



Investment Newsletter

March 2022

“ **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.

”

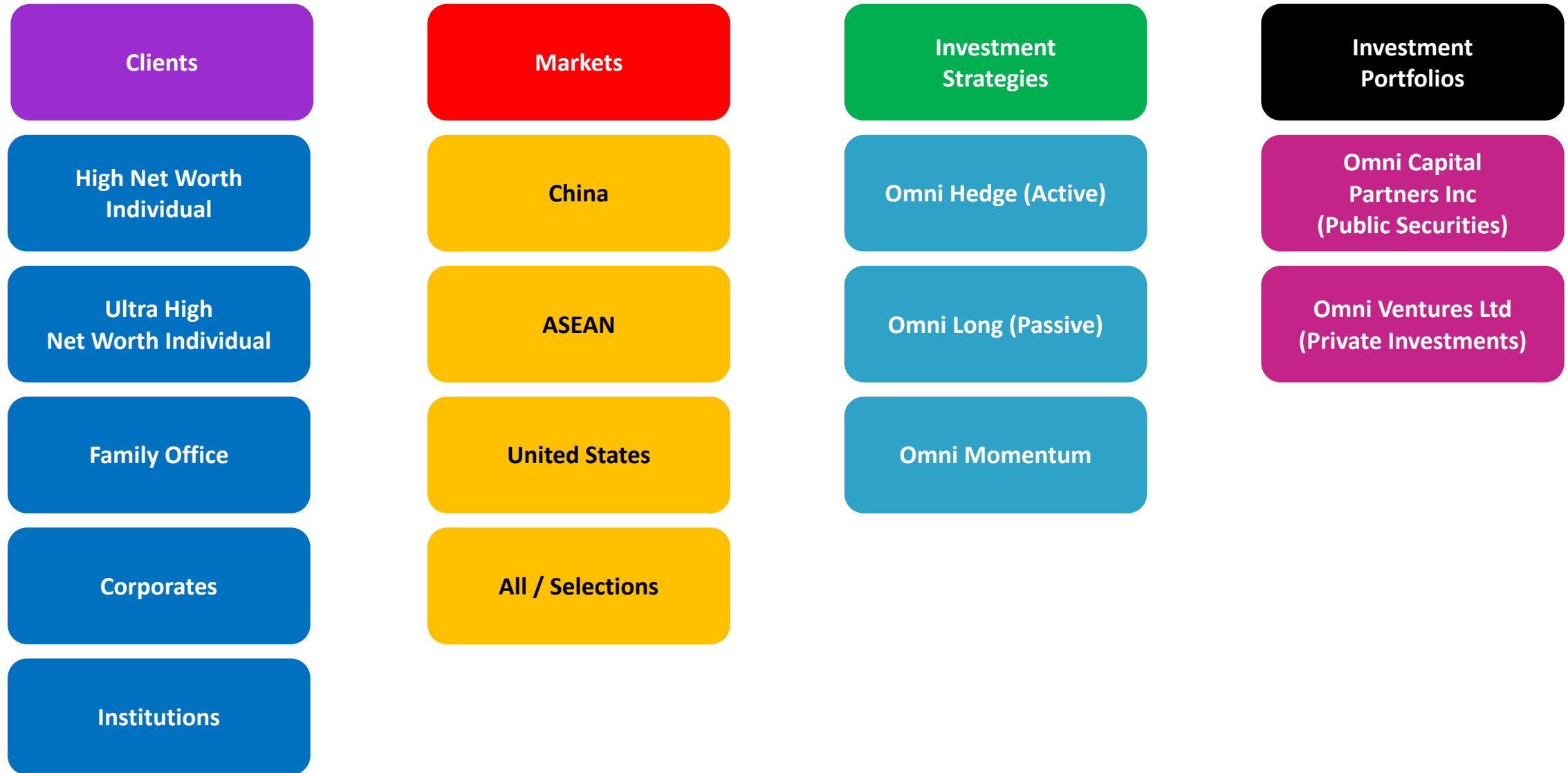
Experienced with
Impressive Track
Records

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

- 20

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
Capital Markets	13%
Pharmaceuticals	10%
Electronic Equipment, Instruments & Components	8%
Commercial Services & Supplies	8%
Internet & Direct Marketing Retail	7%
Chemicals	6%
Semiconductors & Semiconductor Equipment	6%
Technology Hardware, Storage & Peripherals	5%
Healthcare Equipment & Supplies	5%
Interactive Media & Services	4%
Life Sciences Tools & Services	4%
Metals & Mining	4%
IT Services	4%
Food Products	3%
Household Durables	3%
Media	3%
Insurance	3%
Machinery	3%
Cash	0%

Note: Information as of 28 February 2022

	Sector Breakdown
Information Technology	23%
Healthcare	19%
Materials	14%
Financials	13%
Industrials	11%
Consumer Discretionary	10%
Communication Services	7%
Consumer Staples	3%
Cash	0%

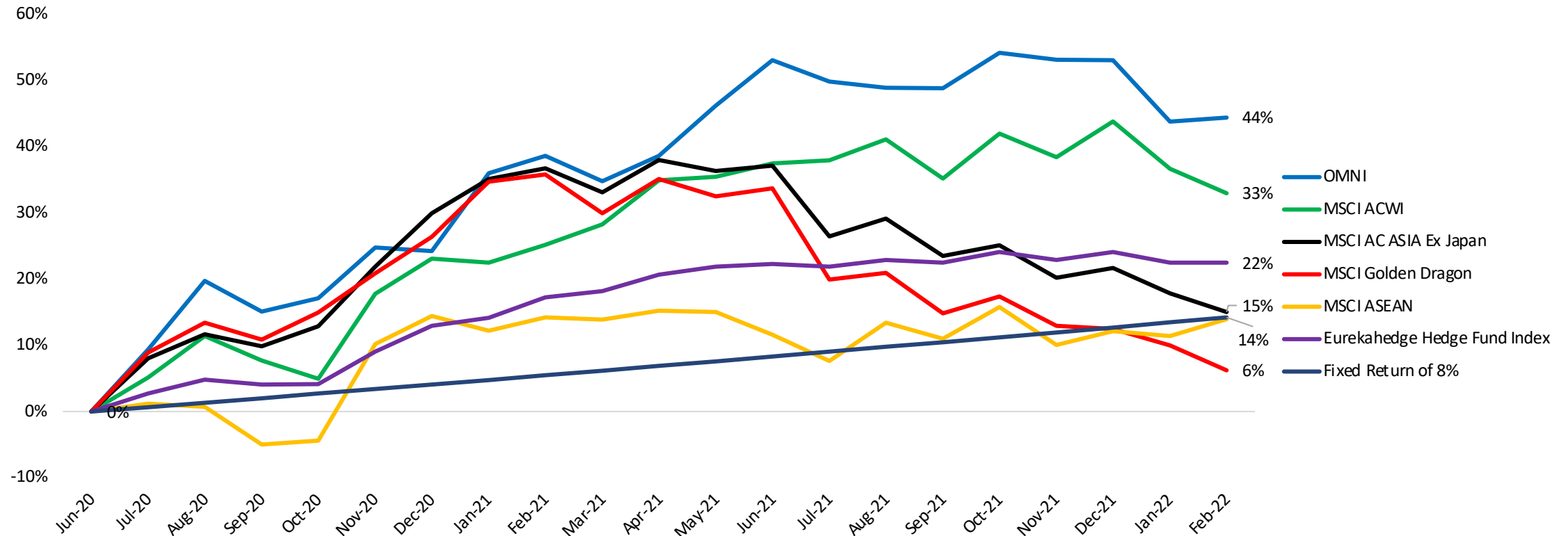
	Market Breakdown
China	62%
ASEAN	13%
United States	12%
Other	13%
Cash	0%

	Market Capitalization
Mega (USD 100 Billion +)	20%
Large (USD 10 to USD 100 Billion)	35%
Medium (USD 2 to USD 10 Billion)	31%
Small (USD 0.3 to USD 2 Billion)	-
Micro (USD 50 to USD 300 Million)	13%
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 ASEAN captures large and mid cap representation across 4 Emerging Markets countries, 1 Developed Market country and 1 Frontier Market country.

The Eureka Hedge Hedge Fund Index is Eureka Hedge'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	0%	-6%	-3%	-6%	44%
MSCI ACWI	-3%	-4%	-6%	-8%	33%
MSCI AC ASIA Ex Japan	-2%	-4%	-11%	-5%	15%
MSCI Golden Dragon	-3%	-6%	-12%	-6%	6%
MSCI ASEAN	2%	4%	1%	2%	14%
Eurekahedge Hedge Fund Index	0%	0%	0%	-1%	22%
Fixed Return of 8%	1%	2%	4%	1%	14%

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

- 22

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%
Technology Hardware, Storage & Peripherals	12%
IT Services	9%
Life Sciences Tools & Services	9%
Food Products	6%
Biotechnology	6%
Internet & Direct Marketing Retail	6%
Semiconductors & Semiconductor Equipment	5%
Healthcare Equipment & Supplies	5%
Metals & Mining	4%
Commercial Services & Supplies	4%
Electronic Equipment, Instruments & Components	4%
Chemicals	3%
Machinery	3%
Household Durables	3%
Banks	3%
Real Estate Management & Development	3%
Media	2%
Cash	0%

Note: Information as of 28 February 2022

Sector Breakdown	
Information Technology	30%
Healthcare	20%
Communication Services	14%
Consumer Discretionary	9%
Materials	8%
Industrials	7%
Consumer Staples	6%
Financials	3%
Real Estate	3%
Cash	0%

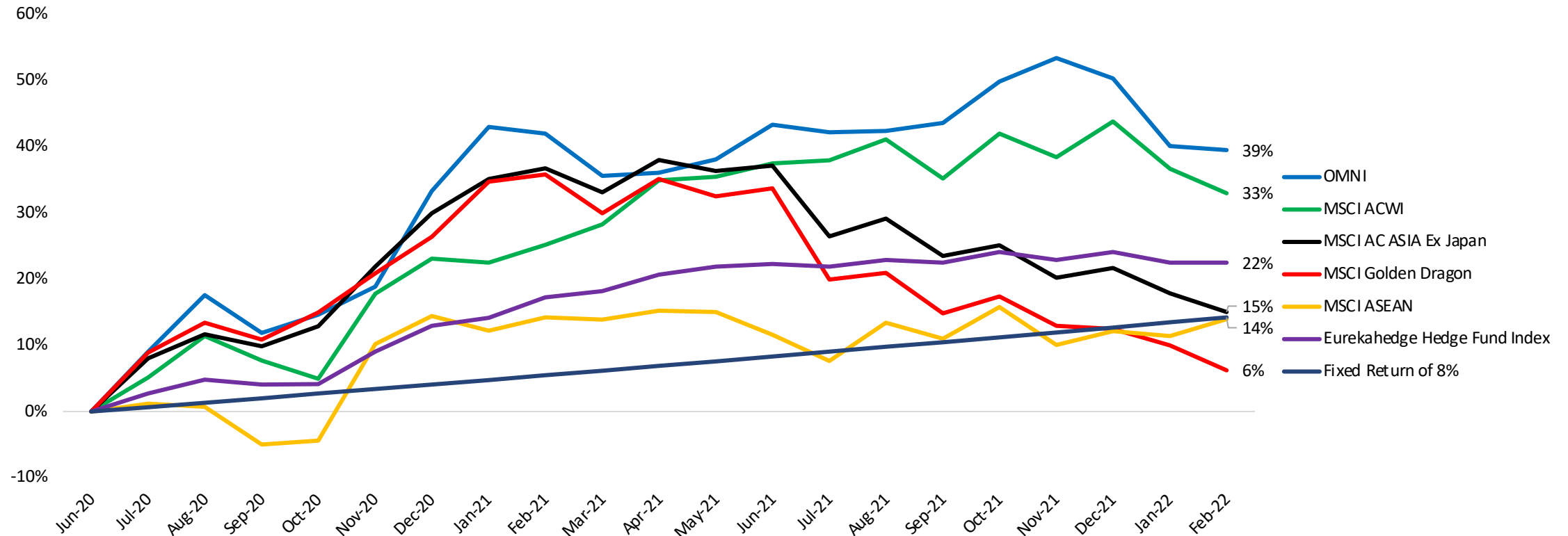
Market Breakdown	
China	70%
ASEAN	12%
United States	18%
Other	-
Cash	0%

Market Capitalization	
Mega (USD 100 Billion +)	17%
Large (USD 10 to USD 100 Billion)	24%
Medium (USD 2 to USD 10 Billion)	38%
Small (USD 0.3 to USD 2 Billion)	11%
Micro (USD 50 to USD 300 Million)	9%
Cash	0%

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 Hedge	0%	-9%	-2%	-7%	39%
MSCI ACWI	-3%	-4%	-6%	-8%	33%
MSCI AC ASIA Ex Japan	-2%	-4%	-11%	-5%	15%
MSCI Golden Dragon	-3%	-6%	-12%	-6%	6%
MSCI ASEAN	2%	4%	1%	2%	14%
Eurekahedge Hedge Fund Index	0%	0%	0%	-1%	22%
Fixed Return of 8%	1%	2%	4%	1%	14%

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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

- 17

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

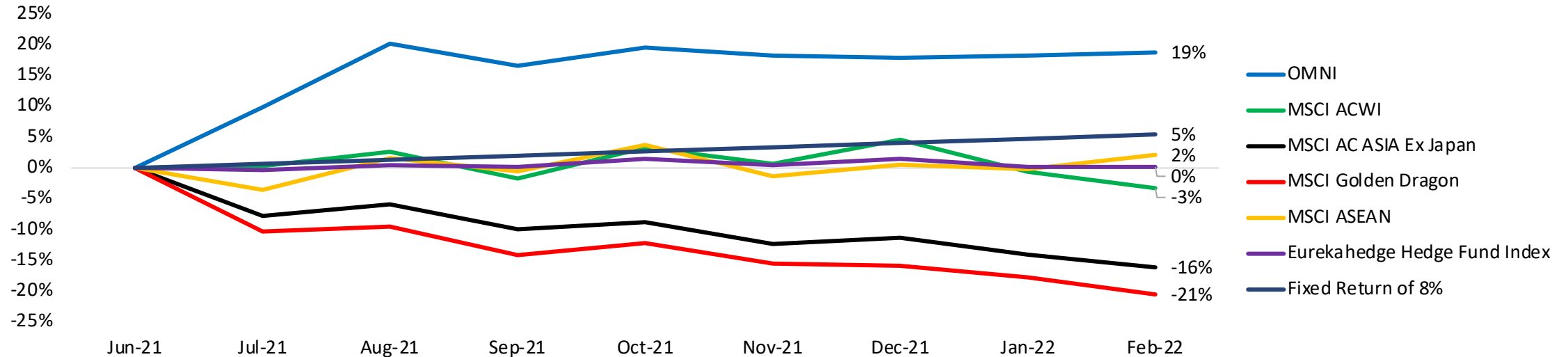
Features

- Directional
- Arbitrage
- Long / Short
- Event Driven

Omni Momentum Portfolio



Performance of Omni's Model Portfolio (Momentum Strategy)



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Momentum	0%	0%	-1%	1%	19%
MSCI ACWI	-3%	-4%	-6%	-8%	-3%
MSCI AC ASIA Ex Japan	-2%	-4%	-11%	-5%	-16%
MSCI Golden Dragon	-3%	-6%	-12%	-6%	-21%
MSCI ASEAN	2%	4%	1%	2%	2%
Eureka Hedge Fund Index	0%	0%	0%	-1%	0%
Fixed Return of 8%	1%	2%	4%	1%	5%

Asset Class Breakdown	
Equity	40%
Digital Asset	-
Commodity	52%
Currency	-
Cash	8%

Financials Type	
ETF	9%
Future	60%
Option	-
Share	23%
Other	-
Cash	8%

Note: Information as of 28 February 2022

Investment Review and Outlook



- As of 3 March 2022, WHO's leader insisted that the pandemic is far from over, as the virus continues to evolve, and the world continue to face major obstacles in distributing vaccines, tests and treatments everywhere that are needed. Despite there is a decline in the global cases, it is warned that the case rate was certainly an underestimate due to the dramatic drop-off in testing. On jabs, the WHO's latest figures show 23 countries are yet to fully immunise 10% of their populations, while 73 countries are yet to achieve the 40% coverage target set for the start of 2022.
- The war in Ukraine will exacerbate the negative supply shocks that are already in place due to COVID-19. Worsening bottlenecks will combine with rising inflation to produce a contraction in global growth. Russia produces 12% of the world's oil supply and exports 18% of the world's wheat consumption. Ukraine accounts for 25% of global wheat production. Sanctions and war will serve to slow the economy further and send prices for these vital commodities even higher.
- The swoon in US GDP will occur after the Fed has just finished printing USD 4.5 trillion over the past two years and with the national debt vaulting over USD 30 trillion due to the massive increase in government deficits in the wake of the COVID-19 pandemic. Such borrowing helped send the government's debt to GDP ratio soaring to 125%. For perspective, that ratio was just 53% back in 1960 (Fed Fund Rate of 4.0%), and only 58% as recently as 2000 (Fed Fund Rate of 6.9%).

Investment Review and Outlook



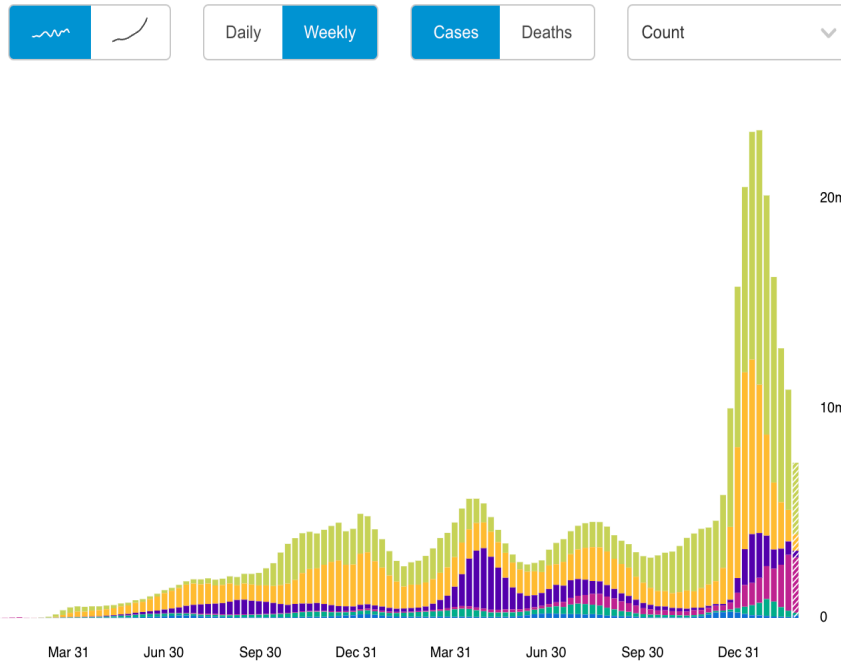
- Fed Chair Jerome Powell is in a conundrum and from which there is no innocuous outcome. If the Fed gets overly concerned about slowing GDP due to the conflict in Ukraine, it could, for the most part, shelve its plans to raise rates. But that would risk propelling inflation even further away from Powell's stated 2% target, which now has exceeded by 3.95 times.
- Worst case scenario is to continue to keep the monetary policy loose and risk an intractable rise of inflation which would shrink the country's GDP with the complete loss of confidence and credibility of the central bank. Or best case scenario is to tighten the monetary policy enough to deflate the massive bubbles in bonds, real estate, and equities. Either strategy is now destined to end in disaster for the market and economy, which is a recession or morph into a depression.
- China is targeting slower economic growth of around 5.5% this year as a property downturn and lacklustre consumption cloud the outlook for the economy. To spur growth, the central bank has cut interest rates and banks' reserve requirement ratio, with more easing steps expected. Overall, China has pledged to keep money supply and total social financing growth basically in line with nominal economic growth this year.
- Furthermore, the current level of pessimism priced into emerging markets has driven valuations to levels that provide more than adequate compensation for these risks.

Decline in Coronavirus Cases Worldwide



Situation by WHO Region

Europe	181,275,264 confirmed
Americas	147,655,931 confirmed
South-East Asia	56,001,277 confirmed
Western Pacific	26,179,245 confirmed
Eastern Mediterranean	21,252,125 confirmed
Africa	8,443,150 confirmed



According to WHO, globally, as of 4 March 2022, there have been 440,807,756 confirmed cases of COVID-19, including 5,978,096 deaths, reported to WHO. Also, a total of 10,585,766,316 vaccine doses have been administered.

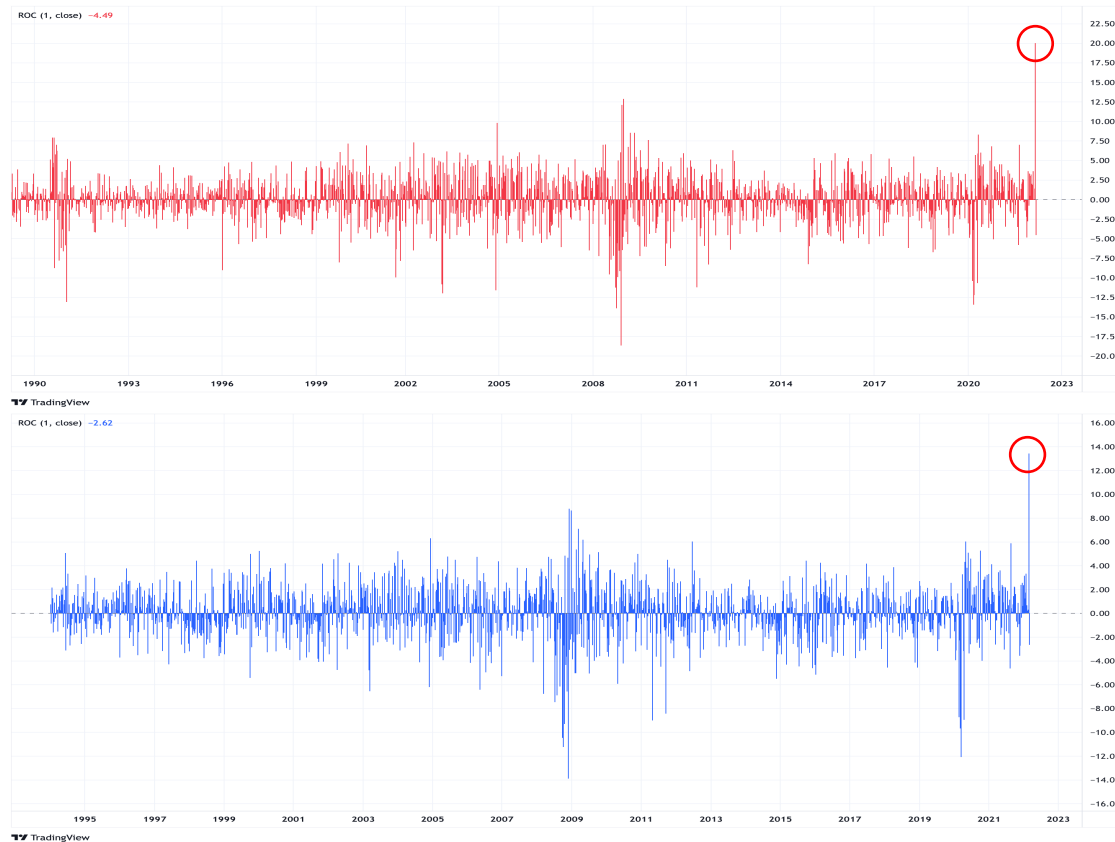
The COVID-19 pandemic has continued its strong decline in the world this week, with contaminations decelerating everywhere except in Asia and Oceania.

The Western Pacific region was the only part of the world in which cases are climbing. The region is home to several of the current hot spots, which include Hong Kong, New Zealand, and South Korea. All are experiencing later Omicron surges.

In other developments, the WHO today warned of worsening health emergencies in Ukraine and released new information on the pandemic's mental health impacts.

Note: Information as of 4 March 2022
 Source: World Health Organization

Markets are More Vulnerable to Systematic Stress

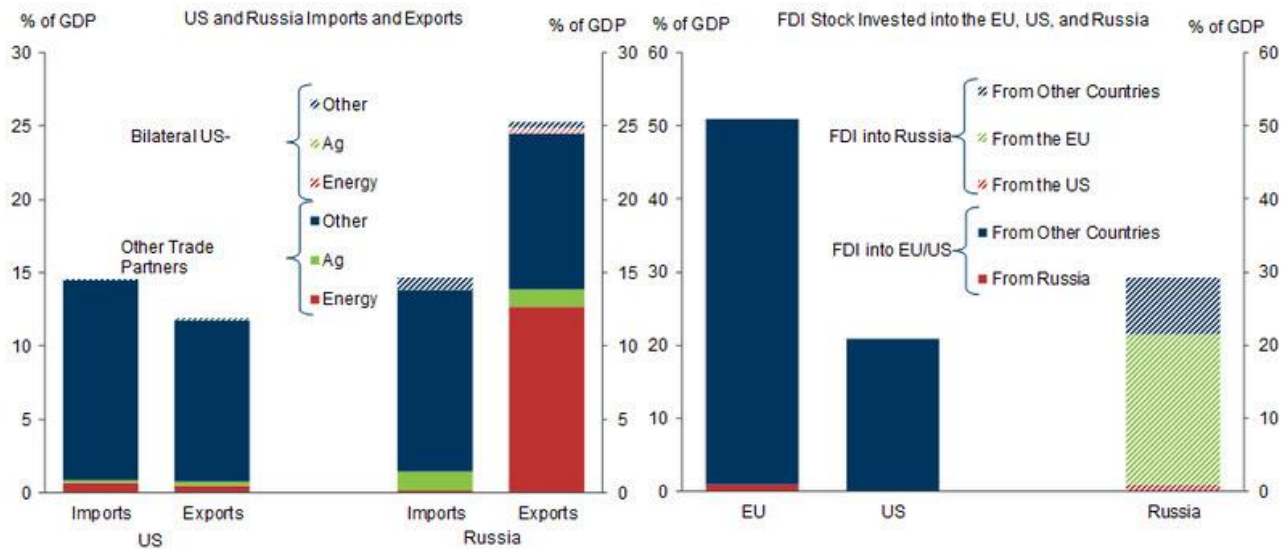


The top left figure and bottom left figure shows the weekly rate of change of Thomson Reuters / CRB index and S&P GSCI commodity index respectively. The combination of runaway inflation, pockets of distress and a short squeeze causing a surge in commodity prices all mean that the markets are now more vulnerable to the prospect of systemic stress on a scale not seen since the global financial crisis.

Note: Information as of 10 March 2022
Source: Tradingview

No True Winners During the War

Minimal US imports from, and FDI into, Russia; exempted goods constitute the majority of Russian exports

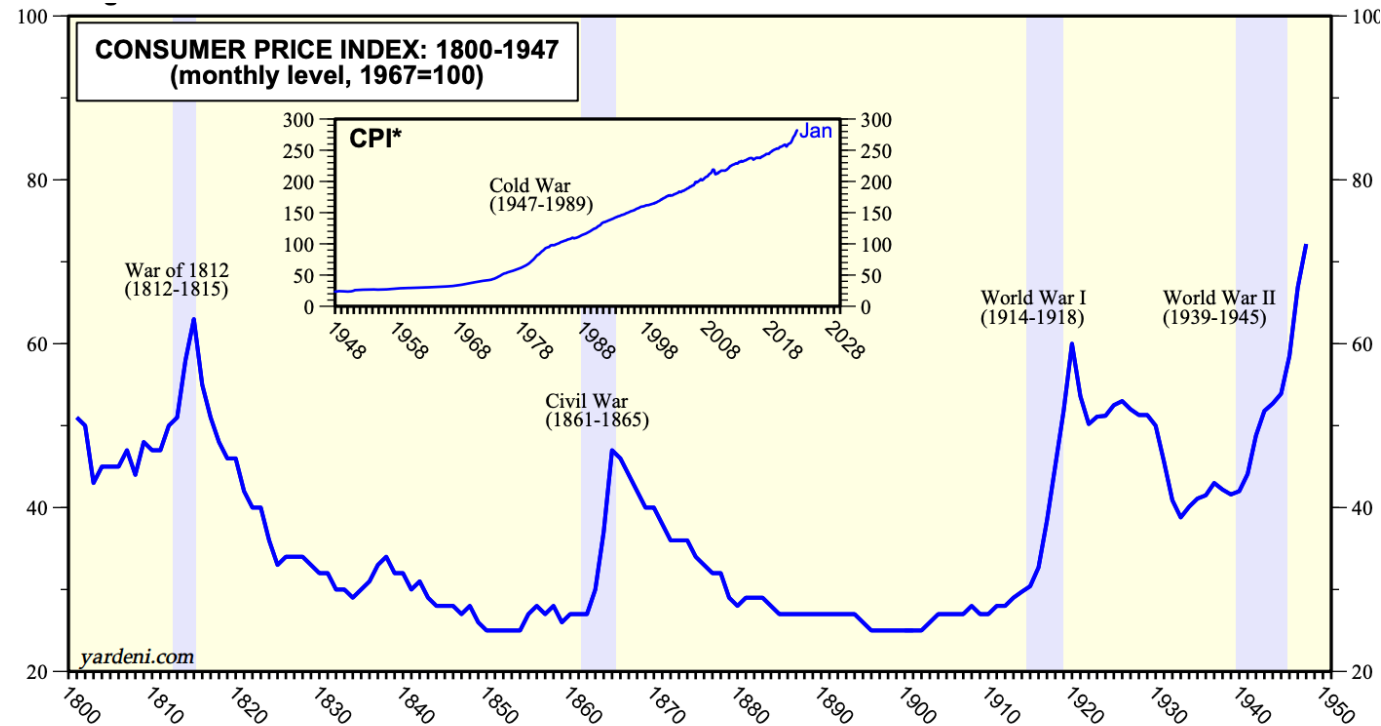


Source: Goldman Sachs Global Investment Research, World Integrated Trade Solution, US Bureau of Economic Analysis (BEA), Office of the United States Trade Representative, The Central Bank of Russian Federation, European Commission

In 1995, the US prohibited US firms from exporting to, importing from, or investing in Iran, with very few exceptions. This followed a ban imposed earlier that year on investment in the Iranian energy sector. In 1997, the ban expanded to also prohibit export of US goods to third countries if those exports were expected to be re-exported to Russia. Neither the EU nor other allies followed the US lead on an across-the-board investment ban on Iran. In theory, if the US deems it necessary to broaden sanctions to cover most of the Russian economy, this could serve as a precedent. Russia-US FDI is quite small, but FDI from the EU into Russia is substantial.

Note: Information as of 8 March 2022
 Source: Goldman Sachs

Wars Have a Long History of Being Inflationary



* 1982-84=100.
Note: Shaded areas are wartimes.
Source: Census Bureau, Historical Statistics of the United States.

Wars have a long history of being inflationary. That can be seen in a chart of the annual level of the CPI in the US from 1800 to 1950. Peacetimes tended to be periods of deflation as globalization meant more competition on a global basis in markets for goods and labour. There hasn't been deflation since the end of WWII because it was followed by the First Cold War. The post-WWII wars in Korea and Vietnam were also associated with rising inflation.

Note: Information as of 18 February 2022
Source: Yardeni Research

Inflation Fueled by Liquidity & “Slowbalization”



The end of the First Cold War in late 1989 set the stage for disinflation from 1990 through 2019. The deflationary impact of China joining the WTO in 2001 was offset by the Fed's easy monetary policies. The "war" against the COVID-19 virus boosted inflation starting in early 2021 as globalization was disrupted by global supply-chain problems. War-like fiscal spending to boost demand also has been inflationary. Apart from the hot war between Russia and Ukraine, there is now tension regarding China are at worst in years.

Note: Shaded areas are recessions according to the National Bureau of Economic Research.
Source: Bureau of Labor Statistics.

Note: Information as of 18 February 2022
Source: Yardeni Research

Fed to Combat Surging Inflationary Pressures



Source: Bureau of Labor Statistics.

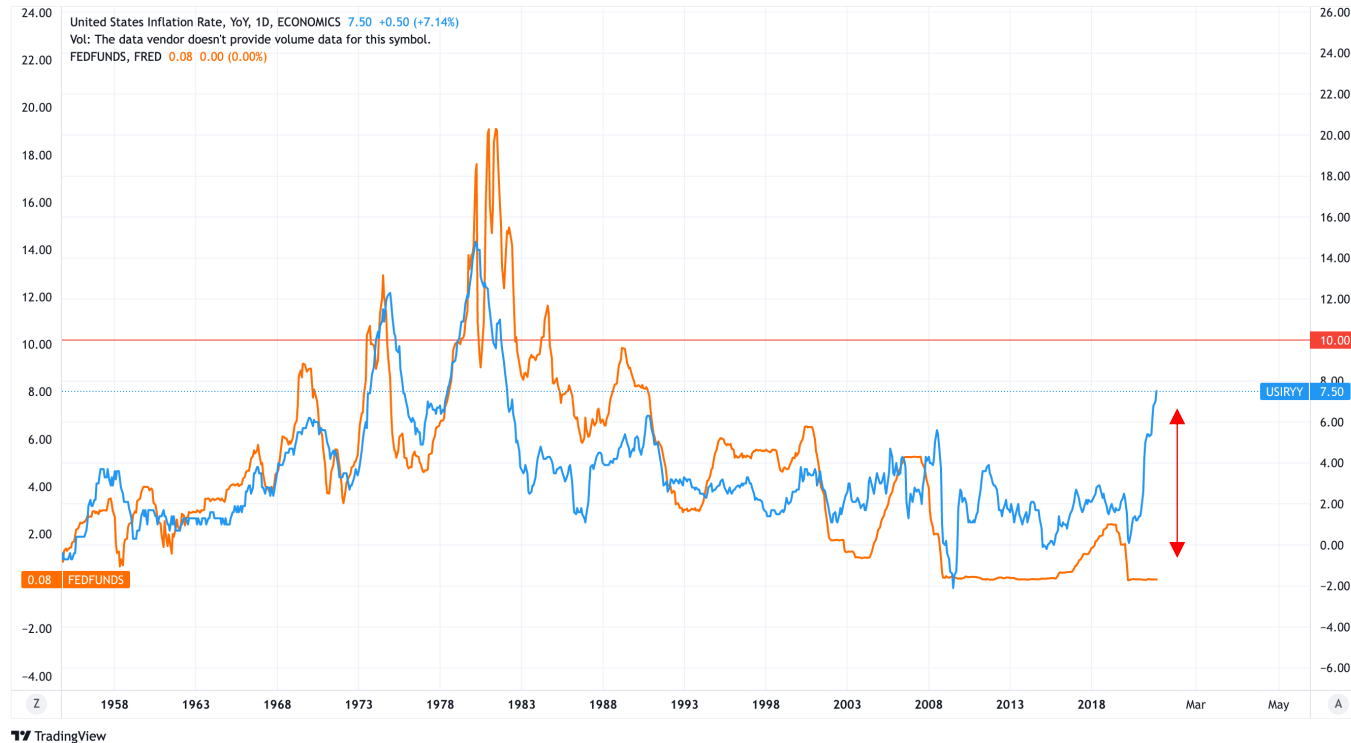
Federal Reserve Chairman Jerome Powell said that Russia's invasion of Ukraine was likely to push up inflation, a setback to central bank expectations that price pressures would diminish in the coming months. Because of Russia's role in global energy and other commodity markets, "we're going to see upward pressure on inflation at least for a while," Mr. Powell told the Senate Banking Committee.

Sen. Richard Shelby (R., Ala.) pushed Mr. Powell to say whether he would follow the example set in the 1980s by former Fed Chairman Paul Volcker, who raised rates high enough to tame inflation, even though it caused a recession. "I would hope history will record that the answer to your question is yes," said Mr. Powell.

Note: Information as of 18 February 2022
Source: Yardeni Research



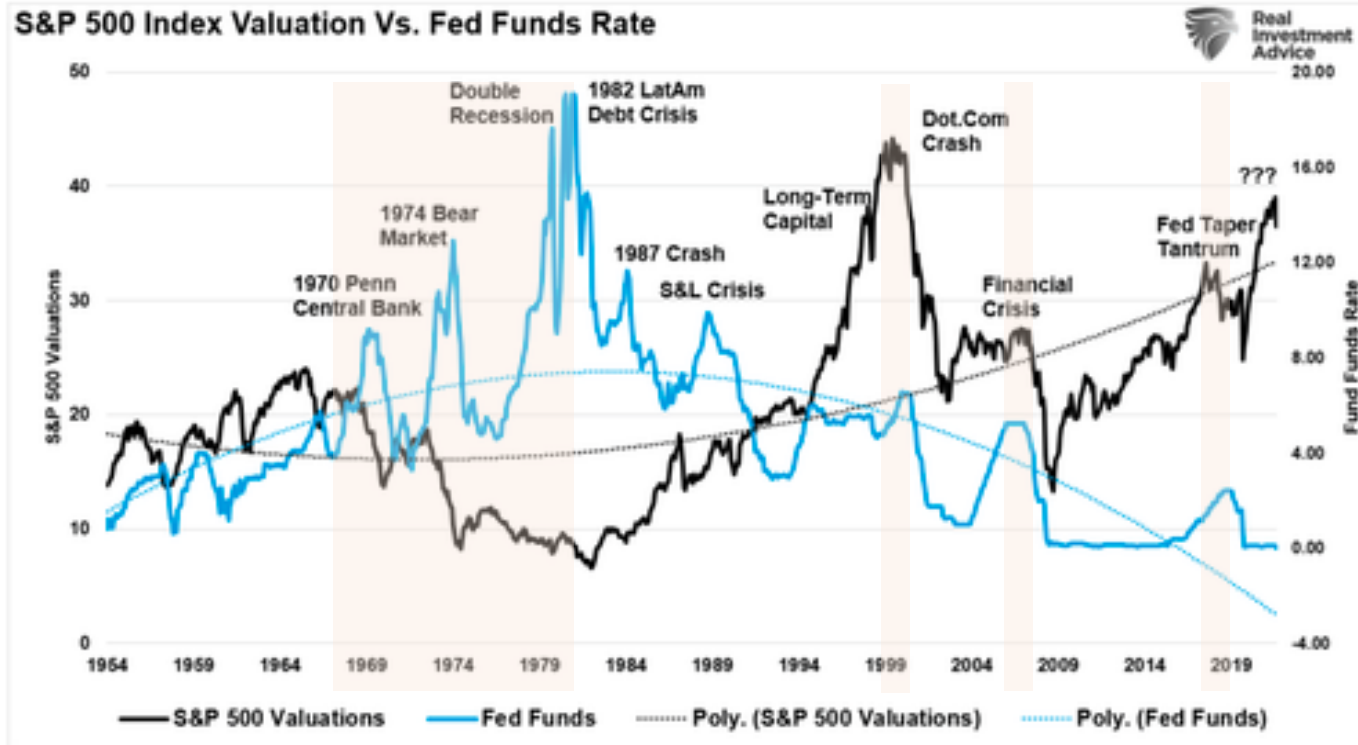
A Rate Hike for the Ages



The February CPI shows an increase of 7.9% y-o-y and may top out in the 9% vicinity in March or April 2022. But it is expected to rise above 10% as energy prices remain strong. For context, the Fed funds rate was 15% when the CPI rise above 10%, compared to 0.08% when the CPI is now 8%.

Note: Information as of 10 March 2022
Source: Tradingview

Fed Rate Hike Signals Spook Investors at High Valuation



A decade of monetary infusions and low rates created an asset bubble larger than any other in history. History shows that previous rate hiking cycles, particularly with elevated valuation levels in 1972, 1999, 2007, and 2018 led to poor outcomes.

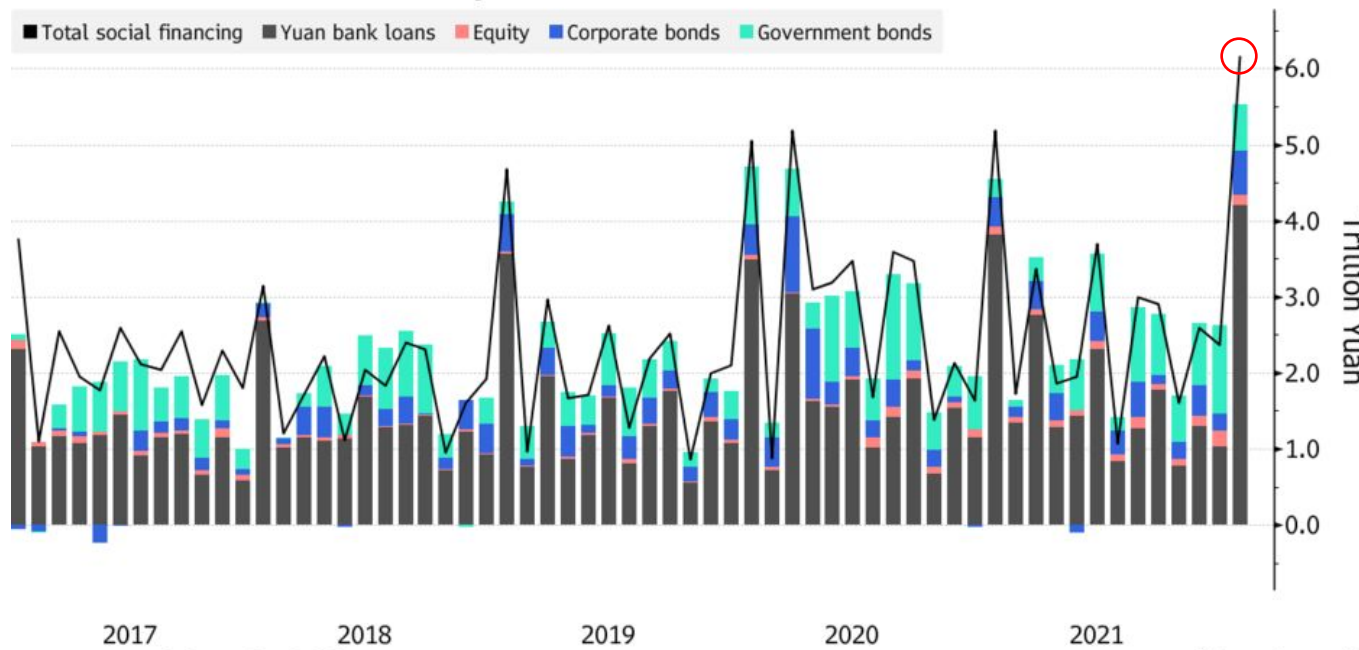
Note: Information as of 4 March 2022
Source: Real Investment Advice

Serious Liquidity to Reboot the Chinese Economy



Creditworthy

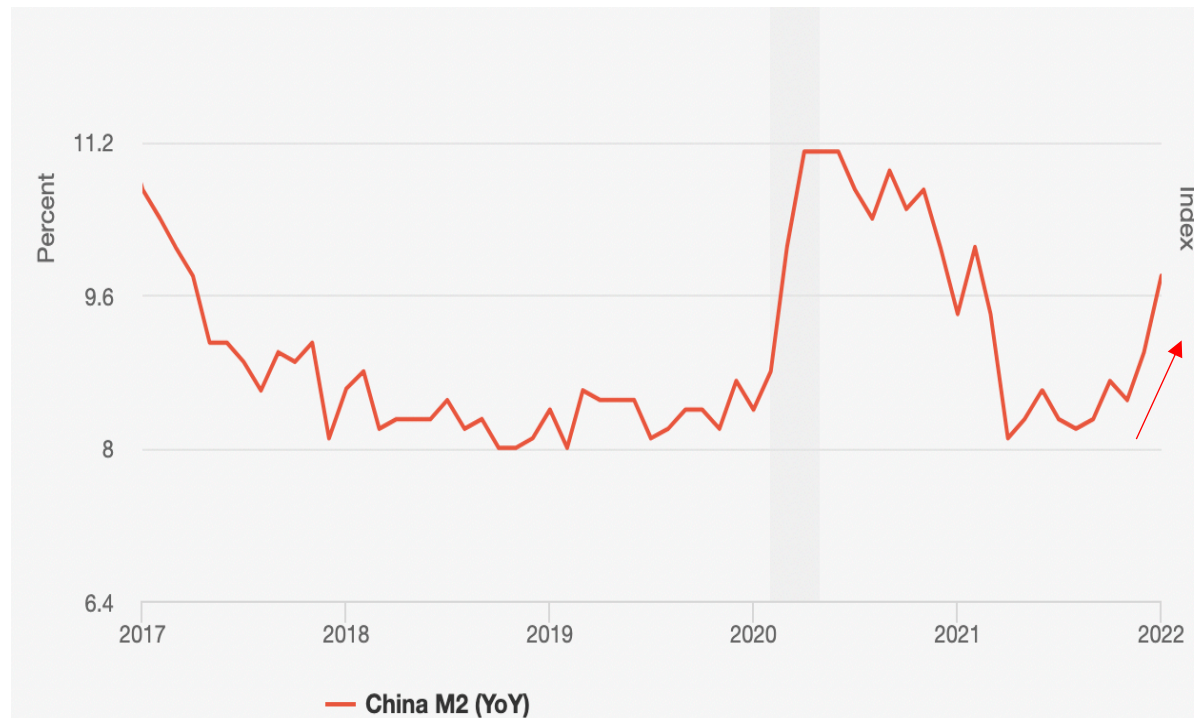
New loans drives a record expansion in credit in China



In January 2022, Beijing showed just how serious it is about rebooting the stalling Chinese economy, when the latest amount of total social financing loans accelerated materially and blew away market expectations, by a record of RMB 6.17 Trillion or approximately USD 1 Trillion (beating forecast of RMB 5.46 Trillion).

Note: Information as of 10 February 2022
Source: Bloomberg

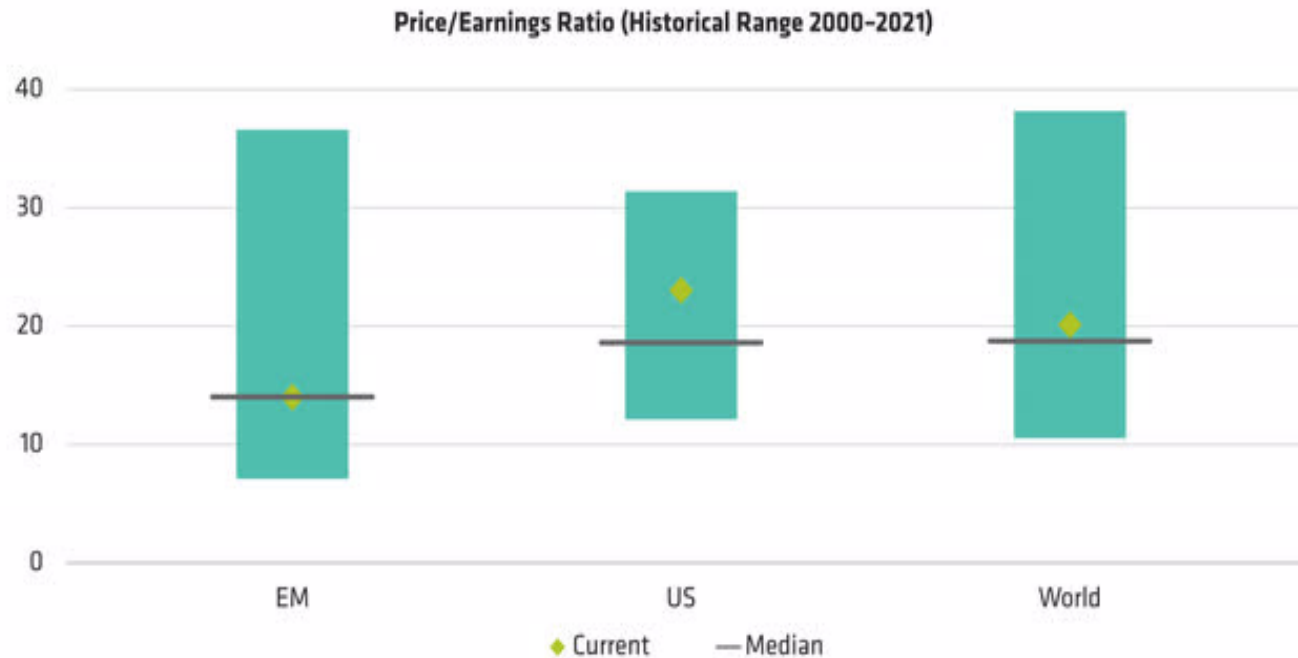
M2 New Cycle Growth Exploded to the Upside



Broad M2 money supply in January 2022 grew 9.8% from a year earlier (up from 9.0% in December 2021) - the strongest expansion since February 2021, central bank data showed, above estimates of 9.2% forecast in the Reuters poll and Bloomberg Consensus.

Note: Information as of 7 March 2022
Source: MacroMicro

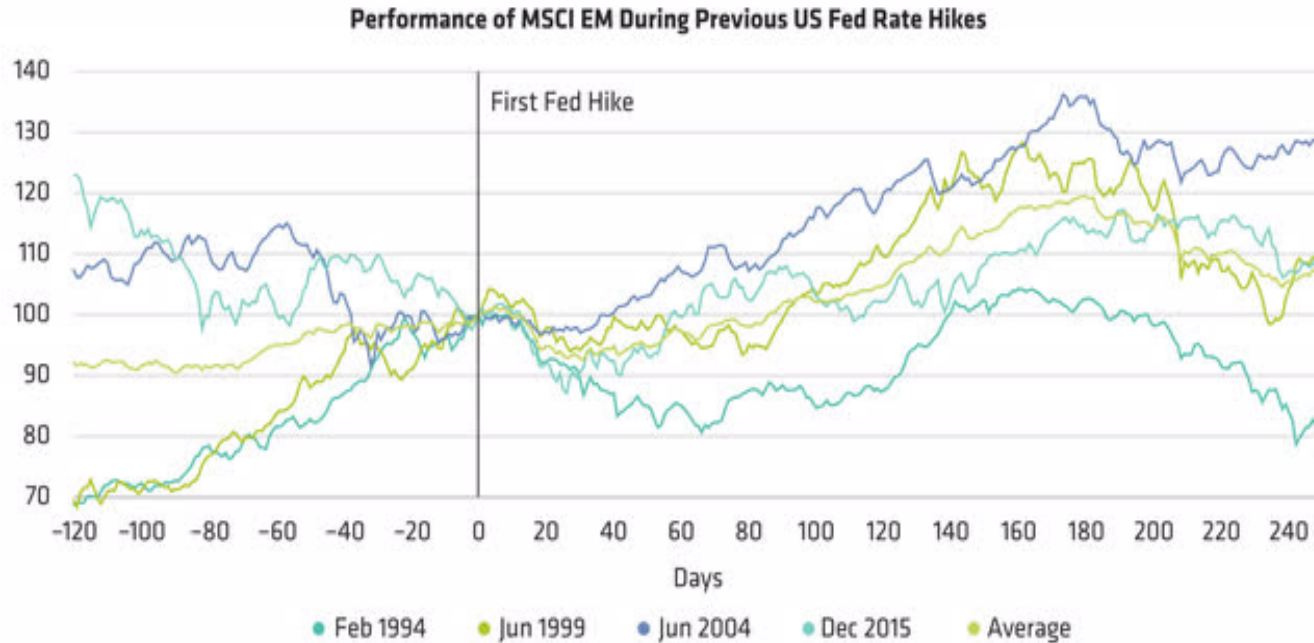
Emerging Market Valuation is Compelling



MSCI EM is trading at a price/trailing earnings ratio of 13.4x at the end of January 2022, a 35% discount to developed market stocks. In our view, current low valuations provide an attractive entry point to EM stocks compared to developed markets, based on historical ranges.

Note: Information as of 9 February 2022
Source: Seeking Alpha

Less Shock Effect from Fed Tightening in the Long Term



Although Fed tightening will be the chief headwind for global markets, most developing countries are out front and much better braced for it since they've already begun to adjust rates. EM stock performance has been mixed in the short term during rising-rate environments, dipping slightly in the first three months after the Fed begins tightening, and moving higher for at least the next six.

Note: Information as of 9 February 2022
Source: Seeking Alpha

Contact Info



For further enquires, please contact:

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