

Monthly Performance Figures (net of fees)

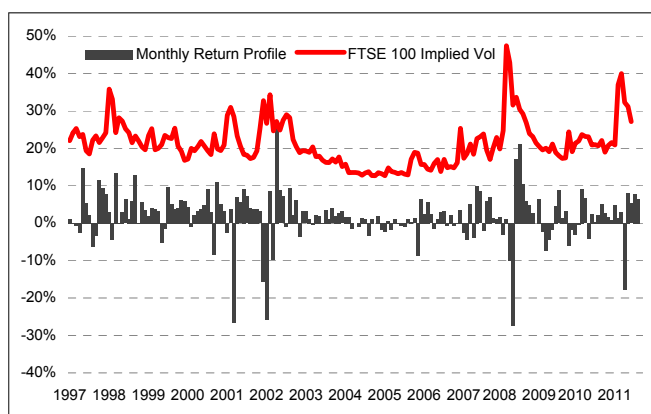
31st December 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
1997							1.21	0.15	-0.57	-2.44	14.77	5.44	18.98%
1998	2.12	-6.27	-3.41	11.54	9.49	7.92	2.95	-4.47	13.45	0.03	2.9	6.32	48.78%
1999	1.17	5.86	12.91	-0.06	5.64	3.54	1.93	4.06	3.71	3.36	-5.17	-1.32	40.67%
2000	9.67	5.12	3.89	4.00	6.21	5.99	4.37	-0.95	2.31	3.37	3.74	4.96	66.91%
2001	9.19	2.91	-8.44	11.03	5.14	3.28	-2.62	3.68	-26.65	7.01	5.55	9.08	13.17%
2002	7.15	4.16	3.72	3.71	3.10	-15.70	-25.6	8.69	-9.82	25.71	8.74	7.15	11.43%
2003	-0.93	9.33	2.19	6.2	-3.51	3.11	3.13	1.11	-0.34	2.07	1.98	0.13	26.76%
2004	3.46	1.02	3.92	1.85	2.72	3.13	1.74	1.69	-1.36	-0.02	-0.92	1.39	20.13%
2005	1.01	-3.21	1.14	-0.01	1.85	-1.70	-2.21	0.57	-1.62	1.02	-0.23	-0.70	-4.13%
2006	-0.88	0.97	0.43	1.27	-8.79	6.51	2.37	5.71	2.36	-1.50	1.20	2.95	12.43%
2007	3.23	-0.65	2.13	-0.65	-0.19	3.50	-2.49	-4.42	5.02	-3.88	10.03	8.46	20.71%
2008	-1.93	5.93	7.11	1.27	1.23	1.68	-3.04	1.12	-10.08	-27.30	17.16	21.24	5.41%
2009	10.57	5.94	4.82	2.82	-0.01	6.53	-2.19	-7.42	-4.36	-1.63	4.51	8.76	30.16%
2010	1.38	3.37	-6.07	-1.61	-3.02	-0.49	9.13	6.61	-4.04	2.41	0.30	2.21	9.56%
2011	5.23	2.63	1.60	0.95	4.87	1.45	2.99	-17.79	8.18	5.24	7.90	6.43	30.46%

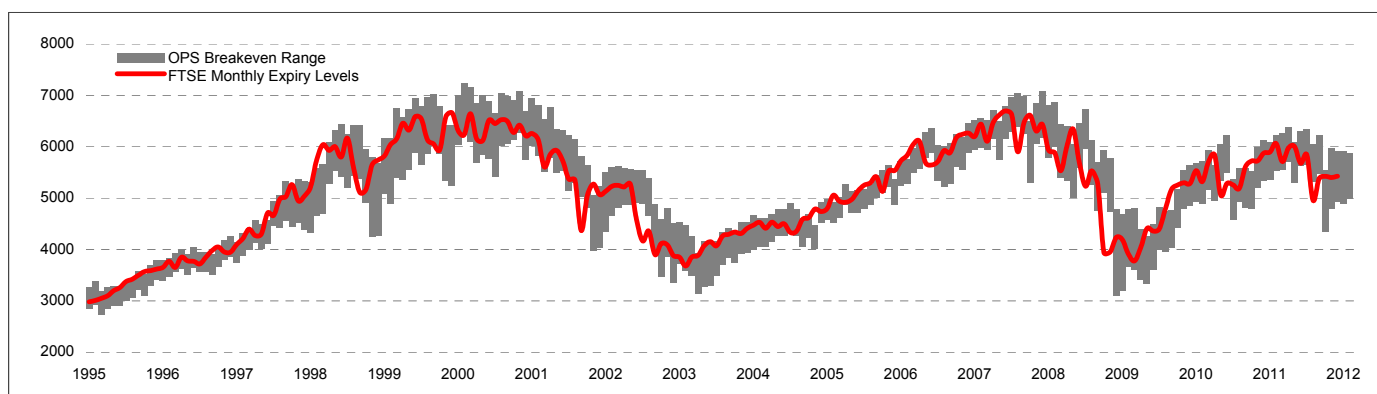
Performance	Oxeye	FTSE
Total Cumulative Return	1938.69%	20.89%
Annualised Return	23.11%	1.32%
Percentage up Months	70.52%	54.60%
Percentage down Months	29.48%	45.40%
Best Month	25.71%	8.86%
Worst Month	-27.30%	-13.02%

Risk Analysis	Oxeye	FTSE
Annual Standard Deviation	22.9%	15.2%
Monthly Standard Deviation	6.6%	4.4%
Worst Consecutive Drawdown	-38.5%	-48.5%
Sharpe Ratio (Annualised)	0.8	-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 5 times the original amount invested.