

FORM ADV 2A

**OMNI PARTNERS LLP**

[www.omni.co.uk](http://www.omni.co.uk)

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Office Address

Salters Hall, 4 Fore Street  
London EC2Y 5DB  
United Kingdom

*This brochure provides information about the qualifications and business practices of Omni Partners LLP. If you have any questions about this brochure please contact us at +44 (0)207 847 7400 or [info@omni.co.uk](mailto:info@omni.co.uk). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or any other securities authorities. Additional information about us is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Any reference to private funds within this brochure is for informational purposes only, and is intended to address legally required disclosures about our business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in these funds, and they should read the fund's prospectus or other offering material prior to doing so. No reference within this brochure should be viewed as an offer to sell or an offer to buy an interest in private funds.*

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## I. ADVISORY BUSINESS

### a) Background

Founded by Steven Clark in 2004, Omni Partners LLP ("Omni") is authorized and regulated by the UK Financial Services Authority and registered with the U.S. Securities and Exchange Commission as an investment adviser. We seek to provide consistently high absolute returns alongside pro-active risk management.

We provide discretionary investment management services to two private funds (the "Private Funds"), the Omni Macro Master Fund Limited ("Omni Macro Fund") and the Hartford Growth Fund Limited ("Hartford Fund"), under a sub-advisory arrangement with Tiresias Capital Limited ("Tiresias").

Additionally, we serve as sub-adviser to four managed accounts, under a sub-advisory agreement with Tiresias.

In this brochure, we call the two funds and the managed accounts "clients".

All investment advisory services are based on client needs, stated objectives, guidelines and investment restrictions.

Omni has demonstrated a commitment to capital preservation throughout our organizational history and our investment process is based on the following core tenets:

- Strong emphasis placed on achieving opportunistic returns whilst limiting downside risk based on the proactive management of risk
- Investment teams possess proven trading skills gained at established financial service organizations
- Disciplined risk management procedures, including stop-loss methodology appropriate for each strategy

As of August 31, 2012, Omni managed \$568,066,464 across the two funds and four managed accounts, noted above:

Discretionary Assets	\$568,066,464
Non-Discretionary Assets	0
<b>Total</b>	<b>\$568,066,464</b>

### b) Principal Investment Strategies

Omni provides investment advice to our clients primarily in relation to foreign exchange, commodities, rates and bond futures, equities and equity indices.

### c) Omni Management Team

- Steven Clark is the Founding Partner and serves as the Head of Risk
- Neil Cowhig is the Chief Operating Officer and the Chief Compliance Officer
- Dario Peluso is the Group Risk Manager
- Elissa Kluever is the Marketing / Investor Relations Manager
- James Weaver is Legal Counsel

Please refer to our ADV 2B for a biography of each member of the Management Team.

d) *Ownership*

Omni is 99.9% owned by Steven Clark, our founder and Head of Risk. The remainder is owned by other partners of Omni.

**II. FEES AND COMPENSATION**

a) *Private Funds Fees*

We receive a management fee from the Private Funds based on net assets under management ("Management Fee"). The Management Fee is paid monthly, based on the net assets of the respective Private Fund as of the last business day of the immediately preceding month adjusted for the current month's subscriptions and redemptions. The Management Fee will be prorated for any period that is less than a full fiscal quarter.

We are entitled to receive performance compensation as set out in the Private Fund's offering document ("Performance Fee"). In these cases, we charge clients fees based on a share of capital gains on or capital appreciation of the client's assets under management. The fee is 20% of investment returns per year.

We may, in our sole discretion, waive or reduce the Management Fee and/or the Performance Fee or amend any other restrictions with regard to investors that are employees or affiliates of Omni, relatives of such persons, and for certain large or strategic investors.

b) *Managed Accounts*

We generally offer managed accounts a fee equivalent to the one that Omni receives for managing the Omni Macro Fund. This fee may, however, be negotiable depending on the account size, the total investment by that client in all products, the aggregate investment by related accounts, the complexity of any additional guidelines provided by the client and other discretionary factors.

c) *No Fees Paid in Advance*

Clients do not pay any advisory fees in advance.

d) *Other Expenses*

Clients are responsible for and incur other expenses separate and apart from the Management and Performance Fees. These expenses typically include custody fees, brokerage services and other transaction fees, fees and expenses incurred by us for investment management services and/or expenses associated with the investment vehicle in which assets are invested and others. Such fees as may be agreed by the fund and our clients which may include, but are not limited to, research, market data, administration, marketing and operations.

e) *Other Compensation*

Neither Omni nor any of its officers, directors or employees accept additional compensation for the sale of securities or other services or other investment services or products.

*f) Performance Based Fees and Side-by-Side Management*

As stated above, Omni charges all clients fees based on a share of capital gains on or capital appreciation of the client's assets under management. The Performance Fee is charged by us to U.S. persons in compliance with Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act").

While Omni believes that performance-based fee arrangements align the adviser's interests with the interests of its clients who are subject to those fees, performance-based compensation may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts, including accounts that are charged no performance-based fees, in the allocation of investment opportunities. Omni has adopted policies and procedures that seek to mitigate any such conflicts presented by our performance-based fee arrangement and to ensure that all clients are treated fairly.

### **III. TYPES OF CLIENTS**

Omni provides discretionary investment advisory services to the Omni Macro Fund and the Hartford Fund, both of which are exempt from the definition of an investment company under the Investment Company Act of 1940.

We also provide managed accounts to certain institutional investors, as noted above.

The minimum dollar amount of assets ordinarily required for the establishment of a separately managed account is \$50,000,000. Smaller accounts may be accepted on an accommodation basis or when it is deemed likely that the minimum dollar size will be achieved within a reasonable period of time.

### **IV. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The methods of analysis and investment strategy(ies) Omni employs for a given client will be as agreed with the client in the investment management agreement governing that account.

*a) Methods of Analysis*

**❖ For certain clients we use a top-down thematic approach**

Investment process begins with the formation of a macroeconomic view based on current fundamental research and an accumulated knowledge of financial history.

Five core considerations in the development of the macroeconomic view

- Supply & Demand
- Government & Policy
- Money & Credit
- Investor Mass Psychology
- Individual Psychology

Other key inputs are considered during the investment process

- Use of cross market analysis
- Understanding relationships across markets
- Use of market studies (positioning, sentiment data, etc.)
- Incorporation of technical analysis
- Identification of key catalysts (event-risk, price movement, etc.)

*b) Investing Risks*

Risk is monitored real-time by Omni's Portfolio Managers and Risk Manager. Investing in securities in general involves risk of loss that clients should be prepared to bear. Each portfolio has risks which are specific to its particular investment strategies.

❖ **Risk Management**

Risk is managed at the portfolio level.

Actual P&L and downside risk are actively managed and monitored real-time Exposures are adjusted if:

- One month drawdown level breaches 3% of NAV. Risk is reduced by 50%
- If peak to trough drawdown crosses 7.5%, the MTD drawdown threshold decreases to 2% of NAV.
- One day VaR is greater than 4.5% of NAV (95% confidence interval, two-year historical look back). We aim to keep VaR below 3.5%

Portfolio is highly liquid

- At any given time more than 95% of the portfolio can be liquidated within one trading day, assuming markets are open
- Liquidity is maintained by constantly monitoring position size versus underlying market size
- Position size is adjusted for realized volatility, and positions within the portfolio can be rapidly scaled up and scaled down

For more information about the risks of a Private Fund, please see the offering memorandum for that particular fund. Specific risks relating to the strategies employed by Omni and the instruments in which we cause our client to invest include:

*Stock Market Volatility.* The prices of stocks in general, including those in which our client invest, may decline unexpectedly in response to negative economic, political, or industry specific developments.

*Stock Selection Risks.* The price of one or more of the stocks in which Omni invests on behalf of its clients could decline due to our misjudgment of the true value of the company or adverse company developments we fail to anticipate.

*Credit risk.* When Omni purchases debt securities, clients face the risk that the creditworthiness of an issuer may decline, causing the value of the debt securities to decline. In addition, an issuer may not be able to make timely payments on the interest and/or principal on the debt security it has issued. Because the issuers of high-yield debt securities or junk bonds may be in uncertain financial health, the prices of their debt securities can be more vulnerable to bad economic news or even the expectation of bad news, than investment-grade debt securities. In some cases, debt securities, particularly high-yield debt securities, may decline in credit quality or go into default.

Because Omni may invest in securities not paying current interest or in securities already in default, these risks may be more pronounced.

*Interest rate risk.* When interest rates rise, prices of debt securities generally decline. The longer the duration of the debt securities, the more sensitive it will be to interest rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.)

*Prepayment and extension risk.* When interest rates fall, issuers of high interest debt obligations may pay off the debts earlier than expected (prepayment risk), and the fund may have to reinvest the proceeds at lower yields. When interest rates rise, issuers of lower interest debt obligations may pay off the debts later than expected (extension risk), thus keeping the client's assets tied up in lower interest debt obligations. Prepayments could also create capital gains tax liability in some instances. Any unexpected behavior in interest rates could increase the volatility of and impair client account performance.

*Foreign investment risk.* Clients invested in companies based outside the United States face risks inherent in foreign investing. Adverse political, economic or social developments could undermine the value of clients' investments or prevent the client from realizing their full value. Financial reporting standards for companies based in foreign markets differ from those in the US. Additionally, foreign securities markets generally are smaller and less liquid than US markets. To the extent that Omni invests on behalf of clients in non-US dollar denominated foreign securities, changes in currency exchange rates may affect the US dollar value of foreign securities or the income or gain received on these securities. Foreign governments may restrict investment by foreigners, limit withdrawal of trading profit or currency from the country, restrict currency exchange or seize foreign investments. These investments may also be subject to foreign withholding taxes. Foreign transactions and custody of assets may involve delays in payment, delivery or recovery of money or investments. Foreign investment risks are greater in emerging markets than in developed markets. Emerging market investments are often considered speculative. Emerging market countries, including Russia and other countries in the Former Soviet Union, may have economic and political systems that are less developed, and can be expected to be less stable than developed markets. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation.

## **V. DISCIPLINARY INFORMATION**

Neither Omni nor our supervised persons have been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of Omni and our management.

## **VI. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Omni has entered into sub-advisory agreements with Tiresias under which Omni manages the assets of the two funds and the four managed accounts.

Omni has entered into a Services Agreement with Tiresias under which Omni provides Risk, Operational, Marketing and Compliance oversight support for the Omni Global Fund. Tiresias is an investment manager incorporated in the Cayman Islands, with a branch in Geneva, Switzerland. Tiresias has registered as an excluded person pursuant to the Securities Investment Business Law (2004 Revision) of the Cayman Islands. Tiresias is the investment manager of the Omni Macro Fund although Tiresias delegates all investment management responsibilities and duties for the Funds to us. Tiresias commenced operations in April 2008, when it took over the investment management of the Omni Global Fund from Omni Partners LLP. Omni has no ownership or other equity stake in Tiresias. Neil Cowhig, the CCO of Omni, is the CCO of Tiresias.

## **VII. CODE OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

### *a) Code of Ethics*

High ethical standards are essential for success and to maintain the confidence of clients. Omni's long-term business interests are best served by adherence to the principle that the interests of clients come first; Omni has a fiduciary duty to its clients to act solely for their benefit. All personnel of Omni must put the interests of its clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of Omni must also comply with all federal securities laws.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting:

Neil Cowhig, Chief Compliance Officer  
Omni Partners LLP  
2nd Floor, Salters Hall, 4 Fore Street  
London EC2Y 5DB, United Kingdom  
Telephone: +44 (0)20 7847 7400

### *b) Participation or Interests in Client Transactions*

Omni has established procedures intended to limit conflicts of interest in cases where Omni, a related person or any of our/their employees, buys or sells securities recommended by us to our clients. Generally accepted principles are that employees may invest their money, but should avoid "trading". The policy is that employees must avoid investments in any positions that may lead to the accusation of front running clients or improperly gaining from a client's activities. The generally accepted principles are that specific stocks traded by us on behalf of our clients should be avoided, whereas positions in instruments such as indexes would be considered reasonable. For clarity a position in an individual stock would be questionable if also held by a client, but an individual owning a FTSE 100 index tracker which is also owned by a client would not.

### *c) Personal Trading*

As discussed, Omni has adopted a Code of Ethics governing personal trading by our personnel. Among other requirements, the Code of Ethics requires personnel who have access to client portfolio information or our non-public recommendations to report their personal securities transactions and holdings to Omni and we are required to review such reports. All investment holdings by all individuals must be disclosed on a quarterly basis, at the usual quarter ends, within one month. The quarterly statements must come directly to the CCO from the holder of the assets (e.g. the brokerage account, ISA firm, etc) and not via the individual. Only accounts that will send a copy of all transactions and statements to the CCO may be used, and all accounts must send such a copy transaction and statement.

All transactions must be pre-approved by the CCO or Chief Operating Officer ("COO"). Generally the approval will be good for 72 hours only, and will then lapse and fresh approval required. Employees are required to avoid transactions in any asset where there may be a perception of impropriety, typically transacting in any position held by the Omni Macro Fund or other clients, though exceptions for certain positions, e.g. indices and commodities may be granted with approval by the CCO or COO.



## VIII. BROKERAGE PRACTICES

### *a) Selection of Broker-Dealers*

Omni has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, our primary objective is to obtain best price and execution – that is, prompt, errorless, execution of orders at the most favorable prices reasonably obtainable. In doing so, we consider a number of factors, including, without limitation:

- the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range);
- the financial strength of the broker-dealer;
- the reputation and stability of the broker;
- the efficiency with which transactions are generally executed;
- the ability to effect the particular transaction;
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future; and
- other matters involved in the receipt of brokerage and research services.

Omni will also consider the quality of firms with which it seeks to execute client orders, the adequacy of lines of communication, timeliness of reports of order execution, the capacity to accommodate unusual trading volume and the preservation of client anonymity, among other factors. Omni has a Broker Approval Committee which meets on an annual basis.

### *b) Soft-Dollars Arrangement*

As a matter of policy, Omni does not pay a commission in order to receive research or other services and, except in unusual circumstances, the commission negotiated would not exceed our normal rate. Research or other services which may be received as a result of transactions executed in client accounts are used to benefit all of Omni's clients.

### *c) Brokerage for Client Referrals*

Omni does not consider, in selecting or recommending a broker dealer, whether we or a related person receives client referrals from that broker-dealer.

### *d) Directed Brokerage*

Omni does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). We will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

### *e) Aggregation (Bunching) of Trades*

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, subject to our duty of best execution, orders are aggregated (bunched) and allocated fairly to the nearest round lot. In addition to considerations of equity, bunching avoids placing competing

orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

*f) Trade Errors*

We make and implement investment decisions for our client accounts consistent with our fiduciary duty. However, trades may occasionally be incorrectly executed due to technical issues or due to keystroke, typographic or inadvertent drafting errors, or other human error at the time of entry or execution of a trade. Any trading errors that are not due to fraud, gross negligence, reckless or intentional misconduct, bad faith or criminal wrongdoing will be borne by the relevant client account, which will accept the gains from, or suffer the losses of, such trade error.

## **IX. REVIEW OF CLIENT ACCOUNTS**

*a) Client Account Reviews*

Omni's Operations and Compliance Department perform a regular review of portfolio holdings to ensure that transactions are within the parameters of client objectives. All client activities within this set of reviews are examined quarterly by the CCO.

*g) Client Reports*

Managed account clients and the funds that we advise (and investors in the funds) receive regular monthly reports. These reports provide information on account balances, monthly performance, industry commentary, securities held, values and other information designed to provide a complete assessment of their portfolios. In addition, each fund investor receives audited annual reports.

## **X. CLIENT REFERRALS AND OTHER COMPENSATION**

Omni may, from time to time, pay compensation for client referrals. To the extent required by law, Omni requires that the person referring a client ("Solicitor") enter into a written agreement with us. Under this written agreement, the Solicitor would be required to provide the prospective client with a separate disclosure document before an account is opened. This separate disclosure document provides the prospective client with information regarding the nature of the relationship with the Solicitor and any referral fees we pay to the Solicitor.

## **XI. CUSTODY OF CLIENTS CASH & SECURITIES**

Omni does not retain custody of client assets. Clients and fund investors receive account statements directly from a qualified custodian and are encouraged to review those accounts statements received from the custodian. In addition the funds are (1) audited at least annually and (2) distribute their audited financial statements prepared in accordance with generally accepted accounting principles to all investors within 120 days of the end of its fiscal year end.

## **XII. INVESTMENT DISCRETION**

Omni generally manages client assets on a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, assets may be invested in one or more model portfolios, but clients may generally impose reasonable restrictions, limitations or other requirements with respect to their individual accounts.

*a) Privacy Policy*

Omni is committed to maintaining the confidentiality, integrity and security of clients' and investors' personal information. It is Omni's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Omni does not disclose any non-public personal information about our clients or investors to anyone except for servicing and processing transactions and as required by law. Omni restricts access to non-public personal information about our clients and investors to those employees with a legitimate business need for the information. Omni maintains security practices, physical, electronic and procedural safeguards to guard each client's and investor's non-public personal information. On an annual basis or upon request, Omni will provide a copy of its written privacy policy and procedures.

### **XIII. VOTING CLIENT SECURITIES**

From time to time companies in which we invest may submit certain matters to a vote of its security holders. The right to vote is usually available to equity holders and not to holders of company debt.

Omni has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act designed to ensure that proxies are voted prudently and solely in the best interest of our clients. According to our policy, Omni will generally vote in accordance with management's recommendations in order to support the ability of management to run our business in a responsible and cost effective manner while staying focused on maximizing shareholder value. In the event that a conflict of interest exists between management's recommendation and Omni or our clients, Omni will vote in the manner which in its judgment and sole discretion is in the best interest of our clients.

Omni operates a policy of exercising proxy votes for clients as permitted within client agreements. Voting policy is undertaken at all times in the best interests of clients and for their benefit. A copy of the full proxy voting policy is available upon request.

### **XIV. FINANCIAL INFORMATION OF THE ADVISER**

No financial events have occurred to Omni that would negatively affect our financial viability. There is no financial condition of Omni that is reasonably likely to impair our ability to meet contractual commitments to clients.