



Investment Newsletter

December 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.

”

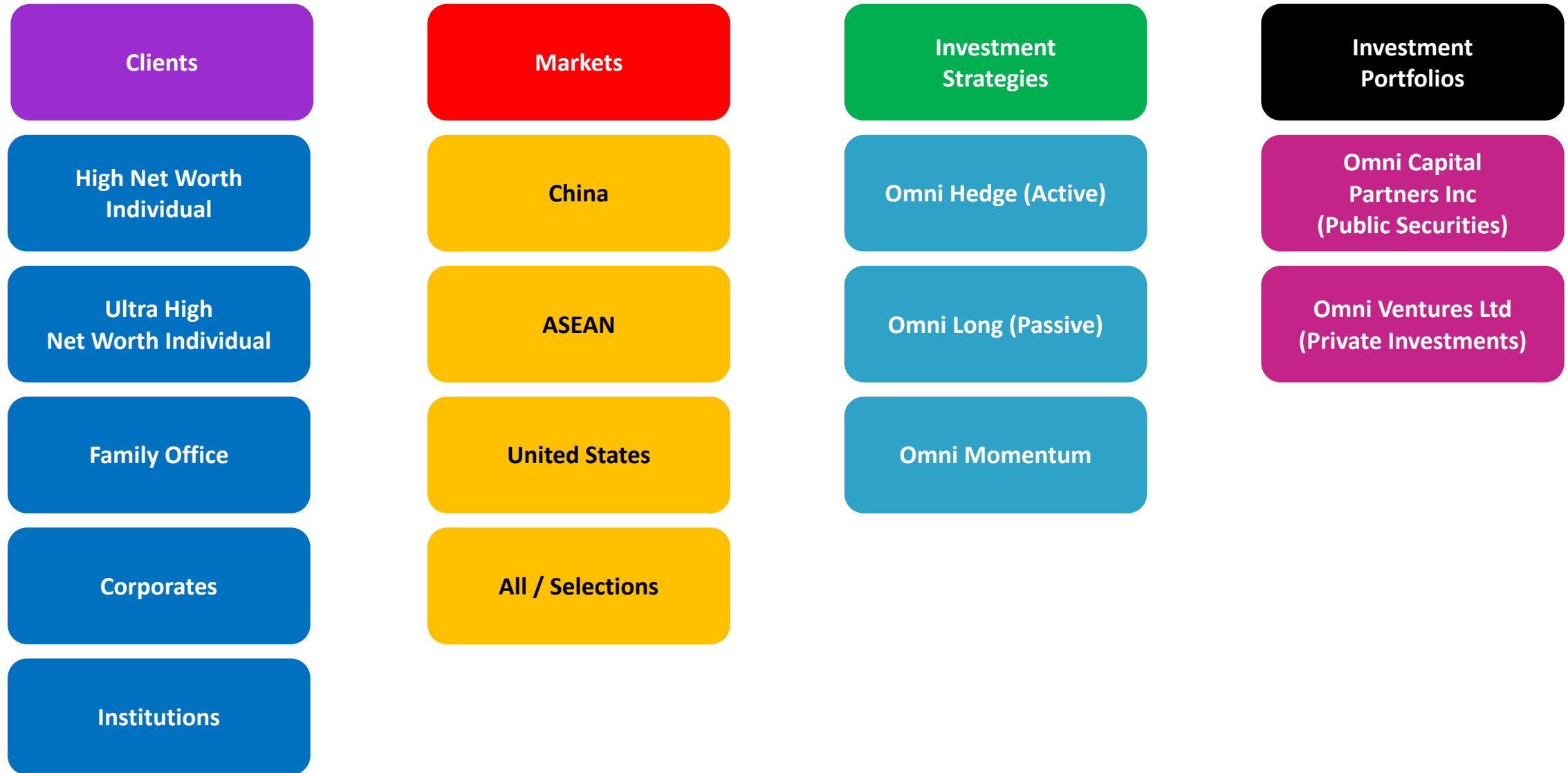
Experienced with
Impressive Track
Records

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 Objective

- This strategy seeks to maximize long-term returns and protection of capital.
- Invest primarily in public securities 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
- Trading in markets with volatility and liquidity as they give opportunities.

Inception Date

- 1 July 2020

Current Number of Holdings

- 19

Team

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

Omni Capital Partners

Hedge 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 prices and generate active positive returns.

Characteristics

- Define success in absolute terms
- Active adjustment on correlation to market movements
- Volatility is relevant
- Performance depends on generation of alpha
- Versatile investment options to optimize the performance

Features

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

Omni Hedge Portfolio



	Industry Breakdown
Banks	13%
Pharmaceuticals	11%
Electronic Equipment, Instruments & Components	9%
Internet & Direct Marketing Retail	8%
Food Products	8%
Healthcare Equipment & Supplies	7%
Technology Hardware, Storage & Peripherals	6%
Capital Markets	6%
Beverages	4%
Biotechnology	4%
Metals & Mining	4%
Real Estate Management & Development	4%
Commercial Services & Supplies	4%
Interactive Media & Services	4%
Semiconductors & Semiconductor Equipment	3%
Household Durables	3%
Cash	0%

Note: Information as of 30 November 2021

	Sector Breakdown
Healthcare	22%
Financials	19%
Information Technology	19%
Consumer Staples	13%
Consumer Discretionary	11%
Materials	4%
Real Estate	4%
Industrials	4%
Communication Services	4%
Cash	0%

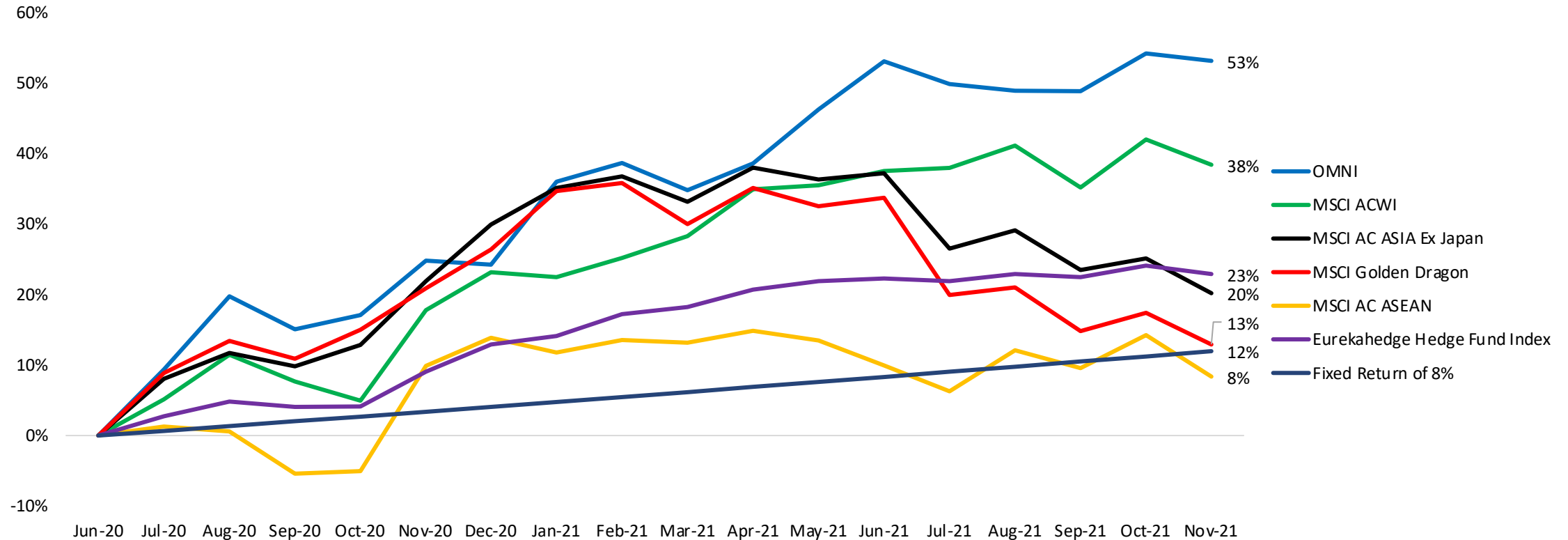
	Market Breakdown
China	66%
ASEAN	16%
United States	18%
Other	-
Cash	0%

	Market Capitalization
Mega (USD 100 Billion +)	24%
Large (USD 10 to USD 100 Billion)	41%
Medium (USD 2 to USD 10 Billion)	30%
Small (USD 0.3 to USD 2 Billion)	4%
Micro (USD 50 to USD 300 Million)	-
Cash	0%

Omni Hedge Performance



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



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 Hedge Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Hedge	-1%	3%	5%	23%	53%
MSCI ACWI	-3%	-2%	2%	12%	38%
MSCI AC ASIA Ex Japan	-4%	-7%	-12%	-7%	20%
MSCI Golden Dragon	-4%	-7%	-15%	-11%	13%
MSCI AC ASEAN	-5%	-3%	-4%	-5%	8%
Eurekahedge Hedge Fund Index	-1%	0%	1%	9%	23%
Fixed Return of 8%	1%	2%	4%	7%	12%

Note:

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Omni Long Overview



Omni Long®

Investment Objective

- This strategy seeks long-term growth of capital.
- Invest primarily in public securities 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

- 26

Team

- Scott (Strategy / Asset Allocation)
- Derrick (Macro / Theme)
- Analysts (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 growth

Features

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

Omni Long Portfolio



Industry Breakdown	
Interactive Media & Services	12%
Banks	9%
Software	9%
Electronic Equipment, Instruments & Components	7%
Internet & Direct Marketing Retail	7%
Semiconductors & Semiconductor Equipment	7%
Technology Hardware, Storage & Peripherals	6%
Biotechnology	6%
Healthcare Equipment & Supplies	5%
Commercial Services & Supplies	4%
Health Care Technology	4%
Machinery	3%
Specialty Retail	3%
Food Products	3%
Life Sciences Tools & Services	3%
Personal Products	3%
IT Services	3%
Real Estate Management & Development	3%
Household Durables	2%
Cash	1%

Note: Information as of 30 November 2021

Sector Breakdown	
Information Technology	32%
Healthcare	18%
Consumer Discretionary	13%
Communication Services	12%
Financials	9%
Industrials	7%
Consumer Staples	6%
Real Estate	3%
Cash	1%

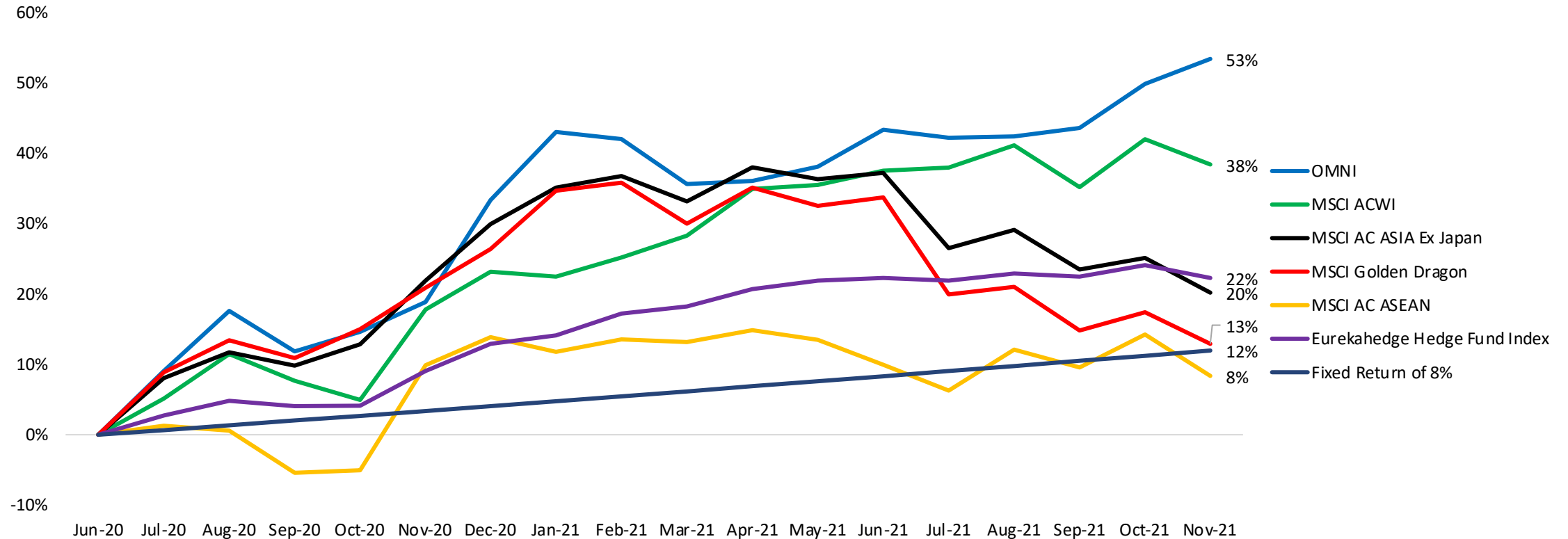
Market Breakdown	
China	60%
ASEAN	21%
United States	19%
Other	-
Cash	1%

Market Capitalization	
Mega (USD 100 Billion +)	15%
Large (USD 10 to USD 100 Billion)	35%
Medium (USD 2 to USD 10 Billion)	32%
Small (USD 0.3 to USD 2 Billion)	15%
Micro (USD 50 to USD 300 Million)	3%
Cash	1%

Omni Long Performance



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



Note:

MSCI ACWI captures large and mid cap representation across 23 Developed Markets and 27 Emerging Markets countries.

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Omni Long Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Long	2%	8%	11%	15%	53%
MSCI ACWI	-3%	-2%	2%	12%	38%
MSCI AC ASIA Ex Japan	-4%	-7%	-12%	-7%	20%
MSCI Golden Dragon	-4%	-7%	-15%	-11%	13%
MSCI AC ASEAN	-5%	-3%	-4%	-5%	8%
Eurekahedge Hedge Fund Index	-1%	0%	0%	8%	22%
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Omni Momentum Overview



Omni Momentum®

Investment Objective

- This strategy seeks maximum returns and protection of capital.
- Invest in global public securities.
- Trading in markets with volatility and liquidity as they give opportunities.

Inception Date

- 1 July 2021

Current Number of Holdings

- 13

Team

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

Momentum Strategy

The key of momentum investing is to know when to enter into a position, how long to hold it for, and when to exit. We can also react to short-term, news-driven spikes or selloffs.

Purpose

To minimise the risk of adverse movements in prices and to work with volatility by finding buying opportunities in short-term uptrends and then sell when the securities start to lose momentum.

Characteristics

- Define success in absolute terms
- Active adjustment on correlation to market movements
- Volatility is key
- Performance depends on generation of alpha
- Versatile investment options to optimize the performance

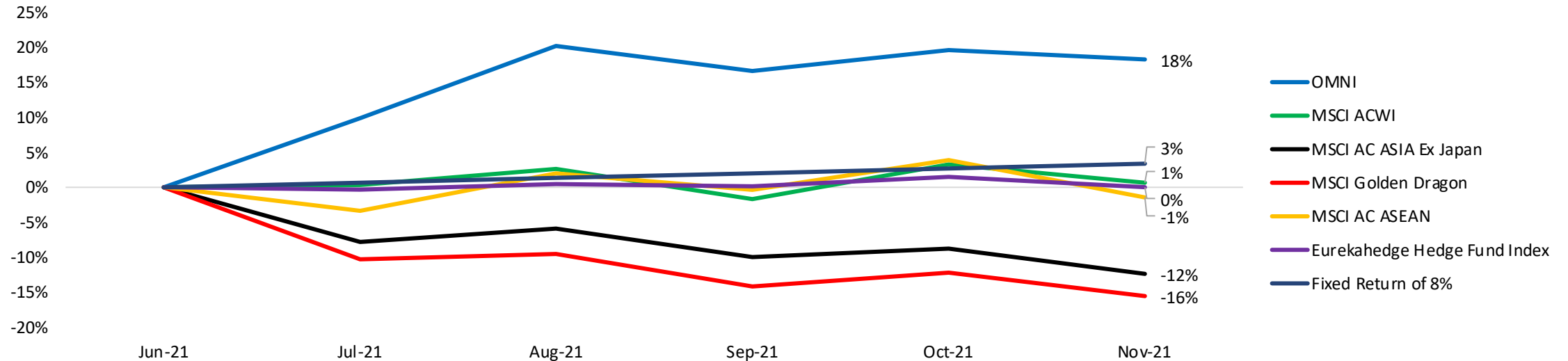
Features

- Directional
- Arbitrage
- Long / Short
- Event Driven

Omni Momentum Portfolio



Performance of Omni's Model Portfolio (Momentum Strategy)



	1 Month	3 Months	Since Inception
OMNI Momentum	-1%	-2%	18%
MSCI ACWI	-3%	-2%	1%
MSCI AC ASIA Ex Japan	-4%	-7%	-12%
MSCI Golden Dragon	-4%	-7%	-16%
MSCI AC ASEAN	-5%	-3%	-1%
Eureka Hedge Hedge Fund Index	-1%	0%	0%
Fixed Return of 8%	1%	3%	3%

Asset Class Breakdown	
Equity	18%
Digital Asset	0%
Commodity	77%
Currency	-
Cash	6%

Financials Type	
ETF	18%
Future	77%
Option	-
Other	-
Cash	6%

Note: Information as of 30 November 2021

Investment Review and Outlook



- As of 26 November 2021, the World Health Organization (WHO) has designated a new coronavirus strain detected in South Africa as a “variant of concern” at around 12a.m. CET or 7a.m. Beijing time, prompting countries around the world to impose travel restrictions amid fears over its potential spread. However, public health experts have urged caution, noting that there is as yet no firm evidence that Omicron is more dangerous than previous variants like Delta.
- As of March 2021, Federal Reserve Chair Jerome Powell suggested that inflation will pick up in the following months but that it would likely prove temporary and not enough for the Fed to alter its record-low interest rate policies. As of September 2021, the Fed said in December it would not start withdrawing that bond-buying support for the economy until it sees “substantial further progress” towards its maximum employment and inflation goals, which noted that “inflation is elevated, largely reflecting transitory factors”. As of 4 November 2021, the Fed announced it will reduce its USD 120 billion in monthly bond purchases by USD 15 billion per month. It plans to end the program, buying nothing, by June 2022. President Joe Biden announced on 22 November 2021 that he is renominating Jerome Powell for a second term as Federal Reserve chair and as of 30 November 2021 after renomination, Powell acknowledged that he now expects high inflation to continue into the middle of 2022, stating that the government should no longer push what had been a recurring slogan of it being “transitory.” Moreover, Powell made clear that Fed officials will discuss paring those purchases “more quickly” when it next meets in mid-December 2021. Doing so would put the Fed on a path to begin raising its key short-term rate as early as the first half of next year, amid slow economic growth.

Investment Review and Outlook

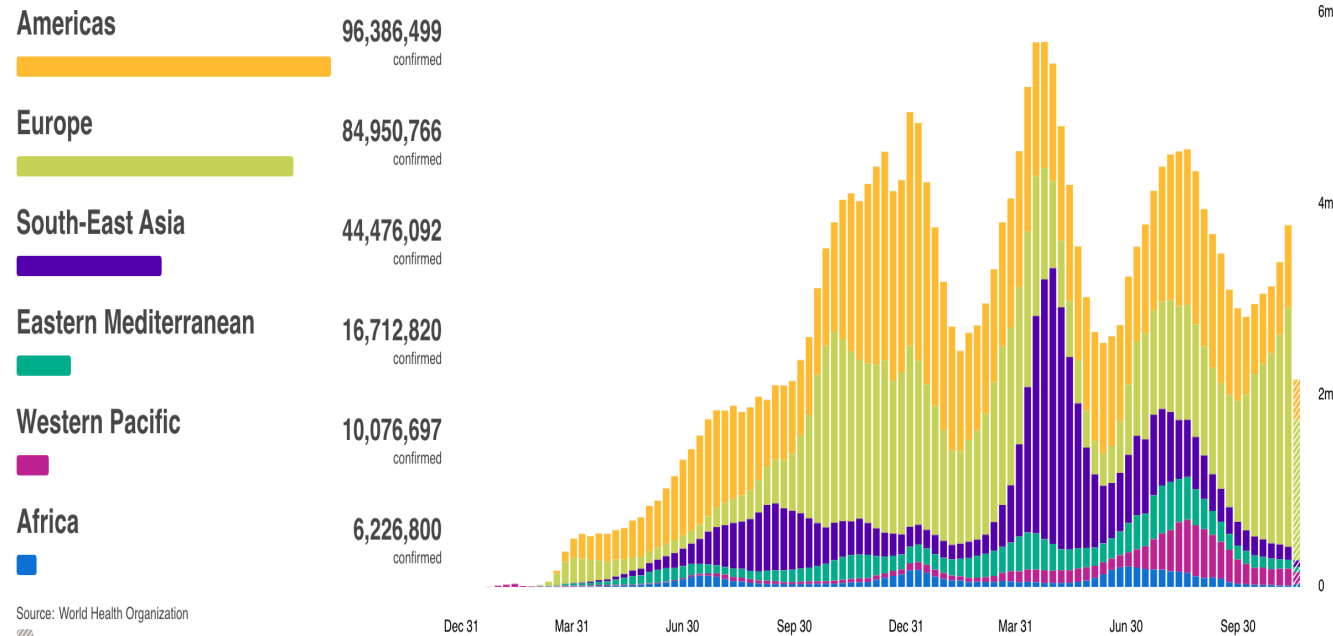


- China's central bank signalled easing measures to aid the economy's recovery after a sharp downturn in recent months fuelled by property slump and regulatory crackdown. In its latest quarterly monetary policy report published on 19 November, the People's Bank of China removed from its policy outlook a few key phrases cited in previous reports, including sticking with "normal monetary policy." That suggests a shift in stance toward more supportive measures. Hence, it is believed that Beijing will step up its monetary easing and fiscal stimulus significantly to counteract the increasing downward pressure.
- The PBOC said the normalization of monetary policy in overseas countries, including the US, will have limited impact on China, partly because of its cross-cyclical policies and increasing flexibility in the exchange rate. The central bank will continue to base its policy on domestic conditions and strengthen its autonomy, it said. Overall, from a macro perspective, China is looking at a new increasing market demand cycle; while US and Europe are looking at a slower market demand cycle after peaking from recovery.
- The supply held on exchanges for ETH has dropped down to 13%. It can be contemplated that the number of ETH moving into smart contracts, DeFi protocols, cold wallets, and staking addresses, improves its market stability and decreases selling pressure. Technically, that makes complete sense since a lesser liquid market supply would mean demand will organically increase. Nevertheless, it doesn't really eliminate bearish concerns in the short, mid or long term as ETH supply held by the top 1% addresses is close to 96%.

COVI Cases Break Records In Europe



Situation by WHO Region



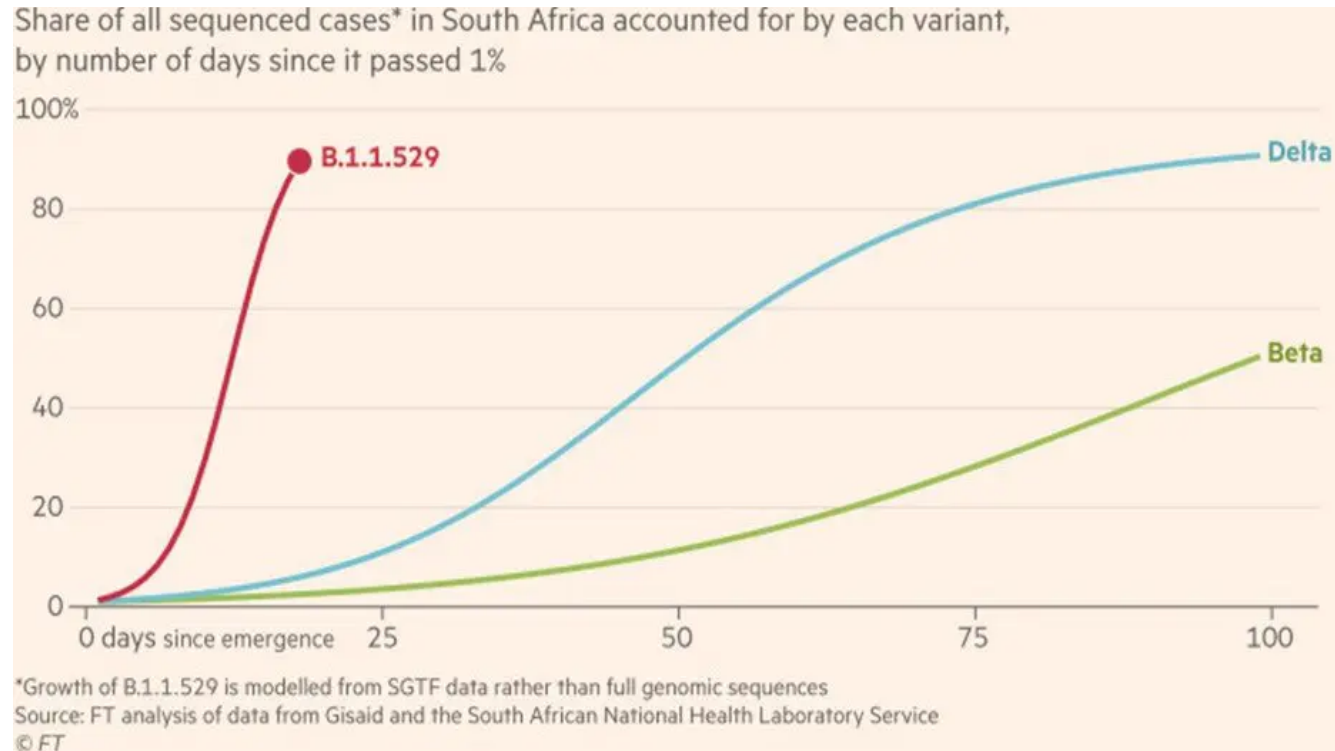
Source: World Health Organization
 Data may be incomplete for the current day or week.

According to WHO, globally, as of 26 November 2021, there have been 259,502,031 confirmed cases of COVID-19, including 5,183,003 deaths, reported to WHO. Also, a total of 7,702,859,718 vaccine doses have been administered.

As shown in the Figure on the left, clearly, there is an increasing cases in Europe since the beginning of mid-October 2021.

Note: Information as of 29 November 2021

New Variant Is Spreading Rapidly In South Africa

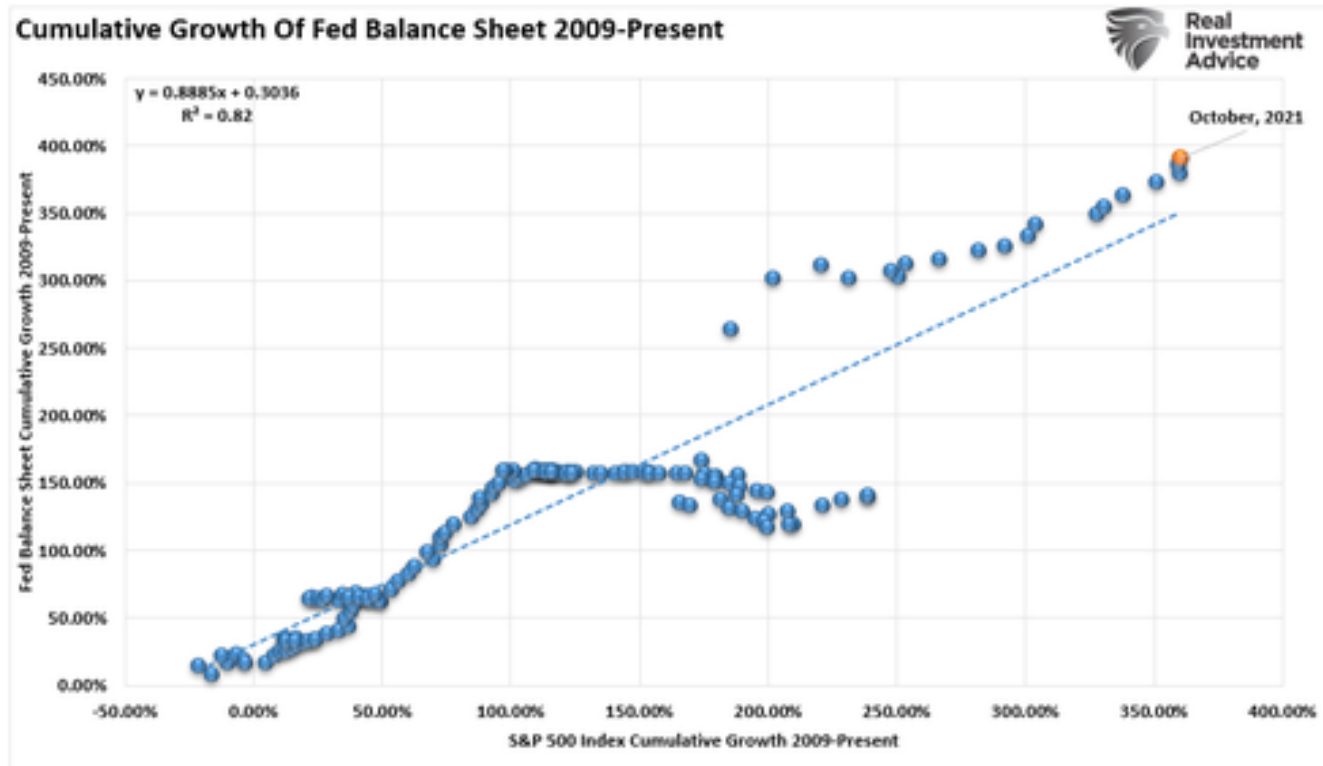


Some key facts:

- Omicron has a deletion within the s-gene. That said, it can be easily distinguished from other variants with conventional PCR tests.
- Omicron has out-competed delta variant very quickly in South Africa, quickly rising to 90% of all sequenced cases in South Africa.
- Omicron has already been detected in many countries and the countries are starting to tighten the border restrictions.
- Doctor who first sounded the alarm about the new strain and who is a Covid-19 adviser to the South Africa government said that symptoms linked to the omicron coronavirus variant have been mild so far. Also, the large number of mutations found in the omicron variant appears to destabilize the virus, which might make it less “fit” than the dominant delta strain.

Note: Information as of 28 November 2021

Key Focus Is The Change In Fed Actions

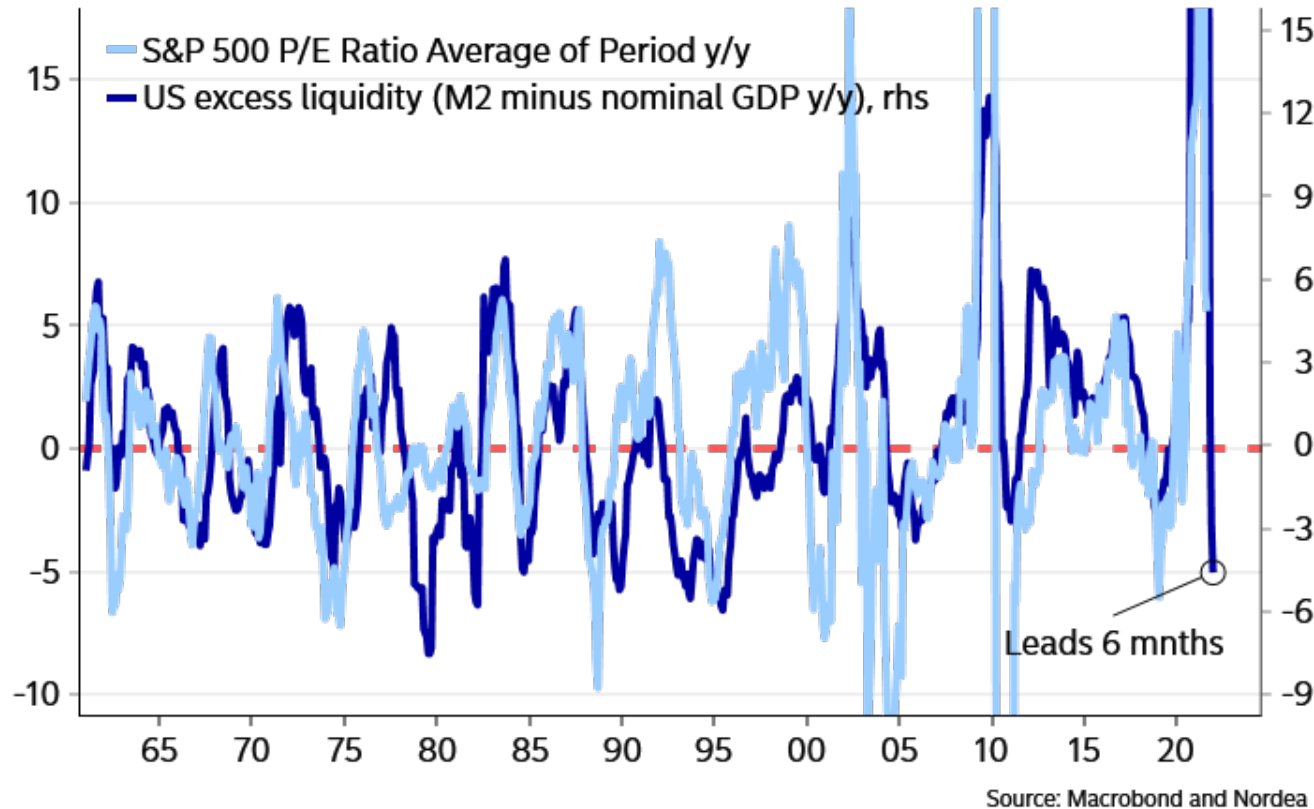


The high correlation between the financial markets and the Federal Reserve interventions is all you need to know to navigate the market.

As noted, the Fed will start to withdraw its USD 120 Billion a month quantitative support for the US economy starting December. Given the challenge of controlling US inflation, which, at 6.2% in October, is at its highest in more than three decades. Thus, the tapering of asset purchases, which are scheduled to end by next June 2022, may have to happen more rapidly.

Note: Information as of 21 November 2021

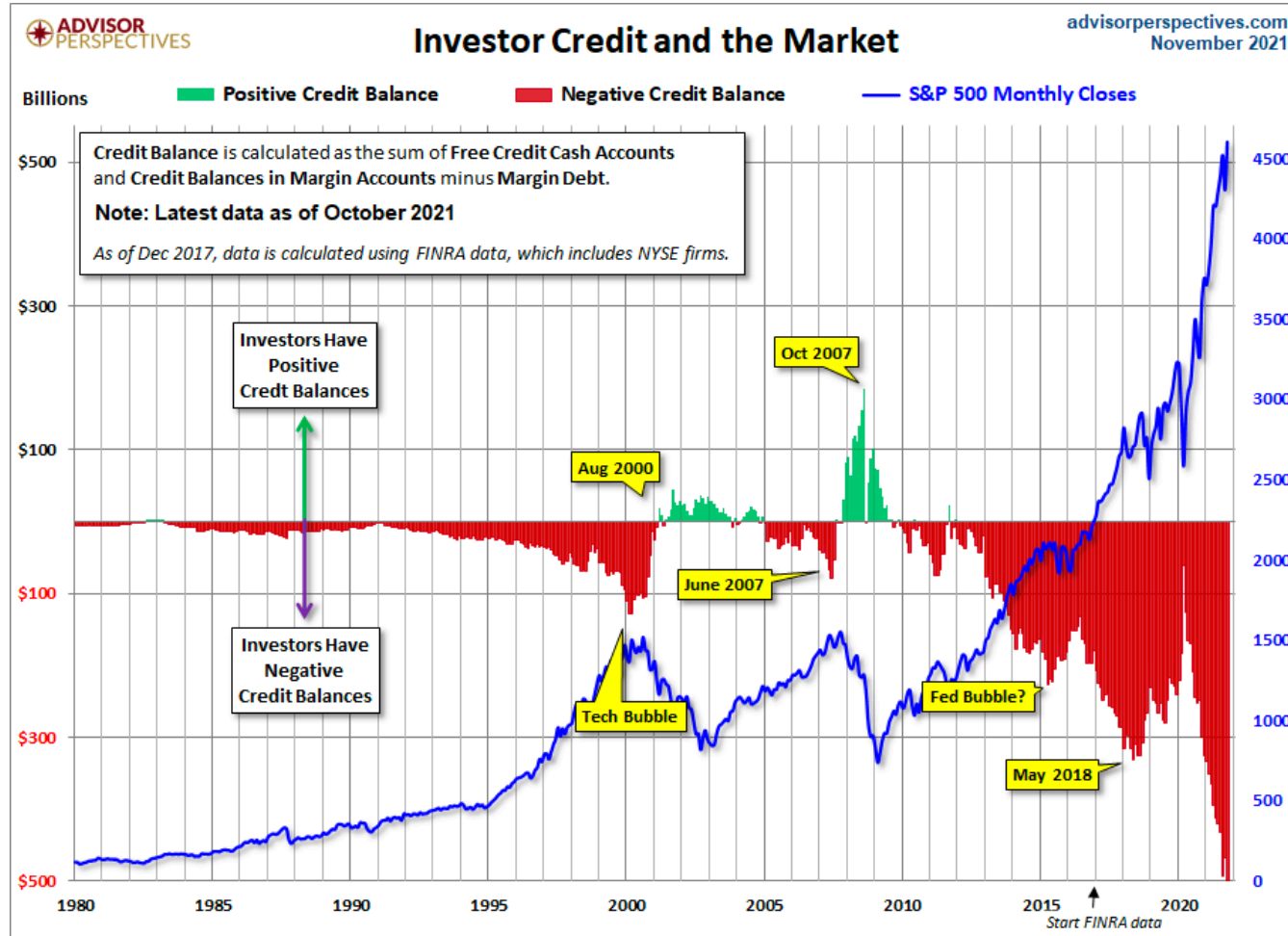
Falling Excess Liquidity Spells P/E Contraction



Again, central banks are no longer printing money as furiously as before. At the same time the real economy has gotten better and is taking up a larger part of the available liquidity. This means that “excess” liquidity has started to shrink on the margin leaving less money to drive asset valuations. In equity market terms, periods like these have meant P/E contractions. And during P/E contractions, volatility tends to be higher.

Note: Information as of 1 October 2021

Investors Push Towards Risk Bets

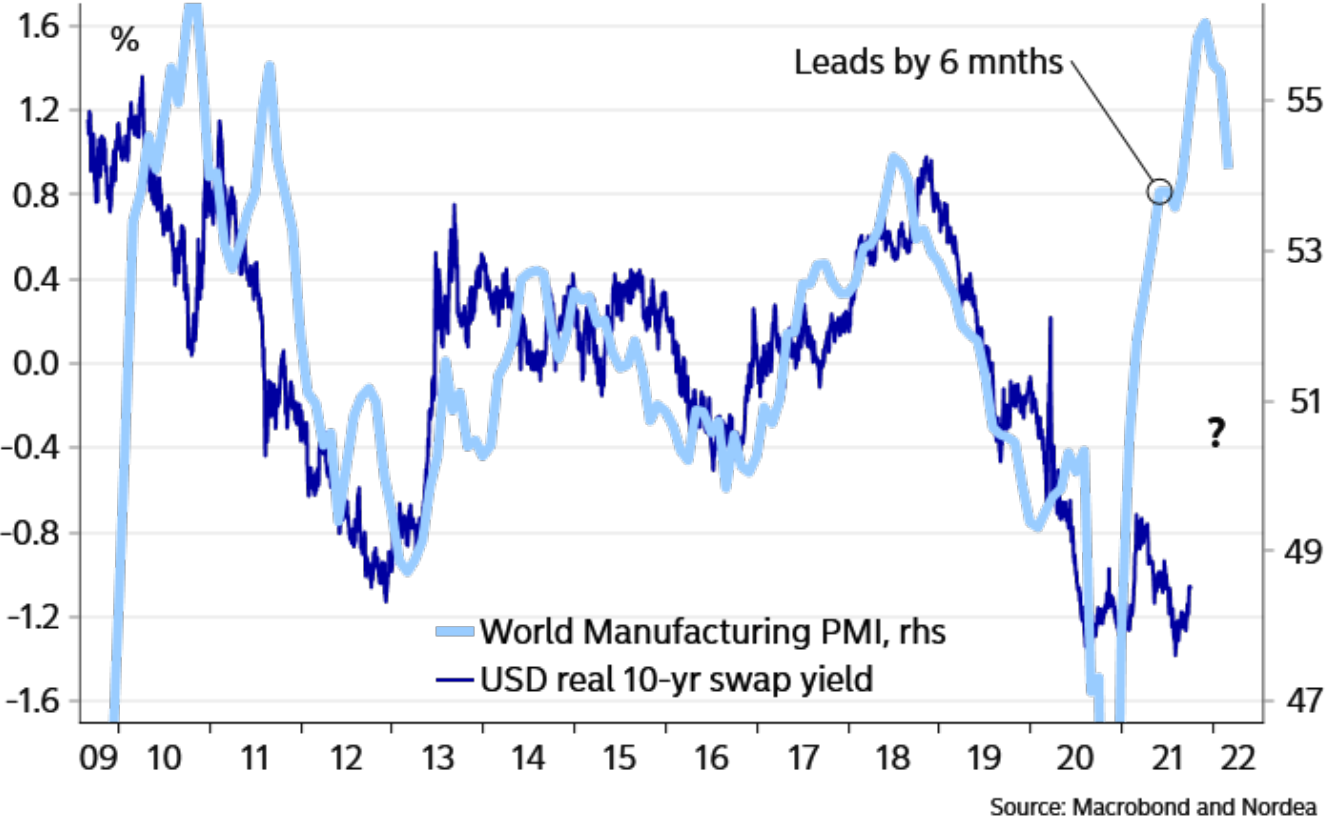


During very late-stage bull markets, the speculative frenzy of investors to chase returns is not uncommon. At the peak of every bull market cycle in history, we witnessed the same. Furthermore, in recent decades, we can measure such exuberance by the magnitude of “leverage” individuals take on to chase markets. Eventually, markets will decline when leverage reverses.

Note: Information as of 21 November 2021



Real Rates Remain Too Low

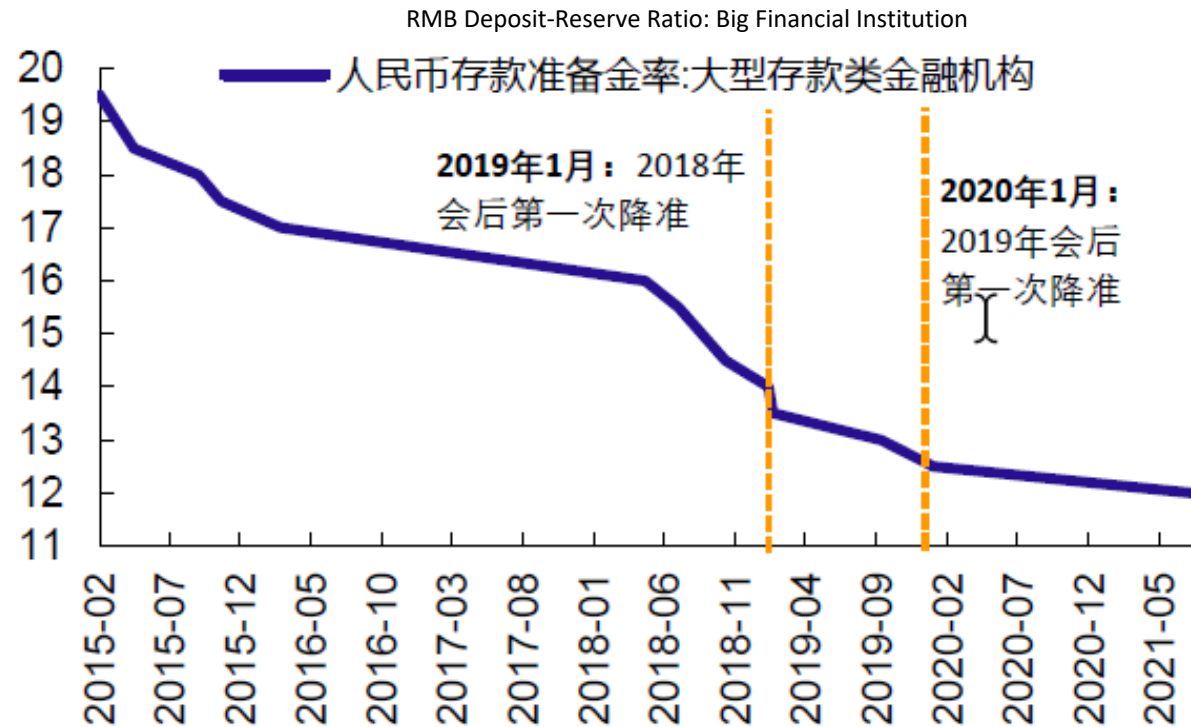


Real rates are way too low compared with where we are in the business cycle, even in a slowdown scenario. It is believed that inflation indicators will be more persistent in the coming year than the Fed assumes. At some point we should thus see the Fed pushing real rates up to stave off those inflation tendencies.

It is convinced that the Fed for inflation reasons will be forced to turn more hawkish and hike rates in the second half of 2022, looking at June 2022 and October 2022.

Note: Information as of 1 October 2021

China's Action Near Chinese New Year



资料来源: Wind, 安信证券研究中心

As shown in the Figure on the left, China government tends to decrease the deposit reserve ratio within the first 2 months of a year.

Each proposed “Credit Loosening” discussions are meant for different purposes:

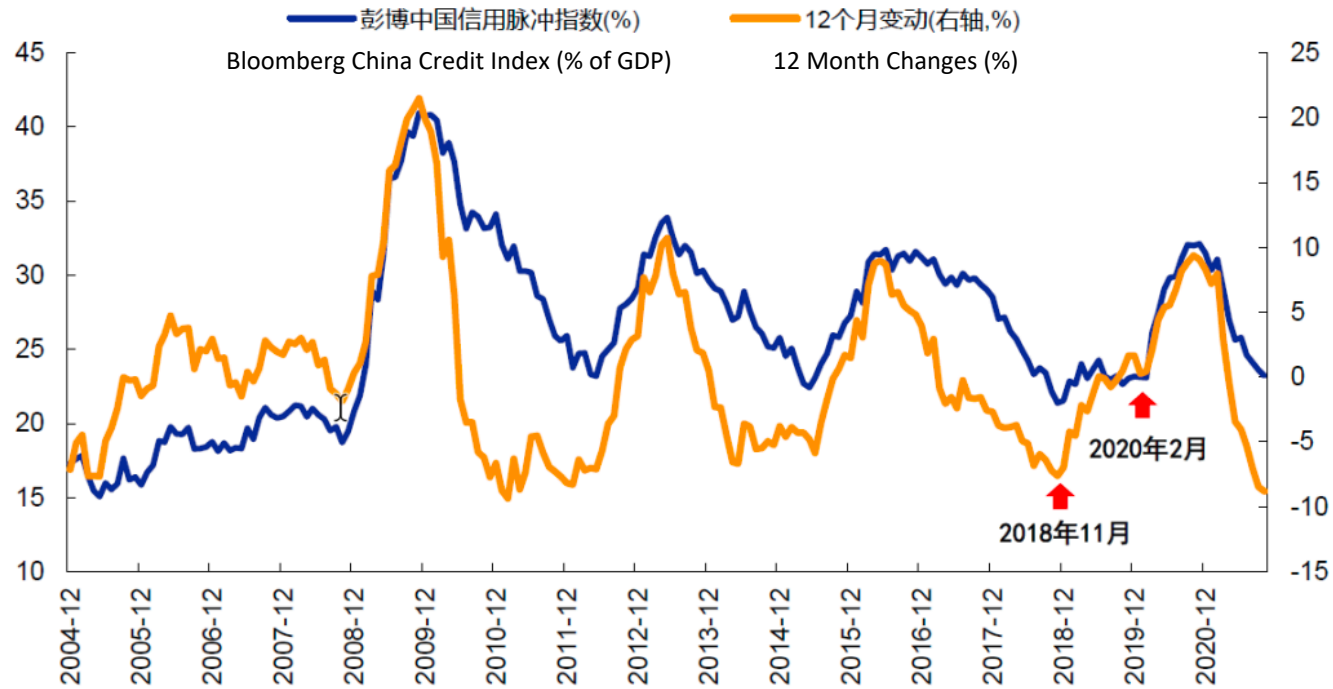
2018 - To increase financial support for private and small and micro enterprises.

2019 - The scope is relatively broad, expanding to support the real economy.

2021 - The meeting emphasized to support for the real economy, especially small, medium and micro enterprises, as well as the two current national key development directions of technological innovation and green development.

Note: Information as of 22 November 2021

Potential Turning Point On China Credit Impulse



资料来源: Bloomberg, 安信证券研究中心

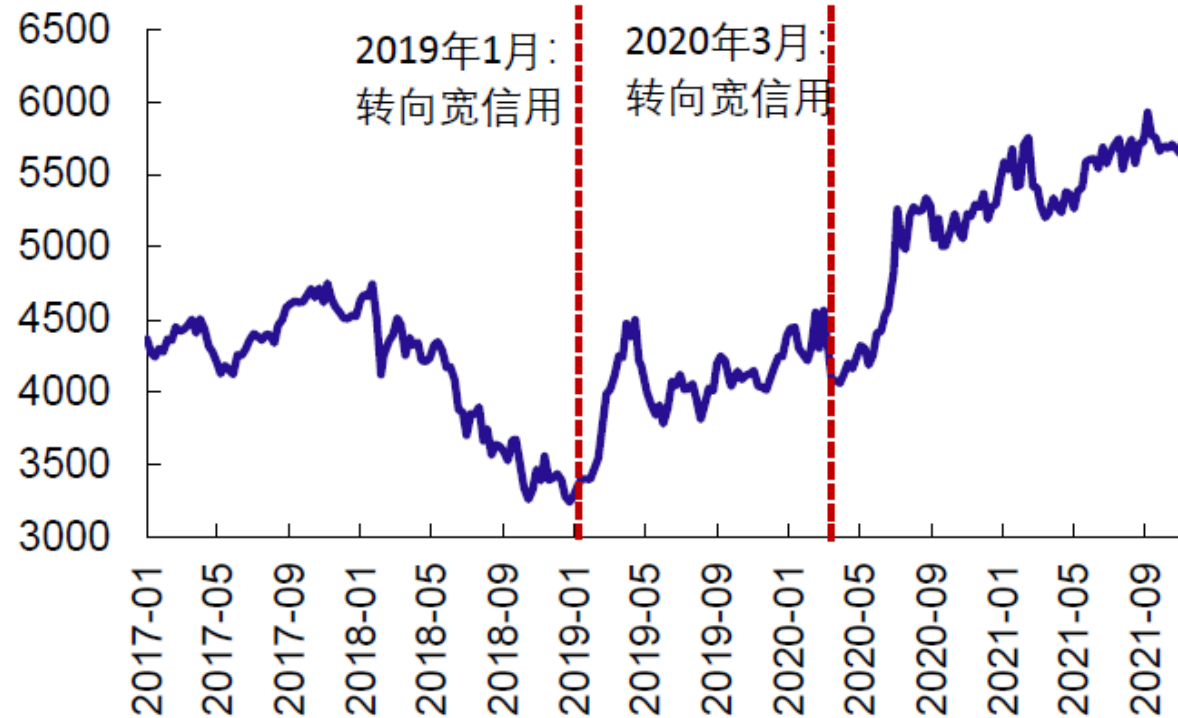
China's credit impulse is currently at a low level and 12 month changes is contracting at its most aggressive pace since April 2011.

Historically, previous "credit loosening" cycles were introduced in January 2019 and March 2020, which both happened to be near the lows for credit impulse 12 month changes.

Hence, this indicates a potential new credit impulse up cycle.

Note: Information as of 22 November 2021

Performance on China A-Share After Credit Loosening



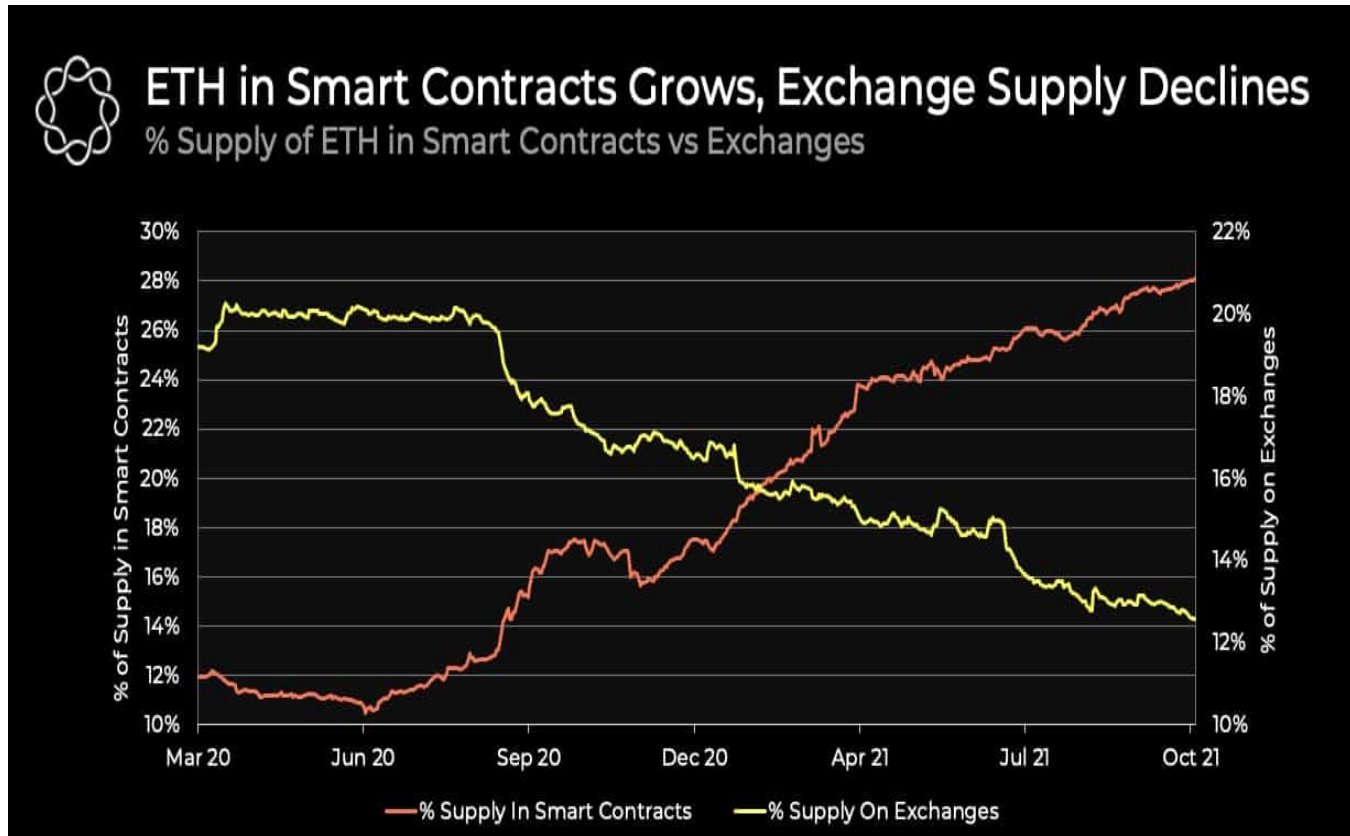
Obviously, there is an increasing in China A-Share market, after the introduction of “credit loosening”.

According to Essence Securities, sectors such as finance and consumption tend to perform relatively well in the short-term. While for the medium-term, the sectors with potential are represented by those company with strong growth such as electronics industry.

资料来源: Wind, 安信证券研究中心

Note: Information as of 22 November 2021

ETH's Structural Megatrend



There is a structural shift in which more digital assets are shifting from centralized custodians & service providers to decentralized counterparts. The biggest tailwind that's driving this phenomenon is hot money searching for higher yields on Ethereum. Many DeFi users also bridge ETH onto other chains for the same reason. As DeFi and multichain activity continues to take off, this trend is expected to continue.

Note: Information as of 2 November 2021

ETH Supply Held By The Top 1% Addresses Is Close to 96%



Ethereum: Percent of Supply Held by Top 1% Addresses



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glassnode

According to Glassnode, the percentage of ETH supply held by the top 1% addresses is close to 96%. It hasn't gone down under 95% since February 2018 and indicates that a few thousand addresses hold a significant amount of Ether. Now, it is important to note that these addresses may belong to multiple individuals, entities, or funds.

The fact that some of the addresses can fuel a price shift may be true. A group of investors might be sitting on tremendous profits, and a collective decision to take returns can still move the market.

Note: Information as of 14 November 2021

Contact Info



For further enquires, please contact:

Omni Capital Partners

V02-03-03, Lingkaran SV,
Sunway Velocity,
55109 Kuala Lumpur, Malaysia.

Website: www.ocpi.io

Email: info@ocpi.io

Mobile No: Scott: +6012 210 9119 / Derrick: +6011 1669 4250



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