



## **March 2009 Market Commentary**

The weakness in the overall stock markets in January and February continued unabated into early March. In the first five trading days of the month, the S&P 500 fell 9.3%, reaching lows not seen since September of 1996. At the lowest point in March, the S&P 500 was down 26.04% for the year. As the market declined, the fund manager initiated a partial position of ratio put spreads. These March positions would potentially be profitable should the pullback in the market continue.

From that point a strong rally ensued, taking the market up 8.25% for the month. As the manager had very little call exposure on, the rally led to essentially flat performance for the month. By the end of the month, the market rally had halted its rise, meaning that the fund lost only a nominal amount that it had had invested in its trades.