

Hi everyone,

While we do not usually do this, we assume most of you have seen the price action in oil today and are wondering what in the world happened. So, a quick update:

The price began to fall yesterday (down 80 cents from the high) on news we might be getting softer on Iran. The selloff continued this morning on news that peace broke out in Libya and they would be selling oil again (oil is now down 1.60 on the day). We then got a very large oil draw, which allowed oil to bounce about a dollar at 9:30 this morning. The bottom then completely fell out and at one point the price of oil was down almost \$6.00 or 7%. This is the largest single day price move we have seen for about 10 years and even bigger than the famous OPEC sell off on Thanksgiving day 2014. We could spend a paragraph trying to make sense of this as all the press outlets will surely do, or just chalk it up how crazy oil can act sometimes. We all have plenty of experience with this for sure.

We were both fortunate and disciplined. We took some oil off yesterday near the high and stopped out of the remainder this morning on the Libya headline. We stuck to our pre-determined levels and were able to buy some oil near the lows against a very important level we were hoping to see again. So, net/net we are about 1x long oil as we speak. We are still hoping to buy more oil below here and have a stop for our entire position about \$2 dollars below here.

As of the close the fund is still up about 1.5% on the month and about 26% on the year. Oil is about \$1 off the low after the close and we are hopeful the worst is behind us. But if not, we are fully prepared to adjust accordingly.

We are still in the bullish camp and believe we see higher prices later in the year. But, we admit the very short term is uncertain and with moves like this there can often be follow through in the next few days. We will remain disciplined and continue to manage risk when needed, and can hopefully weather this volatility well. Let us know if you have any questions.

Thanks for your support,

David and Brian