

# Financial Commodity Investments (Option Selling Strat.)

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January 2010

## ANNUAL RETURNS

	2006	2007	2008	2009	2010 YTD
<b>Advisor</b>	58.52%	5.50%	-23.02%	38.91%	5.21%
<b>Barclay CTA Index</b>	3.54%	7.64%	14.09%	-0.10%	0.00%
<b>Funds Managed (Mil.)</b>	\$ 4.32	\$ 28.18	\$ 13.07	\$ 12.70	\$ 13.83

## ACCOUNT INFORMATION

<b>Mgmt. Fee:</b>	2.00%	<b>M/E Ratio:</b>	40.00
<b>Incentive Fee:</b>	20.00%	<b>Options:</b>	80%
<b>Min. Acc:</b>	\$ 50K	<b>Discretion:</b>	100
<b>Rt/yr/\$Million:</b>	5000	<b>Interbank:</b>	N/A

## REWARD/RISK RATIOS

	3-Years	Cumulative
<b>Sharpe Ratio:</b>	0.17	0.99
<b>Sterling Ratio:</b>	0.25	0.25
<b>Barclay Ratio:</b>	-0.30	0.72
<b>Efficiency Index:</b>	0.25	1.12

## PERFORMANCE ANALYSIS

<b>Start Date:</b>	July 2004
<b>Total Return Since Inception:</b>	228.59%
<b>Compounded Average Annual ROR:</b>	23.75%
<b>Average Monthly ROR:</b>	1.99%
<b>Std. Deviation of Monthly ROR:</b>	6.14%
<b>Winning Months:</b> 49	<b>Average Gain:</b> 4.53%
<b>Losing Months:</b> 18	<b>Average Loss:</b> -4.92%

## PORTFOLIO COMPOSITION

<b>Currencies:</b>	20%	<b>Energy:</b>	30%
<b>Equities:</b>	0%	<b>Grains:</b>	15%
<b>Interest Rates:</b>	10%	<b>Meats:</b>	0%
<b>Base Metals:</b>	0%	<b>Precious Metals:</b>	15%
<b>Softs:</b>	5%	<b>Stock Indices:</b>	5%
<b>SSF:</b>	0%	<b>VIX:</b>	0%
<b>Other:</b>	0%		

## RELATIVE VOLATILITY

<b>Loss of 25% or more:</b>	9.83%
<b>Loss of 50% or more:</b>	0.64%
<b>Loss of 75% or more:</b>	0.01%

## CORRELATIONS

<b>Barclay CTA Index:</b>	-0.19	<b>S&amp;P 500</b>	0.24
<b>US Treasury Bonds:</b>	-0.04	<b>EAFE</b>	0.24
<b>World Bonds:</b>	-0.06		

## DRAWDOWN REPORT

Depth	Length (Mos.)	Recovery (Mos.)	Start Date	End Date
34.63%	5	*	Jul 08	Dec 08
16.26%	4	2	Mar 05	Jul 05
12.94%	2	8	Aug 07	Oct 07
3.44%	2	2	Aug 06	Oct 06
1.00%	1	1	Jul 04	Aug 04
0.60%	1	1	Dec 04	Jan 05
0.18%	1	1	Feb 07	Mar 07

## TIME WINDOWS

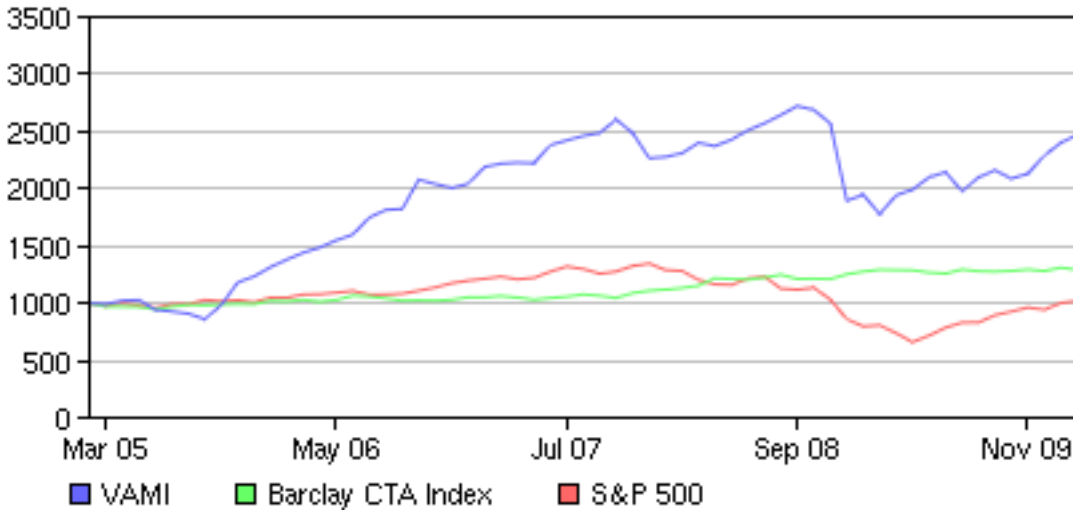
Length (Mos.)	Best	Worst	Average
1	20.30%	-26.29%	1.99%
3	43.31%	-30.80%	6.06%
6	67.47%	-32.73%	11.68%
9	85.67%	-26.77%	17.42%
12	111.69%	-23.07%	24.66%
18	157.60%	-27.72%	42.00%
24	188.80%	-19.78%	61.48%

THE BARCLAY INSTITUTIONAL REPORT  
641-472-3456

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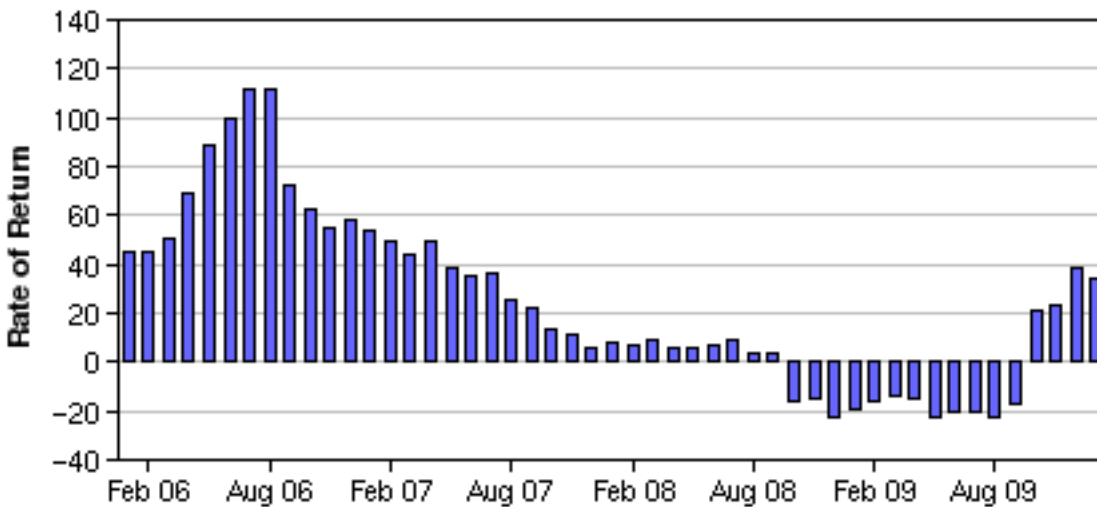
## VAMI vs BARCLAY vs S&P 500



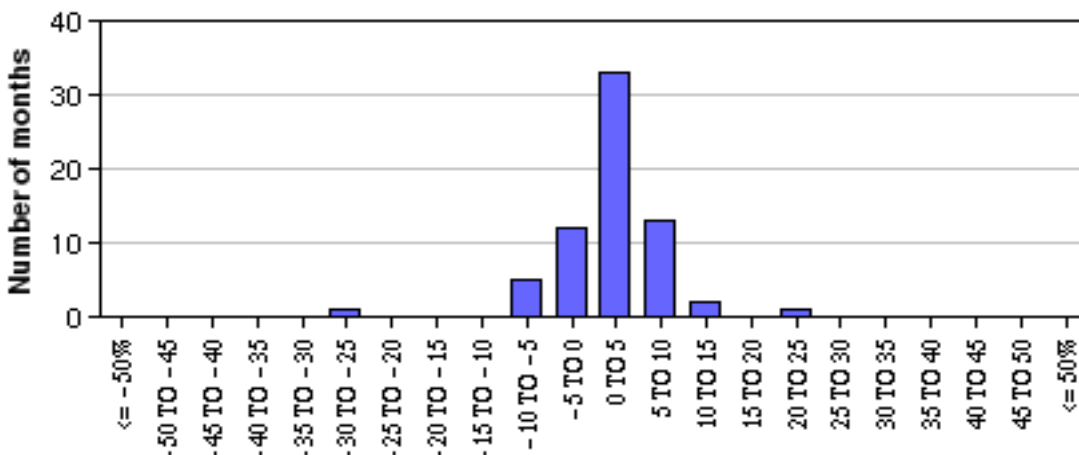
## PERFORMANCE HISTORY

DATE	VAMI	ROR
Feb 06	1031	3.10
Mar 06	1074	4.20
Apr 06	1109	3.20
May 06	1213	9.40
Jun 06	1258	3.70
Jul 06	1264	0.50
Aug 06	1441	14.00
Sep 06	1415	-1.81
Oct 06	1391	-1.66
Nov 06	1415	1.72
Dec 06	1518	7.28
Jan 07	1538	1.30
Feb 07	1544	0.39
Mar 07	1541	-0.18
Apr 07	1651	7.11
May 07	1679	1.70
Jun 07	1706	1.61
Jul 07	1725	1.08
Aug 07	1805	4.65
Sep 07	1723	-4.50
Oct 07	1571	-8.84
Nov 07	1579	0.51
Dec 07	1602	1.44
Jan 08	1664	3.88
Feb 08	1645	-1.15
Mar 08	1684	2.37
Apr 08	1740	3.34
May 08	1782	2.42
Jun 08	1833	2.86
Jul 08	1887	2.91
Aug 08	1863	-1.24
Sep 08	1782	-4.36
Oct 08	1313	-26.29
Nov 08	1350	2.80
Dec 08	1233	-8.67
Jan 09	1347	9.23
Feb 09	1381	2.56
Mar 09	1456	5.36
Apr 09	1487	2.15
May 09	1371	-7.78
Jun 09	1455	6.10
Jul 09	1498	2.94
Aug 09	1448	-3.33
Sep 09	1478	2.06
Oct 09	1588	7.45
Nov 09	1664	4.80
Dec 09	1713	2.96
Jan 10	1802	5.21

## RETURNS FOR PRECEDING 12-MO. PERIODS



## DISTRIBUTION OF MONTHLY RETURNS



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## TRADING METHOD

FCI OPTION SELLING STRATEGY utilizes a trading strategy that writes options far out-of-the-money with the expectation that the option will expire worthless and FCI's investors will retain the premiums from writing the option. FCI's primary trading philosophy is for profits to be made when the value of options are reduced as a function of time, rather than a function of market direction. FCI may write calls, puts or both calls and puts to take advantage of this strategy. FCI utilizes derivative contracts that statistically have a 80% or greater profitable contract win rate. It is a delta neutral strategy, allowing for positive returns irrespective of market direction.

## KEY PRINCIPALS - BIO

CRAIG B. KENDALL is the owner and manager of Kendall & Company, CPA, and Financial Investment, Inc (FII). Mr. Kendall, is a CPA licensed in the state of Virginia. Mr. Kendall operates, Kendall & Company, a local CPA firm, tailoring its services to entrepreneurial business needing comprehensive CPA and Chief Financial Officer, "CFO Services for Hire". Mr. Kendall has operated the CPA business since 1995. In 1997, Mr. Kendall, founded FII, an investment firm registered with the NFA. Prior to 1995, Mr. Kendall, served as the Controller and Chief Financial Officer (CFO) of a closely held electronic manufacturer firm. Mr. Kendall graduated from Washington & Lee University in 1978. He received his CPA license from Maryland in 1981, and from Virginia in 1991. Mr. Kendall holds FINRA Series 65 and 3 Securities Licenses. His business experience includes over twenty years in the finance, accounting and investment banking industry. Mr. Kendall is solely responsible for all money management, trade execution, and risk management of all transactions executed on behalf of Financial Commodities Inc. (FCI).