RM ROBUST METHODS

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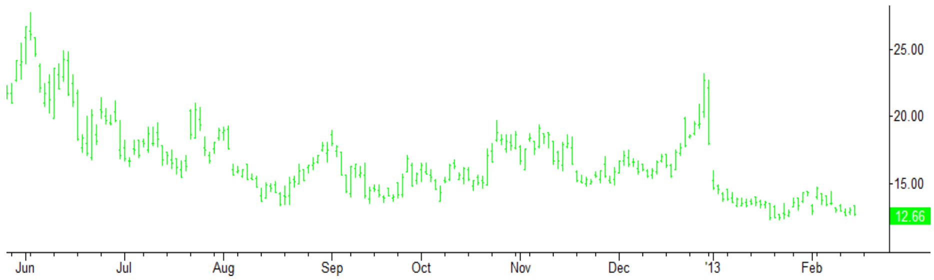
Robust Methods is a seasoned money manager and pioneer of Robust Portfolio Management. The firm's mission is to generate solid investment returns to a global and sophisticated investor base. Emphasizing research and quantitative decision making, transactions are made on the financials and commodities markets. An advanced risk management heuristic lies at the core of the methodology which aims at optimising the portfolio's exposure while maintaining its balance.

Returns *(Net of 2/20 Fees)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
[…]	*Data for the period of 2005 till 2011 is excluded from this table*												**[…]**
2012	1.76%	0.98%	-3.45%	1.06%	-1.15%	-2.51%	-1.12%	3.40%	-0.51%	0.01%	-1.96%	-0.34%	**-3.97%**
2013	-1.97%												**-1.97%**

Commentary

Our December letter of 2012 shared an important and far reaching political opinion about a frustrating dysfunctionality of today's financial markets, due to clandestine market manipulations. On January 1st of 2013, the implied volatility index collapsed by 40% within days, creating a liquidity hole that took no prisoners, and punished all who bet on volatility.



Instead of being viewed as a most desperate maneuver, the market is basically asked to believe that a further raising of the debt ceiling and more money debasement for the n^{th} time, constitute a successful and heroic outcome to be celebrated. Worse, the money being counterfeited is neither being used to create jobs nor to invest in the productive parts of the economy, but is being given as free money to wasteful governments and insolvent banks - further empowering the tyrants. We do not know whether the Coinage Act remained intact after the creation of the Fed, but we know that it stipulates the capital punishment for forging money.

While a first "QE1" was first introduced as an extraordinary one time measure to take, it wasn't long after then that Mario Draghi allowed himself the audacity to threaten the market with money printing to infinity, crushing volatility and setting prices within a narrow range. Granted, he is another mouthpiece of a well entrenched transnational cabal.

By showing the market a VIX price sitting at pre-2008 levels, the central planners hope to extend whatever confidence they can to the market, and perpetuate their tenure and ponzi scheme a bit longer. Such a level of deceit belongs to the last act of failed governments and fiat currencies.

The 'VIX capping' we mentioned last month, coupled with a surprisingly low realized volatility against otherwise dismal economic statistics, is the explicit reality of the day; we'd rather face it for now than deny it.

Despite these observations, we took a call on the possibility of the index breaking out to the upside, and given the magnitude that such a move would entail had there been a hic-up in the 'fiscal cliff' negotiations. It was a calculated bet which did not trigger, and transpired instead in a very violent reversal that led to net returns of -1.96% for January, and despite some gains in other markets.

Looking into 2013, and as major markets like the S&P diverge to the upside, be them fundamentally underpinned or not, we will continue to hold some strategic positions that may continue to bleed some more in the current environment. In the event that markets reassert themselves, our portfolio stands to profit and recapture ground rather quickly.

P.S. As of this writing, the seasoned wolf in a sheep's clothing at the Vatican is being asked to resign, with liens being placed on the accumulated wealth under International Law. The list of resignations continues to grow. We also bring the attention of our readers to the ground breaking work of the people's trust http://www.peoplestrust1776.org/ which has been busy foreclosing on the Fed and the illicit corporations of the Old World Order. We look forward to all being brought under the light in due time.