Investment Newsletter

April 2021

"**Omni Alpha:**
Profit From Disruptions"

Why Omni Investment Services

"By entrusting us with your investments via this **discretionary mandate offering**, you can relieve yourself from the day-to-day burden of managing your assets, allowing you to have more time for other meaningful pursuits."

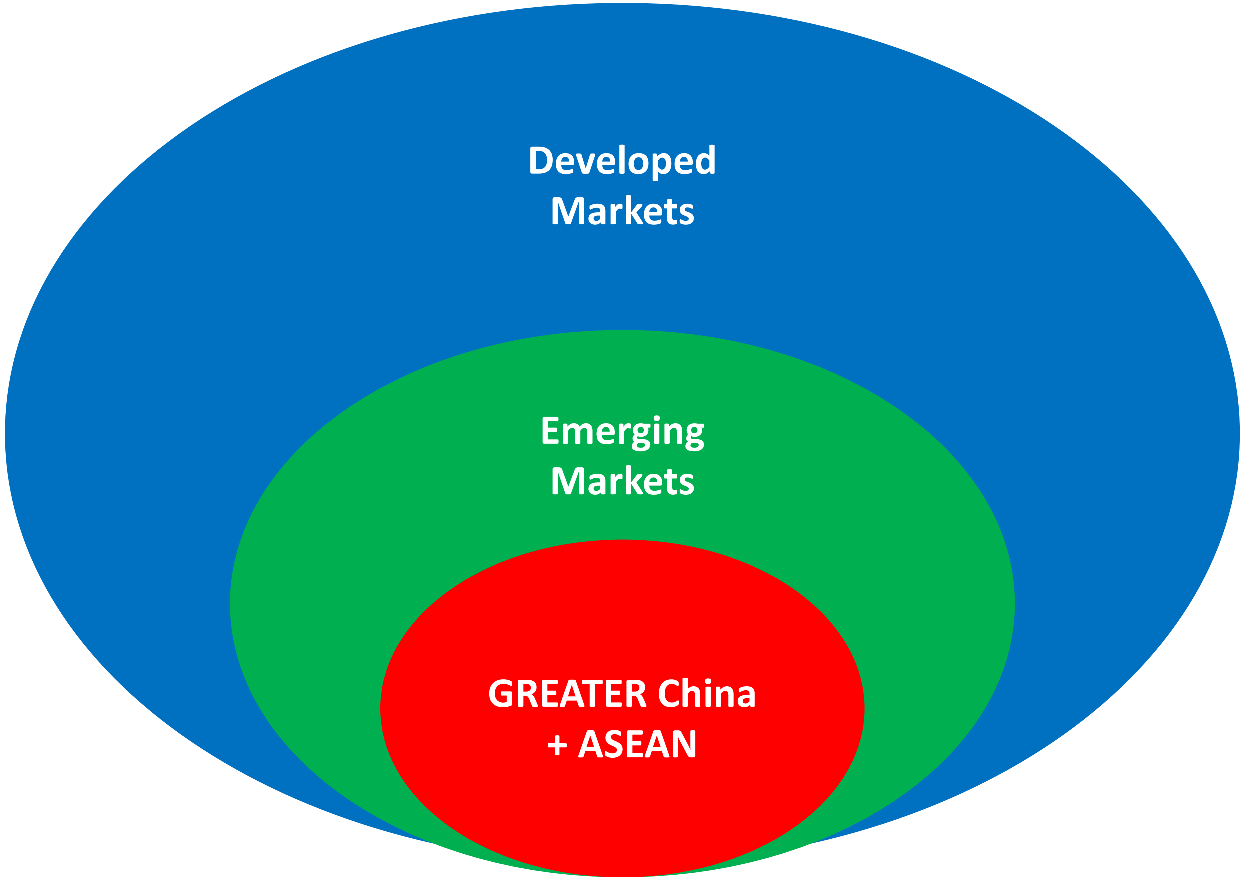
"Your investments will be **expertly and professionally managed** according to your specific investment goals and risk tolerance, whether investing in private, public or both. Besides, your investment will be supported with timely updates and meaningful reporting to make sure you are well informed."

- Experienced with Impressive Track Records
- Different Approach, Perspective and Ideas
- Global Investing with focus on China, ASEAN, and United States
- Thematic Investing with focus on Disruptive Technology

Omni Investment Advisory

Clients	Markets	Investment Strategies	Investment Portfolios
High Net Worth Individual	China	Omni Hedge (Active)	Omni Capital Partners Inc (Public Securities)
Ultra High Net Worth Individual	ASEAN	Omni Long (Passive)	Omni Ventures Ltd (Private Investments)
Family Office	United States		
Corporates	All / Selections		
Institutions			

Omni Investment Focus



Asset Classes

Public Securities:
- Public Equity
- Digital Assets
- Forex
- Commodities

Private Investments:
- Startups
- Venture Capital
- Private Equity
- Direct Investments

Omni Hedge Overview

Omni Hedge®

Principal Investment Strategy

- OMNI's strategy seeks long-term growth and protection of capital. The investment objective is achieved by investing primarily in China (at least 50% of its assets), ASEAN and United States companies:
  - ➢ That will ride the emerging global trends
  - ➢ That have strong management team and resources
  - ➢ That have explosive growth potential
  - ➢ That will use transformative technologies for high impact
  - ➢ That have superior business and earnings model

Inception Date

- 1 July 2020

Current Number of Holdings

- 22

Team

- Scott (Strategy / Asset Allocation)
- Derrick (Macro / Theme)
- Alden (Micro / Sector)

Hedge Fund Strategy

Hedging strategy involves taking an offsetting position for the related assets through versatile investment options.

Purpose

To minimise the risk of adverse movements in the value and generate active positive returns.

Characteristics

- Define success in both absolute terms
- Active adjustment on correlation to market movements
- Volatility is relevant
- Versatile investment options to optimize the performance

Features

- Global Macro & Micro
- Directional
- Arbitrage
- Long / Short
- Event Driven
- Momentum Investing

Omni Hedge Portfolio

	Industry Breakdown
Electronic Equipment, Instruments & Components	18%
Software	9%
Beverages	9%
Semiconductors & Semiconductor Equipment	9%
Insurance	5%
Machinery	5%
Entertainement	5%
Internet & Direct Marketing Retail	5%
Healthcare Equipment & Supplies	5%
Communication Equipment	5%
Interactive Media & Services	5%
Food Products	5%
Transportation Infrastructure	5%
Personal Products	5%
IT Services	5%
Automobiles	5%

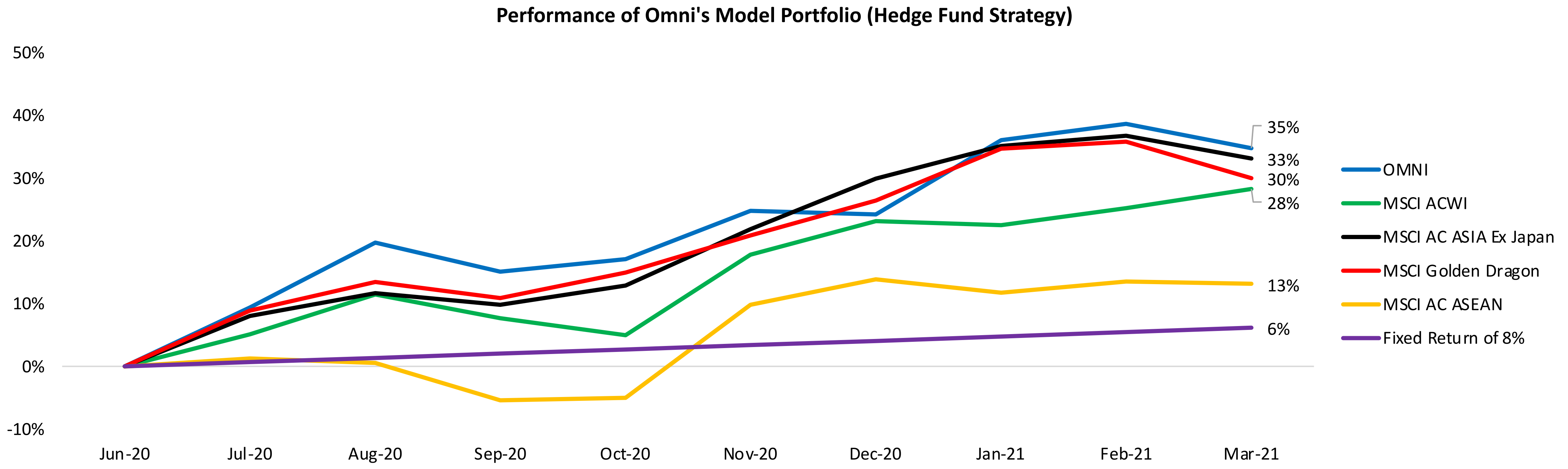
Note: Information as of 1 April 2021

	Sector Breakdown
Information Technology	45%
Consumer Staples	18%
Communication Services	9%
Industrials	9%
Consumer Discretionary	9%
Financials	5%
Healthcare	5%

	Geographic Breakdown
Asia Pacific	82%
America (North)	18%
Europe (Western)	0%
Africa / Middle East	0%

	Market Capitalization
Mega (USD 100 Billion +)	18%
Large (USD 10 to USD 100 Billion)	50%
Medium (USD 2 to USD 10 Billion)	9%
Small (USD 300 to USD 2 Billion)	18%
Micro (USD 50 to USD 300 Million)	5%

Omni Hedge Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Hedge	-3%	9%	17%	9%	35%
MSCI ACWI	2%	4%	19%	4%	28%
MSCI AC ASIA Ex Japan	-3%	2%	21%	2%	33%
MSCI Golden Dragon	-4%	3%	17%	3%	30%
MSCI AC ASEAN	0%	-1%	20%	-1%	13%
Fixed Return of 8%	1%	2%	4%	1%	6%

Note:
MSCI ACWI captures large and mid cap representation across 23 Developed Markets and 27 Emerging Markets countries.
MSCI AC ASIA Ex Japan captures large and mid cap representation across 2 of 3 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in Asia.
MSCI Golden Dragon captures the equity market performance of large and mid-cap China securities (H shares, B shares, Red- Chips and P-Chips) as well as securities classified in Hong Kong and Taiwan.
MSCI AC ASEAN captures large and mid cap representation across 4 Emerging Markets countries and 1 Developed Market country.

Omni Long Overview

Omni Long®

Principal Investment Strategy

- OMNI's strategy seeks long-term growth of capital. The investment objective is achieved by investing primarily in China (at least 50% of its assets), ASEAN and United States companies:
  - ➢ That will ride the emerging global trends
  - ➢ That have strong management team and resources
  - ➢ That have explosive growth potential
  - ➢ That will use transformative technologies for high impact
  - ➢ That have superior business and earnings model

Inception Date

- 1 July 2020

Current Number of Holdings

- 30

Team

- Scott (Strategy / Asset Allocation)
- Derrick (Macro / Theme)
- Alden (Micro / Sector)

Long Only Strategy

This passive strategy involves long-term holding of investments which we believe will ride through all volatilities to produce superior returns.

Purpose

Buy growth company regardless of market timing.

Characteristics

- Define success in relative terms
- No adjustment on correlation to market movements
- Volatility is irrelevant
- Performance depends on generation of alpha

Features

- Global Macro & Micro
- Long Positions Only
- Value Investing
- Alpha Investing
- Absolute Return

Omni Long Portfolio

	Industry Breakdown
Electronic Equipment, Instruments & Components	13%
Software	13%
Insurance	7%
Entertainment	7%
Internet & Direct Marketing Retail	7%
Beverages	7%
Healthcare Equipment & Supplies	3%
Communication Equipment	3%
Interactive Media & Services	3%
Semiconductors & Semiconductors Equipment	3%
Machinery	3%
Food Products	3%
Pharmaceuticals	3%
Banks	3%
Transportation Infrastructure	3%
Diversified Telecommunication	3%
Personal Products	3%
Electrical Equipment	3%
IT Services	3%
Automobiles	3%

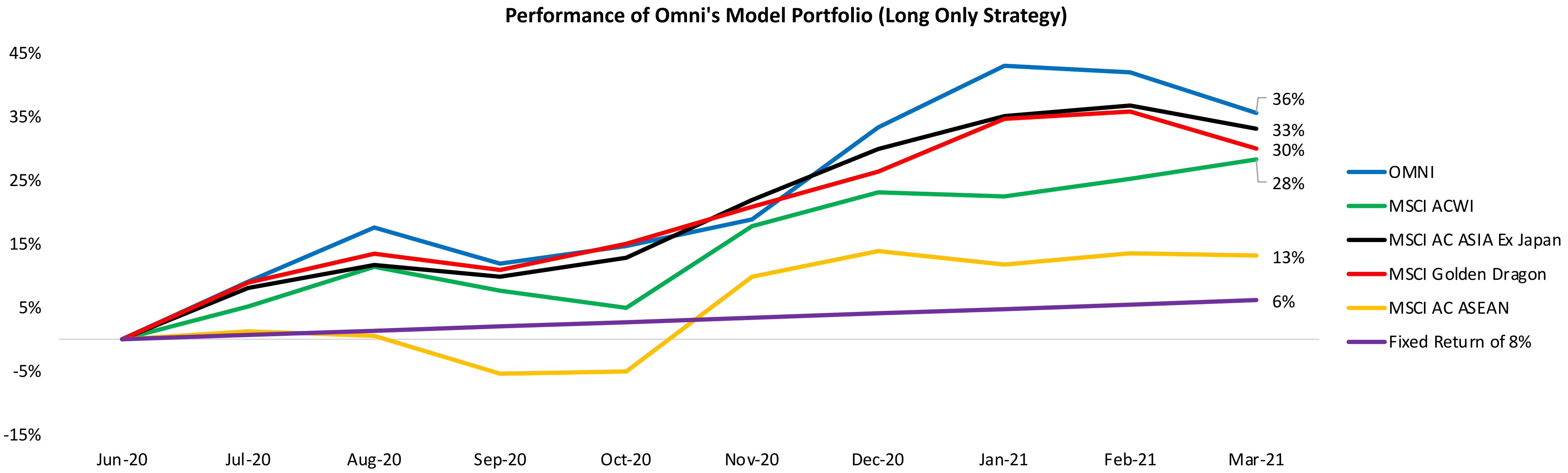
	Sector Breakdown
Information Technology	37%
Communication Services	13%
Consumer Staples	13%
Financials	10%
Consumer Discretionary	10%
Industrials	10%
Healthcare	7%

	Geographic Breakdown
Asia Pacific	73%
North America	20%
Western Europe	3%
Africa / Middle East	3%

	Market Capitalization
Mega (USD 100 Billion +)	17%
Large (USD 10 to USD 100 Billion)	40%
Medium (USD 2 to USD 10 Billion)	27%
Small (USD 300 to USD 2 Billion)	10%
Micro (USD 50 to USD 300 Million)	7%

Note: Information as of 1 April 2021

Omni Long Performance



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Investment Review and Outlook

- In 2020, major central banks have committed to keep interest rates low and keep expanding their balance sheets on the back of the pandemic, resulting in massive liquidity and stock markets' V-shaped recovery. Current retail trading frenzy amidst rising liquidity and margin loans could cause huge market stress and volatility ahead. The Fed's promise of Quantitative Easing (QE) forever could cause a potential solvency crisis and surprised inflationary risks later.

- COVID-19 has accelerated geopolitical transformations and remaking of global supply chains. How a country handles the pandemic has also indicated its future economic performance. Even though second wave of COVID-19 infections has further weakened global demands, Asia has clearly outperformed the world and should see faster economic recovery and thus better stock market performance ahead. After a year into the COVID-19 pandemic, the global efforts to develop and distribute effective vaccines have produced several promising options. This accelerated development is unprecedented as the process typically takes eight to fifteen years. We expect vaccines to help economic recovery by 2H21.

- The highly anticipated US election saw the highest voter turnout since 1900, with each side receiving more than 74 million votes, suggesting that Trumpism has grown in popularity over the last 4 years. Joe Biden, the elected 46th President, will continue to face huge hurdles to unite his people on the back of systemic racism and widening political divide. The unstable US-China relationship could mean rewired globalization or a total decoupling. Geopolitical risks remain high.

Investment Review and Outlook

- China has contributed significantly to past world's economic growth. With its economic focus shifts from quantitative to qualitative growth, this will have huge implications for world's economic growth. After achieving its status as the world's factory, we believe China is turning into the biggest consumption story ever in human's history. With the Covid-19 pandemic ending, the Belt and Road Initiative should take off in earnest, bringing in the next phase of infrastructure boom.

- Signed on 15 November 2020, the Regional Comprehensive Economic Partnership agreement (RCEP) unites 15 countries, including China, ASEAN, Japan, Australia, Vietnam and South Korea, and covers a total population of more than 2.3 billion people, 30% of world's population. This will be the world's biggest economic and trading bloc, bigger than both US and Europe blocs.

- After more than 7 years of negotiations, the European Union (EU) and China appear to have reached a deal for their Comprehensive Agreement on Investment (CIA). The deal is vital politically as it shows the EU's commitment to its own economic sovereignty without constraints from the US. This clearly shows the shift of economic gravity from the west to the East.

Investment Review and Outlook

- In a 2021 meeting with bipartisan members of the Environment and Public Works committee, United States (US) President Joe Biden warned that China is aggressively outpacing the United States on infrastructure. The conversation highlighted the connection between a nation's infrastructure quality and its global economic competitiveness. Between 1992 and 2013, China spent 8.6% of its GDP on building roads, railways, airports, seaports, and other development projects that are key to keep people and goods on the move, and keeping the economy strong. That same spending figure was just 2.5% for Western Europe, and 2.5% for the US and Canada put together. Nowadays, China has lower infrastructure investment gaps as compared to US, according to Global Infrastructure Hub.

- US President Joe Biden is preparing to roll out an eight-year, USD 2 trillion infrastructure plan paid for by USD 2 trillion in tax increases on US corporations spread out over 15 years. Economic studies including those by the Congressional Budget Office (CBO) indicates that the benefits of the Biden infrastructure plan won't outweigh the cost to the economy of the tax increases, with supportings below:
  - Federal investments deliver only half the economic returns as private sector investments, 5% versus 10%.
  - A dollar of federal spending results in only USD 0.67 worth of actual investment because state, local, and private sector entities reduce their spending in response to the federal dollars.
  - Federal investment financed by debt or taxes could do more economic harm than good because federal borrowing and taxes crowd out private investment. To avoid harming the economy, federal investments should be financed by cuts in other discretionary programs.

Investment Review and Outlook

- It is arguable that more regulation and taxation under a Joe Biden administration, could stifle innovative companies in US and enabling emerging markets challengers, especially China challengers to muscle in on the US’ competitive edge in technology. Specifically, the pressures may set on smaller innovative US companies, while larger stocks that are already experiencing exponential growth could benefit from the regulatory moat. Nevertheless, the key here is to identify platforms and technologies that have hit escape velocity and are on their exponential growth trajectory already.

- “The world today is undergoing major changes not seen for a century, but time and trends are on our side,” President Xi Jinping told party officials in January 2021. As of March 2021, China’s sharp words in Alaska signal its more confident posture, indicating the Biden administration’s strategy to curb Beijing faces a stiff challenge as China uses its economic, diplomatic and military might to deflect criticism. Despite China is meeting fiercer opposition elsewhere, China has put forward ambitious on targets to double the size of the economy by 2035. The government is increasing spending on scientific research and innovation as it seeks to become a global leader in areas from artificial intelligence to biotechnology and green energy.

Leading COVID-19 Vaccines

Developer	Country	Clinical phase	Efficacy	Doses	Approved in at least one country	Approved in United States
CanSino	China	3		1	Yes	
Sinopharm (Beijing)	China	3	79%	2	Yes	
Sinopharm (Wuhan)	China	3			Yes	
Sinovac	China	3	50%	2	Yes	
Bharat	India	3		2	Yes	
Gamaleya	Russia	3	92%	2	Yes	
Vector Institute	Russia	3		2	Yes	
Oxford-AstraZeneca	United Kingdom, Sweden	3	62%–90%*	2	Yes	
Pfizer-BioNTech	United States, Germany	2 and 3	95%	2	Yes	Yes
Johnson & Johnson	United States	2 and 3	57%–85%**	1		Yes
Moderna	United States	3	95%	2	Yes	Yes
Novavax	United States	3	89%	2		

*Efficacy depends on dosage. **Efficacy depends on severity of infection and on COVID-19 variant.

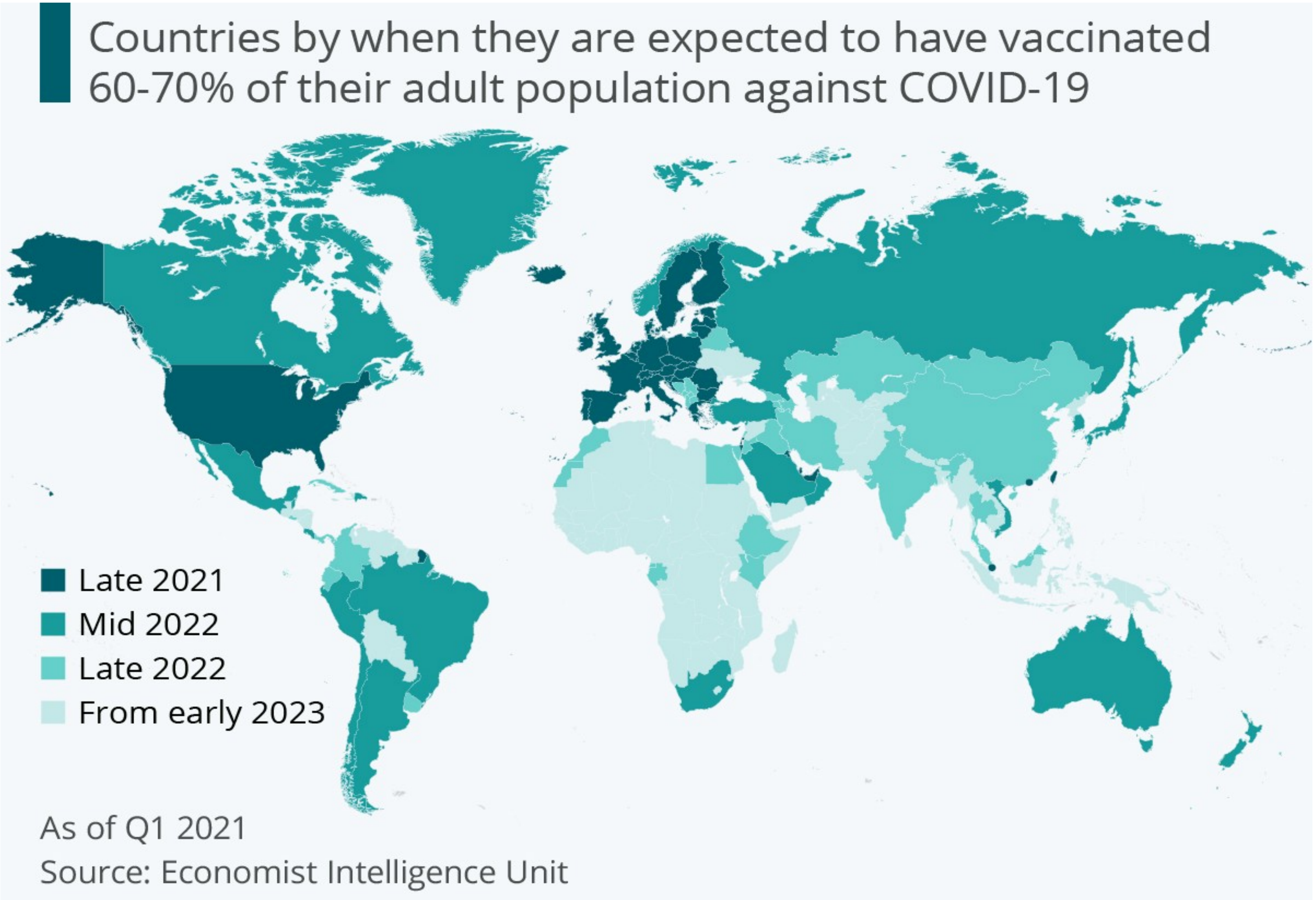
Source: New York Times.

COUNCIL on FOREIGN RELATIONS

Note: Information as of 5 February 2021

- The pandemic will continue to occupy us in 2021. Governments around the world will have new COVID-19 outbreaks to battle and will need to distribute a vaccine to their population once it becomes available.
- Based on the result of vaccination so far, it seems to indicate that the COVID-19 outbreaks can be contained and further easing of lockdown.

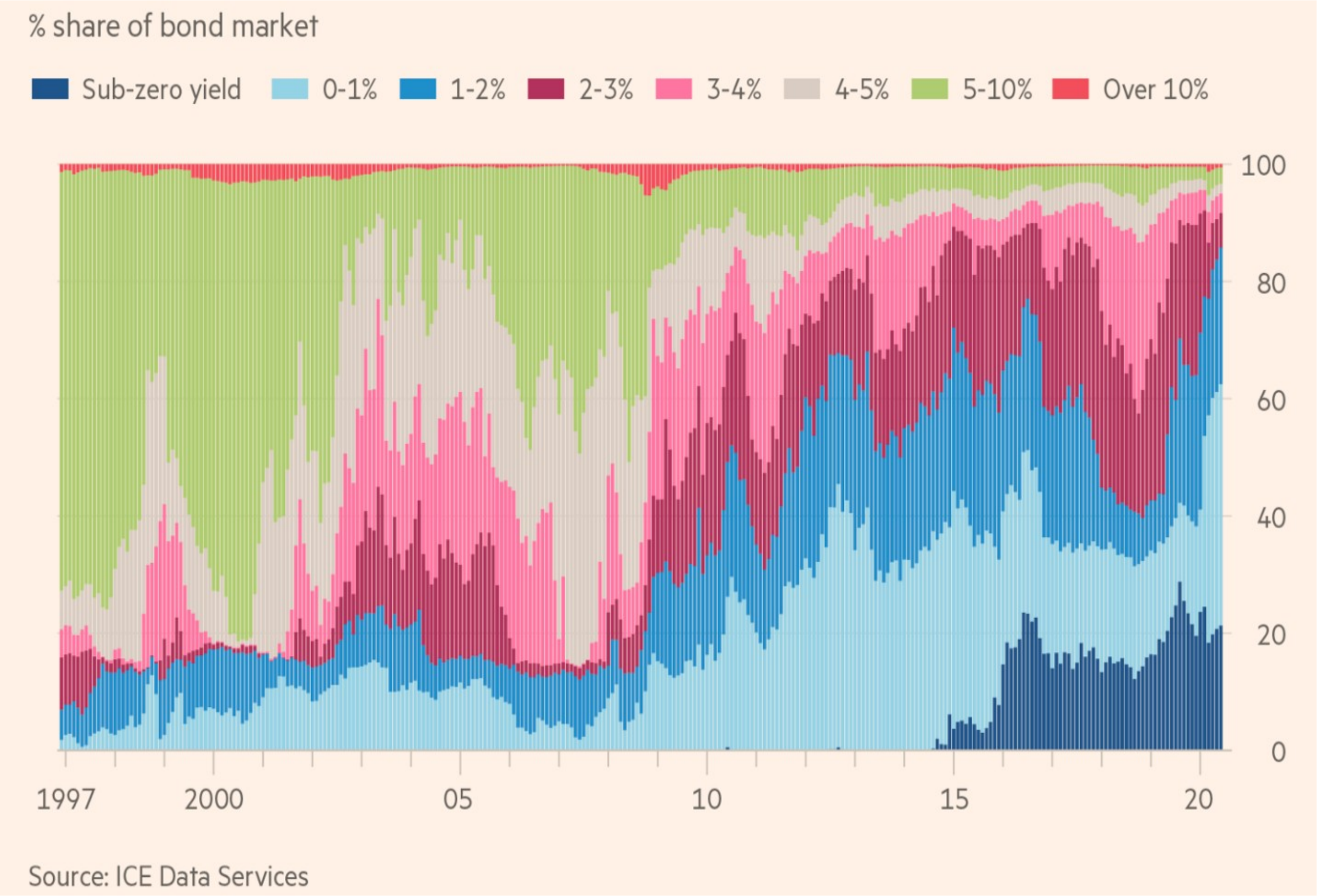
Global Vaccine Timeline Stretches to 2023



Note: Information as of 5 February 2021

- Nevertheless, this is expected to take a minimum of 3 years to vaccinate enough of the world's population to reduce the threat of COVID-19, but public health experts say vaccines are no silver bullet and hygiene measures and masks will be part of life for years to come.

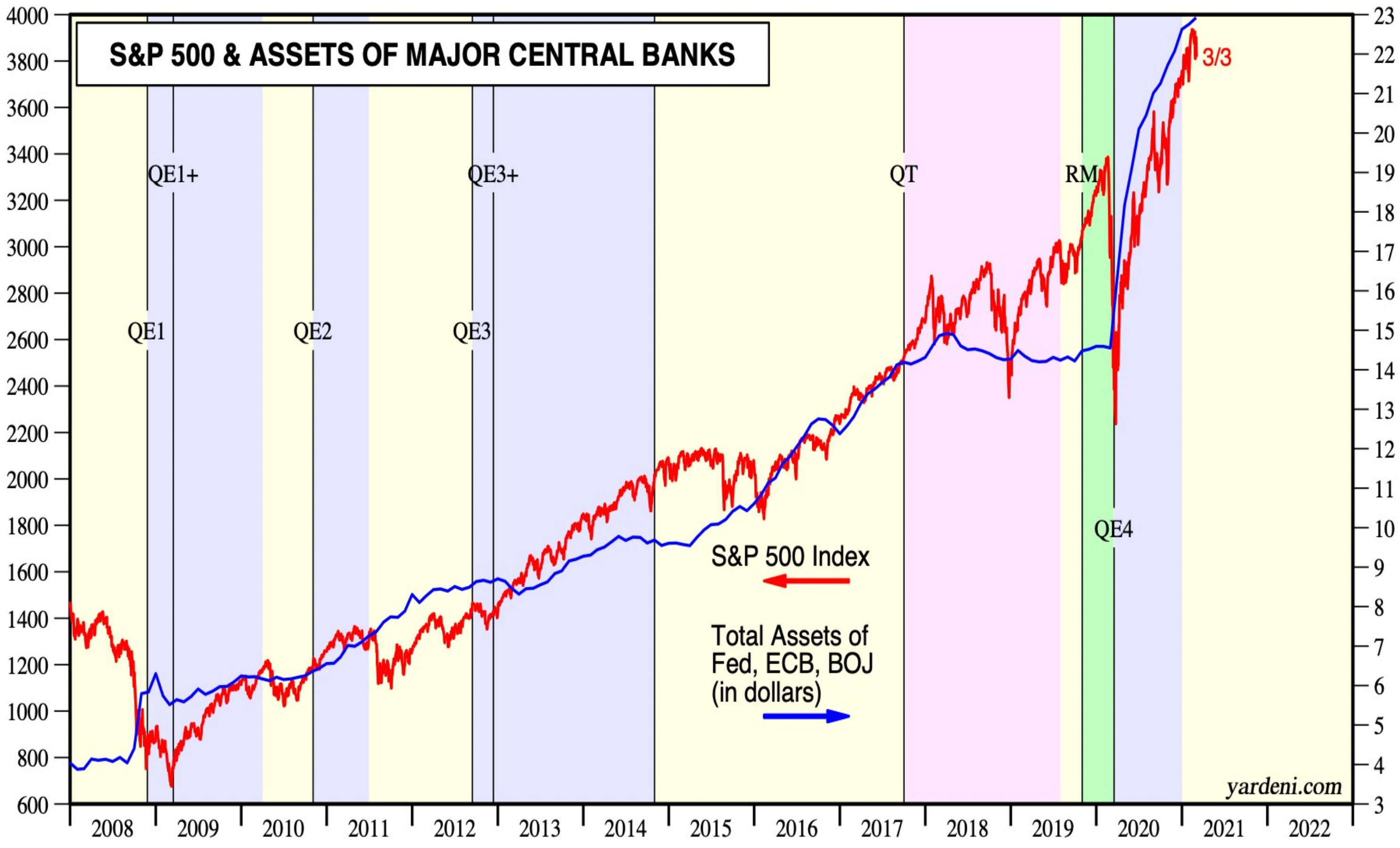
Giant Pool of Low-Yielding Debt Pushes Investors into Riskier Assets



Note: Information as of 5 August 2021

- Powell mentioned the Fed needed to maintain a “patiently accommodative” policy stance until the economy hits “full employment” and inflation has been running above 2% for some time.

Liquidity is the Key Catalyst on Stock Rally

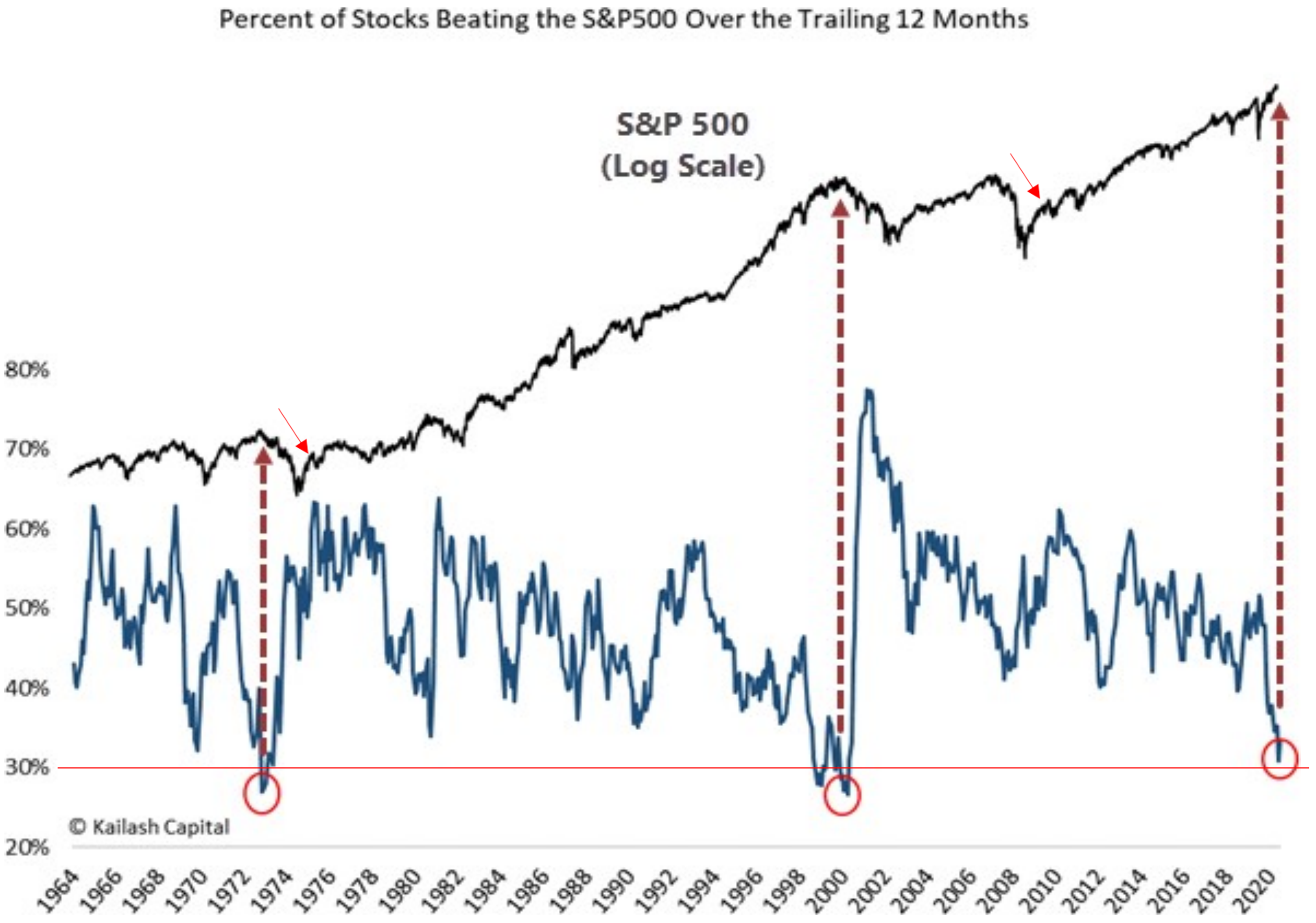


Note: QE1 (11/25/08-3/31/10) = $1.24tn in mortgage securities; expanded (3/16/09-3/31/10) = $300bn in Treasuries. QE2 (11/3/10-6/30/11) = $600bn in Treasuries. QE3 (9/13/12-10/29/14) = $40bn/month in mortgage securities (open ended); expanded (12/12/12-10/1/14) = $45bn/month in Treasuries. QT (10/1/17-7/31/19) = balance sheet pared by $675bn. RM (11/1/19-3/15/20) = reserve management, $60bn/month in Treasury bills. QE4 (3/16/20-infinity).
Source: Federal Reserve Board, Standard & Poor's and Haver Analytics.

- Stronger economic growth, lower real yields and continuing QE are expected going forward, as the recovery and major central banks limit the increasing of nominal yield, suggesting inflation to increase further.

Note: Information as of 9 February 2021

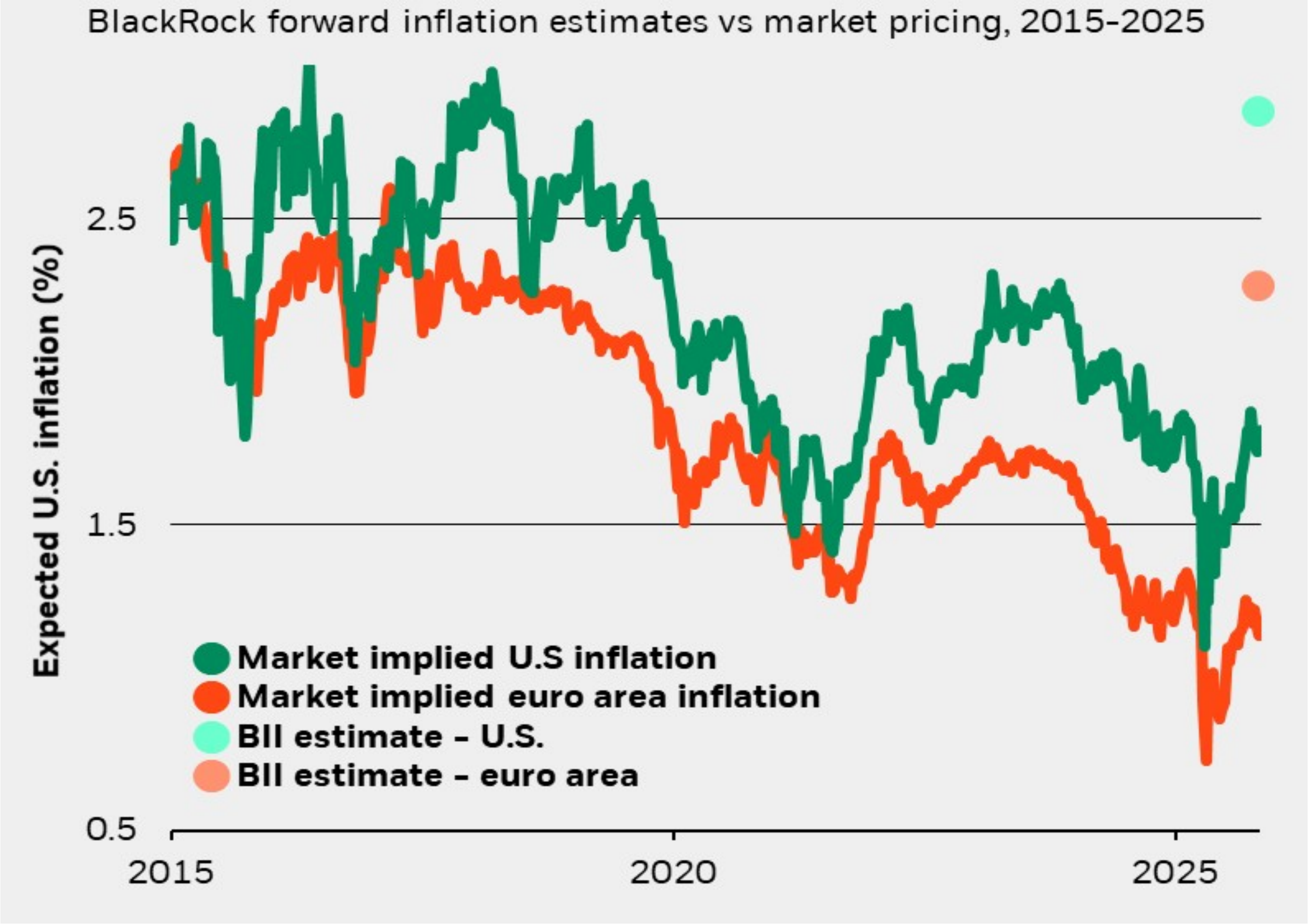
The % of Stocks Beating the Index Over The Past 12 Months Plunges Toward Record Lows



Note: Information as of 9 February 2021

- The market valuation is rich in the US and the market trend is maturing. However, liquidity is expected to increase further due to stimulus plan and Fed's "patiently accommodative" stance.

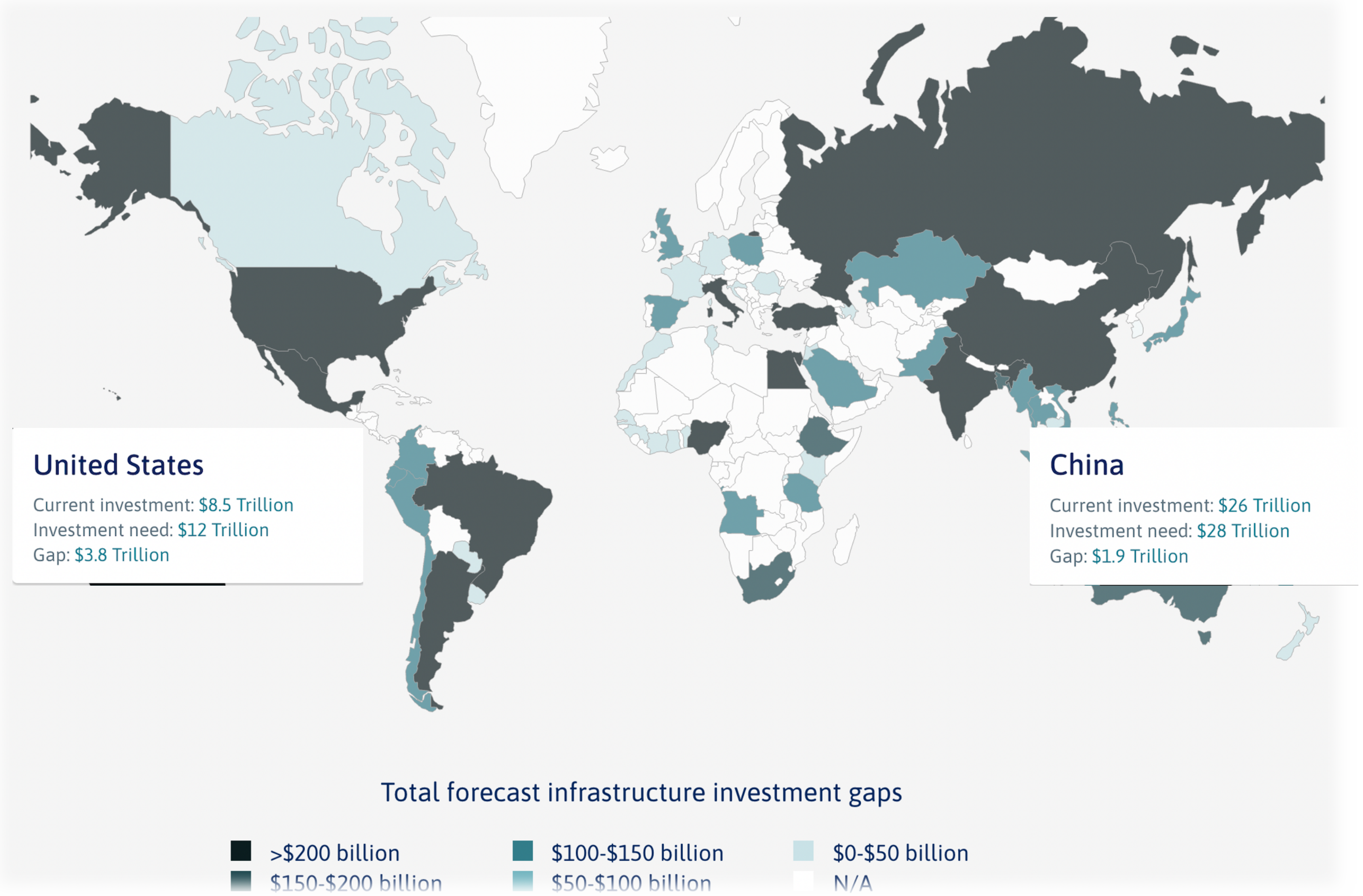
Market Underestimates the Inflation Risks



Note: Information as of 31 January 2021

- Blackrock shows it using the five-year inflation swap which is a measure of market expectation of inflation over five years, starting in five years' time.
- In the chart, the lines are shifted forward five years. The orange and green dots show Blackrock current estimate of average US CPI and euro area inflation for the same five-year period of 2025-2030. Euro area refers to all 19 member states.
- Market volatility will rise significantly if markets are wrong on inflation risks.

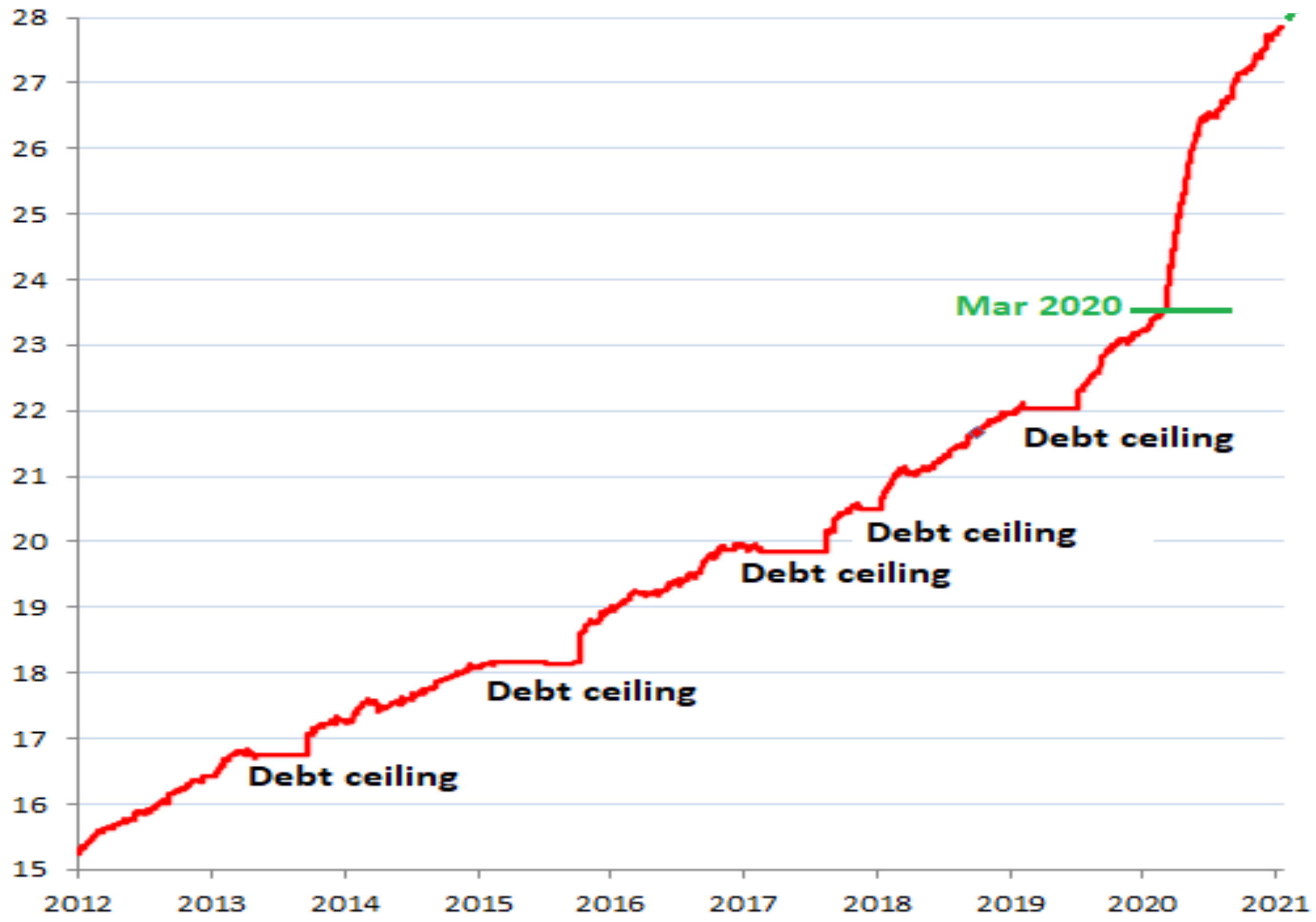
USD 15 trillion Global Infrastructure spending gap over the next 19 years



- The United States (US) will have the largest gap in infrastructure spending, at USD 3.8 trillion or 0.67% of its GDP.
- Under the impact of the COVID-19 pandemic, the financial pressure of local governments has greatly increased. Whether local US governments have the ability and willingness to cooperate with the federal government in implementing infrastructure projects, remains highly uncertain.
- On the other hand, China will have the greatest demand in infrastructure spending, at USD 28 trillion, representing 30% of global infrastructure investment needs. The investment gaps for China is USD 1.9 Trillion or 0.36% of its GDP.

Source: Global Infrastructure Hub, a G20 Initiative
Note: Information as of 5 April 2021

The incredible spiking of US National Debt



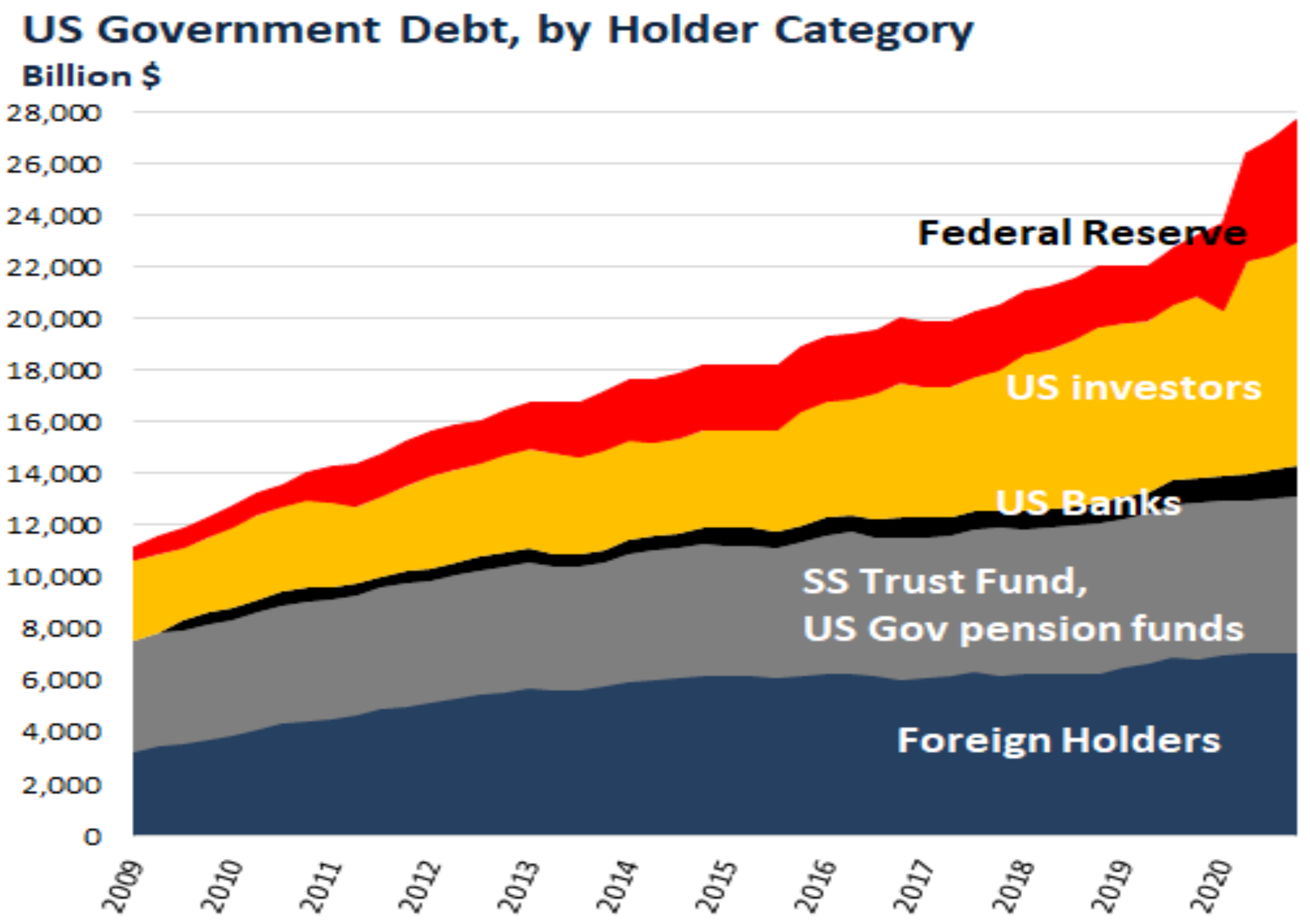
Source: US Treasury Department
Note: Information as of 17 February 2021

- The USD 2 Trillion infrastructure proposal is the second massive government spending package introduced since Biden took office in January, after his USD 1.9 Trillion COVID-19 relief bill narrowly passed in Congress and was signed into law in March 2021.

- As of February 2021, United States National Debt has skyrocketed by USD 4.55 trillion in 12 months, to USD 27.86 trillion, after having already spiked by USD 1.4 trillion in the prior 12 months, which had been the good times.

- Overall, the US national debt remains on an unsustainable path.

The monstrous mountain of debt by segments

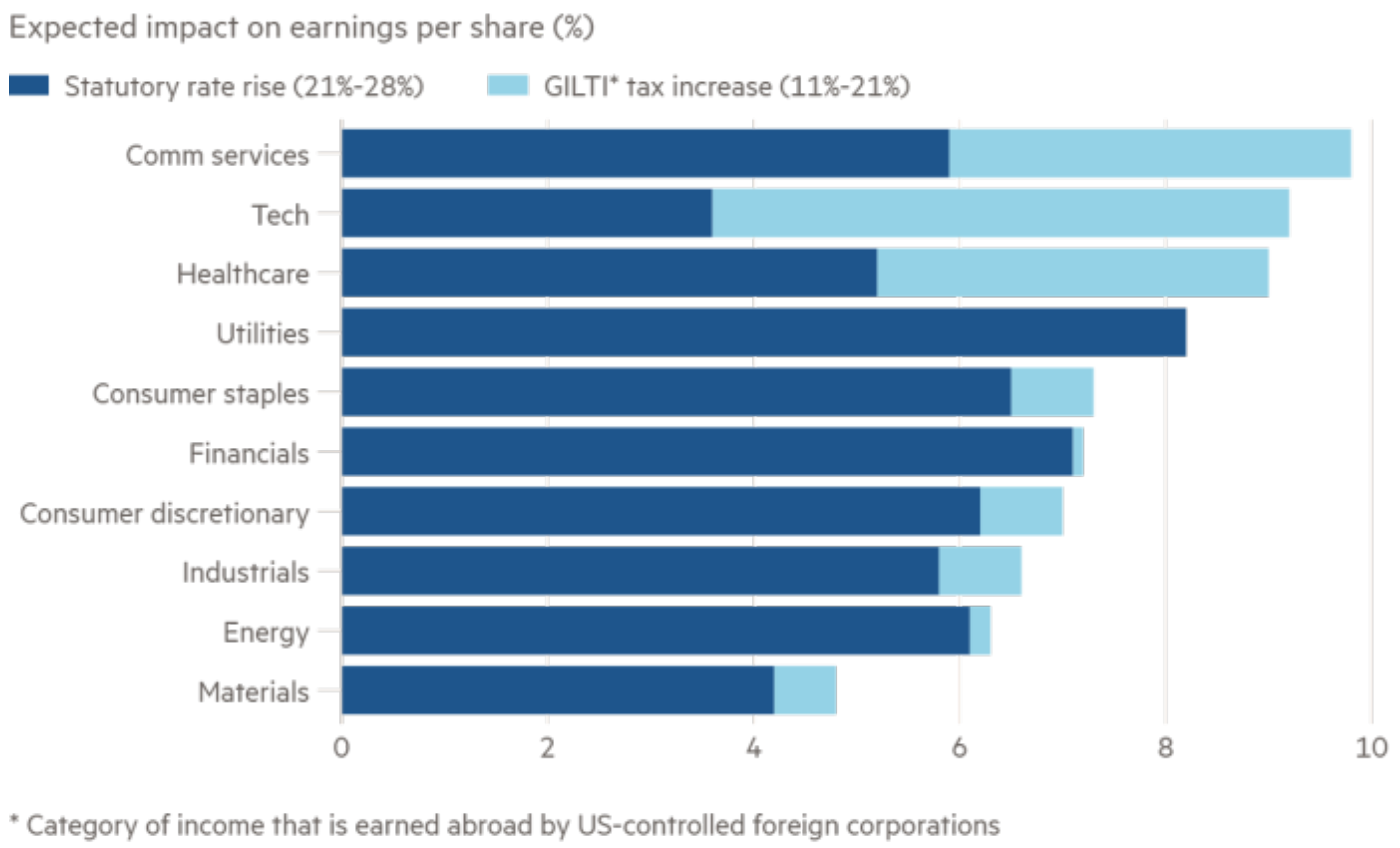


Source: US Treasury Department
Note: Information as of 17 February 2021

As of 31 December 2021, all these holders of the monstrous US Treasury debt, combined into one mountain:

- Foreign holders - 25% (decreasing in % of total debt since 2016)
- US government funds - 22% (decreasing in % of total debt since 2008)
- Federal Reserve - 17.5% (increasing in % of total debt since 2008)
- US banks - 4.4% (increasing since 2013)
- After all foreign-registered holders, the Fed, US government funds, and US banks are accounted for, the remaining Treasuries are by definition held by US individuals and institutions. These include bond funds, pension funds, insurers, US corporations, hedge funds that use Treasuries in complex leveraged trades, private equity firms that need to park their cash, etc. - 31.2% (increasing in % of total debt since 2013)

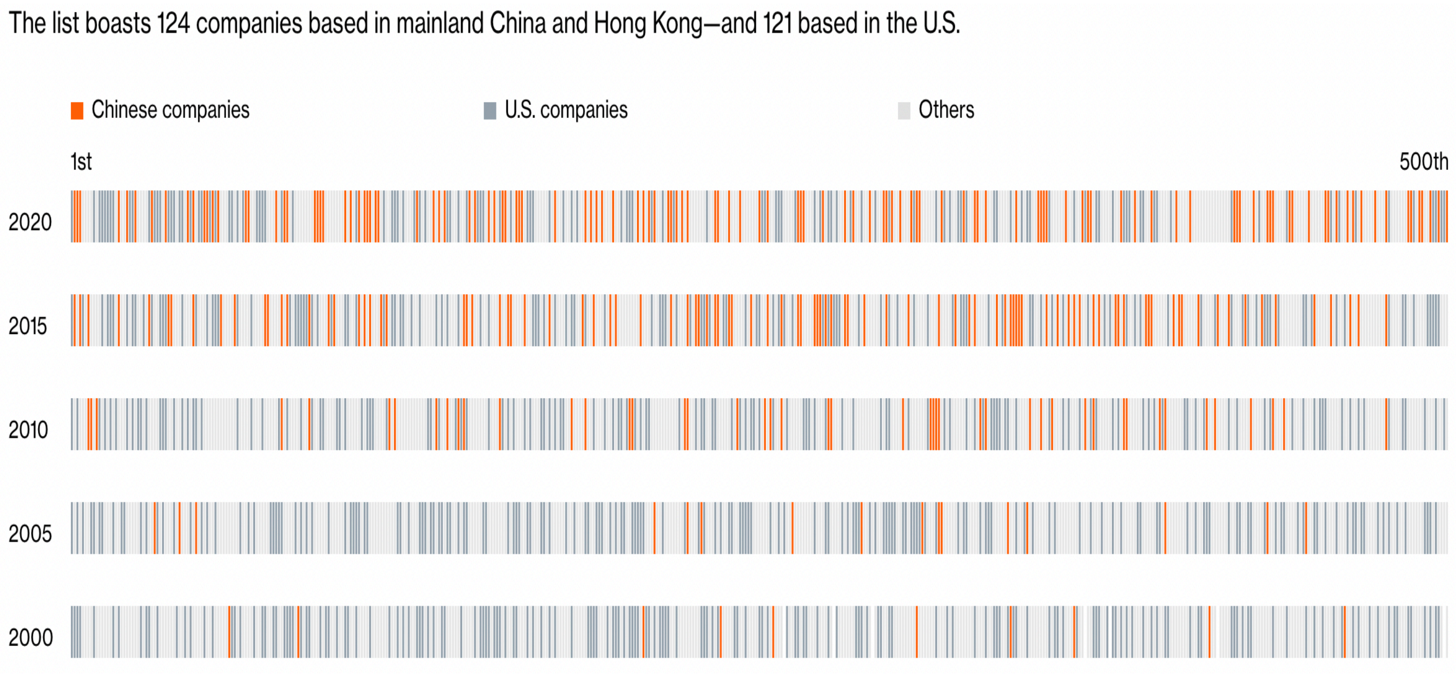
Potential US Tax increases a setback for Wall Street Stocks



- For equity markets, the corporate tax increases proposed by Democrats to fund the USD2 Trillion package could get quite costly quickly, as Biden's tax plan would knock out 9% off earnings per share for companies in the S&P 500 next year.
- Particularly, communication services and information technology are likely to be among the biggest losers from the tax package, given the sectors' exposure to higher taxes on foreign dealings.
- That suggests few key areas of the markets that are more at risk than they have been for a while.

Source: Goldman Sachs and Financial Times
Note: Information as of 5 April 2021

The Fortune Global 500 has now more Chinese companies than American, ranked by total revenue



Last year 2020 saw several milestones signifying China's rising global influence:

- Despite all the talk of supply-chain diversification amid trade war, China's share of global trade actually increased at a record pace.
- China attracted more foreign investment than the US for the first time.
- The number of Chinese companies on Fortune's list of the world's largest overtook the US.

Source: Fortune Global 500 Database
Note: Information as of 31 March 2021

A comparison of China's key tasks for 2020 and 2021

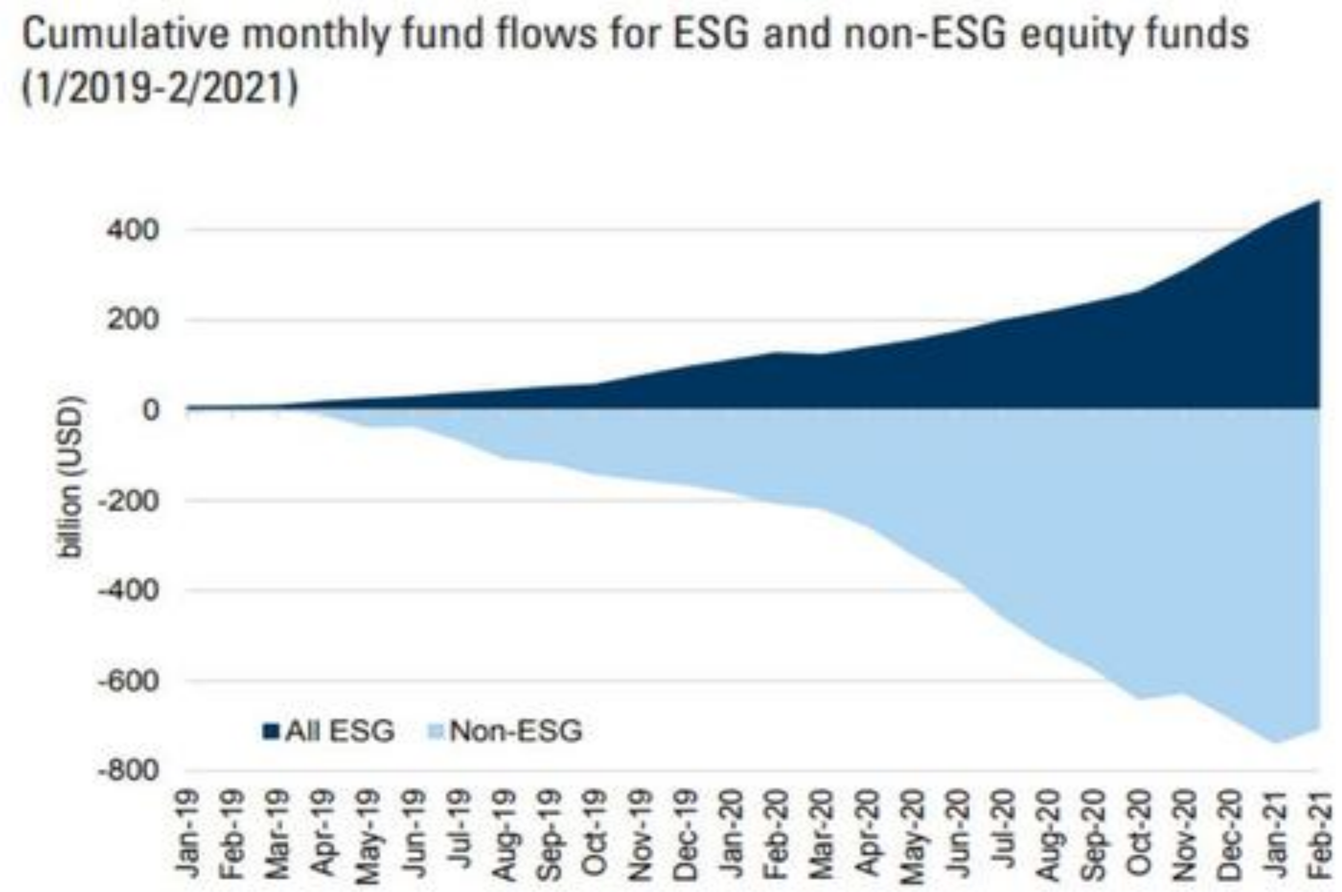
- A stronger domestic market, technology innovation, further opening-up, and green development are among the major tasks set for 2021 in China, a year with added significance as it marks the beginning of China's 14th Five-Year-Plan (2021-2025).

- In 2021, China will take a solid first step in building the new development paradigm in which domestic and foreign markets reinforce each other, with the domestic market as the mainstay.

- Under such a strategy, the top officials pledged to maintain supply-side reform while paying attention to demand-side management.

Source: The Annual Central Economic Work Conference 2019 and 2020, presented by CGTN
Note: Information as of 19 December 2020

Next economic battle will be over green technologies for US and China



- Outflows from non-ESG equity funds have thankfully inflected (light blue), investors demand for ESG equity funds (dark blue) remain firmly in place and this is one of the biggest drivers of inflows into global stocks.

- According to BloombergNEF data, China outspent the US by nearly 2-to-1 on energy transition-related investment between 2010 and 2020.

- According to China's National Bureau of Statistics, China's spending on research and development climbed 10.3% to RMB 2.44 Trillion (USD 378 billion) in 2020.

Source: Goldman Sachs
Note: Information as of 4 April 2021

China sets for a long bull market

DerrickKow published on TradingView.com, March 04, 2021 07:51:04 UTC
TVC:SHCOMP, 1M 3503.492 ▼ −73.413 (−2.05%) O:3531.480 H:3577.622 L:3485.364 C:3503.492

TradingView

Note: Information as of 4 March 2021

- China stock markets is breaking-out of a major (long-term) symmetrical triangle consolidation, suggesting a new bullcycle.
- China capital markets are entering into a new phase of wealth preservation, whereby people in China beginning to view stock market as a capital creation and preservation asset class.
- Furthermore, middle income-class Chinese people is getting more confident to spend and invest in the markets, aligned with the government's focus on consumption based economy.

Contact Info

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