

**Monthly Performance Figures (net of fees)**

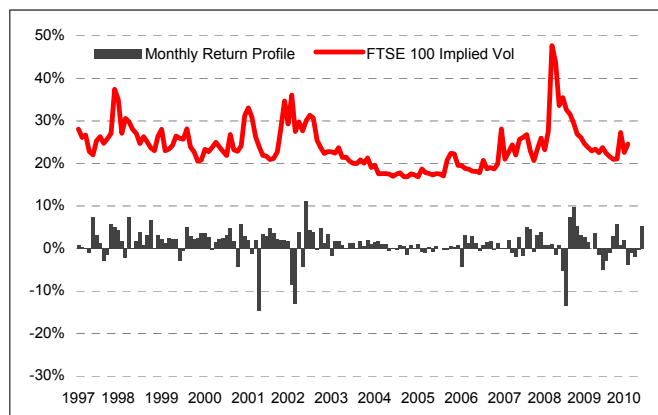
**31st July 2010**

|             | Jan   | Feb   | Mar   | Apr   | May   | Jun    | Jul         | Aug   | Sep    | Oct    | Nov   | Dec   | Y/YTD         |
|-------------|-------|-------|-------|-------|-------|--------|-------------|-------|--------|--------|-------|-------|---------------|
| <b>1997</b> |       |       |       |       |       |        | 0.79        | 0.17  | -0.24  | -1.36  | 8.80  | 3.48  | <b>11.86%</b> |
| <b>1998</b> | 1.35  | -3.68 | -1.89 | 6.72  | 5.82  | 5.03   | 1.98        | -2.80 | 8.64   | 0.08   | 1.99  | 4.30  | <b>30.23%</b> |
| <b>1999</b> | 0.75  | 3.57  | 7.97  | -0.02 | 3.65  | 2.34   | 1.30        | 2.73  | 2.53   | 2.32   | -3.52 | -0.84 | <b>24.81%</b> |
| <b>2000</b> | 5.84  | 3.23  | 2.50  | 2.61  | 4.08  | 4.03   | 3.00        | -0.58 | 1.60   | 2.35   | 2.62  | 3.51  | <b>40.73%</b> |
| <b>2001</b> | 5.55  | 1.84  | -5.25 | 6.70  | 3.26  | 2.12   | -1.67       | 2.37  | -17.32 | 4.06   | 3.30  | 5.51  | <b>8.17%</b>  |
| <b>2002</b> | 4.28  | 2.55  | 2.32  | 2.35  | 1.98  | -10.21 | -15.64      | 4.68  | -5.50  | 13.71  | 5.15  | 4.36  | <b>6.78%</b>  |
| <b>2003</b> | -0.56 | 5.56  | 1.33  | 3.84  | -2.26 | 1.95   | 1.98        | 0.69  | -0.23  | 1.32   | 1.28  | 0.07  | <b>15.80%</b> |
| <b>2004</b> | 2.07  | 0.61  | 2.39  | 1.14  | 1.69  | 1.98   | 1.12        | 1.09  | -0.85  | 0.02   | -0.56 | 0.92  | <b>12.19%</b> |
| <b>2005</b> | 0.62  | -1.91 | 0.71  | 0.03  | 1.14  | -0.99  | -1.30       | 0.36  | -0.94  | 0.62   | -0.11 | -0.39 | <b>-2.20%</b> |
| <b>2006</b> | -0.51 | 0.58  | 0.26  | 0.77  | -5.29 | 3.81   | 1.44        | 3.44  | 1.47   | -0.89  | 0.78  | 1.84  | <b>7.65%</b>  |
| <b>2007</b> | 1.97  | -0.34 | 1.31  | -0.34 | -0.05 | 2.14   | -1.47       | -2.61 | 3.08   | -2.29  | 6.01  | 5.30  | <b>13.01%</b> |
| <b>2008</b> | -1.10 | 3.55  | 4.37  | 0.83  | 0.80  | 1.09   | -1.86       | 0.76  | -6.28  | -16.39 | 9.07  | 11.96 | <b>3.90%</b>  |
| <b>2009</b> | 6.24  | 3.64  | 3.02  | 1.77  | -0.06 | 4.23   | -1.52       | -5.00 | -2.89  | -1.10  | 2.81  | 5.61  | <b>17.21%</b> |
| <b>2010</b> | 0.76  | 1.97  | -3.78 | -1.03 | -1.86 | -0.36  | <b>5.29</b> |       |        |        |       |       | <b>0.74%</b>  |

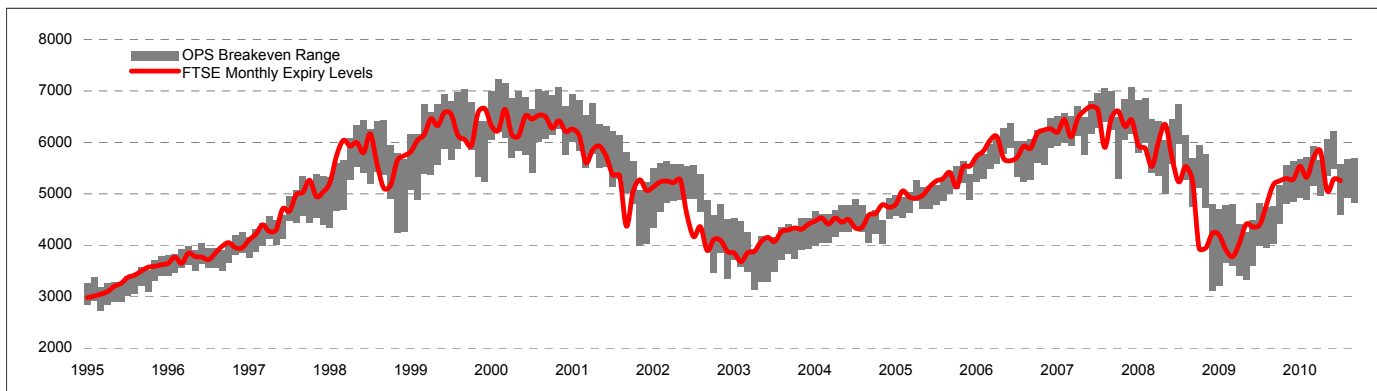
| Performance             | Oxeye   | FTSE    |
|-------------------------|---------|---------|
| Total Cumulative Return | 460.45% | 14.21%  |
| Annualised Return       | 14.08%  | 1.02%   |
| Percentage up Mths      | 69.43%  | 56.05%  |
| Percentage down Mths    | 30.57%  | 43.95%  |
| Best Month              | 13.71%  | 8.86%   |
| Worst Month             | -17.32% | -13.02% |

| Risk Analysis              | Oxeye  | FTSE   |
|----------------------------|--------|--------|
| Annual Standard Deviation  | 14.0%  | 15.4%  |
| Monthly Standard Deviation | 4.1%   | 4.4%   |
| Worst Consecutive Drawdown | -25.1% | -48.5% |
| Sharpe Ratio (Annualised)  | 0.7    | -0.2   |

**Monthly Performance vs FTSE 100 Implied Volatility**



**FTSE vs Oxeye Break Even Range**



All Charts Source: Oxeye Capital Management Limited

**Investment Approach**

The 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 employs leverage up to a maximum gross exposure of 2.5 times the original amount invested.**