

Financial Investments, Inc.

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FII Scores Big Again!

Read about FII's Financial Results for the first quarter of 2008—*Lookin' Good!*

Also in this issue:

FII makes it to "Virginia's Fantastic 50" for the first time.

FII chosen as semi-finalist for Virginia Small Business Success Story

Introducing "Craig's Corner"

Craig Kendall Speaks at his Alma Mater

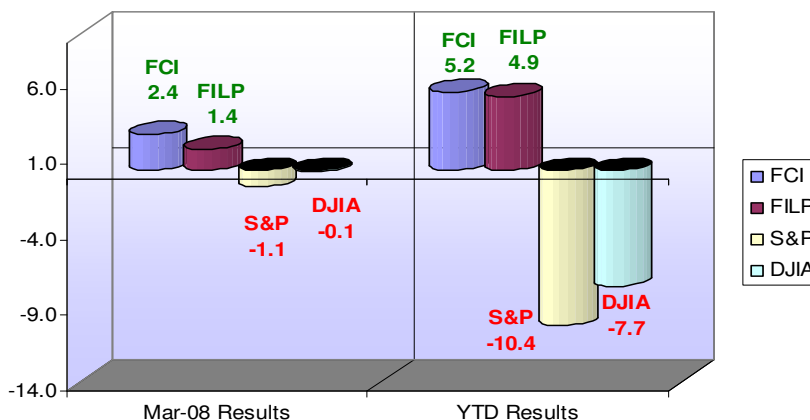
March was certainly one of the most volatile months on record; not only for equities but for commodities as well. Many were shocked by the impact on large financial companies like Bear Stearns and are still waiting to see when and where the bottom might hit. In contrast, however, Financial Investments, Inc. (FII) is proud to report positive returns for its investors in March and overall positive results for the first quarter of 2008. When compared to the results of major indices like the S&P 500 and the Dow Jones Industrial Average, FII did surprisingly well.

In March, FII's two main investment programs both realized positive returns. Financial Commodity Investments (FCI) yielded 2.4% in positive returns

and Financial Investments, LP (FILP) achieved 1.4% in positive returns. Year to date, for the first quarter of 2008, both FCI and FILP are providing our investors with positive returns in an uncertain market. So far this year, FCI's YTD return is a 5.3% positive and FILP delivered a 4.9% YTD positive return. (*)

During the same period however, we see very different results in the S&P and the Dow (see chart below). The S&P had a negative return of (-1.1%) in March and for the year it is a cumulative negative return of (-10.4%). The Dow Jones is not fairing much better. The Dow in March was slightly negative with a (-0.1%) and so far this year has generated a negative YTD return of (-7.7%).

FII continues to view its investment strategies as a reliable option for generating absolute returns in uncommon and volatile markets. FII's president and founder Craig Kendall stated "nothing pleases us more than being able to report positive returns to our investors, particularly when so many hard-working investors are losing money with traditional Buy and Hold equity investments". FII has hundreds of investment clients, both individuals, pension plans, and institutional investors. Its assets under management continue to grow as investors learn of commendable returns. More information on FII and its investment programs can be found on its website, www.financialii.com and www.financialcii.com.



FII Is One of “Virginia’s Fantastic 50”

Financial Investments, Inc., learned in March that it has been selected by the Virginia Chamber of Commerce as one of the state’s fifty fastest growing companies. This annual recognition and the associated gala event is known as the “Fantastic 50”.

“We are very honored to receive this award from the Virginia Chamber of Commerce.”, said Craig Kendall, Financial Investment’s President. “It is evidence of the fact that our commitment to focusing on our customers’ needs and delivering

solutions that truly meet their requirements is the right thing to do”.

Nominations for the “Fantastic 50” come from across the commonwealth. The program is limited to privately held firms, headquartered in Virginia, with annual revenues of between \$200,000 and \$100 million and who demonstrate positive revenue growth and positive net income in each of the last four years. Contestants are judged on their recent revenue and profit history (2003 – 2006). FII has received this recognition on its first year being nominated.

The company sees itself on a continued growth path and is working hard to successfully participate with the “Fantastic 50” for years to come.

The names of fifty of Virginia’s fastest growing companies will be announced at the twelfth annual Virginia’s Fantastic Fifty Banquet on May 1 at the beautiful Westfields Marriott in Chantilly. Nearly 500 attendees will be present at the glittering ceremony as the winners are saluted for their entrepreneurial success and contribution to Virginia’s economic vitality.



Virginia Small Business Success Story Semi-finalist

Financial Investments, Inc., (FII) announced in January that it had been recognized by Virginia Business Magazine as a regional semi-finalist for its Small Business Success Story of the Year award.

The magazine announced the awardees during a luncheon at the Darden Graduate School of Business Administration at the University of Virginia.

“We are very proud to have been one of only eight companies from the entire commonwealth to have been honored by Virginia Business Magazine,” said Craig Kendall, FII’s President and CEO. He added “This award validates that our strategy of delivering results, controlling risk and providing exceptionally reliable services is really paying off”.

This is the third year the magazine has recognized the contribution of small businesses to the state’s economy. The magazine named a state-wide winner and two semi finalists from each region of Virginia—Northern Virginia, Central Virginia, Hampton Roads, and Western Virginia. To be eligible for the Small Business Success Story of the Year, companies must have been in business for five years, have at least one owner active in the business, must be profitable and have fewer than 100 employees.

Craig's Corner



Thank you for reading our newsletter and for your interest in FII. It is truly our pleasure and our duty to help our clients make the most of their investments. We believe our methodologies allow for sustainable, reliable returns over the long term even in volatile times. As our tag line says—“Absolute Returns in an Uncommon Market”,

we are focused on providing our investors with some peace of mind during these turbulent times in the equities markets.

We know that the first quarter of 2008 was dismal for the stock market. The S&P lost 10% in the quarter and the credit crisis still looms large. It was the worst quarter in over five years, since the third quarter of 2002. The second quarter has started out a bit better, but there is still great timidity among investors, particularly regarding equities. Commodities also saw significant swings during the period. Crude

oil, wheat, gold, silver and even the U.S. dollar all had considerable shifts during the quarter.

The U.S. government, through the Federal Reserve Bank, is taking a number of steps to intervene on a variety of financial and monetary fronts, but the resulting impact is uncertain and the timing is unclear.

Whether or not we can stave off a recession (assuming we are not already in one) will depend on numerous variables both domestically and internationally.

In the meantime, FII continues to see the

opportunity for steady growth. While nothing is guaranteed, we are optimistic about the future and have been pleased to deliver positive returns to our investors. We are honored to have new clients come to the FII family, including individuals, pension plans, and institutional investors. Fortunately, these new clients have seen the benefit of turning to FII for their investment needs. Through solid management practices and proven approaches, we expect to continue delivering positive results even as the markets navigate through some pretty rocky waters. (*)

Craig Kendall Speaks at Alma Mater



FII's President, Craig Kendall was recently invited to speak to a group of students at the business school of his alma mater, Washington & Lee University in Lexington, Virginia. Mr. Kendall spoke to group of 50 students on entrepreneurship, leadership, and the importance of hard work and perseverance.

He described the struggles and challenges he faced in his professional career and the courage it took in launching the business, FII. “Believe me it won't be easy”, Kendall said to the group of fascinated students. He added, “But if you work hard, stay honest, and ensure you provide

your customers the very best product possible, you will have opportunities at achieving success”. Mr. Kendall received a Bachelor's of Science degree in Business and Accounting from Washington & Lee University and remains active with their alumni association.

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FII is a unique, customer-driven, results-oriented registered investment management firm. FII's reputation among its institutional and high-net-worth investors is superb not only for the exceptional returns it delivers but also for its dedication to effectively managing risk. In addition, FII is devoted to providing the highest levels of customer services to its valuable clients. FII has consistently beaten the S&P 500 over the last three years and is focused on providing its clients a unique alternative investment option. (*)

Disclaimers:

*Performance results discussed are the actual net returns of Financial Investments, LP (FILP) and Financial Commodity Investments (FCI). The Standard & Poor's 500 index is an unmanaged standard benchmark for measuring U.S. equity investment performance. There is no correlation between such index and the Partnership and CTA Program. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Commodity trading involves a potential substantial risk of loss. Individuals should consult their financial advisor to determine if such alternative investments are appropriate for your personal financial planning and portfolio model. Documented results are available upon request. Note: Only Advisors that submitted their performance data were rated. Note: A buyer of options does limit his risk to the amount of his investment in the option. The writer, or seller of options, takes on unlimited risk. There is no limit on how large the loss can be. Losses can and will be the amount that the position is “in-the-money” at the time of expiration, should the option actually expire in the money.

There are substantial risks involved in trading options on futures and equities. The high degree of leverage that is often obtainable in options trading can work against you as well as for you. The volatile nature of the futures and high degree of leverage used in options may result in clients losing more than their original investment. Please consider carefully whether options are appropriate to your financial situation. Only risk capital should be used when trading options on futures and equities. Past results are not necessarily indicative or a guarantee of future results. Security futures/options products are not suitable for all people.