



November 2012 Market Commentary

Immediately following President Obama's re-election to a second term, the stock market traded very poorly, with the S&P 500 Index futures dropping 6% in just eight trading days after Election Day. Then, in a complete reversal, the market rallied 5.5% from those lows and ended the month with a slightly positive return. The Fund's Advisor held a small position of ratio put spreads before the election, given its uncertainty and potential for an outsized market reaction. Once through the election, the Fund's Advisor was able to realize small gains on its regular expiration position. However, as the market continued to rally off its lows through the end of the month, the Fund's Advisor incurred a small loss on its end-of-month position and the mark-to-market value on the open December positions, registering a marginal net loss for the month.