

STRATEGY

A bilateral derivatives book operated on regulated venues, managed under the **Universal Statistical Edge (USE)** principle. The strategy does not forecast prices. It manages controllable inventory recurrence through rollover, hedge and repair operations, gated by per-Greek hard caps. Source paper: arXiv:2404.14252 — On a fundamental statistical edge principle.

RISK ARCHITECTURE

- ▶ **Per-Greek hard caps** — $\Delta, \Gamma, V, \Theta$ each have non-bypassable budgets; new risk blocked at cap, risk-reducing operations always allowed.
- ▶ **Pre-fill filter set** — crossed, stale, wide-spread and thin-book quotes refused before execution. Filter ratio itself is a regime indicator.
- ▶ **Margin headroom buffer** — bounded against the venue's worst-case stress matrix at every session start.
- ▶ **Operator-in-the-loop** — per-layer Manual/Auto switch; no autonomous flatten of the entire book. "Close-before-open" is the operating axiom.
- ▶ **HTI persistence** — every fill, stranded order, rollover preserved across restarts (JSON snapshot + journal + DuckDB).

PERFORMANCE

Reporting target	Q1 2027
Net annualised return	—
Sharpe (excess)	—
Sortino	—
Max drawdown	—
Calmar	—
Observation	Paper-trade in progress

Performance fields are released only after the paper-trade programme reaches a statistically significant observation window. We do not publish back-test numbers.

CAPITAL & OPERATIONAL

Capital floor (paper)	USD 700,000
Capital target (live)	USD 3 million +
Single-account ceiling	USD ~500 million
Primary instruments	CME-listed options & futures
Prime brokerage	Interactive Brokers (PM)
Benchmark	S&P 500 total return
Custody	None — capital at investor's prime
Management fee	Negotiated per mandate

ENGAGEMENT

Stage 1 — Paper evaluation on the allocator's own PM-enabled account using live exchange tick data; zero risk to capital, no time limit. Stage 2 — Live mandate against an account at the allocator's prime; custody never transfers. Stage 3 — Multi-account scale from a single operator console for family offices and multi-mandate allocators.