



Investment Newsletter

May 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.

”

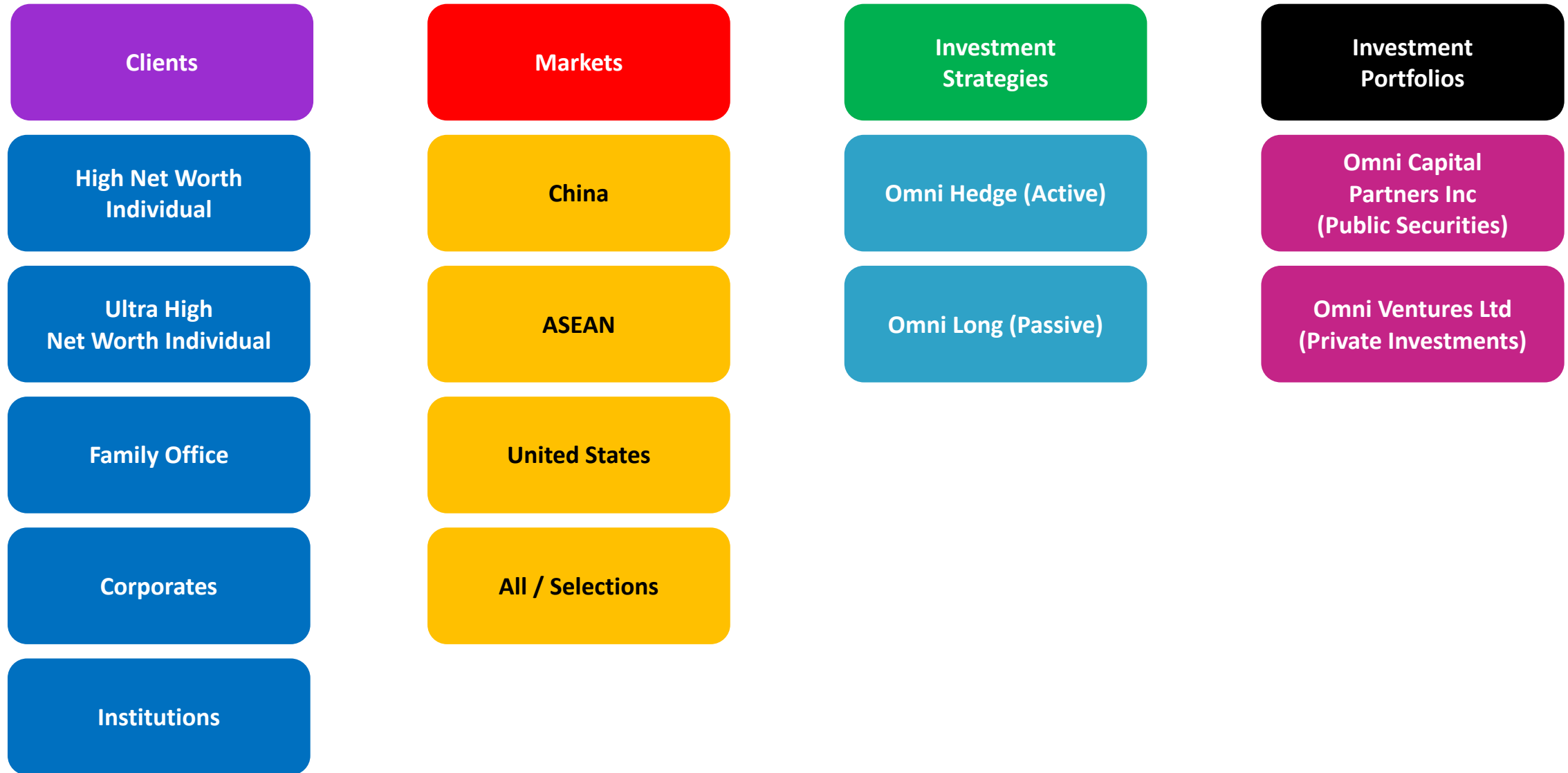
Experienced with
Impressive Track
Records

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



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

- 24

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
Semiconductors & Semiconductor Equipment	17%
Electronic Equipment, Instruments & Components	13%
Internet & Direct Marketing Retail	8%
Interactive Media & Services	8%
Beverages	4%
Insurance	4%
Machinery	4%
Entertainment	4%
Healthcare Equipment & Supplies	4%
Communication Equipment	4%
Food Products	4%
Personal Products	4%
IT Services	4%
Automobiles	4%
Pharmaceuticals	4%
Technology Hardware, Storage & Peripherals	4%
Diversified Consumer Services	4%

Note: Information as of 1 May 2021

	Sector Breakdown
Information Technology	42%
Consumer Discretionary	17%
Consumer Staples	13%
Communication Services	13%
Healthcare	8%
Industrials	4%
Financials	4%

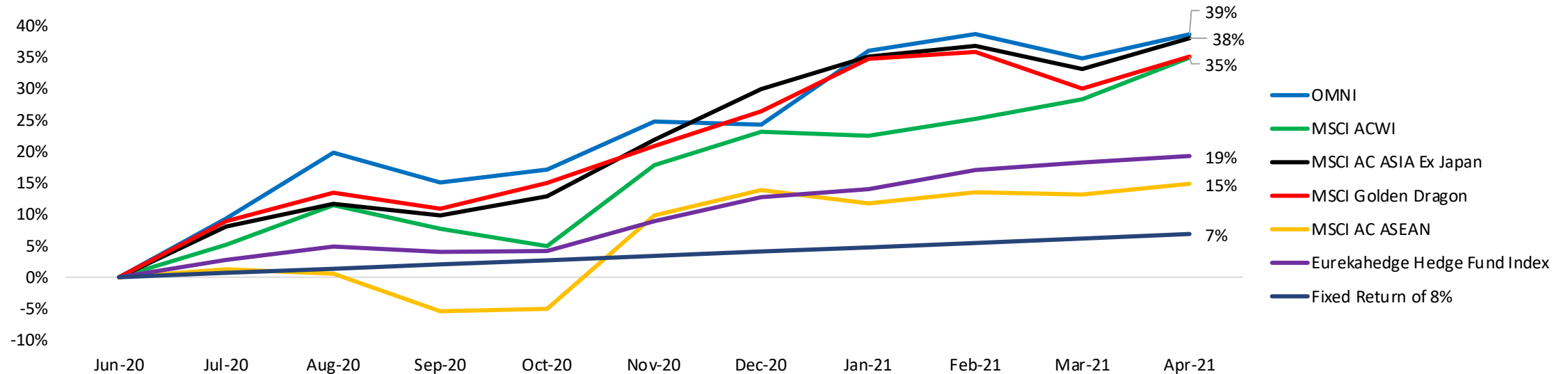
	Geographic Breakdown
Asia Pacific	83%
America (North)	8%
Europe (Western)	4%
Africa / Middle East	4%

	Market Capitalization
Mega (USD 100 Billion +)	13%
Large (USD 10 to USD 100 Billion)	42%
Medium (USD 2 to USD 10 Billion)	21%
Small (USD 0.3 to USD 2 Billion)	21%
Micro (USD 50 to USD 300 Million)	4%

Omni Hedge Performance



Performance of Omni's Model Portfolio (Hedge Fund Strategy)



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Hedge	3%	2%	18%	12%	39%
MSCI ACWI	5%	10%	29%	10%	35%
MSCI AC ASIA Ex Japan	4%	2%	22%	6%	38%
MSCI Golden Dragon	4%	0%	17%	7%	35%
MSCI AC ASEAN	2%	3%	21%	1%	15%
Eurekahedge Hedge Fund Index	1%	5%	15%	6%	19%
Fixed Return of 8%	1%	2%	4%	3%	7%

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.

The Eurekahedge Hedge Fund Index is Eurekahedge's flagship equally weighted index of 1710 constituent funds. The index is designed to provide a broad measure of the performance all underlying hedge fund managers irrespective of regional mandate.

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%

Note: Information as of 1 May 2021

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

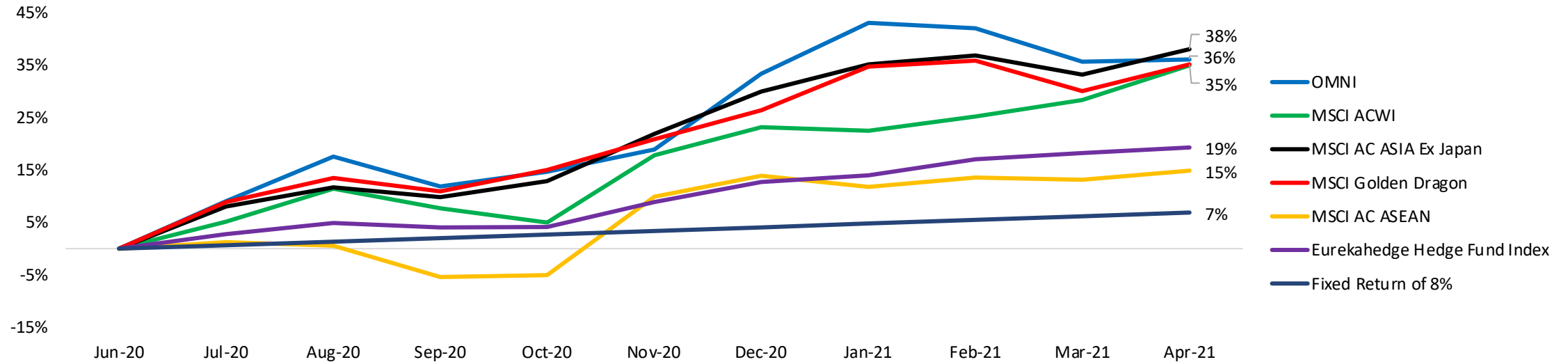
Geographic Breakdown	
Asia Pacific	71%
America (North)	19%
Europe (Western)	6%
Africa / Middle East	3%

Market Capitalization	
Mega (USD 100 Billion +)	17%
Large (USD 10 to USD 100 Billion)	37%
Medium (USD 2 to USD 10 Billion)	20%
Small (USD 0.3 to USD 2 Billion)	20%
Micro (USD 50 to USD 300 Million)	7%

Omni Long Performance



Performance of Omni's Model Portfolio (Long Only Strategy)



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Long	0%	-5%	19%	2%	36%
MSCI ACWI	5%	10%	29%	10%	35%
MSCI AC ASIA Ex Japan	4%	2%	22%	6%	38%
MSCI Golden Dragon	4%	0%	17%	7%	35%
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Investment Review and Outlook



- The emergency in India, where a worrying virus variant is spreading rapidly, is driving a new global surge in the pandemic. It also carries implications for countries relying on India for the AstraZeneca vaccine, millions of doses of which are manufactured there. Furthermore, the number of COVID-19 infections in Africa has surpassed the 4.5 million mark, as the continent's death toll topped 120,000. Overall, despite more than one billion shots having been administered globally, far too small a percentage of the world's nearly eight billion people has been vaccinated to slow the virus's spread.
- As of April 2021, president Biden released the second portion of economic plan of USD 1.8 Trillion in new spending and tax cuts over 10 years for workers, families, and children. That is on top of the USD 2.3 Trillion infrastructure plan released at the end of March. The families plan announced would be financed partly through tax increases on the wealthiest Americans, while president Biden intends to pay for the infrastructure plan with 15 years of higher taxes on corporations. That said, Biden plan is to radically reform, redistribute wealth and opportunities as well as to stimulate the economy.
- It is noted that only about minority of US investors would fall under capital gain tax (if Biden to introduce this policy) and the majority is owned in accounts not subject to capital gain tax, such as retirement accounts, endowments, and foreign investors. Overall, this could have implications for individual investors, but limited long lasting impact on the market overall.

Investment Review and Outlook

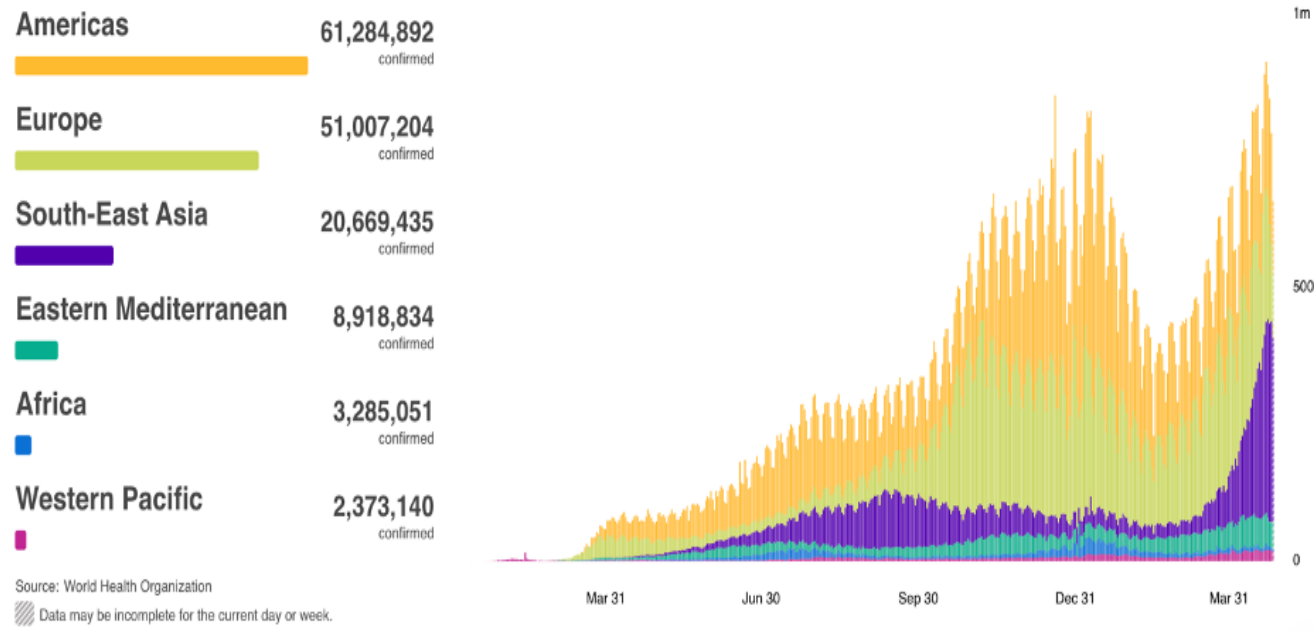


- Financial assets in US are now 6 times the size of the "real economy" (GDP), an extreme beyond all previous extremes, thanks to Fed's ample of liquidity. This reflects the dominance of financial assets based on extreme expansions of debt, leverage and speculation. Few key risks on the financial markets including the tapering of asset purchases and higher interest rates. As of 4 May 2021, Yellen has drawn attention to market fears around a tapering of the central bank's asset purchases, a necessary condition before the central bank starts raising rates. Overall, Yellen in a way is stress-testing the market reactions.
- In contrast to the dangerous optimism in the US markets, the recent trends on China stock markets reflect concerns that China's economic growth has peaked after 18.3% annualised expansion in the first quarter of 2021, tighter monetary policy, a widening antitrust crackdown, increasing COVID cases in the world, and potential re-escalation of geopolitical risk have prompted investors in China to "take profits" resulting retracement in the stock markets. Nevertheless, this is a good opportunity for China to promote deleveraging and China has achieved good results in the first quarter of 2021, with macro leverage ratio dropped by 2.6%.
- According to SynTao Green Finance's statistics, from 2009 to 2020 (as of 15 June 2020), the number of ESG reports issued grows from 371 in 2009 to 1,021 in 2020, which indicates a continuous and stable increase. In 2020, about 27% of the listed companies issued ESG reports. More than 86% (259) of CSI 300 constituent companies have released reports, indicating that leading companies already have a strong awareness of ESG disclosure.

Global risks resurgence of new COVID-19



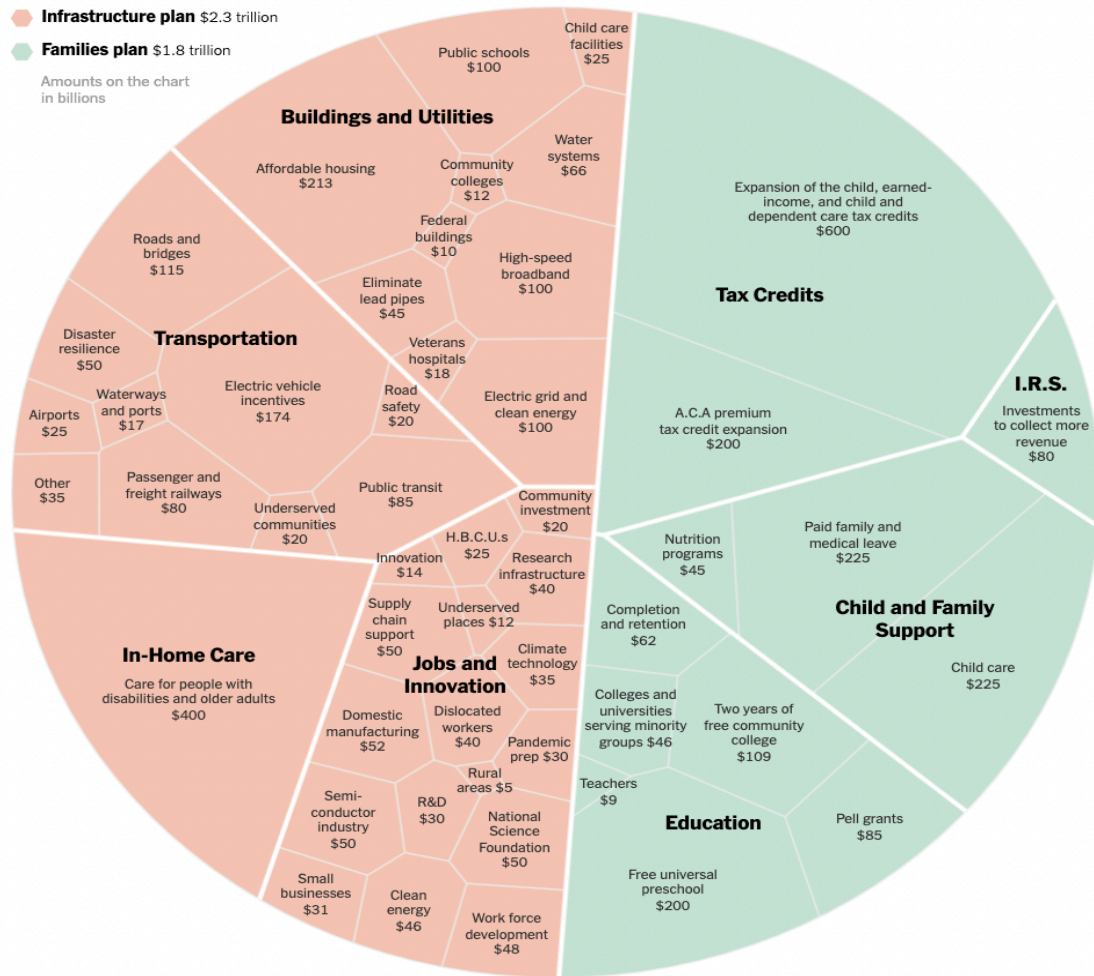
Situation by WHO Region



According to WHO, globally, as of 27 April 2021, there have been 147,539,302 confirmed cases of COVID-19, including 3,116,444 deaths, reported to WHO. As of 26 April 2021, a total of 961,231,417 vaccine doses have been administered.

Note: Information as of 27 April 2021

Biden's second portion of economic plan



Biden's infrastructure and American Families Plans ranking :

- Tax Credits - USD 800 Billion
- Buildings and Utilities - USD 689 Billion
- Transportation - USD 622 Billion
- Jobs and Innovation - USD 578 Billion
- Education - USD 511 Billion
- Child and Family Support - USD 495 Billion
- In-Home Care - - USD 400 Billion
- I.R.S - USD 80 Billion

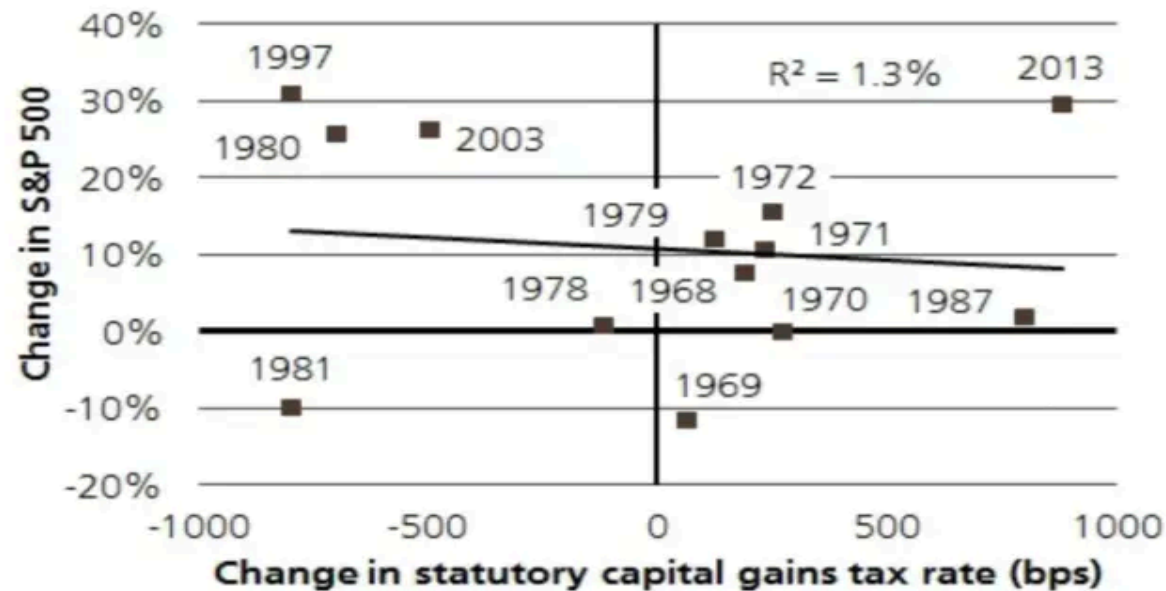
Note: The plan released by the White House did not include estimated costs for the expansion of the child tax credit, earned-income tax credit, or child and dependent care tax credit. The \$600 billion estimate is the difference between the total tax cuts mentioned in the plan (\$800 billion) and the \$200 billion included for Affordable Care Act premium tax credits. - Source: The White House

Note: Information as of 28 April 2021

No relationship between capital gains taxes and market returns



Change in the capital gains tax rate (in basis points) and S&P 500 returns, in %

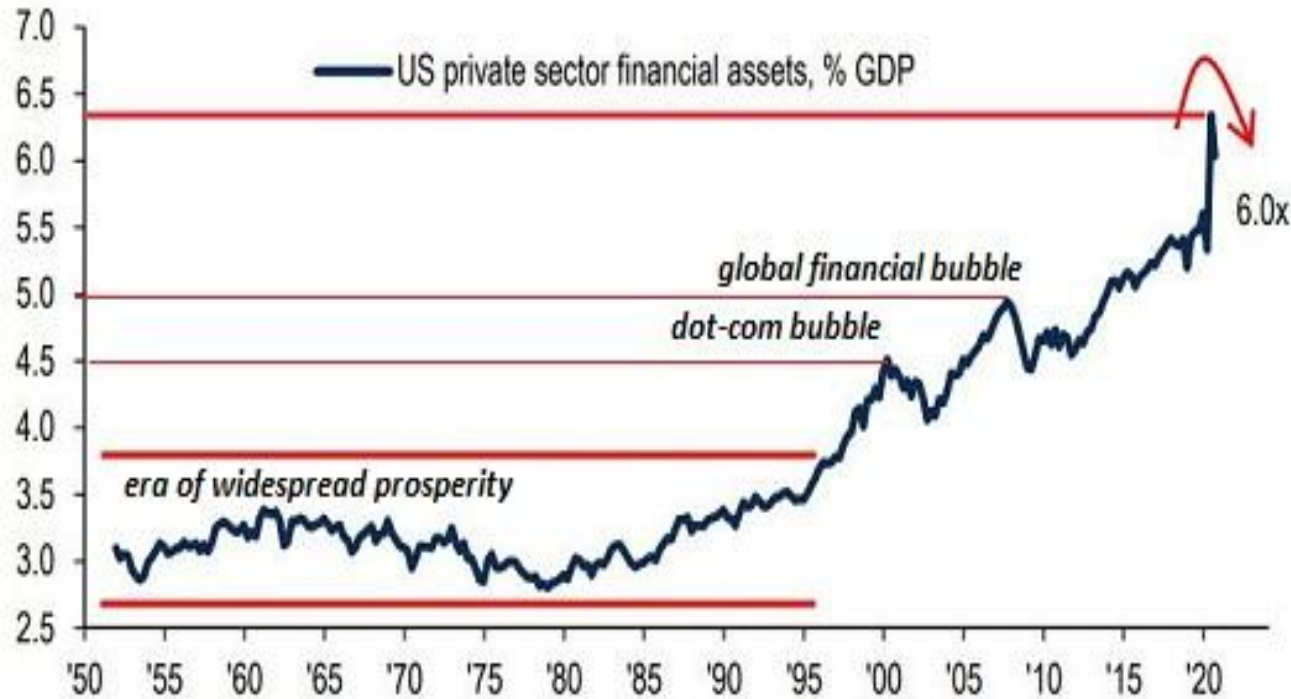


Source: FactSet, UBS, as of 24 March 2021

- Across a wide body of academic and empirical evidence, there is no evidence of a significant impact of capital gains rates on the level of long-term investment in the economy, if Biden to introduce this policy.

Note: Information as of 24 March 2021

Wall street is now 6x the size of Main street



The ratio of financial assets as a percentage of GDP increased with every one of the three bubbles since the mid-1990s:

- Dot-com bubble in 1999-2000,
- Subprime bubble in 2007-08, and
- Everything bubble of 2020-21

Source: BofA Global Investment Strategy, Haver; note private sector financial assets includes currency, deposits, equity shares, and other securities and does not include real estate.

Note: Information as of 28 April 2021



Big 4 central bank purchases to fall

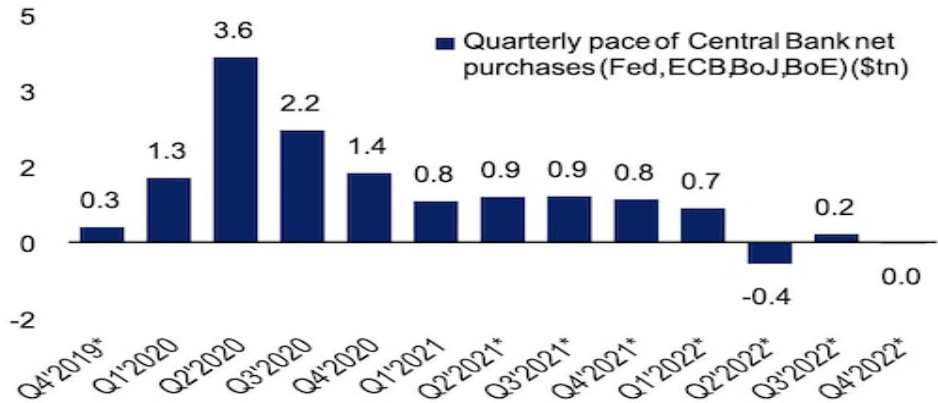
Changes in the balance sheets of major central banks in 2020 (\$ trillion)

Economies	2019	2020	Increase scale	Growth rate
U.S.	4.21	7.41	3.20	76.0%
EU	5.25	8.55	3.30	62.8%
Japan	5.27	6.80	1.53	29.0%
China	5.32	5.94	0.62	11.7%

Source: Wind

CGTN

Quarterly pace of Fed, ECB, BoJ, BOE net purchases, \$bn



Source: BofA Global Research, Bloomberg

Note: Information as of 26 April 2021

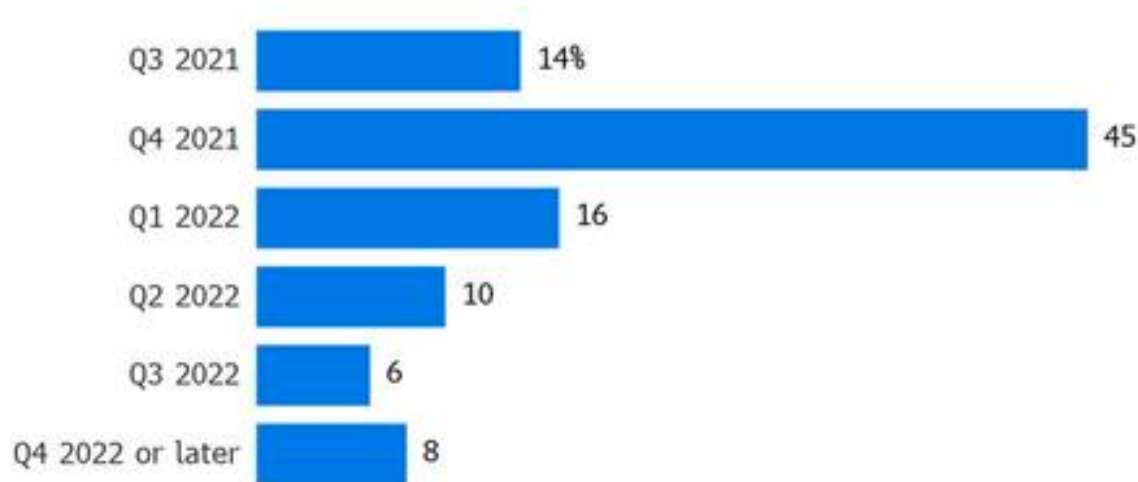
- The pace of Big 4 central bank purchases (Fed, ECB, BoJ, BOE) forecast to fall from USD 8.5 Trillion in 2020 to USD 3.4 Trillion 2021 to USD 0.5 Trillion in 2022.

Economists expect Fed to slow in the second-half of the year 2021



When to Taper

Plurality of economists expects Fed to slow purchases in the fourth quarter



Bloomberg summarizes the result of its survey noting that more than two-thirds of the economists surveyed expect the federal Open Market Committee will give an early-warning signal of tapering in 2021, with the largest number - 45% - looking for a nod during the October-December quarter of 2021.

Source: Bloomberg News survey of economists April 16-21
Economists were asked when the FOMC would formally announce a tapering of asset purchases.

Bloomberg

Note: Information as of 26 April 2021

Dangerous optimism in the US market



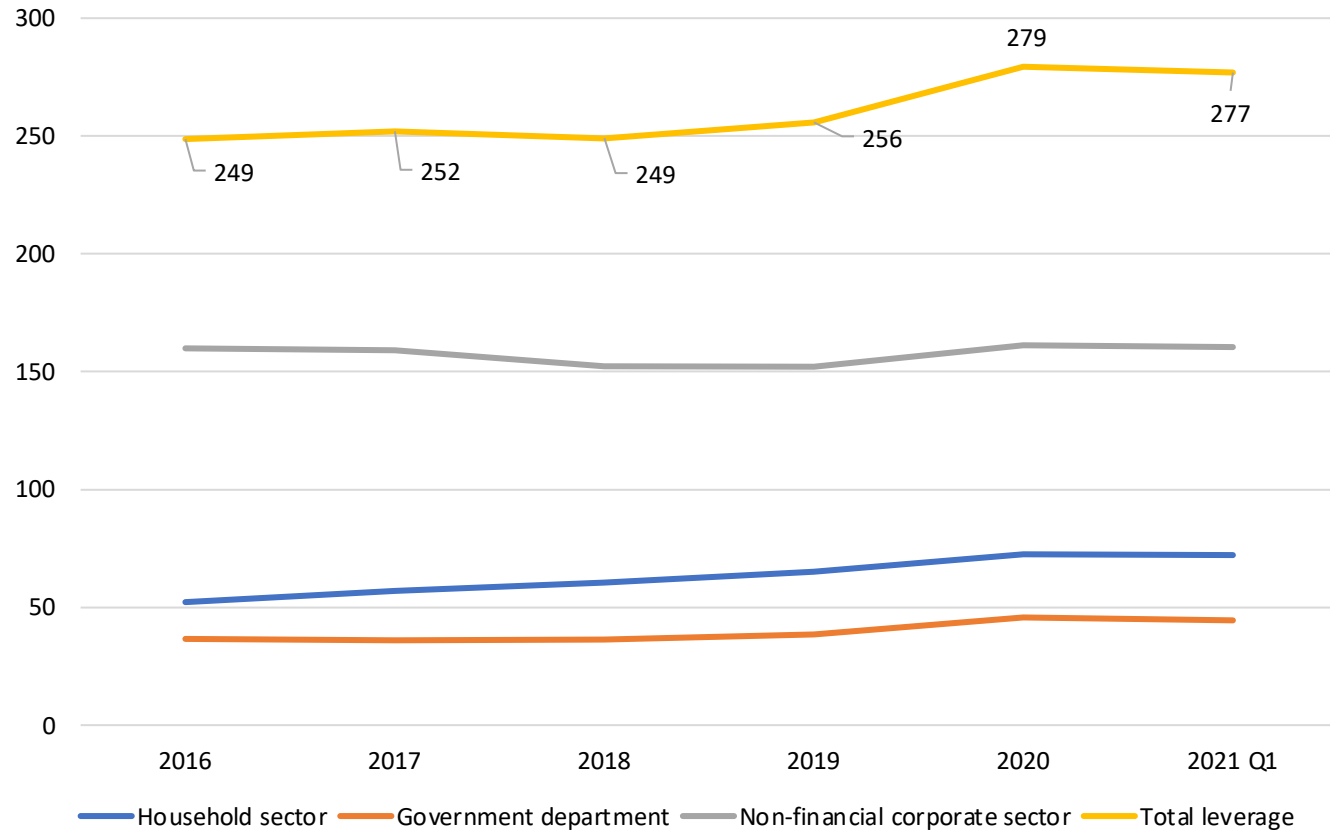
As of 30 April 2021, 95% or more of the index's members traded above their 200-day moving average. A high number of stocks above 200-day moving average is usually positive. However, it is not bullish when the number becomes extreme, as the data point is much like sentiment and of course due to influx of liquidity.

Note: Information as of 30 April 2021

China steadily promote deleveraging, while most other countries promote leveraging



Leverage ratio since 2016 in %

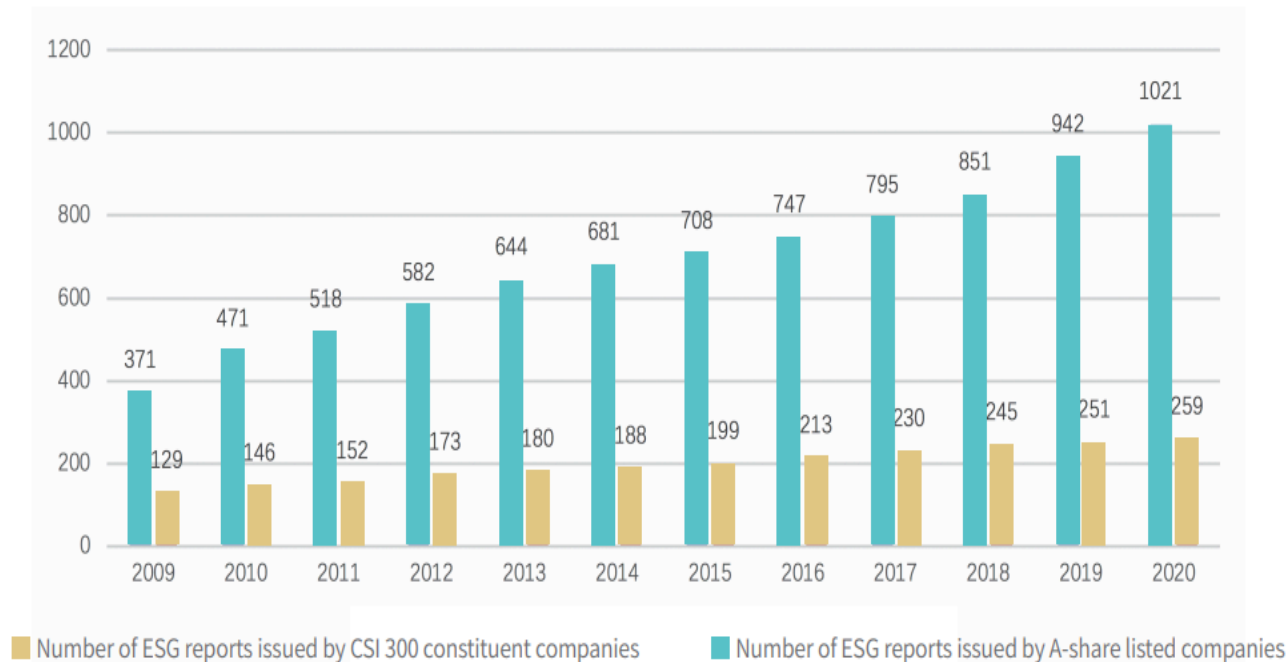


Starting from the second quarter of 2020, the increase in China's macro leverage ratio has narrowed quarter by quarter. In the first three quarters of 2020, the leverage ratio increased by 14%, 7.2%, and 3.9% q-o-q respectively.

In the fourth quarter of 2020 and the first quarter of 2021, the leverage ratio decreased by 1.6% and 2.6% q-o-q respectively. The decreasing in leverage ratio indicates that China's various policies have been properly coordinated and achieved further good results.

Note: Information as of 1 May 2021

China increasing awareness of ESG disclosure



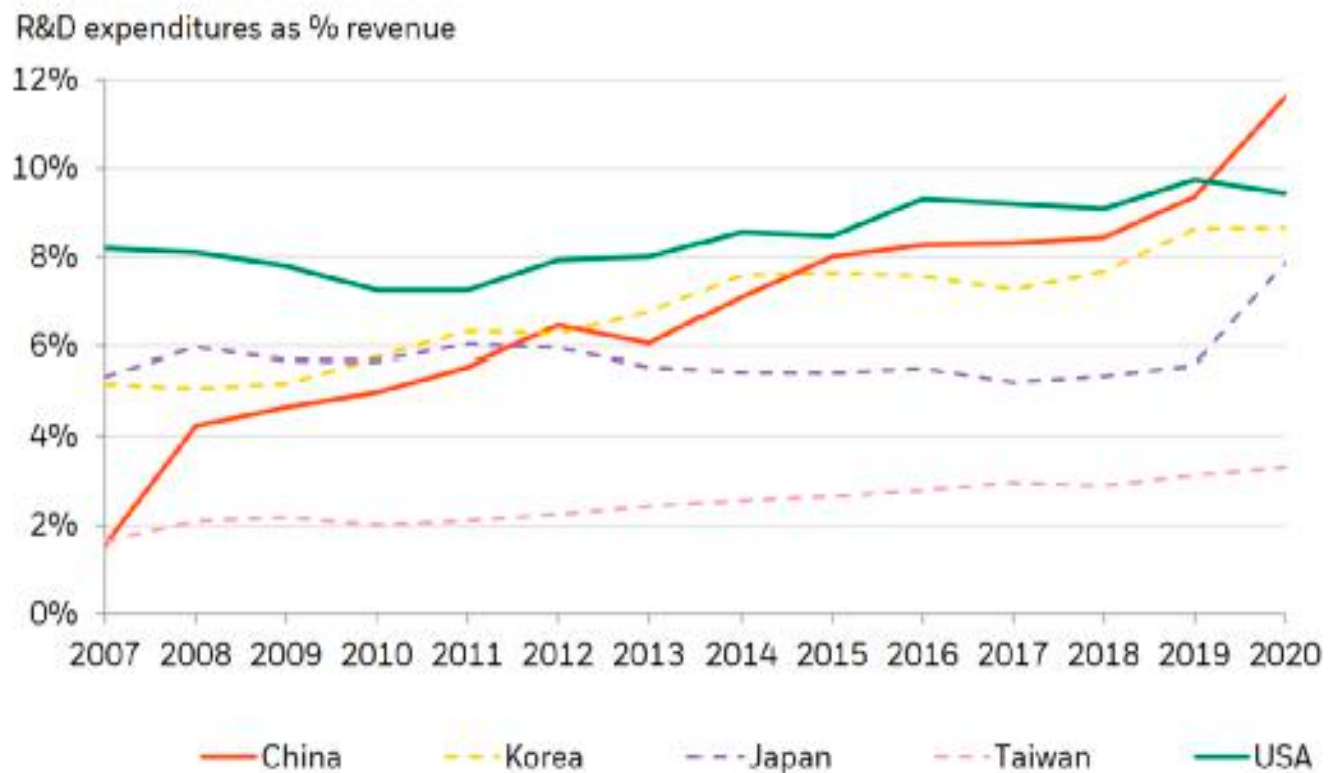
Number of ESG Reports Issued by A-share Companies (2009-2020)

Source: SynTao Green Finance, SynTao MQI Database

Driven both by policies and market demands, ESG information disclosure of listed companies shows an increasing trend.

Note: Information as of 15 June 2020

A-share technology companies are significantly increasing R&D



Source: CLSA, as of end December 2020. Data based on listed technology companies.

Since China and US reached some trade agreements in 2020, the battlefield has shifted to technology. 2020 is a milestone, because Chinese companies have already surpassed the US in terms of R&D investment.

Note: Information as of 1 May 2021

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