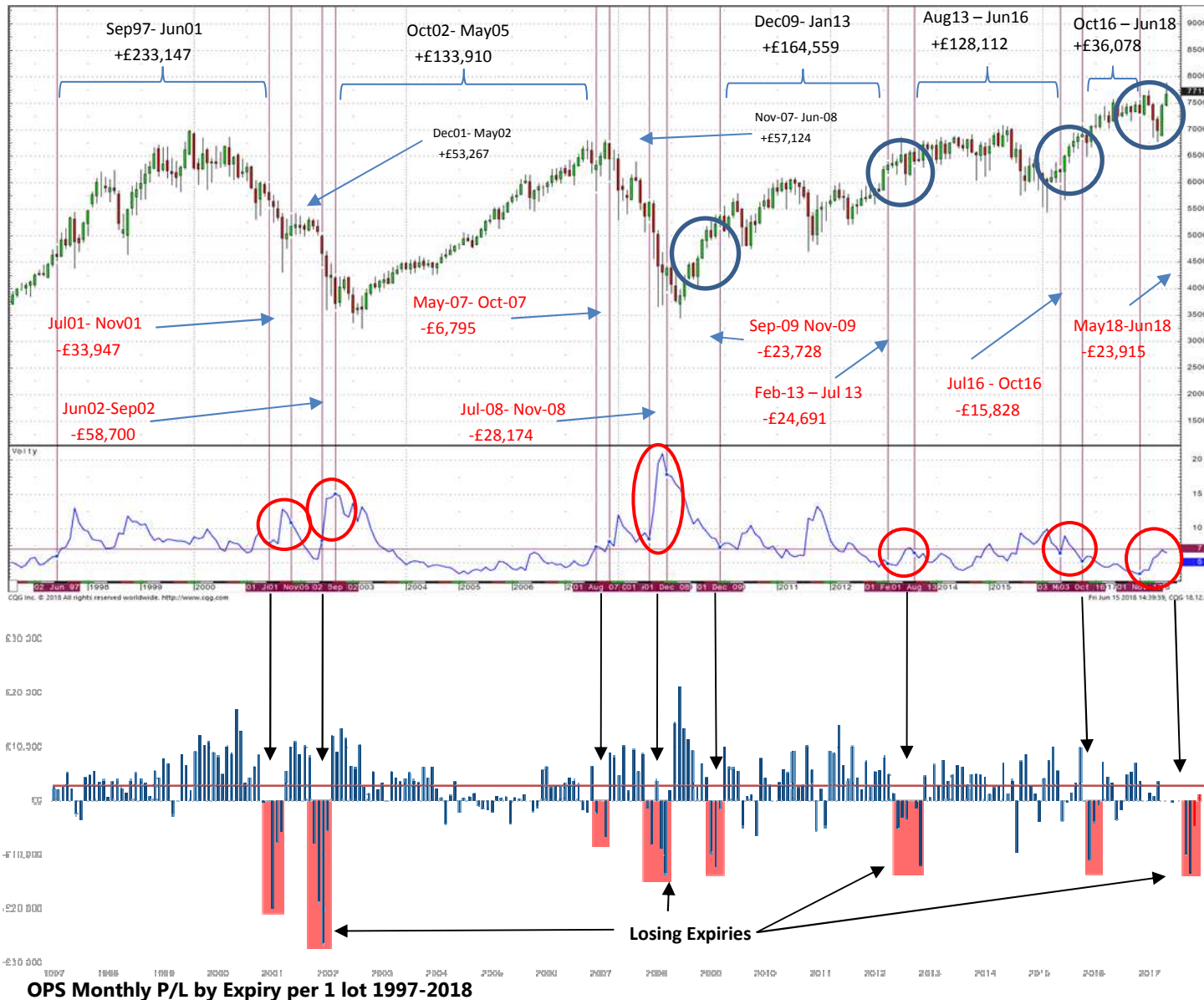




## OPS Long-Term P/L Analysis– 1997 to 2018



The chart shows the history of the UK Leading Equity Index highlighting OPS' profitable periods vs. losing periods since inception in 1997. Losing periods are quantified in red while profitable periods are shown in black at the top of the page.

Losing periods in strongly bullish market moves are circled — blue. These are shown in more detail overleaf.

The red coloured circles show periods of rising historical volatility; these periods are often when the strategy has significant drawdowns. They usually occur in bear markets accompanied by rising implied volatility (premium levels) creating periods of strong profitability in the ensuing months.

The bar chart shows precisely where clusters of monthly losing expiries (shaded in red) are followed by extended periods of profitability.

Trading 1 Lot of the OPS strategy can be financed with the following margin requirements:

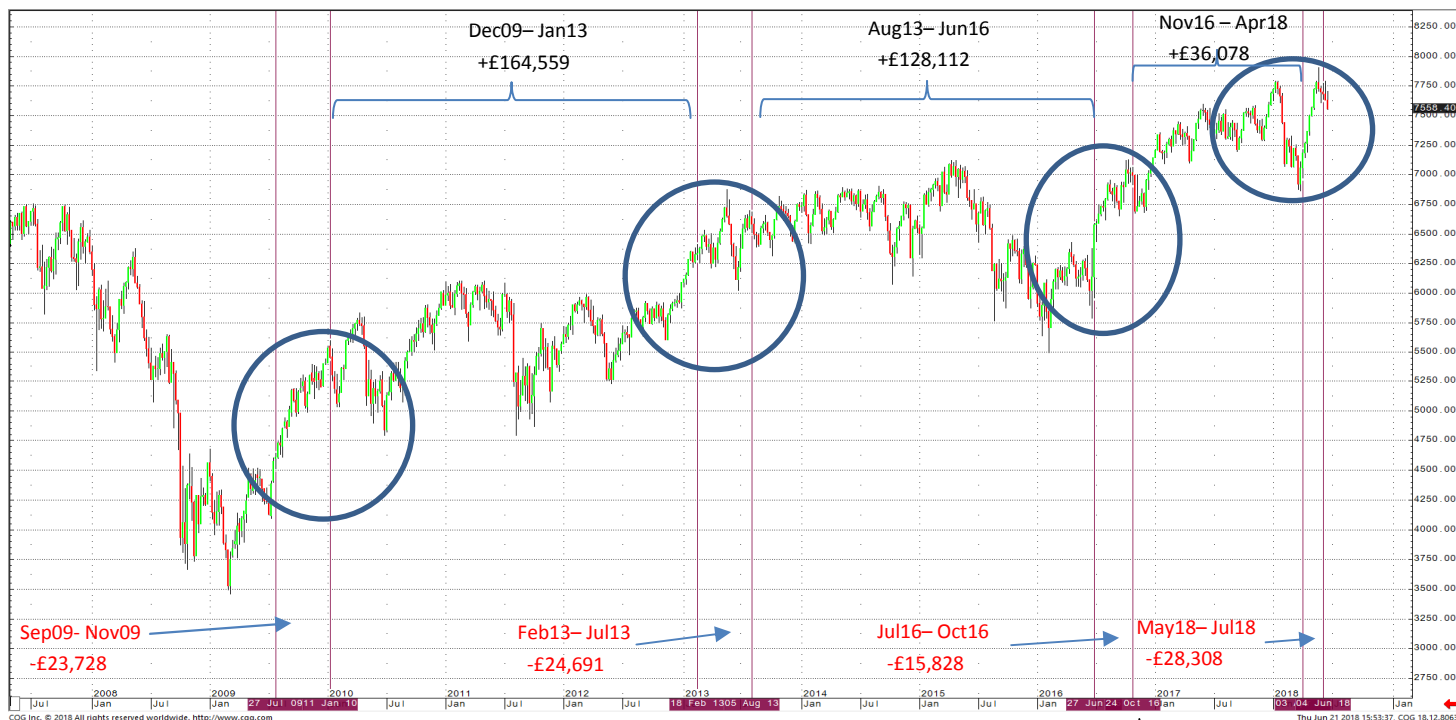
OPS Unleveraged : £925K

OPS 2.5X Leveraged : £370K

OPS 5X Leveraged : £185K



# Drawdowns In Market Uptrends

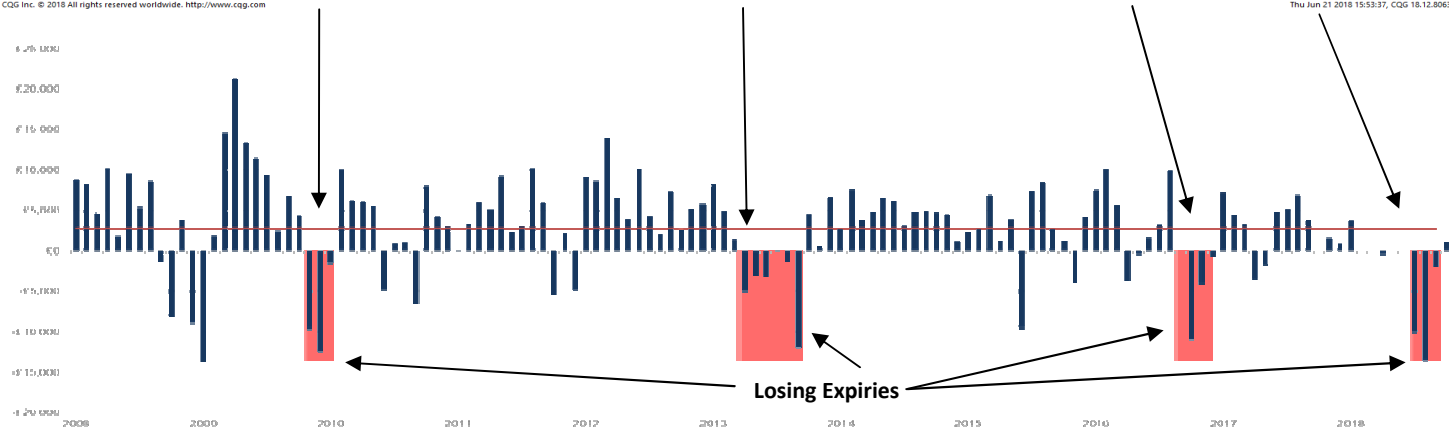


What happens when drawdowns occur in rising markets not accompanied by rising implied volatility (premium levels)?

The chart shows that:

- The average loss over these four bullish periods is -£22,039. The current loss of £23,915 is therefore not unusual.
- After these losing phases the strategy made an average profit of **£109,583** in the following profitable periods.
- Unusual to have 2 clusters of losing expiries so close to each other (Brexit move in mid-2016 and the current upward swing within 18 months).

Conclusion: If history repeats, a profitable period for the OPS strategy may be approaching.



OPS Monthly P/L by Expiry per 1 lot 2008-2018