Oxeye
Capital Management Limited

Oxeye Growth Fund € Class Strategy

NAV €102.2505

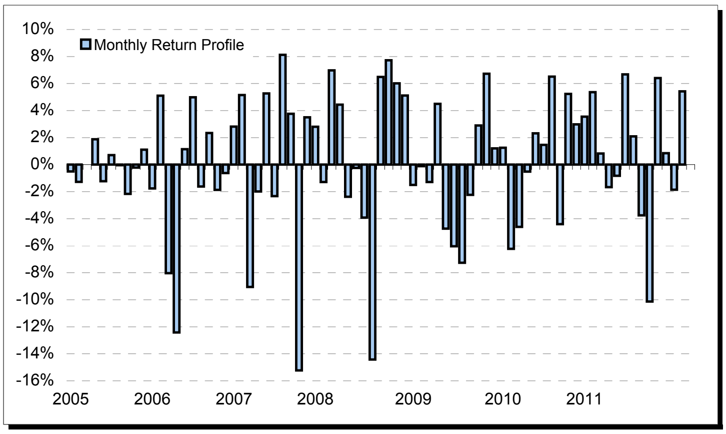
Monthly Performance Figures (net of fees) — 31st December 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
2005									-0.51	-1.26	0.23	1.63	**0.07%**
2006	-1.23	0.70	-0.038	-2.16	-0.22	1.10	-1.76	5.10	-8.04	-12.42	1.15	4.99	**-13.33%**
2007	-1.62	2.34	-1.87	-0.62	2.81	5.15	-9.05	-1.98	5.27	-2.33	8.13	3.77	**9.16%**
2008	-15.23	3.51	2.81	-1.29	6.98	4.44	-2.38	-0.24	-3.92	-14.42	6.49	7.72	**-8.60%**
2009	6.02	5.12	-1.50	-0.11	-1.29	4.52	-4.75	-6.04	-7.26	-2.25	2.90	6.73	**0.81%**
2010	1.20	1.26	-6.23	-4.61	-0.51	2.32	1.47	6.52	-4.40	5.23	2.98	3.55	**8.17%**
2011	5.36	0.83	-1.67	-0.83	6.68	2.10	-3.75	-10.14	6.40	0.84	-1.86	**5.43**	**8.35%**

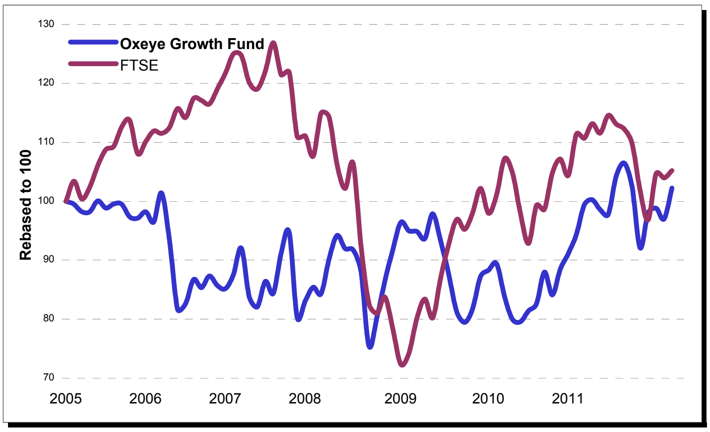
Performance	Oxeye	FTSE
Total Cumulative Return	2.25%	5.21%
Annualised Return	0.35%	0.81%
Percentage Up Months	51.32%	52.63%
Percentage Down Months	48.68%	47.37%
Best Month	8.13%	8.45%
Worst Month	-15.23%	-13.02%

Risk Analysis	Oxeye	FTSE
Annual Standard Deviation	17.4%	15.54%
Worst Consecutive Drawdown	-20.86%	-43.01%
Sharpe Ratio (Annual)	-0.10	-0.08

Monthly Performance



Performance Summary



All Charts Source: **Oxeye Capital Management Ltd**

Investment Approach

The Fund is currently invested in a combination of the Oxeye FTSE Options Value Strategy (OVS) and the Oxeye FTSE Protected Option Premium Strategy (POP), 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 **POP** strategy sells out-of-the-money put and call spreads on the FTSE 100 Index, an operation known as “selling strangles” or “strangle writing”. The strategy does not take a view on underlying market direction only that the market usually stays within a definable range during the lifetime of an option.
The options are sold at selected strike prices above the market for call options and below the market for put options (see chart above showing break even levels overlayed by FTSE). The options are sold for a maximum duration of 3 months. Oxeye also uses a combination of Delta control and certain hedging techniques to try to manage the short options (which carry unlimited risk exposure to the seller) through to a profitable expiry. The strategy will aim to limit a perceived downside risk by buying options at a pre-determined level.

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

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