



Investment Newsletter

October 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.

”

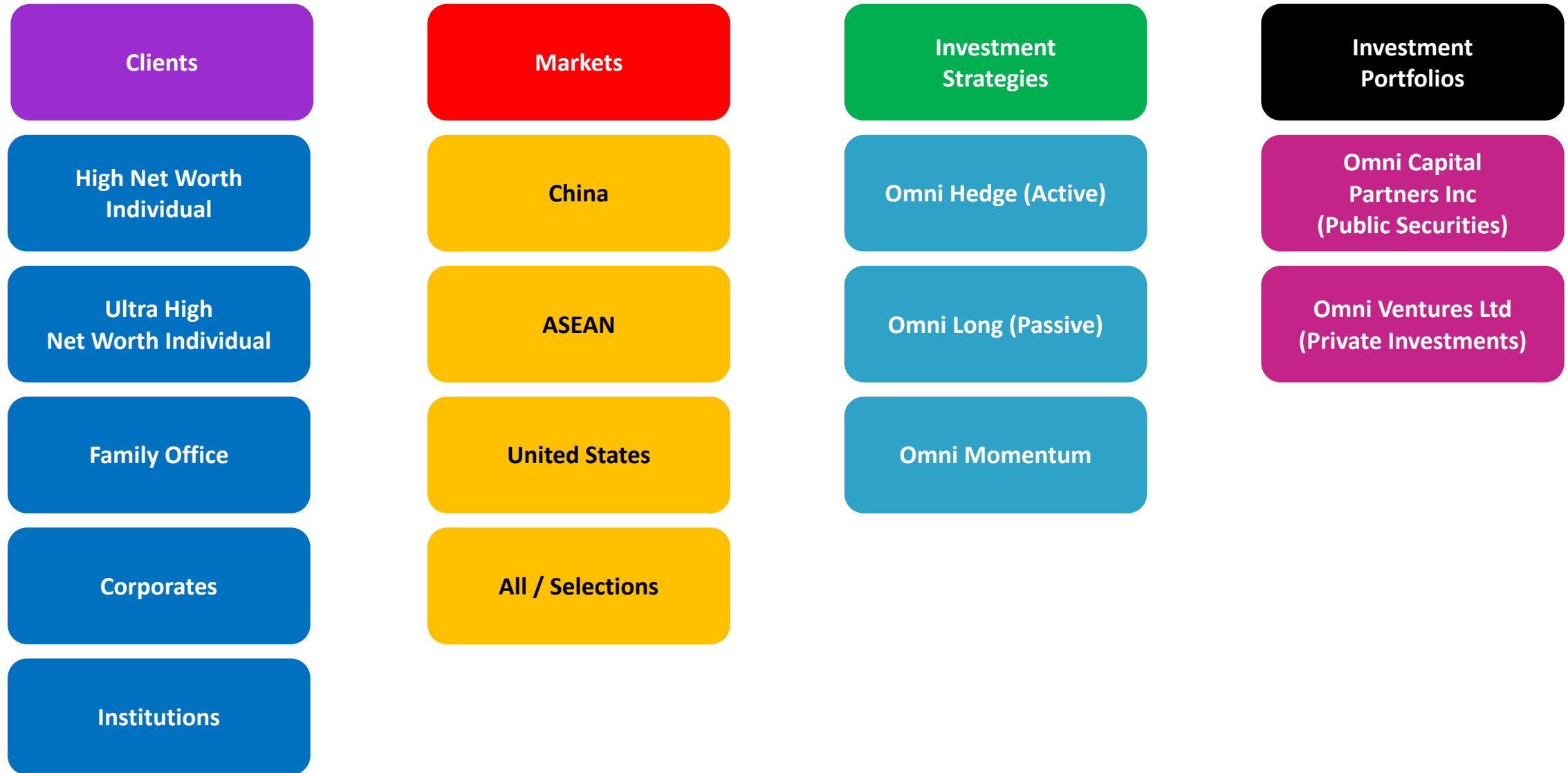
Experienced with
Impressive Track
Records

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

- 15

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	44%
Food Products	11%
Pharmaceuticals	8%
Healthcare Equipment & Supplies	7%
Technology Hardware, Storage & Peripherals	6%
Internet & Direct Marketing Retail	6%
Semiconductors & Semiconductor Equipment	5%
Healthcare Providers & Services	4%
Machinery	4%
Commercial Services & Supplies	3%
Media	2%
Cash	0%

Note: Information as of 30 September 2022

	Sector Breakdown
Other	44%
Healthcare	19%
Information Technology	11%
Consumer Staples	11%
Industrials	7%
Consumer Discretionary	6%
Communication Services	2%
Cash	0%

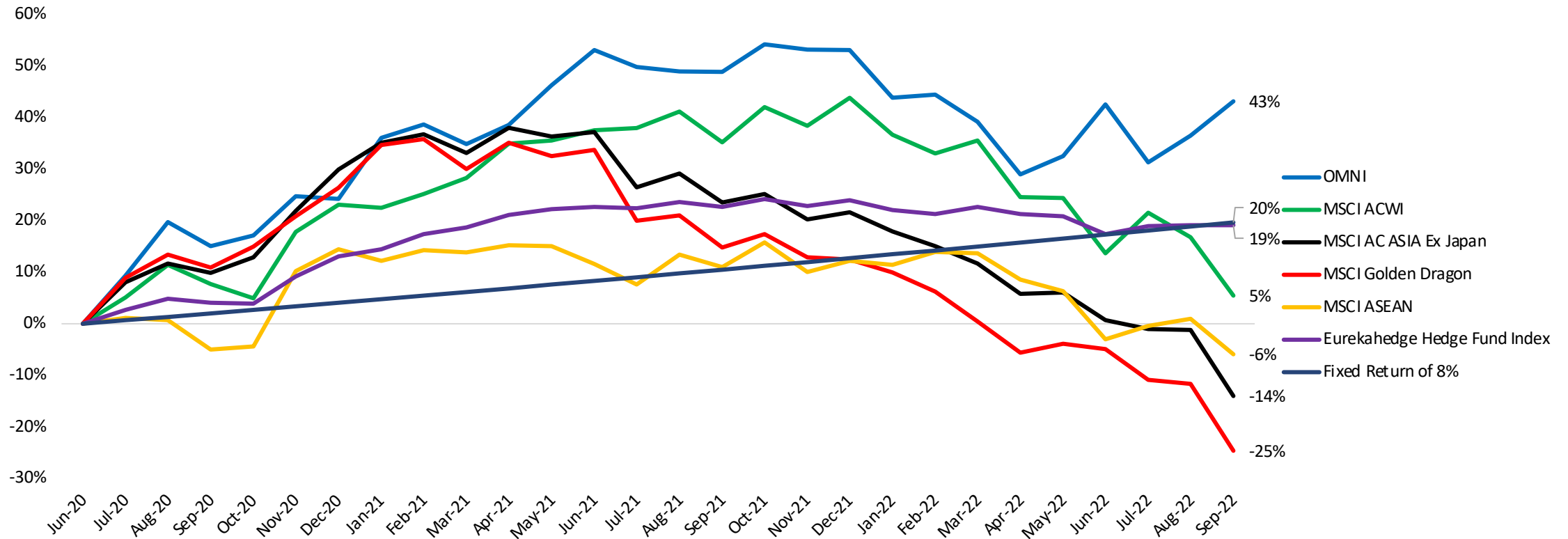
	Asset Class Breakdown
Equity - China	30%
Equity - ASEAN	15%
Equity - United States	6%
Commodity	5%
Digital Asset	0%
Other	44%
Cash	0%

	Market Capitalization
Mega (USD 100 Billion +)	6%
Large (USD 10 to USD 100 Billion)	19%
Medium (USD 2 to USD 10 Billion)	30%
Small (USD 0.3 to USD 2 Billion)	18%
Micro (USD 50 to USD 300 Million)	28%
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	5%	0%	3%	-6%	43%
MSCI ACWI	-10%	-7%	-22%	-27%	5%
MSCI AC ASIA Ex Japan	-13%	-15%	-23%	-29%	-14%
MSCI Golden Dragon	-15%	-21%	-25%	-33%	-25%
MSCI ASEAN	-7%	-3%	-17%	-16%	-6%
Eurekahedge Hedge Fund Index	0%	1%	-3%	-4%	19%
Fixed Return of 8%	1%	2%	4%	6%	20%

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

- 18

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	14%
Healthcare Equipment & Supplies	14%
Commercial Services & Supplies	11%
Technology Hardware, Storage & Peripherals	10%
Biotechnology	6%
Internet & Direct Marketing Retail	6%
Food Products	6%
Healthcare Providers & Services	6%
Semiconductors & Semiconductor Equipment	6%
Banks	5%
Real Estate Management & Development	4%
Media	3%
Machinery	3%
Household Durables	3%
Cash	3%

Note: Information as of 30 September 2022

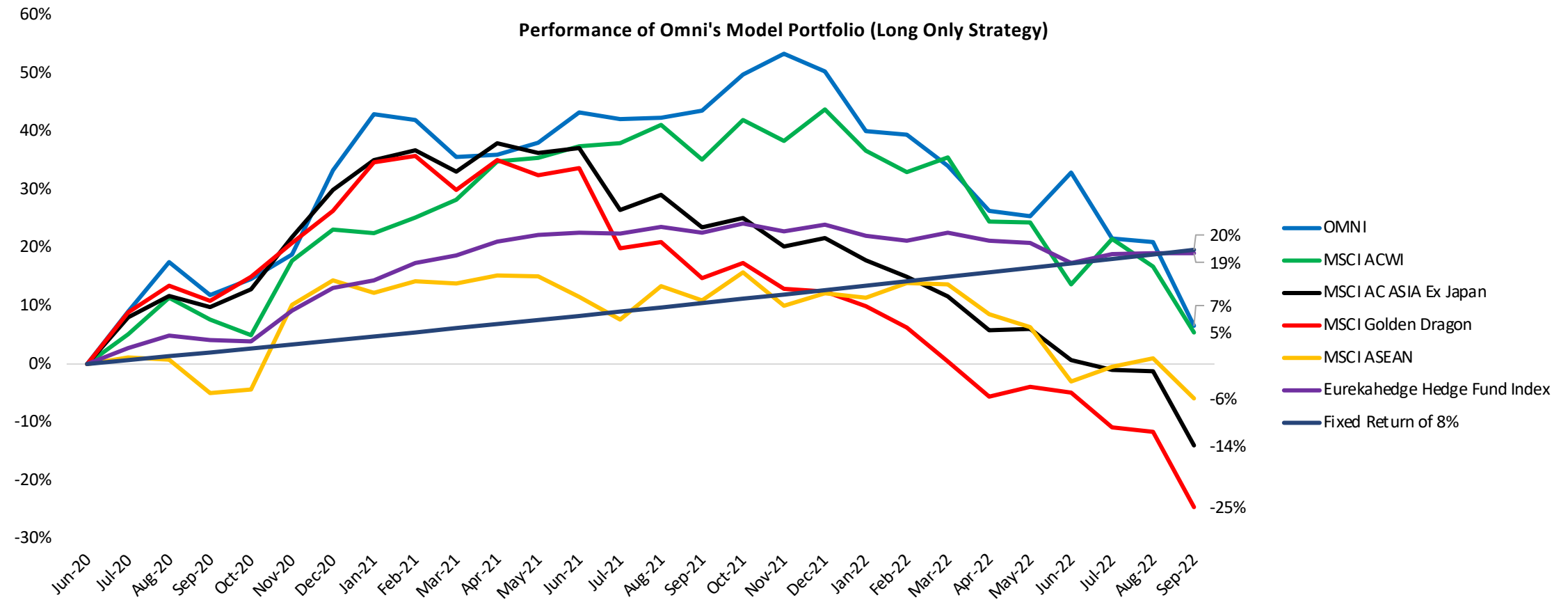
	Sector Breakdown
Healthcare	26%
Communication Services	17%
Information Technology	15%
Industrials	14%
Consumer Discretionary	9%
Consumer Staples	6%
Financials	5%
Real Estate	4%
Cash	3%

	Asset Class Breakdown
Equity - China	56%
Equity - ASEAN	28%
Equity - United States	13%
Commodity	-
Digital Asset	-
Other	-
Cash	3%

	Market Capitalization
Mega (USD 100 Billion +)	14%
Large (USD 10 to USD 100 Billion)	33%
Medium (USD 2 to USD 10 Billion)	21%
Small (USD 0.3 to USD 2 Billion)	11%
Micro (USD 50 to USD 300 Million)	19%
Cash	3%



Omni Long Performance



Note:
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Omni Long Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Long	-12%	-20%	-21%	-29%	7%
MSCI ACWI	-10%	-7%	-22%	-27%	5%
MSCI AC ASIA Ex Japan	-13%	-15%	-23%	-29%	-14%
MSCI Golden Dragon	-15%	-21%	-25%	-33%	-25%
MSCI ASEAN	-7%	-3%	-17%	-16%	-6%
Eurekahedge Hedge Fund Index	0%	1%	-3%	-4%	19%
Fixed Return of 8%	1%	2%	4%	6%	20%

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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.

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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 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

- 14

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

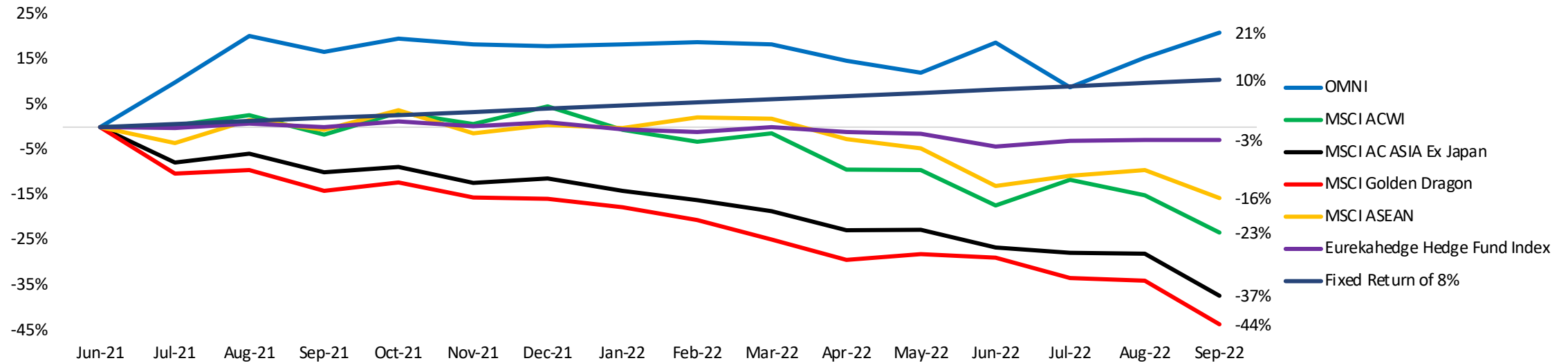
Features

- 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	5%	2%	2%	3%	21%
MSCI ACWI	-10%	-7%	-22%	-27%	-23%
MSCI AC ASIA Ex Japan	-13%	-15%	-23%	-29%	-37%
MSCI Golden Dragon	-15%	-21%	-25%	-33%	-44%
MSCI ASEAN	-7%	-3%	-17%	-16%	-16%
Eureka Hedge Fund Index	0%	1%	-3%	-4%	-3%
Fixed Return of 8%	1%	2%	4%	6%	10%

Asset Class Breakdown	
Equity - China	15%
Equity - ASEAN	11%
Equity - United States	-
Commodity	6%
Digital Asset	-
Other	58%
Cash	10%

Market Capitalization	
Mega (USD 100 Billion +)	-
Large (USD 10 to USD 100 Billion)	9%
Medium (USD 2 to USD 10 Billion)	28%
Small (USD 0.3 to USD 2 Billion)	19%
Micro (USD 50 to USD 300 Million)	35%
Cash	10%

Note: Information as of 30 September 2022

Investment Review and Outlook



- The Nord Stream (NS) pipelines have been flashpoints in an escalating energy war between capitals in Europe and Moscow that has damaged major Western economies and sent gas prices soaring. Every crime implies motive. The Russian government wanted, at least up to the sabotage, to sell oil and natural gas to the EU. The notion that Russian intel would destroy Gazprom pipelines is beyond ludicrous. All they had to do was to turn off the valves. NS2 was not even operational, based on a political decision from Berlin. The gas flow in NS was hampered by western sanctions. Such an act would imply Moscow losing key strategic leverage over the EU. On the other hand, it is obvious that the primary beneficiary, in the economic sense, was the US, who is replacing Russian natural gas with its more expensive liquified natural gas, as the Europe moves to decouple its economy from Russian energy sources.
- The US dollar's unrelenting surge is raising worries over corporate earnings, warned a closely followed Wall Street analyst, who noted that similar performances by the currency have historically led to some kind of financial or economic crisis. Morgan Stanley chief equity strategist Michael Wilson, one of the Wall Street's most vocal bears who correctly predicted this year's stock market selloff, calculated that every 1% rise in the ICE U.S. Dollar Index has a negative 0.5% impact on S&P 500 earnings. Furthermore, the problem is that equity investors tend to only be good at translating economic data into earnings forecasts six months ahead, meaning that any current earnings tailwinds could be supporting "a false sense of security". Yet policy operates with longer lags, sometimes of as much as two years.

Investment Review and Outlook



- Volatility has surged to the highest level since March 2020 across currency and bond markets. Bank of America's global cross-asset market risk indicator also jumped to a level not seen since the start of the pandemic. Currently, one of the biggest risks is a bond market or financial dislocation caused by weak banks in Europe and Asia, and/or by inadequate bond market liquidity in parts of the global financial structure. A big dislocation in either of these areas would cause the Fed to lower rates and increase liquidity.
- The biggest concern nowadays is when BoE went into full financial crisis mode as of 28 September 2022, rushing out an announcement that the central bank was restarting its money-printing presses at “whatever scale is necessary”, and launch a TEC Repo Facility which will hope to ease liquidity pressures. Irony, “Some of the inflation has been caused by increases in the money supply,” UK new Prime Minister Truss said in July, but by September, her government had authorised the BoE to fire up the money-printing presses again.
- Particularly for Credit Suisse, the world is in a very different place than 2008, when there was a sudden realization of widespread losses throughout the entire financial system, says James Angel, finance professor at Georgetown University. Although there are “painful realizations” going around markets today given a looming recession on the horizon, there is no big systemic issue yet that is affecting everyone like it was in 2008. However, Credit Suisse continues to face cyclical and structural challenges. The next big question is how regulators would respond to diminishing liquidity, as the big swings across asset markets are raising the risk of a financial accident.

Conflict Escalates as Nord Stream Attack “Sabotage”



Mystery leaks reported from Nord Stream gas pipelines



Note: Information as of 27 September 2022
Source: Reuters

According to SPIEGEL, it was calculated that explosive devices with an effect comparable to that of 500 kilograms of TNT must have been used to destroy the tubes. The seismic signals registered by various measuring stations were also included in the estimate.

European Commission chief Ursula von der Leyen confirmed the Nord Stream pipeline system leaks were caused by "sabotage," and warned of the "strongest possible response" should active European energy infrastructure be attacked.

Prime Minister of Denmark Mette Frederiksen told reporters Nord Stream pipeline system damage to NS1 and NS2 "are deliberate actions, not an accident."

Nord Stream AG, the operator of the NS pipeline system, published a statement that, "the destruction that happened within one day at three lines of the Nord Stream pipeline system is unprecedented, and impossible now to estimate the timeframe for restoring operations of the gas shipment infrastructure."

Dollar's Surge Could Lead to Crisis

US Dollar Y/Y Change Is at a Level That Usually Leads to Financial/Economic Stress



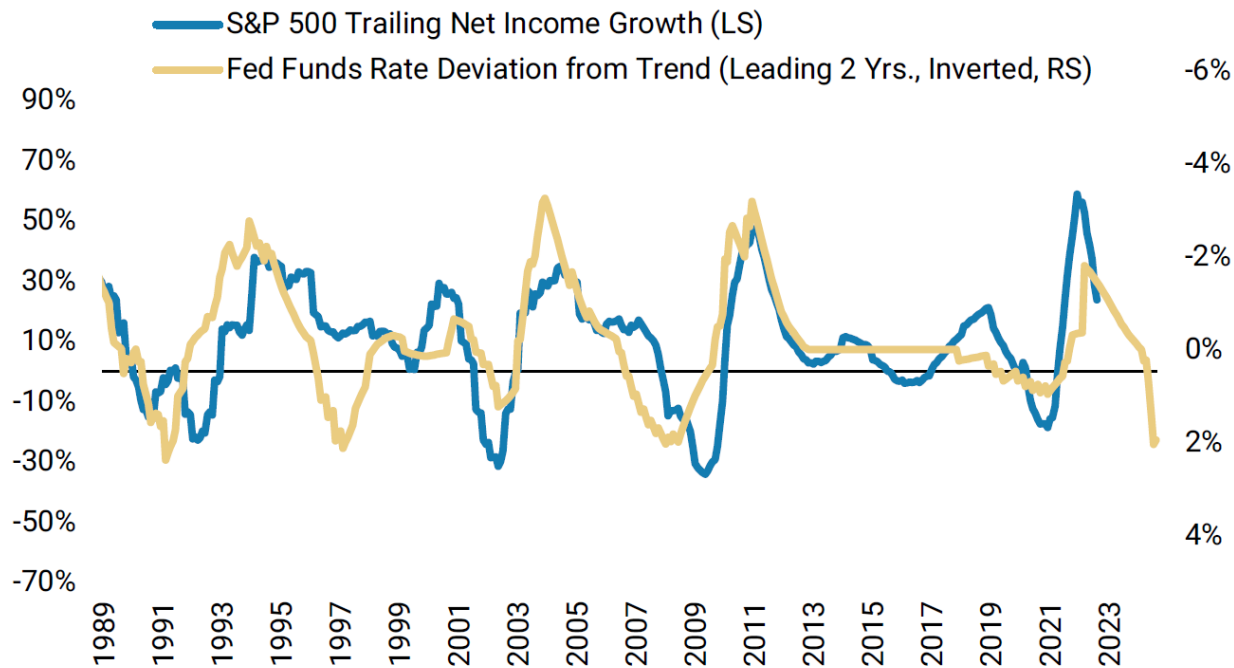
According to Dow Jones Market Data, the ICE U.S. Dollar Index, a gauge of the dollar's strength against a basket of rival currencies, traded 21% higher in a year over year basis. While its hard to predict financial or economic crisis, the conditions are in place for one, which would help accelerate the end to this bear market.

Note: Information as of 23 September 2022
 Source: Bloomberg, Morgan Stanley

Expectations For Earnings Are Being Reset



Tighter Fed Policy Has a Delayed Impact on the Economy...and on Earnings



The chart shows that, accounting for a long lag in transmission, sharp Fed tightening episodes correlate quite closely with a deceleration in S&P 500 earnings growth.

Expectations for earnings are being reset; valuations of assets that depend on long-suppressed interest rates are being reset; slowly, Fed tightening is trickling into the system.

Note: Information as of 30 September 2022
Source: Morgan Stanley

Global Market Risk Surged to Highest Level Since March 2020



Cross-Asset Contagion Global market risk monitor reaches pandemic high



Events like Russia's default in 1998 and, more recently, Greece's debt crisis show how single countries can trigger wider financial turmoil. The fear this time is that the UK's troubles lay bare how quickly tensions between monetary and fiscal policy can erupt. Central banks waging an aggressive battle on inflation are jeopardizing hard-won economic recoveries.

Note: Information as of 30 September 2022
Source: Bloomberg, BofA Global Research

BoE Goes Into Full Crisis Management Mode

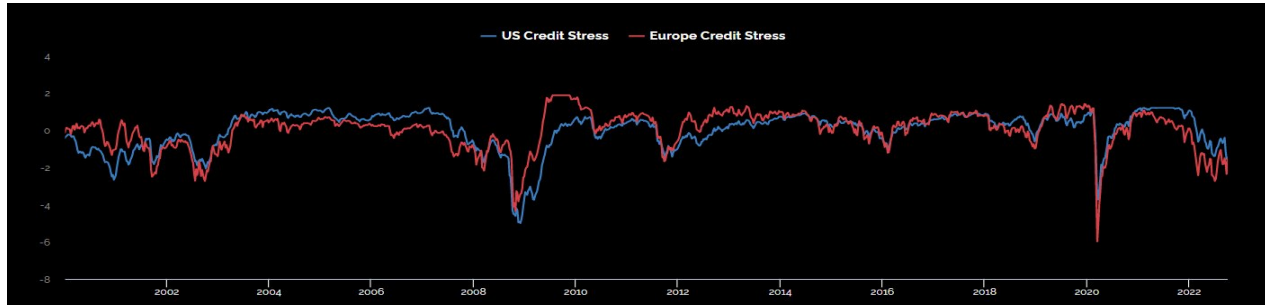


The chart shows the estimated present value of UK defined benefit pension scheme liabilities in red using data from the Pension Protection Fund (PPF) through to the end of August. The dotted blue line (left scale, inverted) shows 25yr gilt yields through today. As yields rise, so the present value of pension liabilities fall.

In short, gilt yields soared. That forced UK pensions to sell gilts. That pushed gilt prices even lower and yields even higher, which forced UK pensions to sell more gilts (and other liquid assets), and so on. The Bank of England intervened to stop the spiral.

Note: Information as of 28 September 2022
Source: Financial Times

Banks' Credit Under Pressure, But Not Yet 2008 Levels



In the past, distressed financial institutions have tried to fix capital ratios by selling assets or completing a deal or merger with another institution. The last resort from regulators to avoid a bankruptcy would be a government-engineered solution similar to 2008, when the Swiss central bank stepped in with emergency funding for the likes of UBS (Credit Suisse raised outside capital at the time). Still, a “Lehman-style explosion” remains unlikely, as Credit Suisse’s situation appears more company-specific, where the bank has made mistakes with scandals in recent years and is now paying the price for it.

Nevertheless, as monetary policy tightens globally to combat high inflation, it is important to consider how cross-border spillovers and spillbacks might interact with financial vulnerabilities. Overall, the credit market was at a “borderline critical level” and that “market dysfunction starts” if it rises much further.

Note: Information as of 5 October 2022
Source: Forbes, Rosedotai

Contact Info



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