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Financial Investments, Inc. Quarterly Newsletter

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FII Rides Out Market Roller-coaster

During the extremely volatile markets in the third quarter of 2008, including the wild roller-coaster ride of the week of September 15th, FII has worked very hard to manage risks and find upside investments.

As a result, our year-to-date results for our proprietary product, Financial Commodity Investments, FCI, as of August 31 were 16.3%, and September's results were flat.

We expect the market will continue on its volatile path, which will continue to create **opportunities** for our investors. As you know, FII's investment strategy is very much a volatility play.

This can be a double-edged sword. An increase in volatility can and will cause significant increases in the pricing premiums placed on derivative contracts related to the underlying commodities. This can be both positive and negative.

For contracts already in the account, an increase in premium causes a negative valuation on the account. This volatility can also cause an increase in the margin requirement, especially if the underlying commodity price moves in a direction closer to our strike price.

On the positive side, however, this volatility creates many investment opportunities for commendable risk/return trades utilizing FII's strategies.

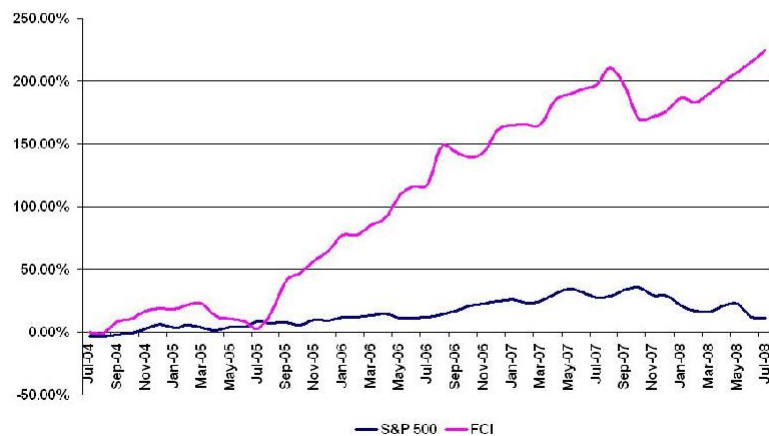
Our strategies incorporate statistics and market research to help us determine where an underlying commodity price is not likely to go. With all of this information in hand, we strategically sell derivative contracts at a price and value that we strongly believe the underlying

commodity price will never reach during the derivative contract time frame.

So, as the market continues its roller-coaster ride, we will stay true to our customer focus and disciplined approach to investments. This has resulted in **consistent commendable returns** for our institutional and private investors in the past, and we expect it will continue to do so into the future.*

More information on FII and its investment programs can be found on its websites, www.financialiii.com and www.financialcii.com.

**Cumulative Return FCI vs S&P 500 through July, 2008
(net of fees)**



*Past results are not necessarily indicative of future results.

Barclay Names FCI to Top 20 List

FII has been notified that its proprietary product, Financial Commodity Investments (FCI), has recently been ranked as a Top Commodity Trading Advisor, CTA, performer in the Barclay Managed Funds Report. FCI was rated by Barclay's as achieving a **42.72 percent compounded annual return** from July 1, 2005 through June 30, 2008.

FII has approximately \$70 million of assets under management, of which \$32 million participate in the FCI program. FCI has achieved a **112 percent return during its best 12 month period**, according to the report. In addition, even during its worst 12-month period, FCI generated a five percent return. (Past results are not necessarily indicative of future results.)

Published quarterly for the past 17 years, the Barclay Report provides industry professionals with information on relevant industry trends and performance rankings for the managed futures (CTA) and hedge fund investment industries. This year, 491 programs are included in the calculation of the Barclay CTA Index. To qualify, an advisor must have four years of prior performance history.

FII is a registered investment management firm whose principal investment programs are FCI and Financial Investments, LP (FILP). FII's mission, philosophy and investment strategy is "Absolute Returns in an Uncommon Market."

BARCLAY MANAGED FUNDS REPORT

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Top 20 CTA Performers Past Three Years

For the period from 7/1/2005 to 6/30/2008. Includes only CTAs managing at least \$1 million as of 6/30/2008

TRADING ADVISORS	3-YR COMP ANNUAL RETURN	SHARPE RATIO	LARGEST DRAWDOWN	% WINNING MONTHS	BEST L-3MO PERIOD	WORST L-3MO PERIOD	ASSETS UNDER MGMT. (\$)
1 NDX Cap'l Mgmt (Shadrach)	104.51%	2.03	15.90%	66.66%	296%	6%	34.1M
2 World Grain & Oilseeds Fund LP	88.83%	1.49	47.68%	72.22%	337%	-12%	7.5M
3 Elk River Trading	79.34%	0.97	0.89%	88.88%	323%	15%	44.0M
4 Pixley Capital Management	66.97%	2.15	21.04%	77.77%	111%	14%	9.0M
5 Quality Capital Mgmt. (Comm. Beta)	63.73%	1.53	20.13%	66.66%	133%	-13%	34.0M
6 Friedberg Comm. Mgmt. (Divers.)	62.19%	0.85	58.27%	52.77%	211%	-51%	23.8M
7 Vegasoul Capital Mgmt.	59.70%	3.30	6.88%	77.77%	112%	1%	103.1M
8 Quantitative Invest. Mgmt (Gl. 3X)	57.63%	1.80	22.36%	77.77%	126%	17%	314.8M
9 AIS Futures Management (3X-6X)	56.09%	1.16	37.18%	61.11%	225%	-24%	282.1M
10 Dighton (Aggressive)	51.04%	0.87	41.13%	63.88%	226%	-25%	160.0M
11 Quality Capital Mgmt. (Gl. Nat. Res)	46.88%	1.21	24.00%	58.33%	127%	-18%	20.0M
12 Calatrava Grain Fund	45.18%	1.22	21.91%	75.00%	94%	7%	17.8M
13 Pere Trading Group	45.09%	0.99	29.98%	66.66%	139%	-21%	8.6M
14 Aisling Analytics (Merchant Comm.)	44.53%	2.06	17.30%	75.00%	66%	24%	2362.0M
15 Barbashop LLC	44.06%	0.68	46.69%	80.55%	112%	-24%	6.0M
16 Sophia Hedge Access (Gl Commodities)	42.96%	1.77	14.82%	75.00%	95%	8%	172.0M
17 Financial Comm Inv (Option Selling)	42.72%	2.10	12.94%	80.55%	112%	5%	30.6M
18 Dreiss Research Corp.	42.56%	1.32	22.41%	63.88%	102%	-14%	1.6M
19 CKP Finance Associates (LOMAX)	42.01%	1.26	19.56%	63.88%	107%	-6%	5.0M
20 Zone Cap'l FX Managed Account	41.91%	1.23	17.07%	58.33%	144%	-9%	1.5M

*As appeared in Barclay Managed Funds Report - 3rd Quarter 2008 - page 7.

Financial Commodity Investments

Ranked #17 Among Barclay's Top 20 CTA Performers – Last 3 Years

About Financial Investments Inc. (FII): FII was founded in 1997 and is a registered investment management firm whose principal investment programs are Financial Commodity Investments (FCI) and Financial Investments, LP (FILP). FII's mission, philosophy and investment strategy is **Absolute Returns in an Uncommon Market**.



Financial Commodity Investments (FCI) is a commodity trading advisor (CTA) service registered with the National Futures Association (NFA). FCI executes investment strategies on behalf of an investor directly in the investor's own account. FCI trades options in a diversified range of commodities including energies, grains, softs, metals and financial commodities. Participants in FCI have unlimited risk.

To learn more visit www.financialfi.com and/or www.financialci.com or call 703-435-2777.

Past results are not necessarily indicative or a guarantee of future results.

Craig's Corner



Our Thanks to Clients & Employees

As we look back on FII's ability to create commendable returns in spite of the volatile markets, we express our sincere appreciation to both our employees and our clients!

The hard work and teamwork of our employees, and their passionate belief in our products and services, has allowed us to rise above the competition and achieve commendable growth for FII and our clients.

We also express our appreciation to our long-term clients, who believed in us and our disciplined approach to investments with commodities, equities and equity indexes. As a result of our strategies and focus on customers, we now serve more than 400 financial

