



Investment Newsletter

November 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.

”

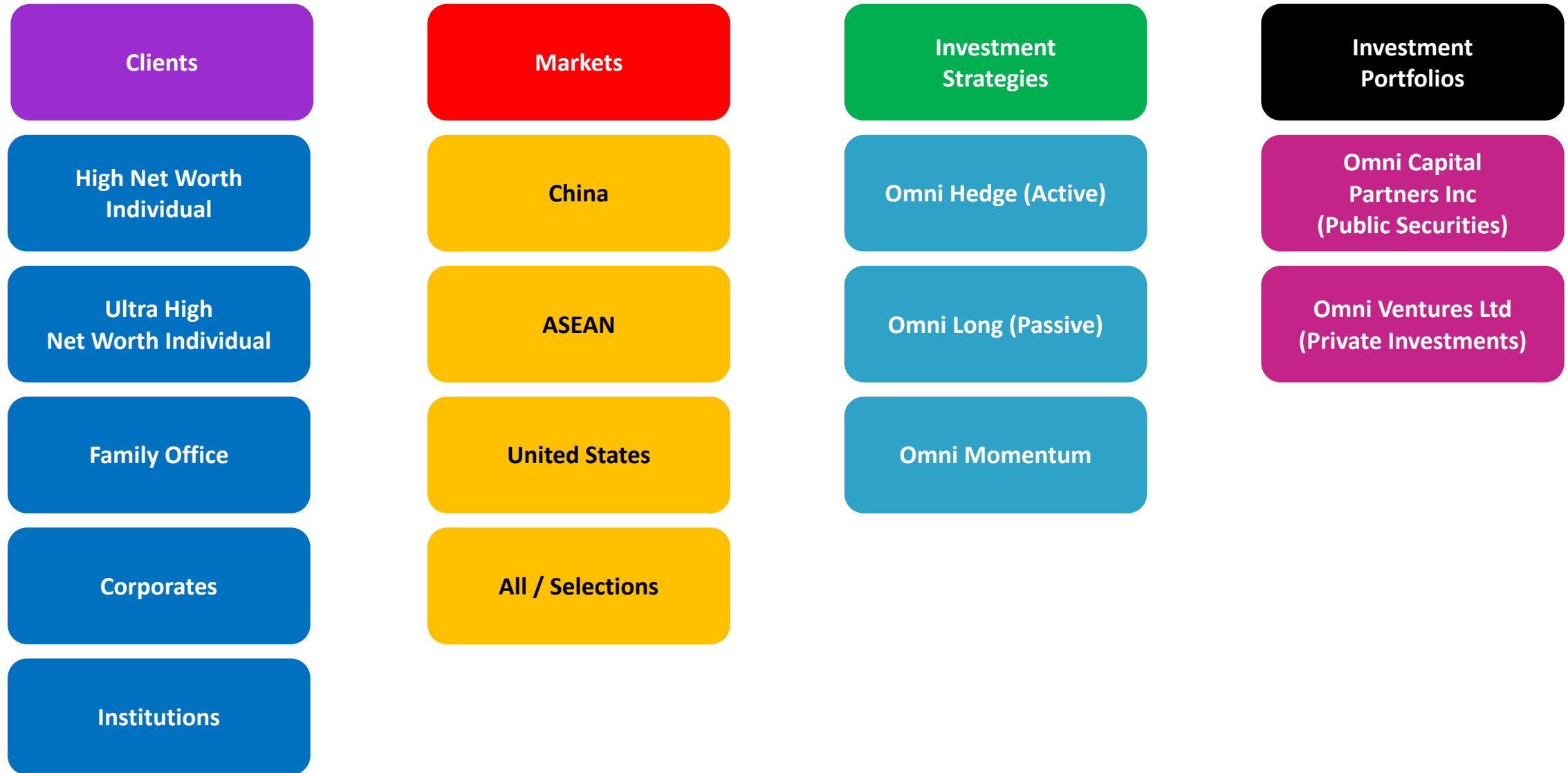
Experienced with
Impressive Track
Records

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

- 12

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	39%
Pharmaceuticals	9%
Technology Hardware, Storage & Peripherals	7%
Food Products	6%
Semiconductors & Semiconductor Equipment	5%
Internet & Direct Marketing Retail	5%
Machinery	4%
Healthcare Providers & Services	4%
Commercial Services & Supplies	3%
Media	3%
Cash	16%

Note: Information as of 31 October 2022

	Sector Breakdown
Other	39%
Healthcare	13%
Information Technology	12%
Consumer Staples	6%
Industrials	8%
Consumer Discretionary	5%
Communication Services	3%
Cash	16%

	Asset Class Breakdown
Equity - China	25%
Equity - ASEAN	10%
Equity - United States	5%
Commodity	6%
Digital Asset	-
Other	39%
Cash	16%

	Market Capitalization
Mega (USD 100 Billion +)	5%
Large (USD 10 to USD 100 Billion)	21%
Medium (USD 2 to USD 10 Billion)	25%
Small (USD 0.3 to USD 2 Billion)	12%
Micro (USD 50 to USD 300 Million)	22%
Cash	16%

Omni Hedge Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Hedge	-5%	4%	6%	-11%	36%
MSCI ACWI	6%	-8%	-10%	-22%	12%
MSCI AC ASIA Ex Japan	-6%	-18%	-24%	-34%	-19%
MSCI Golden Dragon	-13%	-27%	-31%	-42%	-35%
MSCI ASEAN	1%	-5%	-13%	-16%	-5%
Eurekahedge Hedge Fund Index	0%	-2%	-4%	-6%	17%
Fixed Return of 8%	1%	2%	4%	7%	20%

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 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®

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

- 15

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	
Commercial Services & Supplies	11%
Interactive Media & Services	11%
Technology Hardware, Storage & Peripherals	10%
Biotechnology	8%
Banks	7%
Semiconductors & Semiconductor Equipment	6%
Healthcare Providers & Services	6%
Internet & Direct Marketing Retail	5%
Household Durables	4%
Real Estate Management & Development	4%
Machinery	3%
Media	3%
Cash	22%

Note: Information as of 31 October 2022

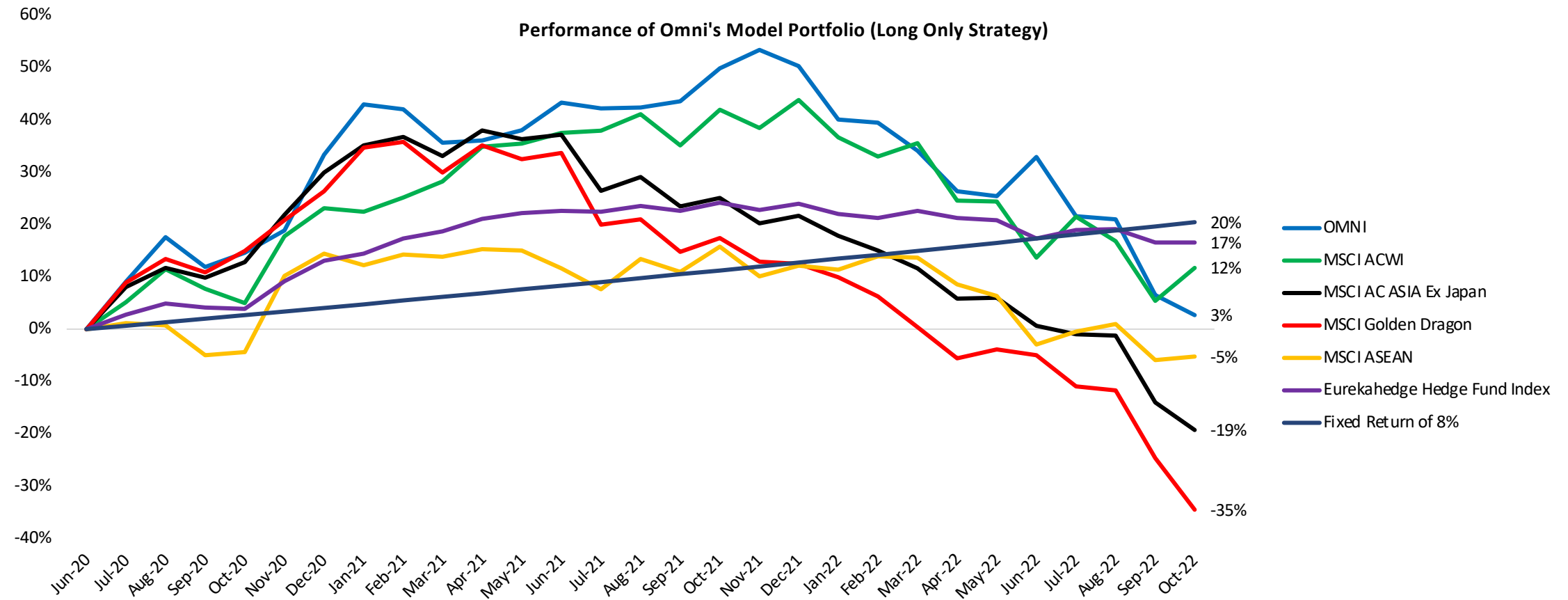
Sector Breakdown	
Information Technology	16%
Industrials	14%
Communication Services	14%
Healthcare	13%
Consumer Discretionary	9%
Financials	7%
Real Estate	4%
Cash	22%

Asset Class Breakdown	
Equity - China	44%
Equity - ASEAN	24%
Equity - United States	9%
Commodity	-
Digital Asset	-
Other	-
Cash	22%

Market Capitalization	
Mega (USD 100 Billion +)	11%
Large (USD 10 to USD 100 Billion)	32%
Medium (USD 2 to USD 10 Billion)	21%
Small (USD 0.3 to USD 2 Billion)	14%
Micro (USD 50 to USD 300 Million)	21%
Cash	22%



Omni Long Performance



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 Long Performance



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Long	-4%	-16%	-19%	-32%	3%
MSCI ACWI	6%	-8%	-10%	-22%	12%
MSCI AC ASIA Ex Japan	-6%	-18%	-24%	-34%	-19%
MSCI Golden Dragon	-13%	-27%	-31%	-42%	-35%
MSCI ASEAN	1%	-5%	-13%	-16%	-5%
Eurekahedge Hedge Fund Index	0%	-2%	-4%	-6%	17%
Fixed Return of 8%	1%	2%	4%	7%	20%

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 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

- 11

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

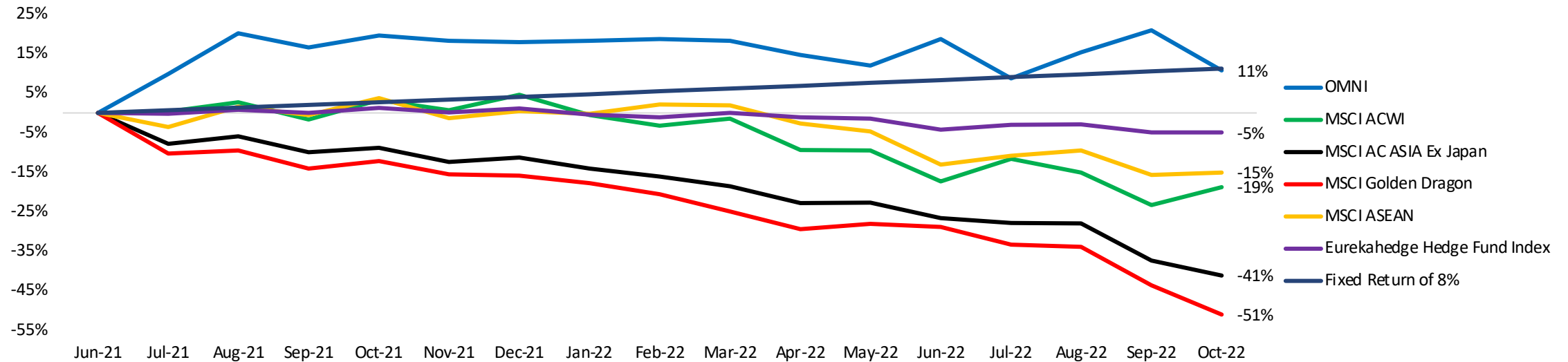
Features

- 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	-8%	2%	-3%	-6%	11%
MSCI ACWI	6%	-8%	-10%	-22%	-19%
MSCI AC ASIA Ex Japan	-6%	-18%	-24%	-34%	-41%
MSCI Golden Dragon	-13%	-27%	-31%	-42%	-51%
MSCI ASEAN	1%	-5%	-13%	-16%	-15%
EurekaHedge Hedge Fund Index	0%	-2%	-4%	-6%	-5%
Fixed Return of 8%	1%	2%	4%	7%	11%

Asset Class Breakdown	
Equity - China	9%
Equity - ASEAN	7%
Equity - United States	-
Commodity	7%
Digital Asset	-
Other	59%
Cash	19%

Market Capitalization	
Mega (USD 100 Billion +)	-
Large (USD 10 to USD 100 Billion)	9%
Medium (USD 2 to USD 10 Billion)	23%
Small (USD 0.3 to USD 2 Billion)	18%
Micro (USD 50 to USD 300 Million)	31%
Cash	19%

Note: Information as of 31 October 2022

Investment Review and Outlook



- Confronting the spectre of stubbornly high inflation, central banks in advanced economies and many emerging markets have had to move to an accelerated path of monetary policy normalization to prevent inflationary pressures from becoming entrenched. As an intended consequence of monetary tightening, global financial conditions have tightened in most regions.
- Global financial markets have shown strains. Asset prices have sold off on the back of continued energy market pressures, emerging stress in cross-currency funding, and stress in certain nonbank financial institution segments. At the same time, market liquidity has deteriorated across key asset classes. There is a heightened risk of rapid, disorderly repricing which could interact with and be amplified by pre-existing vulnerabilities and poor market liquidity.
- Recession, for one. Weeks of earnings downgrades and a looming downturn suggest the stock market bottom isn't in quite yet. With inflation as high as it is, a Fed pivot by Chair Jerome Powell means he will end up emulating his 1970s counterpart Arthur Burns rather than 1980s Chair Paul Volcker. Inflation will bottom well above 2%, leaving the Fed in a bind over the longer term. Eventually, it will have to take rates much higher and longer. It is also important to take note that bear markets will remain after the Fed pivot.

Investment Review and Outlook



- The 20th congress report calls for strengthening “mechanisms for countering foreign sanctions, interference, and long-arm jurisdiction.” Beijing has long been concerned about, and critical of US economic sanctions, but this is the first party congress report to directly mention sanctions in the context of China’s national security. The inclusion of sanctions in the report likely reflects the fact that Washington’s success in inflicting serious economic pain on Russia over its invasion of Ukraine has deepened Beijing’s desire to boost China’s self-reliance and shield the Chinese economy from the worst impacts of sanctions. The report’s dire warnings and prioritization of national security suggest that Xi JinPing is trying to prepare the party and the people to batten down the hatches and trust in his leadership as he steers China through what he describes as “high winds, choppy waters, and dangerous storms.”
- Furthermore, China’s ambition and achievements in technology have received much attention around the world over the past decade. Less noted but perhaps equally remarkable has been the rise of aerospace business executives in the Chinese political leadership. A new term, “the cosmos club” (航天系 or 宇宙幫), has recently been coined to refer to the distinct cluster of technocrats who have risen through the ranks of China’s space and aviation industries to the national and provincial levels of leadership.

Heightened Global Financial Stability Risk



Market liquidity conditions

Standard metrics are showing some signs of deterioration.

(red shows low liquidity, green is high)

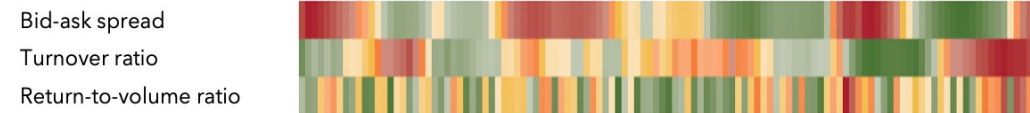
Equity markets



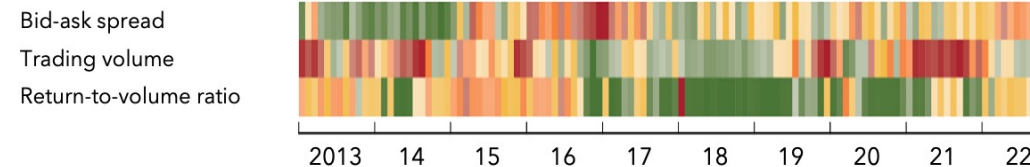
Sovereign bond markets



Corporate bond markets



Foreign exchange markets

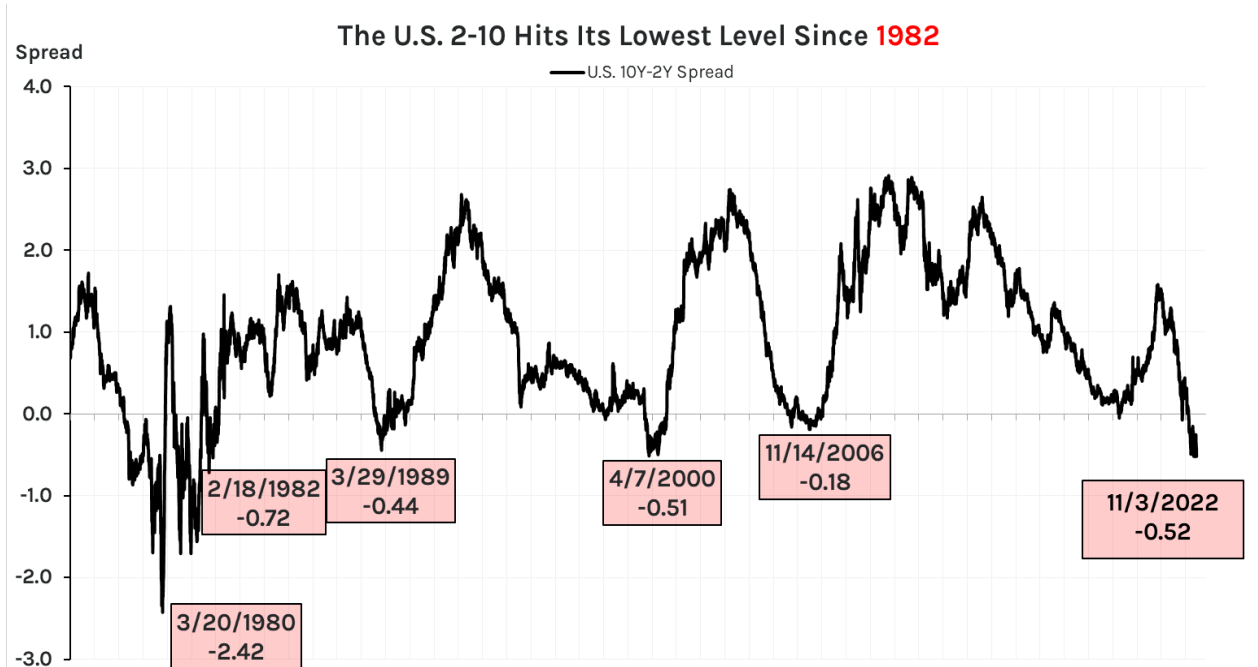


After more than a decade of abundant liquidity and compressed volatility, the global move toward an aggressive tightening monetary cycle to fight high inflation, spanning several years has substantially increased market volatility, especially in the rates space, contributing to a deterioration in market liquidity conditions. Against a backdrop of heightened uncertainty about the economic and policy outlook, market liquidity metrics have worsened across asset classes, amid deteriorating risk appetite.

Note: Information as of 27 October 2022

Source: International Monetary Fund

Recession Risk Indicator At A Four Decade Extreme



A key segment of the US Treasury yield curve reached new extremes of inversion in November 2022, touching a level not seen since the early 1980s when the Federal Reserve also was aggressively tightening policy.

Note: Information as of 3 November 2022
Source: Bloomberg

US Equities Have Rarely Peaked Ahead of Yield-Curve Inversion, Happening In 2022 For The 3rd Time



Some observations:

- As shown in the table, the S&P 500 peaked ahead of a yield-curve inversion only twice in 1959 and 1973.
- The median time between inversion and peak equity returns was 17 months, and in several cases the market peaked almost two years or more after inversion.
- Aggregate equity returns post-inversion have been partly dependent on the length of time between the initial inversion and the start of the recession.
- Since returns tend to be negative right around the time a recession begins, the instances in which there was a shorter period between the initial inversion and the start of the recession were more likely to have a negative return.

Yield-curve inversion date	S&P 500 peak date	S&P 500 % price change from inversion date to market peak date	# months between inversion and S&P 500 peak	Recession start date	# months between inversion and recession	S&P 500 % price change from inversion date to recession date	Rate cuts ahead of recessions
1 April 1956	12 August 1956	2.1	3	31 August 1957	16	-6.5	No
1 August 1959	29 July 1959	-1.5	-1	20 April 1960	8	-8.8	No
17 December 1965	29 November 1968	17.2	35	31 December 1969	48	-0.4	Yes
30 March 1973	11 January 1973	-5.5	-2	30 November 1973	8	-14.0	No
17 August 1978	30 January 1980	10.5	17	31 January 1980	17	10.5	Yes
11 September 1980	28 November 1980	12.0	2	31 July 1981	10	4.4	Yes
14 December 1988	16 July 1990	30.1	19	31 July 1990	19	30.1	Yes
26 May 1998	24 March 2000	37.4	22	31 March 2001	34	6.4	Yes
27 December 2005	9 October 2007	24.6	22	31 December 2007	24	17.6	No
Median		12.0	17		17	4.4	

Note: Information as of 3 November 2022
Source: Wellington Management Estimate

A Fed Pivot Does Not Mean The End Of Recession Risk



The 1973-74, 1981-82, 2000-02, and 2007-09 bear markets all unfolded after the initial Fed pivot. The '73-74 pivot was short lived amid high inflation.

Note: Information as of 22 October 2022
Source: FRED, Hussman

Earnings Capitulation Yet To Be Materialized



As the earnings season gains traction, 83% of investors expect global profits to worsen over the next 12 months. A net 91% said global corporate profits are unlikely to rise 10% or more in the next year -- the most since the global financial crisis and this is a sign that suggests further downside to S&P 500 earnings estimates.

Note: Information as of 22 October 2022

Source: BofA Global Fund Manager Survey, Bloomberg

Self-reliance Highlighted As China's Top Priority



No.	关键词	Keywords	2012	2017	2022	Differences Between 2022 and 2017	Differences Between 2022 and 2012
			十八大报告 Total Number of Times Mentioned in National Congress Reports	十九大报告	二十大报告		
1	现代化	Modernization	33	43	93	50	60
2	安全	Security	36	55	92	37	56
3	人民	People	141	179	184	5	43
4	新时代	New Era	1	29	40	11	39
5	战略	Strategy	32	39	64	25	32
6	军	Military	49	86	79	-7	30
7	科技	Technology	16	17	45	28	29
8	强国	Powerful Country	12	21	36	15	24
9	斗争	Struggle	4	18	25	7	21
10	高质量	High Quality	2	3	19	16	17
11	统一	Unite	26	38	41	3	15
12	复兴	Revival	7	29	22	-7	15
13	绿色	Green	1	15	13	-2	12
14	中国式	Chinese Characteristic	0	0	11	11	11
15	教育	Education	47	37	57	20	10
16	风险	Risk	6	7	16	9	10
17	能源	Energy	8	4	14	10	6
18	高标准	High Standard	1	2	7	5	6
19	台湾	Taiwan	8	8	13	5	5
20	共同富裕	Common Prosperity	3	6	8	2	5
21	外交	Diplomatic	4	9	9	0	5
22	资本	Capital	4	5	7	2	3
23	粮食	Food	3	2	5	3	2
24	房	Housing	5	3	6	3	1
25	金融	Finance	9	7	10	3	1
26	互联网	Internet	0	3	1	-2	1
27	创新	Innovation	57	54	55	1	-2
28	国防	National Defense	17	16	15	-1	-2
29	市场	Market	24	18	18	0	-6
30	开放	Open	38	24	29	5	-9
31	文化	Culture	86	76	60	-16	-26
32	改革	Reform	82	63	55	-8	-27
33	发展	Development	283	222	252	30	-31
34	经济	Economy	103	67	63	-4	-40

The 20th congress report features an all-new section on national security that centres on a “multidimensional” and expansive conception of national security, which is described as a “bedrock of national rejuvenation.” The report urges Chinese cadres to “promote national security in all areas and stages of the work of the Party and the country” and to uphold “centralized, unified leadership over national security work.” Tellingly, the report contains 92 mentions of the word “Security” (安全), a significant leap from 55 and 36 mentions in the 19th and 18th Party Congress report respectively.

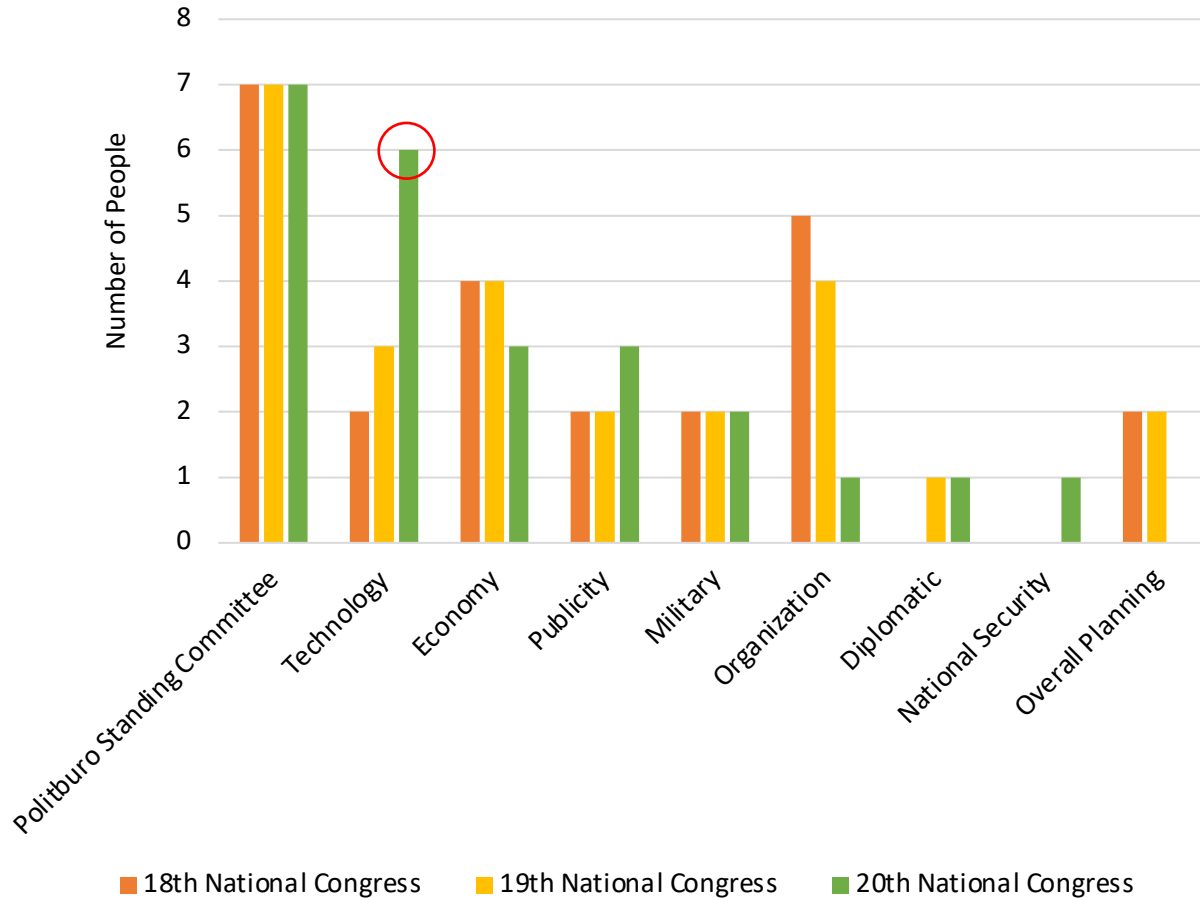
Note: Information as of 25 October 2022

Source: National Congress Report, Omni Capital Partners

More Scientists Added To The Top Ranks Of The Party



China Member of the Political Bureau of the Central Committee



From the perspective of elite formation, this cohort congeal into a new technocratic group within the Party leadership. This development would not only broaden the channels for recruitment of future political leaders but would also likely have immense consequences for the direction of the Chinese leadership as a whole, including the fusion of the civilian and military industries, influencing policy choices and decision-making at the highest levels in the years to come.

Moreover, the cadres with science backgrounds were generally more down-to-earth compared with cadres from other streams. This will be a tight-knit team that understands technology and with a goal-oriented mindset.

Note: Information as of 25 October 2022
Source: Omni Capital Partners

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



DISCLAIMER

This document has been prepared only for use as a reference material for the purpose of the provision of information. The validity and completeness of the information contained herein is therefore not guaranteed. The recipient of this document must judge the content for themselves using their own understanding of the content contained within. This document has not been prepared for the purpose of soliciting investments. The submission of this document by Omni Capital Partners to a recipient does not constitute the soliciting of investments or securities to the recipient. If a recipient of this document does decide to invest and trade in securities such as stocks, a due-diligence review as well as due consideration must be undertaken by the recipient at their own risk. Furthermore, all rights pertaining to the content contained herein belong solely to Omni Capital Partners and the disclosure or transfer of any or all content contained in this document is not to take place without first obtaining prior consent from Omni Capital Partners. This document is only to be used internally at the company/organization to which the recipient belongs to and represents at the time this document is received.