



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

**31st December 2011**

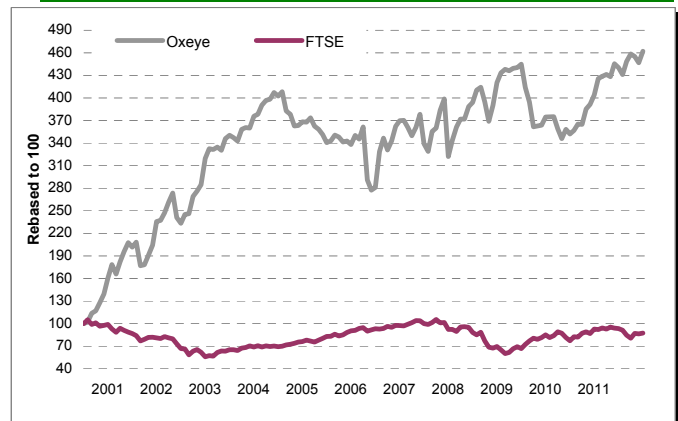
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
<b>2000</b>								2.03	11.55	2.87	9.06	9.13	<b>39.33%</b>
<b>2001</b>	15.26	11.22	-7.12	9.85	7.44	6.05	-2.85	3.26	-14.98	0.65	7.11	6.98	<b>46.58%</b>
<b>2002</b>	15.48	0.61	4.20	5.83	4.59	-11.96	-3.18	5.05	0.44	9.34	2.57	3.11	<b>39.39%</b>
<b>2003</b>	12.29	4.02	-0.30	0.93	-1.22	4.68	1.26	-0.90	-1.27	4.50	0.69	-0.18	<b>26.46%</b>
<b>2004</b>	4.35	0.70	3.24	1.62	0.34	2.29	-1.15	1.41	-6.26	-1.20	-4.10	0.18	<b>0.93%</b>
<b>2005</b>	1.37	-0.15	1.56	-2.92	-1.21	-1.93	-3.04	0.66	2.27	-0.73	-1.91	0.36	<b>-5.68%</b>
<b>2006</b>	-1.33	3.54	-1.37	4.66	-19.46	-4.66	1.30	16.94	5.44	-4.58	3.70	5.63	<b>5.73%</b>
<b>2007</b>	2.06	0.10	-2.51	-3.04	3.19	4.78	-10.31	-3.03	8.07	1.28	6.56	3.94	<b>10.05%</b>
<b>2008</b>	-19.21	6.62	5.18	2.95	4.45	1.42	4.17	0.89	-4.68	-6.53	5.75	7.73	<b>5.41%</b>
<b>2009</b>	3.11	1.07	-0.43	0.72	0.25	1.02	-6.94	-4.75	-8.31	0.32	0.29	2.97	<b>-10.89%</b>
<b>2010</b>	0.10	0.01	-4.31	-3.61	3.58	-1.73	1.35	2.40	-0.16	5.64	1.55	3.25	<b>7.88%</b>
<b>2011</b>	5.34	0.69	0.63	-0.72	4.02	-1.20	-2.04	4.01	2.26	-0.76	-1.82	<b>3.42</b>	<b>14.34%</b>

At the end of October 2009 we changed the strategy's risk management. See note 'Oxeye OVS Strategy - Stop Loss Explanation October 2009' on our website under Articles [www.oxeye.co.uk](http://www.oxeye.co.uk)

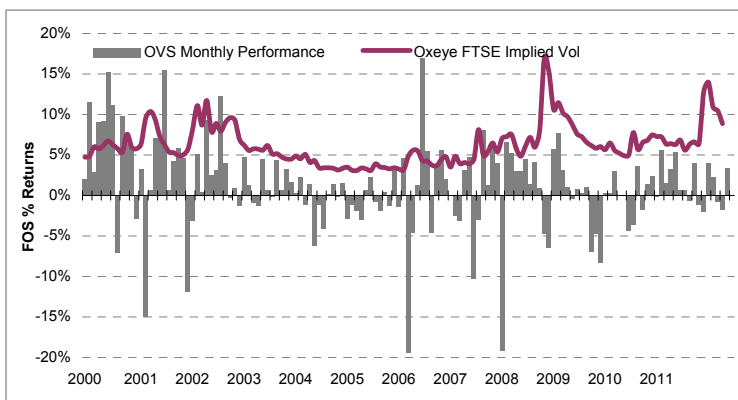
Performance	Oxeye	FTSE
Total Cumulative Return	362.06%	-12.46%
Annualised Return	14.35%	-1.16%
Percentage up months	66.91%	53.28%
Percentage down months	33.09%	46.72%
Best month	16.94%	8.66%
Worst month	-19.46%	-13.02%

Risk Analysis	Oxeye	FTSE
Annual Standard Deviation	19.0%	15.0%
Worst Consecutive Drawdown	-32.0%	-46.5%
Sharpe Ratio (Annualised)	0.6	-0.3

**Cumulative Performance**

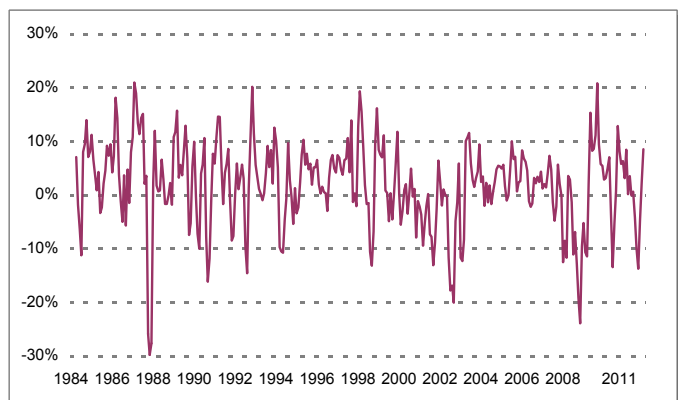


**Monthly Performance vs Implied Volatility**



All Charts Source: Oxeye Capital Management Limited

**FTSE 100 - Quarterly % Change**



**Investment Approach**

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**

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