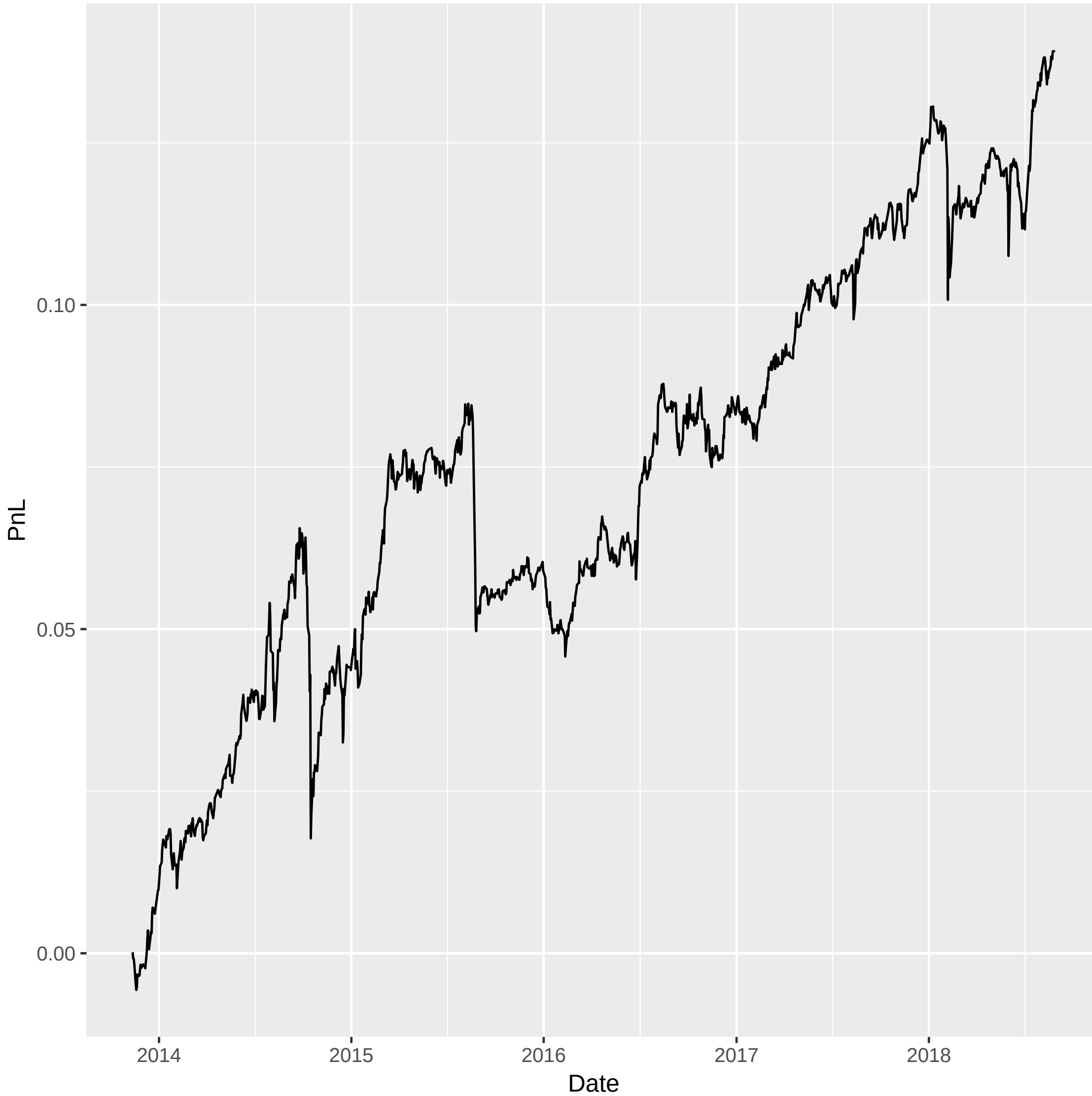
Contents

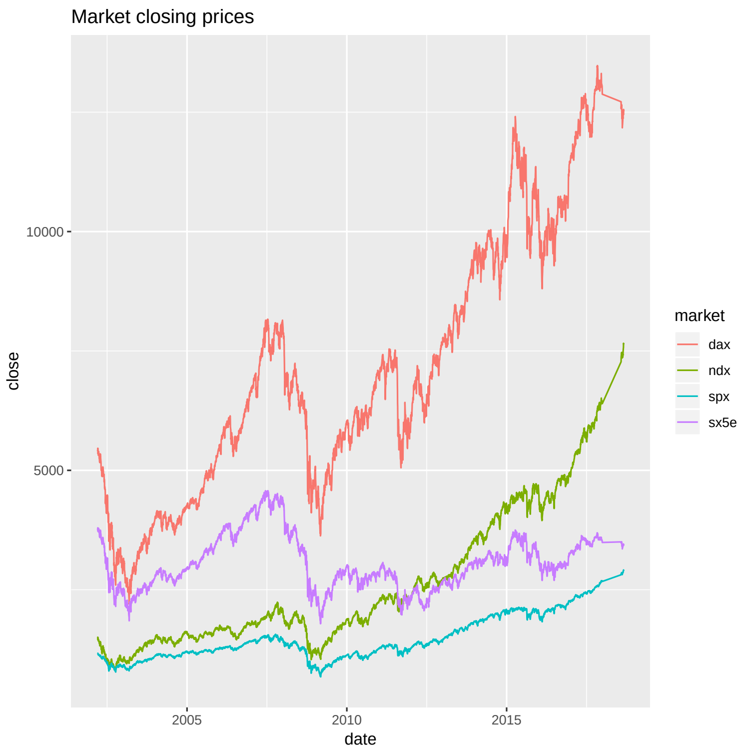
1 DOF performance

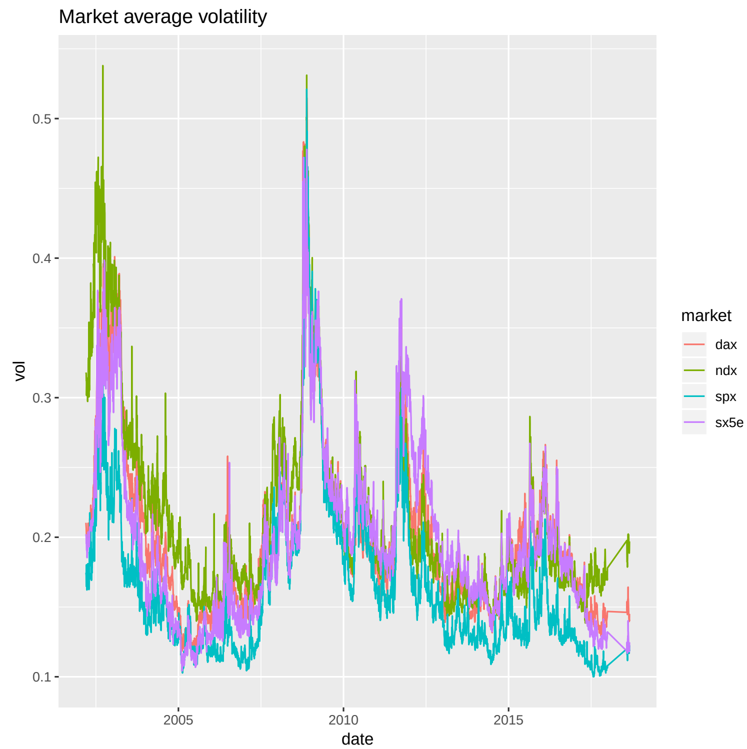


We wish to investigate the cause of infrequent, relatively large drawdowns.

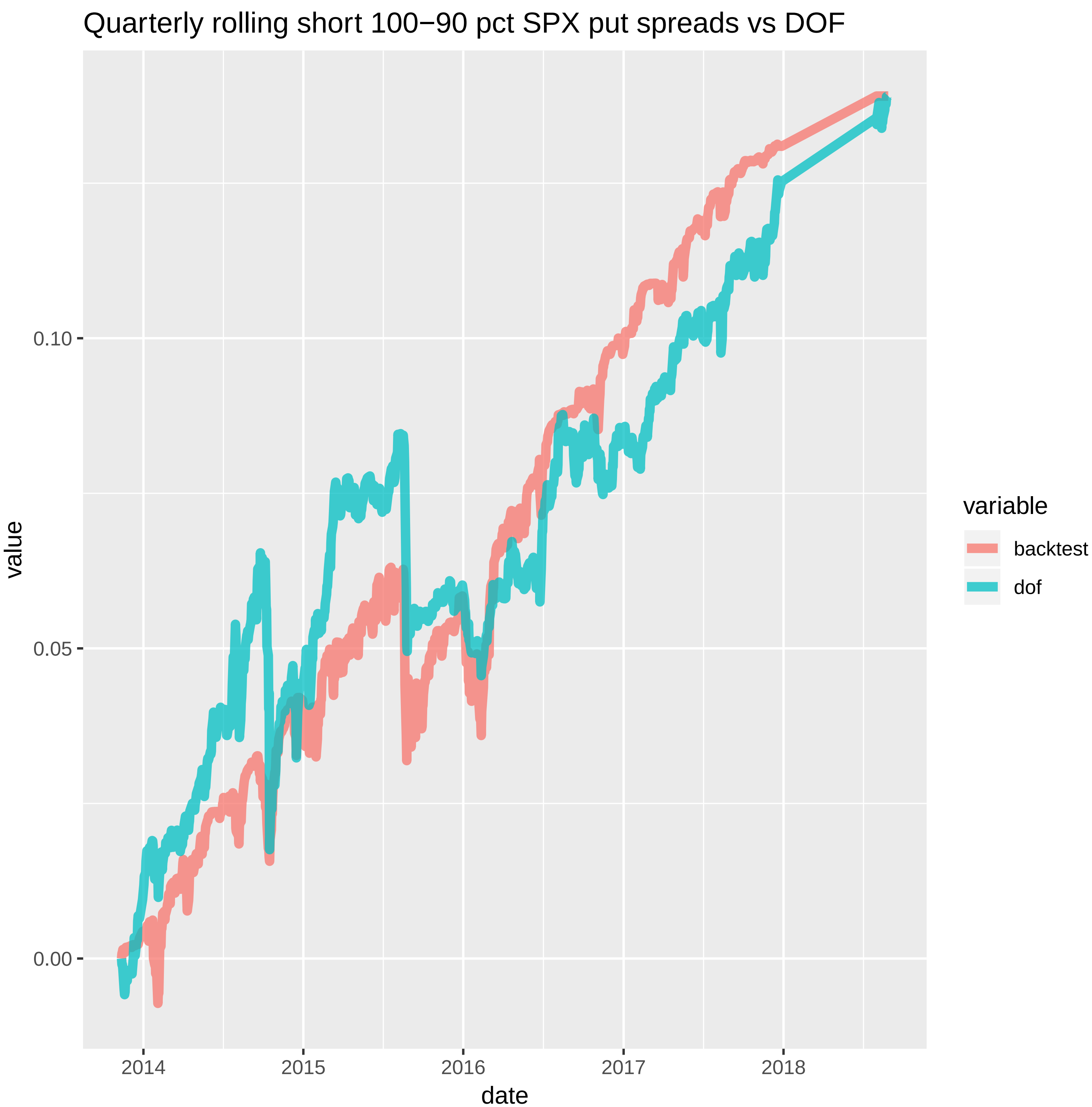
2 Dataset

We use historical volatility surfaces from JPM's OptionMetrics database.





3 Backtest



Quarterly rolling short 100−90 pct SPX put spreads vs DOF
value
0.10
0.05
0.00
date
2014
2015
2016
2017
2018
variable
backtest
dof