

# **OxFORD Asset Management LLP**

## **SEC Form ADV Part 2A**

### **Brochure**

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This brochure provides information about the qualifications and business practices of OxFORD Asset Management LLP (“OxFORD”, the “Investment Adviser”, the “Firm”, or “us”). If you have any questions about the contents of this brochure, please contact us using the details above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Firm is available on the SEC’s website at <http://www.adviserinfo.sec.gov>. You can search this site using OxFORD’s CRD number, which is 136937.

OxFORD is an SEC-registered investment adviser. The Firm is additionally authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom. It is also registered with the Commodity Futures Trading Commission (“CFTC”) as a Commodity Pool Operator (“CPO”) and a Commodity Trading Advisor (“CTA”) and is a member of the National Futures Association (“NFA”) in such capacities. Such authorisation, regulation, registration and membership do not indicate expertise or experience, nor regulatory approval by the relevant bodies. Neither registration with the SEC nor the use of the terms “registered investment adviser” nor “registered” throughout this Form ADV Part 2A should be construed to imply that OxFORD or its staff possess a certain level of skill or training.

OxFORD’s executive management team has long-established experience working within the investment management industry. This document contains information about the team’s educational and employment backgrounds.

## **Item 2 - Material Changes**

This item discusses only material changes since the most recent annual update of the Firm's brochure on 18 October 2019. With effect from 01 April 2019, Mr Stephen Mobbs ceased active management of the Firm and became a Consultant Founder Member. Changes in this document also include general factual and clarificatory amendments, including to the level of assets under management.

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## Item 4 - Advisory Business

### The Investment Adviser

The Firm is investment adviser to OxAM Quant Fund Limited (the “Fund”), an open-ended limited liability investment company incorporated as an exempted company under the laws of the Cayman Islands. The Fund is a master fund in a master-feeder structure. Investors in the Fund invest through one of two feeder funds: OxAM Quant Fund (International) Limited, incorporated in the Cayman Islands or OxAM Quant Fund (US) LLC, incorporated in Delaware (together, the “Feeder Funds”). The Fund was launched in 2004.

The principal controllers of OxFORD are Founder Partners: Dr André Stern and Dr Steven Kurlander. Dr Stern and Dr Kurlander are actively involved in portfolio management.

*André Stern, Founder and Principal:* Dr Stern holds an AB in Biochemistry from Cornell University, and a DPhil in Mathematical Sciences from the University of Oxford. Dr Stern serves on several University of Oxford committees and boards, including the Oxford University Endowment, as well as the Advisory Boards of the MIT Sloan Finance Group and the MIT Golub Center for Finance and Policy.

*Steven Kurlander, Principal:* Dr Kurlander holds an AB in Mathematics and Computer Science from Cornell University, and a PhD in Computer Science from the University of Wisconsin-Madison.

With effect from 01 April 2019, Mr Stephen Mobbs ceased active management of OxFORD and became a Consultant Founder Member. Mr Mobbs is a non-active partner of the Firm, and receives a profit share.

### Advisory Services

The Firm provides discretionary asset management services for the Fund, which is its single client. The Fund is a process-driven, quantitative multi-strategy fund. The Firm employs a diverse range of strategies, predominantly in equities (and equity swaps), futures and FX, to construct the Fund’s portfolio.

The Firm’s strategies are primarily systematic, with some opportunistic investments (including discretionary fundamental stock selection) made within the Fund’s risk-management framework.

OxFORD seeks to generate security-specific, idiosyncratic alpha. In general, the Firm’s equity strategies are intended to be uncorrelated with traditional market benchmarks; a rising (or falling) equity market should not, in and of itself, dictate a particular outcome (positive or negative) for the portfolio.

### The Fund

OxFORD’s advisory services are tailored to the requirements of the Fund, in accordance with the Fund’s investment objectives and restrictions as set out in the Investment Advisory Agreement (the “IAA”) between OxFORD and the Fund and in the Fund’s Information Memorandum (the “Information Memorandum”), in each case as may be amended and supplemented from time to

time. The board of directors of the Fund reviews the Fund's investment objectives and restrictions on a regular basis. Any prospective investor in the Fund should consider carefully all the information contained in the Information Memorandum and advice they receive from their own legal, tax, financial and other advisers prior to considering any investment in the Fund. A copy of the Information Memorandum may be obtained by prospective investors on request to the Firm, subject to suitability requirements.

**Wrap Fee Programs**

OxFORD does not participate in wrap fee programs.

**Assets under Management**

As at 28 February 2019, the Firm managed net assets totalling US\$ 2,834 million. Regulatory assets under management at the same date amounted to US\$ 9,721 million.

## **Item 5 - Fees and Compensation**

### **Compensation for Advisory Services**

The Firm charges the Fund an advisory fee of 2% per annum payable on a monthly basis. In addition, the Firm charges the Fund a performance-based incentive fee of 20% per annum payable on an annual basis and calculated on the basis of net capital appreciation subject to a high water mark mechanism. Both advisory and incentive fees are deducted in arrears from the assets of the Fund. These fees are not negotiable and are described in more detail in the Information Memorandum.

### **Other Fees and Expenses**

The Fund bears its own trading costs including brokerage (see Item 12 – ‘Brokerage Practices’ for additional information regarding brokerage), interest and stock loan fees. The Fund also bears its own expenses such as directors’ fees, legal expenses, insurance premiums (including directors’ and officers’ insurance), professional fees (including expenses for, and of, experts and consultants), datasets (including costs associated with corporate access) and administrative expenses, and other fund operating expenses including fund administration fees.

The Fund reimburses to OxFORD, by way of a research payment account, the cost of research purchased by the Firm.

Certain trading activities generate rebates from the exchanges on which such trading takes place. Such rebates are paid to the Fund.

Further, each of the Feeder Funds incurs certain ongoing administrative and other costs and expenses. All such costs and expenses are intended to be paid or borne as a general expense of the Fund (irrespective of whether a particular expense is directly attributable to a specific Feeder Fund); provided that: (i) each Feeder Fund bears its own costs and expenses for manager service fees or directors’ fees (as applicable); and (ii) the Fund expects to allocate the cost of the US withholding tax paid on dividends and certain other “US source payments” to the Non-US Feeder Fund as the US Feeder Fund itself is not subject to any US withholding tax (which can be substantial in amount). If any fees or expenses are charged at the Feeder Fund level, corresponding fees are not additionally charged at the Fund level, and vice versa, so there is no “layering” of fees.

The Firm does not charge commissions.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

As noted in Item 5 – ‘Fees and Compensation’, the Firm charges a performance-based incentive fee to the Fund. Because the Firm advises and trades only on behalf of its single client, the Fund, no conflicts of interest arise with respect to side-by-side management.

## Item 7 - Types of Clients

### The Fund

The Firm's single client, the Fund, is an open-ended limited liability investment company incorporated as an exempted company under the laws of the Cayman Islands. The Fund offers shares to both non-US persons and US persons. With respect to US persons, shares may only be purchased by shareholders that qualify as: (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, and (ii) "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act of 1940. Shareholders must also meet other suitability requirements. Investors in the Fund may include, but are not limited to, pension plans (public and corporate), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g. funds of funds), high net worth individuals, trusts, estates or charitable organisations, and corporate or other business entities.

The minimum subscription is \$5 million for US dollar shares (or its equivalent in pounds sterling with respect to pound sterling shares or its equivalent in euros with respect to euro shares), although the Fund's board of directors may decide to accept subscriptions for lesser amounts.



## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

The Firm may employ quantitative and/or qualitative strategies in its trading for the Fund.

The quantitative strategies the Firm may employ are generally implemented using, and/or derived from, computer models of financial instruments and markets. Such process-driven strategies are designed to assess features of financial instruments and markets for the purposes of predicting future prices of financial instruments, based on analysis of historical prices and returns, associated information, datasets and other information procured from research organisations, news providers or aggregators, brokers or other persons.

The investment strategies may use a variety of different computational finance approaches. For example, the strategies may use techniques such as: linear and non-linear modelling of econometric, fundamental, and informational data, agent-based modelling, different forms of machine learning, statistical analysis, and techniques from other disciplines such as signal processing, statistical physics, computer science and control theory, or may use some other approach.

The Firm takes, and intends to continue to take, long and short positions in financial instruments based on the information generated by the computer models. The analysis and forecasts generated by the computer models may be tempered by the exercise of qualitative discretionary judgement. In addition, consideration is given to the costs of implementing investment strategies and trades.

The Firm may also employ a range of other strategies. These strategies attempt to exploit apparent anomalies in the relative pricing of different financial instruments either relative to each other or relative to an objective model of the value of a financial instrument. These strategies may include convertible bond arbitrage, risk and merger arbitrage, closed end fund arbitrage, event driven trading and fixed income arbitrage. The Firm may limit exposure to any identifiable risk or any specific trade with the goal of dampening the volatility of the performance of the Firm's portfolio. The Firm may, where it deems appropriate and cost effective, hedge exposures to identifiable risks. Conversely, the Firm may tolerate a high level of performance volatility.

The Firm may use trading algorithms to execute trades.

A key element of the manner in which the Firm implements, and proposes to continue to implement, its investment objective is risk management.

The Firm may invest in any market. Some of the markets in which the Firm may invest may be less developed and less regulated than those in the United States or the United Kingdom. The products in which the Firm may invest include bonds, shares, stocks, debenture stocks, subscription rights, warrants, options, futures, contracts for differences, swaps, swaptions, forwards, foreign exchange transactions (and any combination of them) and all other securities, derivatives and financial instruments. The Firm may also hold cash, on loan or on deposit, in various currencies. In addition, the Firm may invest in hedge funds, funds of funds and other funds that utilise a range of investment strategies and invest in a broad range of financial instruments in a variety of markets. The Firm's portfolio may include any combination of the investments described above.

## Risk of Loss

An investment in the Fund involves a high degree of risk, including the risk of losing an entire investment; is suitable only for sophisticated investors; and is not suitable for investors that may wish to realise their investment at short notice. Investments into the Fund are speculative and illiquid investments. Any person making an investment in the Fund must be able to bear the risks involved and must meet the suitability requirements of the Fund. The Fund can be expected to experience periods of performance volatility and losses. Past performance should not necessarily be construed as an indication of future results. As the Fund's investment objective and manner of implementation change and evolve over time, an investment in the Fund may involve different and/or additional risks over time.

The Information Memorandum, including in the section headed 'Certain Risk Factors', describes various risks relevant to investments in the Fund. These include material risks involved in an investment in the Fund, including significant or unusual risks involved in the Firm's methods of analysis and strategy. The Information Memorandum does not purport to describe all the risks associated with an investment in the Fund nor to provide complete descriptions of the risks which are described. Moreover, it states that there are additional risks not set out in the Information Memorandum, which could also result in investors losing their entire investment. In the interests of keeping this brochure concise, the details of such risks are not set out in full in this document, but please note that the risks referred to in the paragraph immediately below are listed by reference to their headings as set out in the 'Certain Risk Factors' section of the Information Memorandum.

*The risks referred to above include: dependence on directors and the Investment Adviser; dependence on The Oxford Asset Management Company Limited; investment and trading risks in general; difficulty in achieving the Fund's investment objective; conflicts of interest; shareholders do not participate in management; market disruptions, governmental intervention and systemic risk; market disruptions; Brexit; EU and Eurozone issues; MiFID II; limited liquidity and certain difficulties associated with redemptions; inability to fund redemption requests; redemptions in kind; substantial redemptions; investor concentration risk; deferred payment of redemption proceeds; no ring-fencing of share classes; transaction costs; no assurance of non-correlation; limited value of non-correlation even if achieved; valuation of the Fund's portfolio; leverage and collateral; cost of borrowing; directional long/short strategies; short selling; hedging transactions; concentration of investments; use of models; reliance on technology, intellectual property and third parties; cybersecurity; equities; derivative instruments; currency risk; sterling shares and euro shares; trade errors; investments in emerging markets and less regulated markets; investments in India; small capitalised companies and newly formed companies; custody and prime broker risks; counterparty risk; counterparties and set-off; substantially unregulated operations/no regulatory approval or recommendation; legal, regulatory and tax changes; the Dodd-Frank Wall Street Reform and Consumer Protection Act; the "Volcker Rule"; "lock-step" master/feeder fund structure; accounting for uncertainty in income taxes; imposition of taxes; new US audit rules; no independent counsel for shareholders; inherent limitations of disclosures.*

Prospective investors in the Fund should consider carefully all the information contained in the Information Memorandum, including the detailed descriptions of such risks as referred to in the paragraph immediately above and together with the advice they receive from their own legal, tax, financial and other professional advisers, prior to considering any investment in the Fund.

### **Item 9 - Disciplinary Information**

The Firm is not aware of any legal or disciplinary events affecting it or any of its staff that would be material to a client's, a prospective client's or an investor's evaluation of the Firm's advisory business or the integrity of its management.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### **Broker Dealer**

Neither the Firm nor any of its management persons is registered or has applied to register as a broker dealer.

### **Futures Activity**

OxFORD is registered as a CPO and a CTA with the CFTC and is a member of the NFA in such capacities.

### **Affiliations**

Neither the Firm nor any of its management persons has a relationship with any other investment adviser which is material to its advisory business or to its client.

### **Selection of Investment Advisers**

OxFORD does not recommend any other investment advisers to clients.

**Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading****Code of Ethics**

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), the Firm has in place a Code of Ethics (the “Code”) based on the principle that the interests of its client must come first. This requires all staff to act honestly and fairly in their dealings with the Fund and to adhere to applicable law and regulation. The Code is designed to address and avoid potential conflicts of interest and is applicable to all staff of the Firm. The Code contains the Firm’s Personal Account Trading Policy, which includes provisions designed to prevent improper personal account (“PA”) trading, and is available on request to the Fund.

**Financial Interest in Securities**

Any securities in which a member of staff of the Firm has a material financial interest are excluded from the universe of securities in which the Firm can trade; thereby avoiding any potential conflict of interest in relation to such securities.

**Investing in Same Securities**

The Firm has discretionary authority to trade on behalf of the Fund, and does not trade in securities for its own account. All PA trades entered into by members of staff are subject to a pre-clearance process pursuant to the terms of the PA Trading Policy and are monitored for compliance with such policy. The automated nature of the models underlying the investment strategies predominantly deployed by the Firm, together with the volumes of instruments traded, mean that individuals are not typically aware of particular orders being placed at the time they request approval to trade in securities on their own account.

## **Item 12 - Brokerage Practices**

### **Selection of Broker Dealers**

The Firm uses various brokers and dealers to execute securities transactions for the Fund. The Firm seeks best execution by selecting brokers or dealers based on a number of factors, including price, costs (including e.g. financing and stock borrowing costs), speed (including the need for timely execution and settlement), likelihood of execution and settlement, size of the order, nature of the financial transaction or any other consideration relevant to the efficient execution of the order. The Firm negotiates commissions for the Fund.

### **Soft Dollars and Research Expenses**

The Firm does not use commissions or “soft dollars” generated from securities transactions to pay for research and research-related services. In the event that the Firm were to decide to use “soft dollars” in the future, the Firm would ensure that such arrangements would comply with the safe harbor for the use of soft dollars set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended, and the prevailing SEC guidance thereunder, as well as other applicable law and regulation including the rules and principles of the FCA.

As mentioned in Item 5 – ‘Fees and Compensation’, the Fund reimburses to OxFORD by way of a research payment account, the cost of research purchased by the Firm.

### **Client Referrals**

OxFORD does not receive client referrals from brokers.

### **Directed Brokerage**

The Fund has authorised the Firm to select the brokers it uses in executing transactions for the Fund.

### **Aggregation and Allocation of Orders**

The Fund is the only client of the Firm. Accordingly, the Firm has no need to aggregate orders for the purpose of allocation between different clients.

**Item 13 - Review of Accounts**

The Firm's investment committee (the "Investment Committee") generally meets on a monthly basis and reviews the Fund's investment strategies and performance. The Investment Committee primarily comprises the active partners of the Firm, including the head of portfolio risk, together with other senior members of staff. OxFORD also reviews and monitors the Fund's positions on a daily basis.

The Firm reports on Fund performance to the board of directors of the Fund at quarterly Fund board meetings and additionally provides the Fund directors with a written monthly portfolio report (the "Monthly Portfolio Report").

Moreover, the Firm provides the Monthly Portfolio Report to Fund investors and arranges for MUFG Alternative Fund Services (Cayman) Limited, the Fund's independent administrator (the "Fund Administrator"), to send the Fund's audited financial statements to investors within 90 days following the Fund's fiscal year-end.

#### **Item 14 - Client Referrals and Other Compensation**

The Firm is not remunerated by any person other than the Fund for being the investment adviser to the Fund.

The Firm receives no economic benefit, directly or indirectly, from any non-client for being the investment adviser to the Fund. In this connection, it should be noted that any economic benefits arising as a result of the Firm's activities (e.g. commission rebates) are credited to the account of the Fund. Accordingly, no conflict of interest arises in this respect.

The Firm does not compensate any person for client nor investor referrals.



**Item 15 - Custody**

The Firm is deemed to have custody of the Fund's assets under Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, the Firm is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the relevant Fund because it complies with the provisions of the "Pooled Vehicle Annual Audit Exception". Such exception, amongst other things, requires that the Fund be subject to audit at least annually by an independent public accountant which is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and additionally requires that the Fund distribute its audited financial statements to all investors within 120 days of its fiscal year-end. It should be noted that the Fund in fact aims to distribute its financial statements even earlier, within 90 days of its fiscal year-end, pursuant to a separate regulatory requirement.

The Fund has appointed each of Morgan Stanley & Co. International plc, Credit Suisse Securities (Europe) Limited and JP Morgan Securities plc as a prime broker to the Fund. Each prime broker provides custody services to the Fund under its terms of appointment. The prime brokers provide daily statements of holdings directly to the Fund Administrator.

## **Item 16 - Investment Discretion**

The Firm has discretionary authority to trade on behalf of the Fund.

**Item 17 - Voting Client Securities**

The Fund has delegated to the Firm the authority to vote its client securities. The Firm is not required to vote every proxy and it may refrain from voting. In deciding whether and how to vote regarding the Fund's securities, the Firm will act in the best interests of the Fund. Generally, the Firm will exercise its right to vote proxies where it believes the results of the vote may materially affect the value of the relevant securities. In compliance with Advisers Act Rule 206(4)-6, the Firm has adopted proxy voting policies and procedures. The Fund and Fund investors may obtain information about how the Firm voted regarding its securities and a copy of the Firm's proxy voting policies and procedures upon request.

## **Item 18 - Financial Information**

The Firm does not require or solicit prepayment of any type of client fees in advance. The Firm is not aware of any financial commitment reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients. The Firm has not been the subject of a bankruptcy proceeding during the past 10 years.