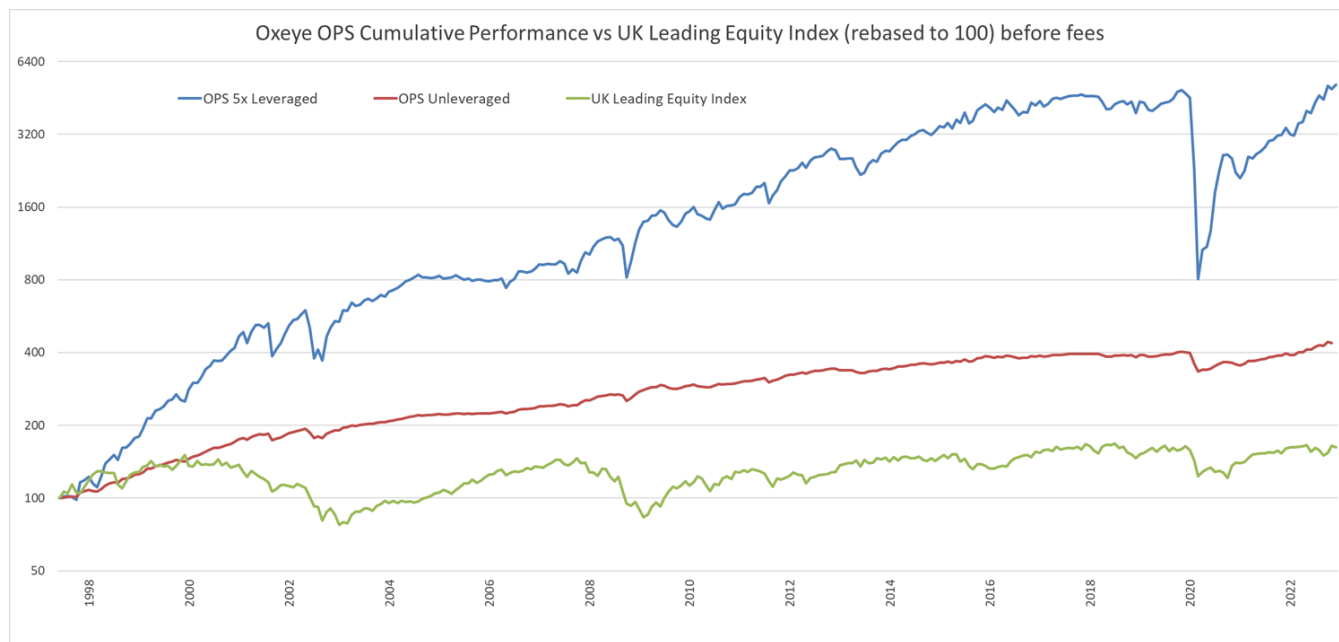


## 25 Years of the Oxeye Option Premium Strategy (OPS)

- Oxeye's Option Premium Strategy (OPS) has traded live since 1997.
- Lightly risk managed systematic short volatility (option writing) strategy.
- OPS 5x Leverage has annualised **24.00%**, Unleveraged has annualised **6.58%**, both before fees, since inception
- Exchange trade index options – liquid, transparent – NOT OTC.
- City Index accounts – easy to open and gains are tax free.
- Recently featured on [Bloomberg News](#) and [Nilsson Hedge](#).



### Short Volatility as a Strategy:

The Oxeye Option Premium Strategy (OPS) is an option writing / short volatility strategy similar to insurance underwriting. Investors tend to buy options as a way of insuring their portfolios against a large market move in either direction. Large moves tend to occur infrequently and most of the time the market stays within a pre-determinable range. Therefore, options lose money for the buyer either through time erosion or by never going-into-the-money i.e., mostly they expire worthless. Investors typically overpay to own portfolio insurance strategies, a phenomenon that is well-documented in academic studies. OPS seeks to exploit the opportunity presented by this preference, which has become more pronounced in the wake of the 2008 financial crisis and Covid-19 recession with a proliferation of expensive 'tail-risk' strategies coming to market. If the buyer of options most of the time loses money, then the seller of these options must be making money.

The strategy exhibits similar characteristics to selling insurance, as steady premiums are garnered most of the time, punctuated by periodic losses. In the wake of a loss event premiums expand and the insurer accelerates the rate at which the loss is recouped, going on to collect higher profits. In OPS's case, implied volatility increases in the wake of a market shock, leading to higher prices for options, allowing for a similar recovery effect. This is clearly reflected OPS' historical performance, where very high returns have been achieved over time, punctuated by sharp drawdowns and equally sharp recoveries.



**OPS 5X LEVERAGED Monthly Performance (before fees):**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
1997							1.72	0.39	-0.40	-2.26	17.74	6.78	24.99%
1998	2.86	-6.06	-3.21	11.91	11.91	9.77	3.73	-4.03	14.90	0.26	3.58	7.47	64.13%
1999	1.68	7.52	16.04	0.14	6.93	4.38	2.46	4.93	4.49	4.06	-4.51	-1.01	56.70%
2000	12.32	6.48	4.90	4.99	7.57	7.22	5.27	-0.68	2.64	4.06	4.45	5.80	87.46%
2001	11.72	3.77	-8.03	11.32	6.41	4.11	-2.30	3.91	-24.87	6.60	5.28	8.55	22.17%
2002	9.16	5.33	4.73	4.67	3.91	-14.70	-23.80	8.11	-8.86	23.53	8.25	6.80	19.79%
2003	-0.76	11.64	2.89	7.74	-3.20	3.14	3.82	1.52	-0.16	2.57	2.53	0.36	36.17%
2004	4.54	1.47	5.05	2.46	3.51	3.98	2.29	2.22	-1.11	0.16	-0.69	1.48	28.25%
2005	1.48	-2.94	1.28	0.67	1.98	-1.50	-2.01	0.73	-1.42	1.16	-0.05	-0.52	-1.27%
2006	-0.71	1.20	0.74	1.79	-8.51	6.60	2.52	7.10	3.08	-1.27	1.33	3.69	17.98%
2007	4.25	-0.48	2.69	-0.47	-0.01	4.29	-2.26	-8.95	4.60	-2.84	11.32	10.80	23.35%
2008	-1.76	7.14	9.00	1.76	1.70	2.25	-2.80	1.20	-5.74	-24.67	15.33	19.13	16.48%
2009	13.44	7.39	6.50	4.75	0.20	7.76	-1.85	-6.63	-3.81	-1.32	4.20	8.04	43.72%
2010	1.94	4.41	-5.82	-1.42	-2.80	-0.32	9.10	7.62	-3.76	2.49	0.45	2.51	14.18%
2011	6.76	3.45	2.17	1.36	6.11	1.93	3.76	-16.69	7.80	5.07	7.87	7.75	40.78%
2012	5.90	-0.25	5.15	4.83	-4.45	9.36	2.90	0.65	2.65	3.87	2.69	0.09	38.11%
2013	-8.02	0.27	0.90	0.17	-8.41	-6.13	1.87	9.06	4.01	-1.42	7.70	3.32	1.58%
2014	-0.72	5.23	6.72	1.85	0.15	5.71	1.61	3.13	3.05	-2.77	-1.70	4.01	29.03%
2015	4.76	-1.16	7.16	-4.98	8.08	-2.50	10.09	-9.70	3.78	10.36	2.72	6.85	38.81%
2016	-2.77	-4.43	4.87	-2.23	9.68	-3.97	-4.60	-4.70	3.73	-0.84	9.99	-2.14	1.01%
2017	4.44	-5.11	3.22	5.07	0.78	1.16	1.24	1.28	1.51	-0.08	1.09	-1.00	14.06%
2018	0.00	0.00	0.17	-4.47	-7.03	0.95	3.92	2.20	1.43	-2.59	2.37	-9.60	-12.78%
2019	11.34	-1.17	-5.02	-0.92	3.00	5.54	1.22	0.86	4.22	6.59	1.72	-1.32	28.13%
2020	-3.76	-49.74	-64.62	32.88	2.42	16.96	43.89	22.95	16.37	0.66	-3.87	-11.67	-52.07%
2021	-5.44	7.39	14.64	-1.27	4.28	3.20	3.96	5.65	1.51	4.52	0.25	8.25	56.44%
2022	-6.33	-0.95	14.16	1.50	11.02	0.55	10.67	6.22	0.08	12.82	-2.98	8.12	67.08%

<b>Risk Analysis</b>	<b>Oxeye</b>	<b>Performance</b>	<b>Oxeye</b>
Annual Standard Deviation	29.08%	Total Cumulative Return	24037%
Monthly Standard Deviation	8.40%	<b>Annualised Return</b>	<b>24.00%</b>
Worst Consecutive Drawdown (2020)	-83.11%	Percentage up months	70.59%
Sharpe Ratio (Annualised)	0.73	Percentage down months	29.41%
		Best month	43.89%
		Worst month	-64.62%

**OPS UNLEVERAGED Monthly Performance (before fees):**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y/YTD
1997							0.67	0.45	0.27	-0.10	3.83	1.87	7.14%
1998	0.95	-0.87	-0.25	2.60	2.80	2.52	1.25	-0.63	3.85	0.38	1.24	2.29	17.22%
1999	0.63	1.77	3.65	0.25	1.87	1.31	0.83	1.50	1.41	1.35	-1.05	-0.03	14.27%
2000	2.73	1.68	1.39	1.46	2.14	2.17	1.72	0.09	0.98	1.39	1.53	1.96	20.99%
2001	2.60	1.06	-1.56	2.59	1.66	1.18	-0.36	1.14	-5.92	1.46	1.23	1.96	6.92%
2002	1.97	1.27	1.18	1.21	1.06	-3.47	-5.02	1.54	-1.51	4.16	1.80	1.60	5.55%
2003	-0.02	2.44	0.73	1.81	-0.65	0.81	1.00	0.46	0.06	0.73	0.75	0.21	8.60%
2004	1.04	0.45	1.20	0.69	0.93	1.07	0.72	0.71	-0.08	0.22	0.02	0.53	7.76%
2005	0.49	-0.40	0.45	0.33	0.59	-0.12	-0.22	0.32	-0.10	0.40	0.16	0.08	1.97%
2006	0.03	0.41	0.32	0.54	-1.55	1.42	0.67	1.63	0.86	-0.07	0.50	1.02	5.90%
2007	1.09	0.14	0.79	0.15	0.25	1.15	-0.22	-1.56	1.18	-0.28	2.51	2.55	7.94%
2008	-0.12	1.65	2.13	0.64	0.63	0.76	-0.39	0.51	-1.05	-5.02	2.88	3.79	6.29%
2009	2.74	1.59	1.52	1.16	0.05	1.97	-0.50	-1.76	-0.96	-0.32	1.02	2.01	8.75%
2010	0.39	0.90	-1.22	-0.28	-0.55	-0.06	1.76	1.58	-0.82	0.53	0.10	0.55	2.84%
2011	1.35	0.73	0.47	0.30	1.36	0.45	0.89	-4.06	1.65	1.14	1.83	1.91	8.16%
2012	1.18	-0.05	1.08	1.05	-1.00	2.04	0.68	0.15	0.64	0.95	0.68	0.02	7.62%
2013	-1.60	0.05	0.17	0.03	-1.59	-1.08	0.31	1.54	0.73	-0.27	1.43	0.66	0.32%
2014	-0.14	1.04	1.39	0.40	0.03	1.26	0.37	0.73	0.73	-0.68	-0.41	0.95	5.81%
2015	0.95	-0.24	1.47	-1.08	1.69	-0.55	2.19	-2.27	0.82	2.31	0.65	1.68	7.76%
2016	-0.55	-0.87	0.92	-0.44	1.86	-0.82	-0.92	-0.91	0.69	-0.16	1.90	-0.44	0.20%
2017	0.89	-1.06	0.64	1.03	0.16	0.25	0.27	0.28	0.33	-0.02	0.24	-0.22	2.81%
2018	0.00	0.00	0.03	-0.89	-1.36	0.17	0.72	0.42	0.28	-0.50	0.45	-1.87	-2.56%
2019	2.27	-0.25	-1.08	-0.19	0.62	1.17	0.27	0.19	0.94	1.52	0.42	-0.32	5.63%
2020	-0.75	-9.65	-6.97	1.35	0.13	0.93	2.80	2.05	1.76	0.08	-0.48	-1.39	-10.41%
2021	-1.09	1.41	2.96	-0.29	0.96	0.74	0.94	1.37	0.38	1.16	0.07	2.19	11.29%
2022	-1.27	-0.18	2.67	0.31	2.33	0.13	2.46	1.55	0.02	3.34	-0.85	2.26	13.42%

<b>Risk Analysis</b>	<b>Oxeye</b>	<b>Performance</b>	<b>Oxeye</b>
Annual Standard Deviation	5.16%	Total Cumulative Return	407.33%
Monthly Standard Deviation	1.49%	<b>Annualised Return</b>	<b>6.58%</b>
Worst Consecutive Drawdown (2020)	-16.85%	Percentage up months	73.86%
Sharpe Ratio (Annualised)	0.76	Percentage down months	26.14%
		Best month	4.16%
		Worst month	-9.65%

If you would like to learn more about Oxeye Capital Management Limited and investment opportunities, please feel free to call and ask for Simon Denehy on **07789 722087** or **01722 703118**.

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