in exchange for placing trades or processing securities related transactions for clients. We do not have to pay the broker-dealer for these services, and no client is charged for these services. Therefore, we may receive a benefit. The products or services received may benefit all our customers, not just those whose assets are custodied at the broker-dealer who provides the products or services. This may result in higher transaction costs than those that would have been incurred but for the soft dollar benefits. This is a conflict of interest, as we have an incentive to recommend Alpaca because of our existing relationship and the benefits we receive. For example, Alpaca provides us with electronic access to Customers’ real-time positions, monthly statements, and confirmations. Alpaca also provides access to a platform that helps generate a number of reports that help assist us with supervising and monitoring activity. We mitigate this conflict by conducting semi-annual best execution

reviews and thorough application of our policies and procedures. We have determined that the transaction charges we incur and charge the client are reasonable in relation to the value of the services received.

**B. Brokerage for Client Referrals**

Omen does not receive client referrals or compensation of any kind from broker-dealers or other third parties in exchange for using any particular broker-dealer.

**C. Directed Brokerage**

We routinely recommend that the client direct our Firm to execute transactions through broker-dealers with which we have a business relationship. As such, we may be unable to achieve the most favorable execution of the client's transactions and the client may pay higher brokerage commissions than the client might otherwise pay through another broker-dealer that offers the same types of services.

**D. Order Aggregation**

We do not block trade or otherwise aggregate client orders.

**Item 13. Review Of Accounts**

We review accounts on at least an annual basis for our portfolio management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We attempt to understand anything that may have changed in our clients personal, professional, or financial situations, provided changes in their profile that they have given us through the website.

Omen may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events or updates by the client of their profile through the questionnaire provided by Omen on its website.

**Item 14. Client Referrals and Other Compensation**

Omen may run promotional events for customers referring prospective clients. The compensation can range from cash to fractional shares to waived fees.

**Item 15. Custody**

Other than as described below, Omen does not maintain physical custody of client funds or securities. We require that a qualified custodian hold client assets. Information about the custodian we recommend is fully described above under the title *Brokerage Practices*. We have implemented the safeguard requirements of SEC regulations by requiring safekeeping of clients' funds and securities by a qualified custodian.

Omen shall have the ability to have its advisory fee for each client debited by the custodian on a monthly basis. Client account statements are mailed or sent electronically by the account custodian. At least quarterly, clients are provided written transaction confirmation notices and regular written summary statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. This statement shall disclose to the client the amount of the fee and the client's assets upon which the fee was based. The account custodian does not verify the accuracy of Omen's advisory fee calculation. Clients are advised to review these statements carefully, comparing asset values, holdings, and advisory fees on account statements to that in previously received statements, confirmations, and fee invoices.

**Item 16. Investment Discretion**

**A. Acceptance of Discretionary Authority**

Omen accepts discretionary authority to manage client accounts. This means that, upon your execution of the Investment Advisory Agreement, we are granted the power to make investment decisions on your behalf without

requiring your prior approval for each individual transaction. This discretionary authority extends to the selection of specific securities, the amount of each security to be bought or sold, and the timing of such transactions, all within the framework of your established investment objectives, risk tolerance, and any reasonable investment restrictions you communicate to us.

## **B. Scope of Discretion and Integration of AI Agents**

Our exercise of discretionary authority is underpinned by our use of AI Agents. For accounts where we have discretionary authority, we use AI Agents to:

Security Selection and Allocation: The AI Agents used advanced machine learning algorithms, to continually analyze vast datasets including real-time market movements, macroeconomic indicators, company fundamentals, and other qualitative factors (e.g., news sentiment, social media). Based on this analysis and your investment risk profile, AI Agents autonomously identify, select, and adjust portfolio allocations for approved securities. While the parameters for the AI Agents are set by human managers, AI Agents have the discretion to execute the specific buy/sell decisions required to implement the recommended portfolio and maintain optimal portfolio structure without real-time human intervention for each trade.

Rebalancing: The AI Agent continuously monitors your portfolio against its target asset allocation and risk profile. When deviations occur due to changes in the datasets that we analyze, the AI Agent is authorized to initiate and execute necessary rebalancing trades to bring the portfolio back into alignment with its strategic targets.

Tactical Adjustments: In some instances, the AI Agent may be granted limited tactical discretion to make short-term adjustments to asset allocation or security exposure in response to rapidly evolving market conditions, as identified by its predictive models. This discretion is strictly confined by pre-programmed thresholds and risk controls.

## **C. Limitations on Discretion**

Our discretionary authority remains subject to human oversight and client-imposed limitations:

Client-Imposed Restrictions: The types of restrictions a client may impose or override on an asset allocation are: (i) the degree of risk level (less aggressive, aggressive and more aggressive growth); (ii) the specific securities to which assets are allocated; (iii) which AI Agent portfolios to allocate assets to (irrespective of whether such portfolios are Omen generated or generated through a client prompt), and (iv) the percentage of assets invested in each category (i.e., cash, specific securities, portfolios). A client cannot change the composition on an AI Agent generated portfolio. Rather, clients can develop a new prompt to generate a different AI Agent portfolio and redirect assets to that portfolio, or use a different Omen generated portfolio.

Human Governance: Our human portfolio managers and risk committee retain ultimate oversight. This includes:

- Defining and regularly reviewing the high-level investment objectives, risk limits, and asset class constraints within which the AI Agent operates.
- Continuous human monitoring of the AI Agent's performance, risk exposures, and adherence to client objectives. Automated alerts are triggered for any significant deviations.
- Our quantitative research team regularly validates the AI Agent's algorithms, tests for potential biases, and ensures data quality.
- Our portfolio managers retain the authority to intervene in, suspend, or override any AI Agent-generated decision or trade if unusual market conditions, model malfunction, or a material change in client circumstances warrants human intervention.

## **D. Method for Assuming Discretionary Authority**

Before assuming discretionary authority, whether managed with the assistance of the AI Agent or otherwise, we undertake a thorough client profiling process through a client questionnaire at account opening. Clients must provide

Omen with discretionary authority for portfolio management purposes and must also authorize Omen to exercise discretion in their brokerage account with Alpaca.

**Item 17. Voting Client Securities**

Omen does not participate in proxy voting on behalf of clients. Our clients are responsible for directing their own proxies solicited by issuers of securities. Clients are responsible for making elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings and other type events pertaining to the securities in your account. Proxy and other solicitation information will be emailed to clients from Alpaca. Clients may not contact us with questions about a particular solicitation. Please follow the instructions for proxy voting included in the mailing.

**Item 18. Financial Information**

Omen does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered. We do not have a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients and we have not been the subject of a bankruptcy petition at any time during the past ten years.