Opes Capital Inc Investment Philosophy by Joshue Farani

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The Opes philosophy focuses on capitalizing on the characteristics of futures options that detract most investors. By understanding these traits instead of shunning them, we developed a program that uses these elements to the benefit of our investors. One aspect is inherent leverage; this allows us to deploy less equity and fewer contracts to achieve our target returns. Another is volatility; our program is designed to exploit pricing fluctuations in volatile periods. By employing rigorous systematic analysis, using a product's attributes advantageously, and managing risk above all else, we strive to achieve consistent returns for our clients. Our motto is maximize analysis, minimize trades.

Investment Process

Opes Capital Group's Investment process begins with a long term fundamental view of the capital markets and the economy and narrows to a one to three month focus predicated by analysis of historical, current, and expected market volatility and technicals in addition to recent global economic trends. This systematic approach to position selection is void of sentimental and performance pressures, and instead focuses on selecting positions that have the highest probability of profitability within our risk parameters. Once potential strikes have been identified, trades are further filtered by the portfolio manager in regards to risk, consistency with market outlook, and relation to other positions in the portfolio. Finally, trades are executed according to our risk management protocol.

Risk Management

Recent market turmoil has once again shown that the best risk models and algorithms are not a substitute for simple common sense and that is the foundation of our risk management structure. It begins with disciplined, structured capital deployment that dictates the equity and contract size of each trade for each account. This allows for excess equity in the accounts to buffer against market fluctuations as well as the ability to capitalize on opportunities during periods of extreme volatility. Next, our portfolio is analyzed daily relative to the market and positions are adjusted as needed to decrease overall delta exposure. Additionally, we employ quantified peak to trough stop losses based on the trading programâ€™s trailing returns and volatility, which can help curb the program from mounting large losses.

Opes Capital Group is a Commodity Trading Advisor (CTA) registered in July 2009 with the Commodity Futures Trading Association (CFTC) and is a member of the National Futures Association (NFA). Based in Beverly Hills, California, Opes Capital Group specializes in managed futures options, which can be a valuable asset to any portfolio as an alternative investment. Opes Capital Group's managed accounts may be used to increase portfolio diversification, reduce overall volatility, and achieve higher returns than traditional passive investments.

The management team at Opes has extensive experience navigating the uncertain markets of the last decade, and our goal is to approach each trade from a risk management perspective first; this allows the trading program to supplant the sentiment driven biases that plague most investment decisions with systematic objectivity. It is that expertise and our disciplined approach that has earned Opes Capital Group multiple honors on BarclayHedge's Top CTAs list (Barclay Hedge results include voluntary reporting and may not represent all CTAs. The adequacy, accuracy, or completeness of the data contained on the Barclays website is not verified by Barclays or by Opes Capital Group).

The description herein of the philosophy and approach of Opes and the targeted characteristics of its strategies is based on current expectations and should not be considered definitive or a guarantee that the approaches and strategies will, in fact, possess these characteristics. These characteristics are based on information available as of the date of preparation of this website, and the description may change over time. Any projections, forecasts and estimates contained in this website are necessarily speculative in nature and are based upon certain assumptions. It can be expected that some or all of such assumptions will not materialize or will vary significantly from actual results. Accordingly, any projections are only estimates and actual results will differ and may vary substantially from the projections or estimates shown. Past performance of these strategies is not necessarily indicative of future results. Futures and options trading involves substantial risk of loss and is not suitable for all investors. Prior to investing with Opes Capital Group, please read carefully their Disclosure Document.

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