

Qode™

Options Strategy Deck

March 2026

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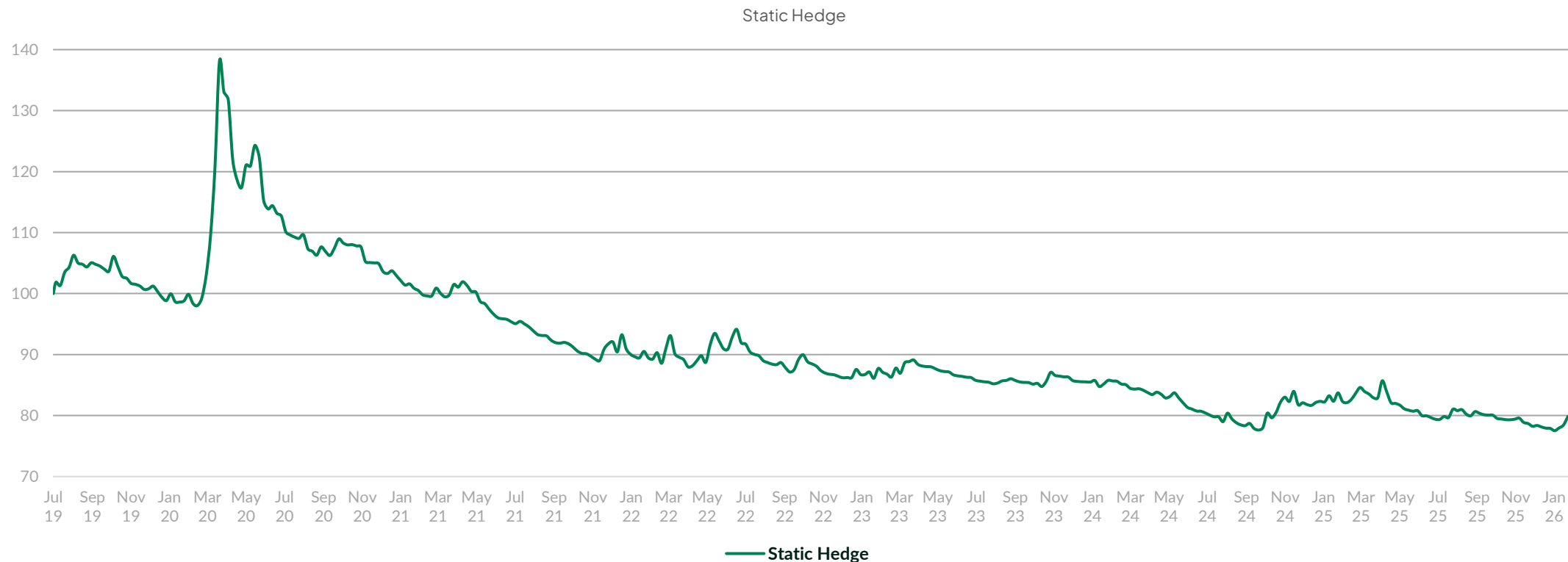
Problem with Traditional Hedging?

Traditional hedging through continuous put buying carries a fundamental flaw - it treats risk as a constant when it is anything but. By purchasing monthly puts regardless of market conditions, investors pay a fixed premium that steadily erodes capital during the prolonged bull phases that characterize equity markets.

Since markets trend upward more often than they decline, many of these puts expire worthless, turning what should be a safety net into a persistent drag on returns.

Without a timing model to distinguish between genuine macro risk and calm periods, traditional hedging becomes an expensive insurance policy where you're paying premiums on a house that almost never catches fire.

Hedging without timing



Static Hedge
CAGR

-3.37%

Buying monthly puts continuously is the most common hedging approach - but over time, it's a guaranteed capital drain.

Period: July 2019 - January 2026

How the Put Protection works?

Traditional Approach

Buy monthly puts every month regardless of market conditions. Fixed premium cost bleeds capital in bull markets.



Dynamic Timing

Proprietary model monitors macro indicators to determine when risk is elevated.

Puts are bought only when signal triggers, these are usually when the risks are elevated.



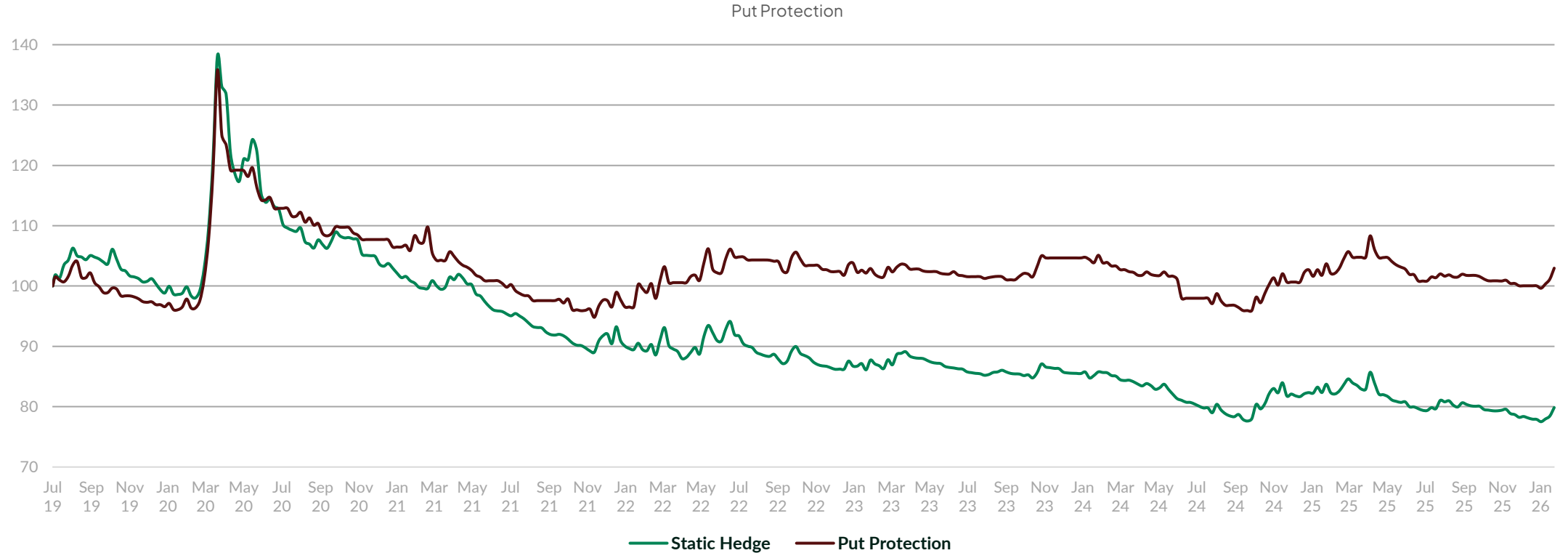
Result

Capital preservation with effective crash protection.

The strategy stays flat in normal markets and profits during downturns.

Crash-proof hedging that doesn't cost you in the long run.

Put Protection



Our proprietary timing model activates puts only when macro conditions signal elevated risk - eliminating the bleed of continuous hedging.

Puts are bought only when signal triggers.

Capital preservation with effective crash protection. The strategy stays flat in normal markets and profits during downturns.

Static Hedge
CAGR

-3.37%

Put Protection
CAGR

+0.45%

Period: July 2019 - January 2026

Two-Layer options framework

LAYER 1

Put Protection

Dynamic Put Timing

- Captures macro downtrends
- Eliminates bleed of continuous hedging
- Protects against major market crashes
- Capital-neutral over full cycles

LAYER 2

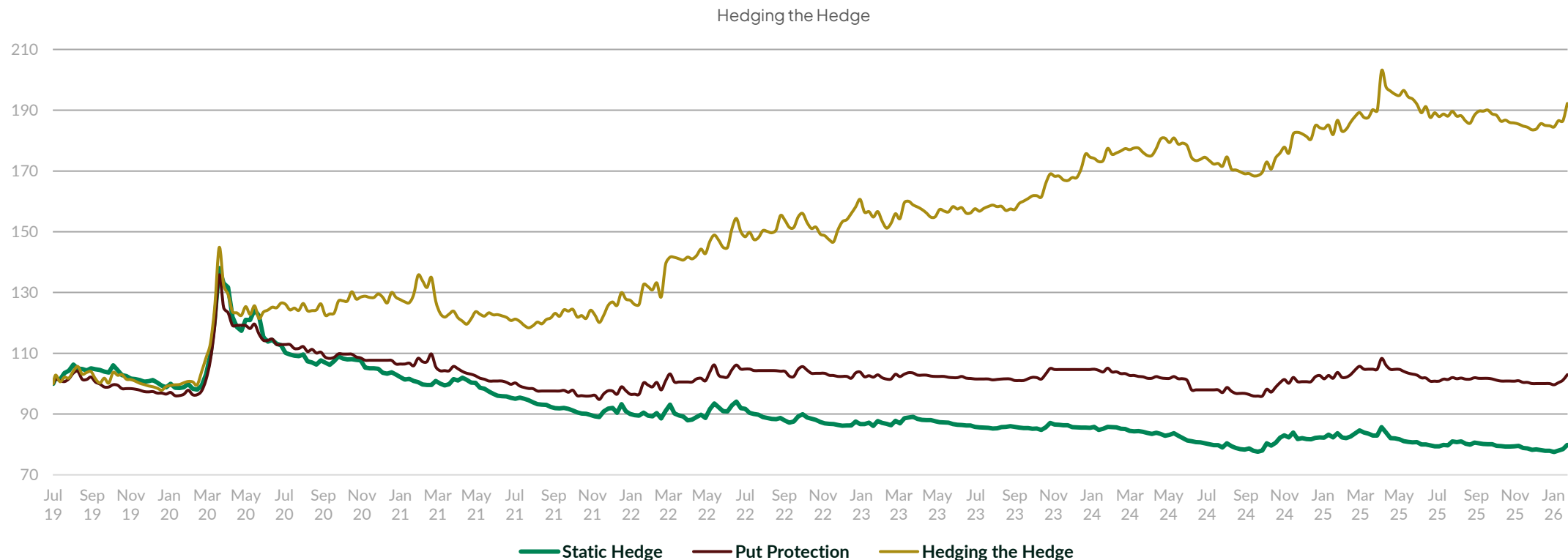
Hedging the Hedge

Micro-Trend Capture

- Hedges the Put Protection layer
- Captures shorter-term market movements
- Transforms hedging into alpha generation
- +10.46% cumulative return (standalone)

Combined Result: **Nifty 50 portfolio grows from 100 → 447** vs 214 for buy-and-hold (~2.1x outperformance)

Hedging the Hedge



The Put Protection protects against large drawdowns, the Hedging the Hedge Engine captures shorter-term opportunities, transforming the hedging layer from a cost center into a profit center.

Static Hedge
CAGR

-3.37%

Put Protection
CAGR

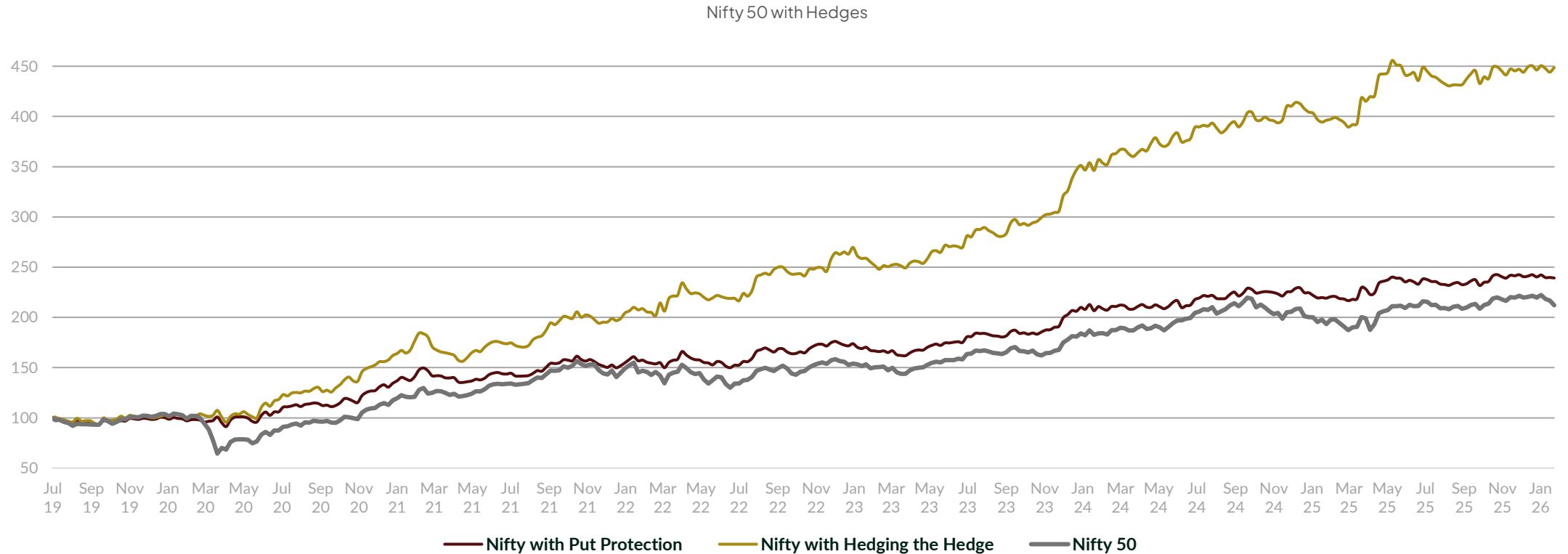
+0.45%

Hedging the Hedge
CAGR

+10.46%

Period: July 2019 - January 2026

Nifty 50 with Hedges



When applied to a Nifty 50 portfolio, each layer of protection progressively enhances returns - from 214 for buy-and-hold, to 240 with the Put Protection, to 447 with both layers combined.

Nifty
CAGR

+12.12%

Nifty with
Put Protection CAGR

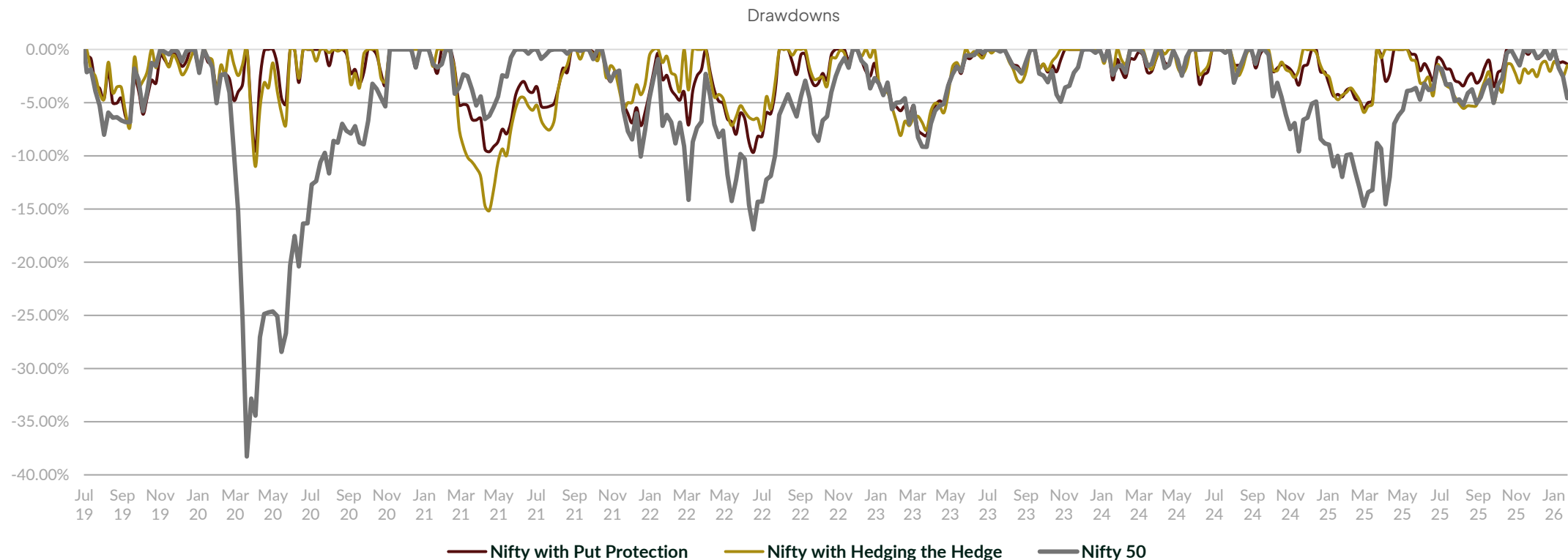
+14.20%

Nifty with Hedging
the Hedge CAGR

+25.67%

Period: July 2019 - January 2026

Nifty 50 Drawdowns with Hedges



The dual-layer strategy consistently reduces portfolio drawdowns, cutting peak losses by more than half compared to naked Nifty exposure, turning periods of market stress into opportunities rather than setbacks.

Case Study: Covid-19 Crash (March 2020)

When the market crashed 38%, our hedging strategies protected and generated returns

Nifty 50

-37.5%

Peak drawdown during crash

Nifty + Put Protection

+0.9%

Capital preserved through crash

Nifty + Put Protection + Hedging the Hedge

+7.4%

Generated returns during crash

The Dual-Layer Advantage

During the COVID crash, Nifty 50 fell nearly 38% from its pre-crash levels.

The Put Protection completely neutralized this drawdown, keeping the portfolio flat. The Hedging the Hedge Engine went further - actively generating returns during the turbulence.

This is the core value proposition: protection that doesn't just cost money but makes money.

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