

## FORM ADV 2A

# OMNI PARTNERS LLP

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

31 July 2014

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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 [investorrelations@omni.co.uk](mailto:investorrelations@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.*

## **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 brochure dated 31 December 2013:

1. The discretionary assets under management are \$785,712,230 as at 31 July 2014. Discretionary assets under management as disclosed in the previous ADV 2A were \$675,574,780.
2. The Omni Secured Lending Fund I LP launched on 2 February 2014. An investment management agreement dated 25 January 2014 has been entered into between the Omni Secured Lending Fund I LP and Omni for the provision of discretionary investment management services by Omni to the Omni Secured Lending Fund I LP.
3. Omni acquired a minority stake in Brookland Partners LLP as at 6 June 2014.
4. Peter Coates, John Jenkins, Elissa Kluever, Graham Rodford and James Weaver became Partners of Omni.
5. Peter Coates was appointed Chief Executive Officer of Omni on 23 June 2014.
6. Omni Partners LLP was approved as an alternative investment fund manager (“AIFM”) on 21 July 2014.

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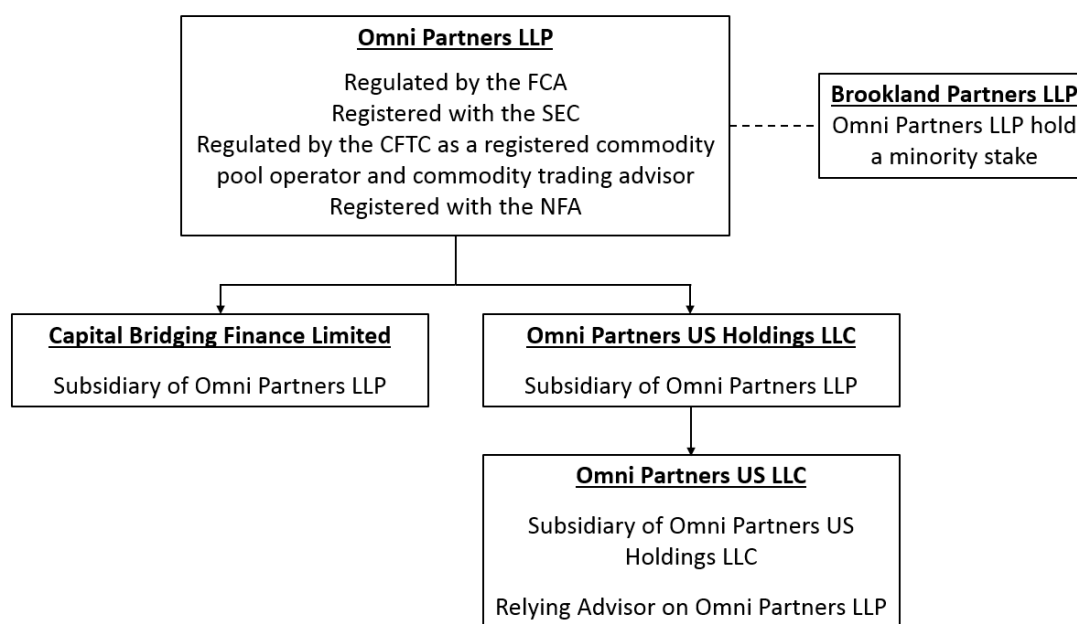
## I. ADVISORY BUSINESS

### a) Background

Founded by Steven Clark in 2004, Omni Partners LLP ("Omni" or the "firm") is an alternative investment fund manager ("AIFM") authorised and regulated by the Financial Conduct Authority ("FCA"), is a registered investment adviser with the Securities and Exchange Commission ("SEC") and is a registered commodity pool operator and commodity trading advisor subject to regulation by the US Commodity Futures Trading Commission ("CFTC"). Mr Clark is the principal owner of the firm. The firm seeks to provide consistently positive returns alongside pro-active risk management.

Omni is based in London and has the following group structure.

**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 is the parent of Capital Bridging Finance Limited ("CBFL"), a short-term lending business providing finance solutions to private and corporate clients. Omni and CBFL are operationally integrated and operate under a single advisory and compliance structure.

Omni owns a minority stake in Brookland Partners LLP ("Brookland"). Omni and Brookland 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"): Omni Macro Master Fund I Limited ("Omni Macro Fund"), Omni Event Master Fund Limited ("Omni Event Fund") and Omni Secured Lending Fund I LP ("Omni Secured Lending 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 company's Private Funds and Managed Account all emphasize the achievement of opportunistic returns whilst limiting downside risk based on proactive risk control.

As at 31 July 2014, Omni managed \$785,712,230 on a net asset value basis across its Clients as noted above and detailed below:

Discretionary Assets	\$785,712,230
Non-Discretionary Assets	0
<b>Total</b>	<b>\$785,712,230</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 three distinct strategies. The first focuses on macroeconomic themes typically expressed across a variety of asset classes including foreign exchange, commodities, equities and interest rates and bonds. The second focuses predominantly on the equity and equity related securities of companies that are undergoing significant corporate events. The third focuses on whole loans within the short-term secured property lending market in the UK.

*c) Omni Management Team*

- Steven Clark – Founding Partner and Head of Risk
- Peter Coates – Partner and Chief Executive Officer
- Graham Rodford – Partner, Chief Operating Officer and Chief Compliance Officer
- Elissa Kluever – Partner and Marketing and Investor Relations Manager
- James Weaver – Partner and Legal Counsel
- John Jenkins – Partner and Chief Executive Officer of Capital Bridging Finance Limited

*d) Ownership*

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

## **II. FEES AND COMPENSATION**

*a) Private Funds Fees*

Omni receives a management fee from the Private Funds based on either net assets under management (for the Omni Event Fund and Omni Macro Fund) or assets invested (for the Omni Secured Lending Fund) ("Management Fee"). The Management Fee is deducted 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 or based on the value of the assets invested, as detailed above.

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 Clients' 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 charges Management Fees and Performance Fees to Managed Accounts as it does to the Omni Private Funds. These fees may, however, be negotiated depending on the account size, the total investment by any individual investor across multiple 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 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 each Client's assets under management. Any Performance Fee charged by Omni to U.S. persons will comply 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 subject to such 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 arrangements 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 Clients' accounts are treated equitably under all circumstances. Omni does not favour any Client or subset 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 macroeconomic approach**

The investment process begins with the formation of a macroeconomic view based on current fundamental research and an accumulated knowledge of financial history. In constructing the portfolio the team combines a limited number of longer-term structural themes, thematic cyclical positions and tactical trades. Omni Macro seeks out trades with positive convexity, an approach that has historically delivered a positive skew of monthly returns and de-correlation. In implementing trades the team relies on positioning and sentiment data and metrics in order to marry macroeconomic views with asymmetrical risk/reward trades. Themes are expressed using highly liquid instruments, with a majority of risk typically in foreign exchange trades and the balance allocated across listed equity index futures, interest rate products and commodity futures.

#### **❖ For certain Clients invested in the Omni Event strategy, Omni uses a global event-driven approach**

The investment process focuses on the equities and equity related securities of companies that are undergoing significant corporate events and other hard catalyst events.

In executing the strategy Omni seeks to:

- Thoroughly understand each event in detail
- Apply strong top down and bottom up risk controls in order to limit draw-downs
- Execute the best risk/reward trades regardless of geography
- Reduce risk through research
- Maintain a flexible approach to idea implementation
- Adhere to stringent risk controls

**Figure C: Omni Event strategy investment process**



- ❖ **For certain Clients invested in the Omni Secured Lending strategy, Omni uses a risk-based loan underwriting process**

The investment process begins with the origination and underwriting of loans in the short-term secured property lending market in the UK. All loans are asset-backed, with a maximum Loan-to-Value (LTV) of 70%.

#### Short-term Lending Model

- CBFL, a subsidiary of Omni, serves as the Omni Secured Lending Fund's origination platform
- Borrowers: both individuals and companies
- Security: residential and commercial properties in the UK
- Loan Purpose: acquisition of a buy-to-let property, purchase of an investment properties or funding of a refurbishment project
- Exit: typically by securing long-term finance or sale of the property

#### Lending Approach

- The underwriting team at CBFL prices for risk, placing a primary emphasis on the current value of the property offered as security
- The full recourse nature of the UK property lending market means that borrowers are personally liable for their loans
- Other core underwriting considerations include the liquidity of each property and viability of the stated exit
- The Omni Secured Lending Fund holds a charge (typically a first charge, i.e. senior lien) on each property offered as security
- The nature of the charge held on each property offered as security means that CBFL maintains the right to repossess or appoint a receiver on any property where the borrower is unable or unwilling to repay the loan



## *b) Investing Risks*

Risk is monitored real-time by Omni's Portfolio Managers and Group Risk Manager. Investing in securities and/or loans, as appropriate for each strategy, 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%

The 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

#### **With regard to the Omni Event strategy:**

Liquidity and sizing are paramount

- The portfolio focuses on liquid equity and equity related securities globally
- Positions are sized based on risk / reward characteristics with a maximum expected loss in any one trade of 5% or less of NAV
- Typically, at least 80% of the portfolio can be liquidated within 5 days or less (assuming 25% of average daily trading volume calculated over rolling 30 days)

Downside risk is managed via top down and bottom up risk controls – avoidance of loss is paramount

- Risk is best controlled through extensive research and analysis
- Active risk management framework, with overriding hard stops on the individual trade level enforced at 4% of NAV; hitting the hard stop triggers mandatory liquidation of the trade
- Positions are continuously monitored real time in each market
- Position breadth is actively controlled

#### **With regard to the Omni Secured Lending strategy:**

Risk is mitigated during the underwriting process

- Acquiring an accurate valuation from an independent professional valuer is key in the underwriting process
- CBFL has a face-to-face meeting with every individual borrower, including any majority beneficial owner of a corporate borrower, to verify the loan application

- The stated circumstances surrounding each loan application are verified and a clear explanation of the exit strategy for each loan is required
- Any additional risks identified during the underwriting process and/or the Credit Committee approval process are mitigated by imposing additional terms and conditions to the loan, for example by requiring the borrower to demonstrate progress to exit at certain waypoints during the term of the loan

Risk is limited via adequate asset and securities backing on each loan

- Maximum LTV is strictly defined and does not exceed 70% on any individual loan
- Loans are secured on a first or second legal charge basis against real estate in the UK
- Loans to companies require personal guarantees from one or more directors
- Lending is conducted on a full recourse basis (versus non-recourse lending, which is common in most other countries)

#### Procedures & Personnel

- Reputable solicitors (sourced from a panel of approved firms) are retained to prepare all loan documentation
- Credit Committee approval is required before any loan is funded
- Headline loan portfolio information is provided daily for internal review, and a weekly loan portfolio pipeline report is circulated across the group
- Experienced institutional quality middle office team supports the Omni Secured Lending Fund's operations

For more information about the risks of each of the Private Funds, please see the offering memorandum for that particular fund.

Specific risks relating to the three strategies employed by Omni and the instruments in which Clients are invested may include:

- *Stock Market Volatility.* The prices of stocks in general, including those in which Clients' assets are invested, 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 misjudgment of the true value of the company or adverse company developments Omni fails 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. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund. 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 Clients' 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 Clients' accounts 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.
- *Real Estate Risk.* These risks include, but are not limited to, general and local economic conditions, the supply and demand for properties, the financial resources of tenants, changes in building, environmental and other laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, environmental liabilities, uninsured casualties, government regulations (including those governing usage, improvements, zoning and taxes) and other factors which are beyond the control of the General Partner or the Investment Manager.
- *Collateral Risk.* If the value of the residential real estate or underlying asset upon which the Mortgage Loan is secured is lower than the value of the Mortgage Loan and the borrower defaults on its obligations under the Mortgage Loan, then the Fund may only have recourse to the lower valued asset and will therefore not be able to recover the full outstanding amount repayable in respect of the Mortgage Loan. This can adversely affect the Fund's performance.

## **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 a 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 US, which is a relying adviser. Omni and Omni US are in a control relationship and conduct a single advisory business subject to a unified compliance program.

CBFL is a subsidiary of Omni based in the United Kingdom. CBFL is a short-term lending business providing finance solutions to private and corporate borrowers, as detailed above in the Omni Secured Lending strategy detail.

Omni has a minority equity stakeholding in Brookland, which is based in the United Kingdom. Brookland provides innovative real estate investment banking solutions to the real estate markets in EMEA.

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) and a member of the National Futures Association (NFA)

Omni does not believe that these activities and/or affiliations create any material conflicts 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  
Fifth Floor  
5 Golden Square  
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 Chief Compliance Officer ("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 Clients' orders, the adequacy of lines of communication, timelines 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 periodically to add and assess brokers.

### *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), but Omni will only 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 or offering memorandum.

## 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 comprehensive assessment of their portfolios.

## IX. 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.

## X. 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 control of the General Partners of the Private Funds, where a General Partner exists

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 account statements received from the custodian. Each of the Private Funds 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 Fund is required to do this within 90 days of its fiscal year end by virtue of CFTC regulation whereas each of the remaining Private Funds is required to do this within 180 days of the end of its fiscal year end, excluding its first year.

## **XI. 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.

## **XII. 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 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.

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

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.