

## FORM ADV 2A

# OMNI PARTNERS LLP

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

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*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)203 540 1600 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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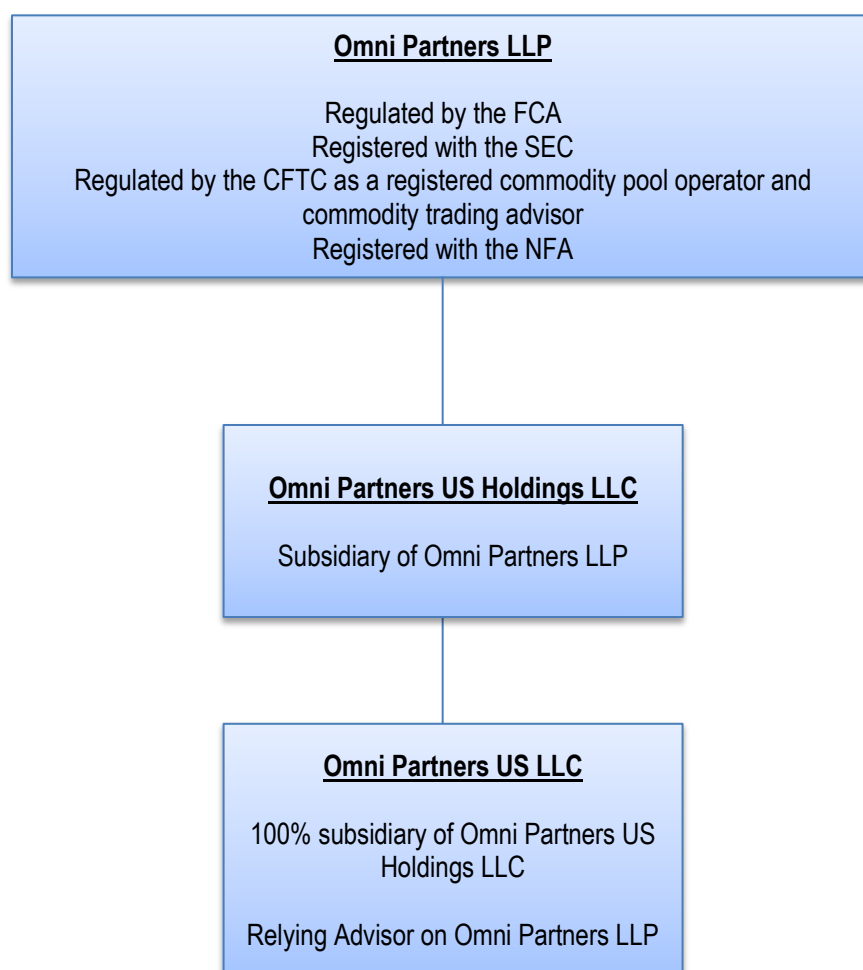
## I. ADVISORY BUSINESS

### a) Background

Founded by Steven Clark in 2004, Omni Partners LLP ("Omni") is authorized and regulated by the UK Financial Conduct Authority ("FCA"), is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC") and is a registered commodity pool operator (CPO) and commodity trading advisor (CTA) subject to regulation by the US Commodity Futures Trading Commission ("CFTC"). The firm seeks to provide consistently high absolute returns alongside pro-active risk management.

Omni has its headquarters in London and a subsidiary holding company in the United States, which in turn owns a subsidiary LLC.

**Figure A. Affiliates and Subsidiaries**



Omni Partners US LLC ("Omni US") is a relying advisor of Omni for the purposes of the SEC. Omni and Omni US are operationally integrated and operate under a single advisory and compliance structure.

Omni provides discretionary investment management services to three private funds (the "Private Funds"): the Omni Macro Master Fund I Limited ("Omni Macro Fund"), the Claro Global Master Fund Limited ("Claro Global Fund") and the Hartford Growth Limited ("Hartford Fund").

Additionally, Omni serves as an adviser to three managed accounts ("Managed Accounts").

In this brochure, the three Private Funds and the Managed Accounts are referred to as "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 its organizational history and the 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 enforced, including stop-loss methodology appropriate for each strategy

As of August 1, 2013, Omni managed \$723,900,000 on a net asset value basis across its Clients as noted above and detailed below:

Discretionary Assets	\$723,900,000
Non-Discretionary Assets	0
<b>Total</b>	<b>\$723,900,000</b>

A statement of material changes is contained within Exhibit A to this brochure.

*b) Principal Investment Strategies*

Omni provides investment advice to its Clients in relation to two distinct strategies. The first focuses on macroeconomic themes typically expressed in foreign exchange, commodity futures, rates and bond futures and equities and equity index futures. The second focuses predominantly on the equity and equity related securities of companies that are undergoing significant corporate events.

*c) Omni Management Team*

- Steven Clark is the Founding Partner and serves as the Head of Risk
- Graham Rodford 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
- Matthew Baker is the Financial Controller

*d) Ownership*

Omni is 99.9% owned by Steven Clark, Founding Partner and Head of Risk. The remainder is owned by the other partners of Omni.

## **II. FEES AND COMPENSATION**

### *a) Private Funds Fees*

Omni receives 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.

Omni is entitled to receive performance compensation as set out in the Private Funds' offering documents ("Performance Fee"). In these cases, Private Fund investors are charged fees based on a share of capital gains on or capital appreciation of the client's assets under management.

Omni may, in its sole discretion, waive, reduce or otherwise amend 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*

Omni generally charges Managed Accounts fees equivalent to those received for managing the Omni Macro Fund. These fees may, however, be negotiated depending on the account size, the total investment by any individual investor across 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 separately and apart from the Management Fees and Performance Fees. These expenses typically include custody fees, brokerage services and other transaction fees, fees and expenses incurred by Omni for investment management services and/or expenses associated with the investment vehicle in which assets are invested. Such fees as may be agreed between Omni and the Clients may include, but are not limited to, research, market data, administration 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 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 Omni 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 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 and to prevent fee-related conflicts from influencing the allocation of investment opportunities among clients.

Omni's trade allocation policy is designed to ensure that client accounts are treated equitably under all circumstances. Omni does not favour any clients or subsets of clients when it engages in side-by-side trading of the Managed Accounts and Private Funds.

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

Omni provides discretionary investment advisory services to the Private Funds, all of which are exempt from the definition of an investment company under the Investment Company Act of 1940.

Omni also provides 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 or investment advisory agreement governing that account.

#### *a) Methods of Analysis*

#### **❖ For certain Clients invested in the Omni Macro strategy, Omni uses 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 Group 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**

**With regard to the Omni Macro strategy:**

Risk is managed at the portfolio level.

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

- Month-to-date drawdown level breaches 3% of NAV, then risk is reduced by 50%
- Peak to trough drawdown crosses 7.5% from month-end peak, the MTD drawdown threshold decreases to 2% of NAV
- One day VaR is greater than 4.5% of NAV (95% confidence interval, ten-year historical look back), risk is reduced to bring 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

**V. DISCIPLINARY INFORMATION**

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

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

As noted above, Omni has a subsidiary in the United States, Omni Partners US LLC, which is a relying adviser. Omni and Omni Partners US LLC are in a control relationship and conduct a single advisory business subject to a unified compliance program.

Omni is also a registered commodity pool operator (CPO) and a commodity trading advisor (CTA) subject to regulation by the US Commodity Futures Trading Commission (CFTC).

Omni does not believe that these activities create a material conflict of interest.

**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 its 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:

Graham Rodford, Chief Compliance Officer  
Omni Partners LLP  
5 Golden Square, Fifth Floor  
London W1F 9BS, United Kingdom  
Telephone: +44 (0)20 3540 1600

*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 its employees, buys or sells securities recommended by Omni to its 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 Omni on behalf of its Clients should be avoided, whereas positions in instruments such as indices 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 its personnel. Among other requirements, the Code of Ethics requires personnel who have access to Clients' portfolio information or Omni's non-public recommendations to report their personal securities transactions and holdings to Omni. Omni is 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. Generally the approval will be good for 72 hours only and will then lapse and fresh approval will be 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 Private Funds or other Clients, though exceptions for certain positions, e.g. indices and commodities, may be granted with approval by the CCO.

## **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 Omni's Clients, the company's 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, Omni considers 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 as required.

*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 its 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 it or a related person receives Client referrals from that broker-dealer.

*d) Directed Brokerage*

Omni does not accept Clients who require it to execute transactions through a specified broker-dealer. Clients may recommend that Omni uses their preferred broker-dealer(s). Omni will use such broker-dealer(s) subject to its 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 Omni's 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*

Omni makes and implements investment decisions for its Clients consistent with its 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 occur will be reviewed on a case by case basis and allocated accordingly between the relevant Client account or the investment manager dependent upon and in accordance with the applicable investment management agreement.

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

*a) Client Account Reviews*

Omni's Operations and Compliance Department performs a regular review of portfolio holdings to ensure that transactions are within the parameters of Client objectives.

b) *Client Reports*

The Clients that Omni advises (and investors in the Private Funds) receive regular monthly reports. These reports generally provide information on account balances, monthly performance, industry commentary and other information designed to provide a complete assessment of their portfolios. In addition, each Private Fund investor, save any investor in the Claro Global Fund, 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 prospective client ("Solicitor") enters into a written agreement with Omni. 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 Omni pays to the Solicitor.

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

Omni is not authorised by the UK Financial Conduct Authority to hold Client assets and has engaged an independent custodian for such purposes. However, under Rule 206(4)-2 of the Advisers Act, Omni has "custody" of Client funds and securities solely as a consequence of:

- Omni's authority to deduct fees from client accounts
- Omni's control of the General Partners of the Private Funds

The Private Funds are independently audited by a firm registered with the Public Company Accounting Oversight Board ("PCAOB"). Private Fund investors receive account statements directly from a qualified custodian and are encouraged to review those accounts statements received from the custodian. In addition each of the Private Funds (save for Claro Global Fund), is (1) audited at least annually and (2) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to investors. The Omni Macro Master Fund I Limited is required to do this within 90 days of its fiscal year end by virtue of CFTC regulation whereas the remaining Private Fund is required to do this within 180 days of the end of its fiscal year end.

**XII. INVESTMENT DISCRETION**

Omni generally manages Clients' 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 the Clients' 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 its Clients (or the Clients' investors) to anyone except for servicing and processing transactions and as required by law. Omni restricts access to non-public personal information about its Clients (and the Clients' 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 Clients' investors') non-public personal information. 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 Omni invests 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 its Clients. According to its policy, Omni will generally vote in accordance with management's recommendations in order to support the ability of management to run its 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 its Clients, Omni will vote in the manner which in its judgment and sole discretion is in the best interest of its 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**

- XV.** No financial events have occurred to Omni that would negatively affect its financial viability. There is no financial condition of Omni that is reasonably likely to impair its ability to meet contractual commitments to Clients.

## **XVI. EXHIBIT A: STATEMENT OF MATERIAL CHANGES**

The following material changes have been made to the ADV 2A of Omni Partners LLP ("Omni") since the last update:

1. The discretionary assets under management are \$723,900,000 as at August 1, 2013. Discretionary Assets under management as disclosed in the previous ADV 2A were \$1,090,439,031.
2. Graham Rodford has been appointed Chief Operating Officer and Chief Compliance Officer. Neil Cowhig, who previously undertook the role of Chief Operating Officer and Chief Compliance Officer, has amicably left Omni.
3. The Omni Global Master Fund Limited has closed. The investment management agreement related to the provision of discretionary investment management services by Omni Partners LLP to the Omni Global Master Fund Limited was terminated on 31 July 2013, when the Fund closed. In turn two managed accounts running alongside the Omni Global Fund closed before the Fund closed.
4. The Geneva, Switzerland Branch Office closed on 31 July 2013.