

Monthly Performance Figures (net of fees)

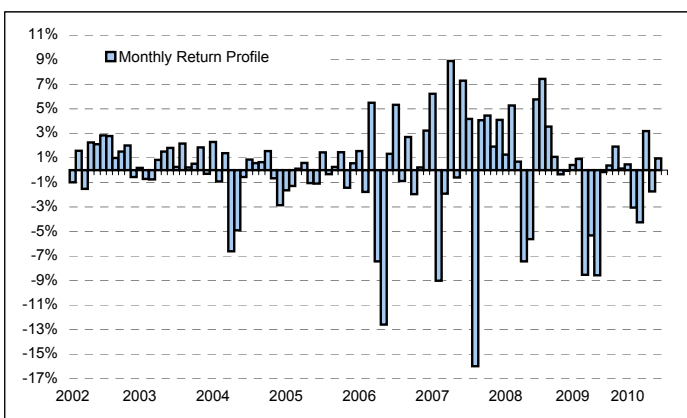
31st July 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
2002							-0.99	1.58	-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						-4.42%

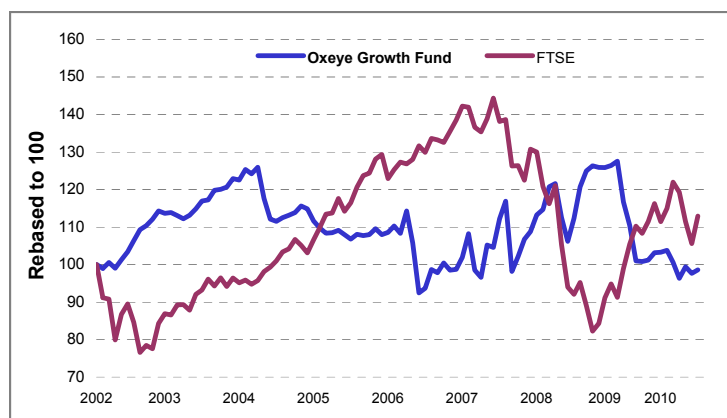
Performance	Oxeye	FTSE
Total Cumulative Return	-1.39%	12.93%
Annualised Return	-0.17%	1.52%
Percentage Up Months	62.10%	58.76%
Percentage Down Months	37.90%	41.24%
Best Month	8.90%	8.66%
Worst Month	-15.99%	-13.02%

Risk Analysis	Oxeye	FTSE
Annual Standard Deviation	13.54%	15.38%
Worst Consecutive Drawdown	-26.57%	22.15%
Sharpe Ratio (Annual)	-0.30	-0.15

Monthly Performance



Cumulative Performance



All Charts Source: Oxeye Capital Management Ltd

Investment Approach

The Fund is currently invested in the Oxeye FTSE Options Value Strategy (OVS), although its mandate allows it to invest in a range of asset classes world wide.

The OVS strategy employs Oxeye'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).

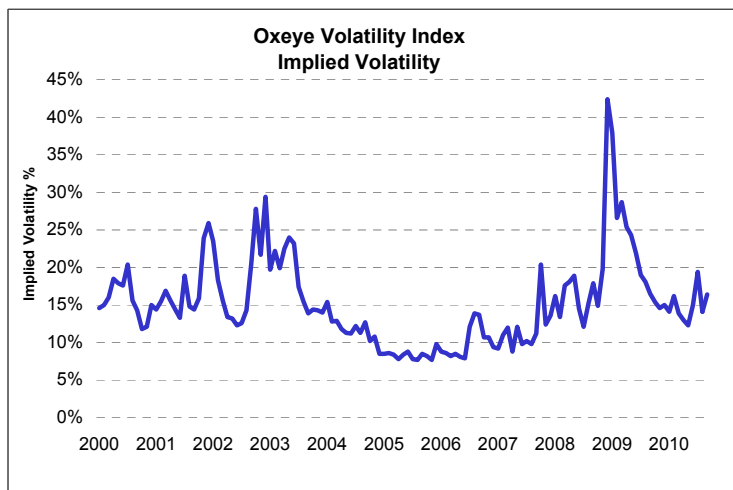
To take advantage of trending markets and rising implied volatility by buying longer dated options (vega).

To provide a strict risk management profile to control risk. This is achieved by monitoring the strategy's sensitivity to the underlying market and by controlling the net gearing ratio (delta and gamma).

Oxeye's valuation approach employs statistical and technical analysis to identify options as being either highly priced, in which case they may be sold, or cheaply priced, in which case they would be purchased, adhering always to the principle 'buy low, sell high'.

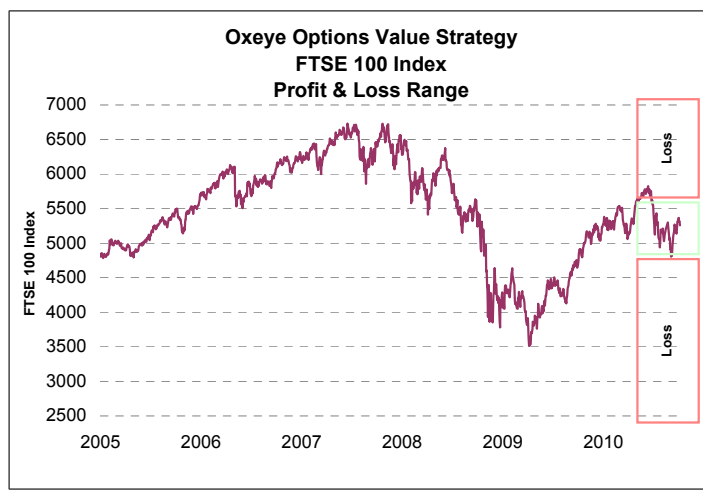
The strategy employs leverage up to a maximum net exposure of 5 times the original amount invested

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 2009 witnessed another volatility spike, but thereafter IV has subsided. 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. The recent move in FTSE IV is particularly pronounced, reflecting increased fear as a result of a possible double dip recession. Despite falling from a high of 42% to 14% IV levels remain attractive for Oxeye strategies over the medium term; historically the Fund has performed better during higher IV periods. 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 5600 on the upside and 4800 on the downside.

Risk Analysis



Performance Comment

The fund was positive during **July**, gaining 0.95%.

The FTSE 100 index traded between a high of 5411 and a low of 4790 closing the month at 5258 + 6.96% mom. Stocks rose as 2nd quarter earnings started to come through better than expected and as the European debt crisis faded with the announcement of stark austerity packages. August short call were covered profitably early in the month. The index fell into June month-end putting the short put positions close to their buy-back levels. As a result we sold an aggressive call in order to hedge against a gap down and possible buy back at a level worse than our targeted stop level. When the market rallied this position was bought back for a loss and August puts written to reduce delta were also covered, profitably. IV fell from low twenties to mid-teens.

Market Outlook

The market has turned from downtrend to uptrend rapidly. Our strategy suggests maintaining a balanced to net long position for now so as to profit from the rising trend in stock. We will sell puts to maintain a slight long delta and calls if we find value outside the upper end of the range, which we predict as around 5800 through to September.

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