

Monthly Performance Figures (net of fees)

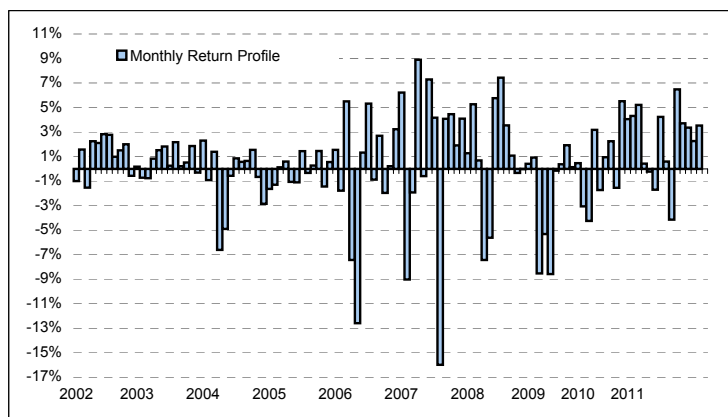
31st December 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
2002							-0.99	1.57	-1.53	2.26	2.11	2.83	6.35%
2003	2.78	0.99	1.51	2.01	-0.56	0.18	-0.72	-0.76	0.83	1.52	1.82	0.26	10.24%
2004	2.17	0.22	0.52	1.86	-0.30	2.30	-0.92	1.39	-6.61	-4.66	-0.54	0.86	-4.05%
2005	0.57	0.65	1.55	-0.66	-2.85	-1.64	-1.29	0.12	0.59	-1.06	-1.10	1.21	-3.93%
2006	-0.33	0.27	1.46	-1.44	0.56	1.55	-1.78	5.50	-7.43	-12.59	1.33	5.32	-8.68%
2007	-0.88	2.70	-1.95	0.22	3.23	6.23	-9.02	-1.92	8.90	-0.60	7.29	4.17	18.44%
2008	-15.99	4.08	4.45	1.91	4.09	1.27	5.27	0.69	-7.43	-5.62	5.77	7.44	3.25%
2009	3.54	1.08	-0.33	-0.02	0.42	0.92	-8.53	-5.32	-8.57	-0.15	0.37	1.92	-14.52%
2010	0.13	0.47	-3.06	-4.25	3.18	-1.73	0.95	2.26	-1.54	5.52	4.05	4.31	10.23%
2011	5.22	0.43	-0.22	-1.70	4.24	0.60	-4.14	6.48	3.72	3.36	2.27	3.54	25.95%

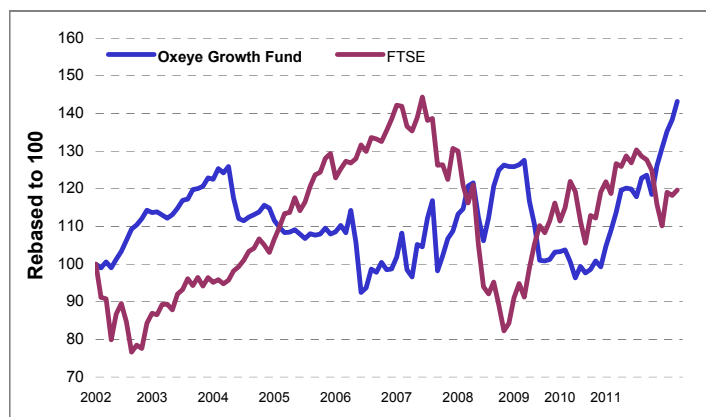
Performance	Oxeye	FTSE
Total Cumulative Return	43.23%	19.67%
Annualised Return	3.85%	1.91%
Percentage Up Months	63.20%	55.75%
Percentage Down Months	36.80%	44.25%
Best Month	8.90%	8.66%
Worst Month	-15.99%	-13.02%

Risk Analysis	Oxeye	FTSE
Annual Standard Deviation	13.39%	15.11%
Worst Consecutive Drawdown	-26.57%	-43.01%
Sharpe Ratio (Annual)	0.04	-0.10

Monthly Performance



Cumulative Performance



All Charts Source: Oxeye Capital Management Ltd

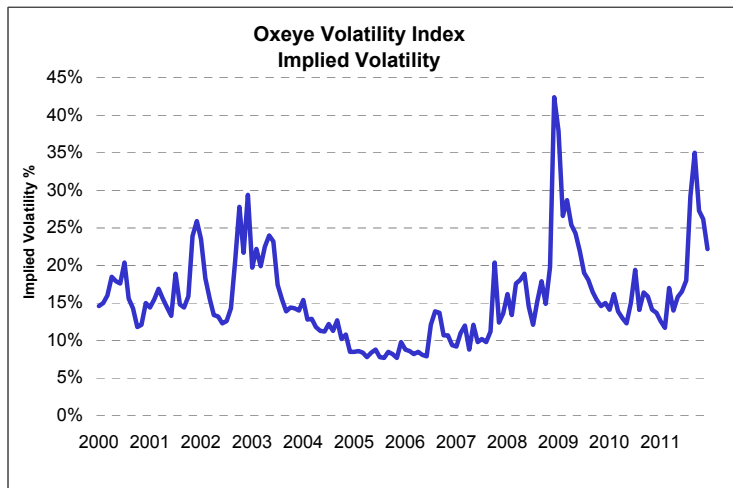
Investment Approach

The Oxeye Growth Fund employs Oxeye Capital Management's proprietary valuation analysis to buy and sell option contracts on the FTSE 100 index. The aims are threefold:

- To take advantage of range trading on the index by writing out-of-the-money Call and Put spreads in order to profit from time erosion (theta).
- To take advantage of trending markets and rising implied volatility by buying short dated out-of-the-money options (vega).
- To provide a strict risk management profile. This is achieved by monitoring the strategy's sensitivity to the underlying market and by controlling gearing (delta and gamma).

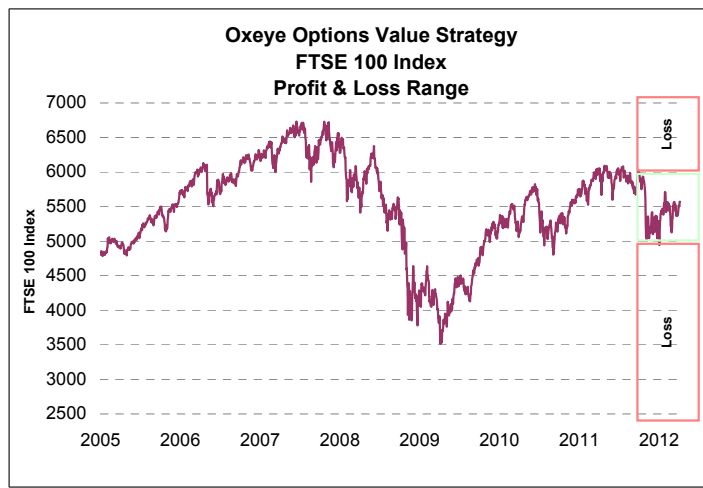
Overleaf

Volatility Analysis



The **Oxeye Volatility Index** measures the long term cycle of FTSE 100 option implied volatility (IV). Between 2000 and 2004 FTSE experienced a period of high IV, averaging mid 20's. From mid 2004 to mid 2006 IV dropped below 10%. 2006 to 2008 witnessed another period of rising volatility culminating in a spike in October 2008. Through 2009 to mid 2011 volatility subsided, but never to the low levels of 2005. In August 2011 IV spiked again. IV spikes were also seen in 2002 and 2003, although not as severe as in 2008. These related to sharp falls in stock prices reflecting market worries over global economic downturns. Since August IV has fallen slightly, but nervousness over global monetary instability is maintaining IV at historically high levels. However such high levels remain attractive for Oxeye strategies over the medium term and if IV continues to fall positive performance should follow. The **Profit and Loss Range** illustrates the zones of potential profit and loss drawn on the chart of the FTSE 100 Index. The FTSE profit bands are 6000 on the upside and 5000 on the downside.

Risk Analysis



Performance Comment

The Fund rose 3.54% in **December**. The FTSE 100 index traded between a high of 5631 and a low of 5328 closing the month at 5572, +1.21% mom.

Over the month FTSE range traded in a volatile manner on light volume. A lack of bearish news from Europe and stability in the Euro/dollar FX led to a month end rally.

All January positions were realised profitably and positions were kept light over the holiday period. Implied volatility closed the month at 20% versus 25% for the end of November.

Market Outlook

Our strategy suggests maintaining a market neutral position for now as the index appears to be in a volatile range between 5800 and 5000. If the market breaks 5800 it is likely that the index will move higher towards 6100 and calls may have to be hedged. However coming in to 2012 the Fund has a very light exposure and as opportunities present themselves positions will be added.

Fund Structure

Minimum Investment	\$ 50,000
Subscription:	Monthly
Fee structure:	Management 2%
	Performance 20%
Redemption Notice:	6 months lock up
	30 days notice

Fund Administration

Broker:	ADM Investor Services International Ltd
Investment Advisor:	Oxeye Capital Management Ltd
Administration:	Bordeaux Services (Guernsey)
Structure:	Open ended exempt Company
Domicile:	Cayman Islands
Custodian:	JP Morgan Chase / ISI Nominees
Fund Auditor:	BDO Novus

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