

# 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"). If you have any questions about the contents of this brochure, please contact the Firm 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.

This brochure is for informational purposes only. This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entity, investment, or investment vehicle.

## **Item 2 - Material Changes**

This item discusses only material changes since the most recent annual update of the Firm's brochure dated 31 May 2019.

With effect from 16 December 2019, Dr Steven Kurlander ceased ownership and control of the Firm.

Changes in this document also include general factual and clarificatory amendments, including to the level of assets under management.

### Item 3 - Table of Contents

Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation .....	6
Item 6 - Performance-Based Fees and Side-By-Side Management.....	8
Item 7 - Types of Clients.....	9
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 - Disciplinary Information .....	13
Item 10 - Other Financial Industry Activities and Affiliations.....	14
Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading .....	15
Item 12 - Brokerage Practices.....	16
Item 13 - Review of Accounts .....	17
Item 14 - Client Referrals and Other Compensation .....	18
Item 15 - Custody .....	19
Item 16 - Investment Discretion.....	20
Item 17 - Voting Client Securities .....	21
Item 18 - Financial Information .....	22

## Item 4 - Advisory Business

### The Investment Adviser

The Firm is the 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. OxFORD was authorised by the Financial Services Authority (and is now regulated by the Financial Conduct Authority) in the United Kingdom in 2007, and took over the advisory mandate to the Fund from its predecessor, The Oxford Asset Management Company Limited. The Oxford Asset Management Company Limited is the holding company and managing partner of OxFORD, and was itself the investment adviser to the Fund from 2004 to 2007.

Dr Andre Stern is the Founder and Chief Investment Officer of the Firm, and its principal owner. OxFORD is managed by its Partners (with the exception of Mr Mobbs – see below).

With effect from 01 April 2019, Mr Stephen Mobbs (originally a Founder Partner and a principal owner of the Firm), reduced his ownership interest, 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.

With effect from 16 December 2019, Dr Steven Kurlander ceased ownership and control of the Firm.

### Advisory Services

The Firm provides discretionary investment advisory services for the Fund, which is its sole 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.

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 Client

OxFORD’s advisory services are tailored to the requirements of its client, 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**

The Firm only manages client assets on a discretionary basis. As at 30 November 2019, the Firm had US\$ 7,139,500,000 regulatory assets under management.

## 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 an annual performance-based incentive fee of 20% 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. The Information Memorandum provides that fees are not payable by OxFORD's Partners (both active and non-active), employees, and related parties.

### Other Fees and Expenses

The Fund bears all of its own operating expenses, including all direct expenses of the Fund such as: directors' fees (including out-of-pocket expenses); legal fees and expenses; insurance premiums (including directors' and officers' insurance); professional fees (including expenses for, and of, consultants, experts and data providers, whether paid directly or by way of profit share or otherwise); accounting expenses; auditing and tax preparation expenses; administrative costs; the costs associated with third party position and accounting keeping systems; costs of datasets (including, without limitation price data, and data relating to markets, indices, products, financial instruments, companies and other entities, governments and economic data and statistics); research (including, without limitation, research analysis and opinion from industry experts, research consultants or expert networks, whether generally available or bespoke); and in the case of datasets and research, the costs of directly related infrastructure; costs associated with obtaining corporate access; costs of maintaining a registered office; filing fees and registration fees; fees for authorisations and permits and taxes (including regulatory compliance fees); trade depository fees; class action expenses (meaning fees and expenses incurred in participating in any class action litigation, including the costs of any consultants or other outside vendors retained to assist with the filing of class action notices on behalf of the Fund); out-of-pocket expenses and extraordinary expenses; execution technology and algorithms; and investment expenses (such as brokerage commissions, expenses relating to short sales, financing expenses, clearing and settlement charges, trade depository fees, custodial fees, bank service fees, taxes and interest expenses). See Item 12 – Brokerage Practices, for additional information regarding brokerage.

In accordance with the requirements of Commission Delegated Directive (EU) 2017/593 (MiFID II), the Firm has put in place a Research Payment Account Policy (RPA Policy), which sets out the arrangements for the payment of costs and expenses relating to 'Research' (as defined in Recital 28 of MiFID II) by the Fund. The Firm and the Fund agree an annual budget for Research, which may be updated by further agreement with the Fund from time to time. The RPA is funded by a Research charge, which is collected from the Fund's assets in accordance with the RPA Policy. More detailed information about the operation and funding of the RPA is set out in the Information Memorandum. Other research costs and expenses, that do not fall within the definition of Research, are borne by the Fund, as set out above in this Item 5.

Each of the Feeder Funds has certain ongoing administrative and other costs and expenses, such as directors' fees in the case of the Non-US Feeder Fund and manager service fees in the case of the US Feeder Fund; annual fees for registration with CIMA (in the case of the Non-US Feeder

Fund); legal fees and expenses; insurance premiums (including directors' and officers' insurance); professional fees (including expenses for, and of, consultants and experts); accounting expenses; auditing and tax preparation expenses; administration costs; costs of maintaining a registered office; filing fees; registration fees; fees for authorisations and permits and taxes (including regulatory compliance fees); trade depository fees; out-of-pocket expenses and extraordinary expenses. All such costs and expenses are intended to be paid or borne by the Fund as a general expense of the Fund (and not by a specific Feeder Fund); except that: (i) each Feeder Fund will bear 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 but not to the US Feeder Fund itself as it 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.

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

The Firm does not charge commissions.

The Firm does not charge fees to the Fund in advance.

Neither the Firm nor its supervised persons accepts compensation for the sale of securities or other investment products.

**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 sole 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 sole 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 US persons and non-US persons (through its respective Feeder Funds). 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. With respect to non-US persons, other suitability requirements apply, based on their jurisdiction. 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 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. The strategies are predominantly systematic, with some discretionary investments made within the risk-management framework.

The systematic 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 systematic 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 uses trading algorithms to execute some of its 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**

For the avoidance of doubt, references in this Brochure to investments in the Fund mean investments made through one of its Feeder Funds.

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. The risks referred to in the paragraph immediately below correspond to the headings 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; business continuity plan and succession; 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 or as a registered representative of 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.

Neither the Firm nor any of its management persons are registered or has applied to register as a futures commission merchant or as an associated person of a futures commission merchant.

### **Affiliations**

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

### **Selection of Investment Advisers**

OxFORD does not recommend or select any other investment advisers for its client.

## **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 which requires all staff members to place the best interests of the Fund ahead of their own personal interests; conduct themselves with high standards of integrity and professionalism, and with all due skill, care and diligence in their work; avoid conflicts of interest; and comply with all applicable securities laws, rules and regulations.

A copy of the Firm’s Code of Ethics will be made available to an investor or prospective investor of the Fund on request to the Firm.

### **OxFORD’s Personal Account Trading Policy**

The Firm’s Code of Ethics contains the Firm’s Personal Account Trading Policy, which is designed to prevent the misuse of confidential information relating to the Firm or the Fund; prevent market abuse; and to address potential conflicts of interest between staff members and the Firm or the Fund. All personal account trades in reportable instruments, in relation to which staff members have beneficial ownership, are subject to pre-approval in accordance with the terms of the Personal Account Trading Policy, and are monitored for compliance with the Policy.

### **Firm Trading**

The Firm does not trade in securities for its 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 stated in Item 5 – ‘Fees and Compensation’, the Fund reimburses OxFORD, by way of a research payment account, for the cost of research purchased by the Firm.

### **Client Referrals**

OxFORD does not receive client referrals from broker-dealers or third parties. However, OxFORD may receive assistance from its selected brokers with respect to capital introduction and marketing of the Fund to investors.

### **Directed Brokerage**

The Investment Advisory Agreement entered into between the Firm and the Fund authorises OxFORD to select the brokers it uses in executing the business transacted. The Fund does not direct the Firm to execute transactions through a specified broker-dealer, although all such decisions are ultimately subject to the Fund’s approval.

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

The Fund is the Firm’s sole client. Accordingly, the Firm does not aggregate the purchase or sale of securities for the purpose of allocation between different client accounts.



**Item 13 - Review of Accounts**

The Firm's investment committee (the "Investment Committee") meets on a monthly basis and reviews the Fund's investment strategies and performance. The Investment Committee comprises active partners of the Firm, including the Head of Portfolio Risk, together with other senior staff members.

OxFORD reports on the Fund's performance to the Fund's board of directors at quarterly board meetings. In addition, the Fund's directors are provided with a written monthly portfolio report prepared by the Firm (the "Monthly Portfolio Report").

The Firm also provides the Monthly Portfolio Report to the Fund's 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. MUFG also provides investors in the Fund with written statements on a monthly basis showing activity and valuation of their holdings.

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

The Firm does not receive any economic benefit in respect of its provision of investment advisory services to the Fund from a person who is not a client. Any economic benefits arising as a result of the Firm's activities (e.g. commission rebates) are credited to the account of the Fund. No conflict of interest arises in this respect.

The Firm does not, directly or indirectly, compensate third parties for client referrals. However, OxFORD may receive assistance from its selected brokers with respect to capital introduction and marketing of the Fund to investors.

**Item 15 - Custody**

All client assets are managed by qualified custodians who are the unaffiliated prime brokers appointed by the Fund. The Fund Administrator is responsible for calculating the Fund's net asset value and for providing monthly account statements directly to the Fund's investors. The Fund is audited at least annually by an independent public accountant which is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The Fund Administrator distributes the Fund's audited financial statements to all investors within 120 days (in practice within 90 days) of the Fund's fiscal year end and thereby satisfy the "audit exemption" from Rule 206(4)-2, known as the "Custody Rule" under the Advisers Act.

## **Item 16 - Investment Discretion**

The Firm has discretionary authority to trade on behalf of the Fund, subject to the investment objectives and restrictions referred to in the Investment Advisory Agreement, which may be revised or replaced from time to time by the Fund.

**Item 17 - Voting Client Securities**

The Fund has delegated the authority to vote its client securities to the Firm. 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, a copy of which has been provided to the Fund. The Fund may obtain information about how the Firm voted regarding its securities 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 condition which is reasonably likely to impair its ability to meet its contractual commitment to the Fund.

The Firm has not been the subject of a bankruptcy proceeding during the past 10 years.