

# Financial Commodity Investments (Option Selling Strat.)

Craig Kendall  
462 Herndon Parkway, Suite 205,  
Herndon, VA 20170 USA  
ph. +1-703-435-2777 fax +1-703-787-0111

June 2010

ANNUAL RETURNS					
	2006	2007	2008	2009	2010 YTD
Advisor	58.52%	5.50%	-23.02%	38.91%	21.57%
Barclay CTA Index	3.54%	7.64%	14.09%	-0.10%	-1.06%
Funds Managed (Mil.)	\$ 4.32	\$ 28.18	\$ 13.07	\$ 12.70	\$ 17.01

## ACCOUNT INFORMATION

Mgmt. Fee:	2.00%	M/E Ratio:	25.00
Incentive Fee:	20.00%	Options:	80%
Min. Acc:	\$ 50K	Discretion:	100
Rt/yr/\$Million:	5000	Interbank:	N/A

## REWARD/RISK RATIOS

	3-Years	Cumulative
Sharpe Ratio:	0.27	1.08
Sterling Ratio:	0.37	0.37
Barclay Ratio:	0.12	0.75
Efficiency Index:	0.32	1.20

## PERFORMANCE ANALYSIS

Start Date:	July 2004
Total Return Since Inception:	279.69%
Compounded Average Annual ROR:	24.90%
Average Monthly ROR:	2.06%
Std. Deviation of Monthly ROR:	5.97%
Winning Months:	53 Average Gain: 4.48%
Losing Months:	19 Average Loss: -4.71%

## PORTFOLIO COMPOSITION

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

## RELATIVE VOLATILITY

Loss of 25% or more:	8.62%
Loss of 50% or more:	0.36%
Loss of 75% or more:	0%

## CORRELATIONS

Barclay CTA Index:	-0.21	S&P 500	0.18
US Treasury Bonds:	-0.01	EAFE	0.19
World Bonds:	-0.05		

## DRAWDOWN REPORT

Depth	Length (Mos.)	Recovery (Mos.)	Start Date	End Date
34.63%	5	17	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

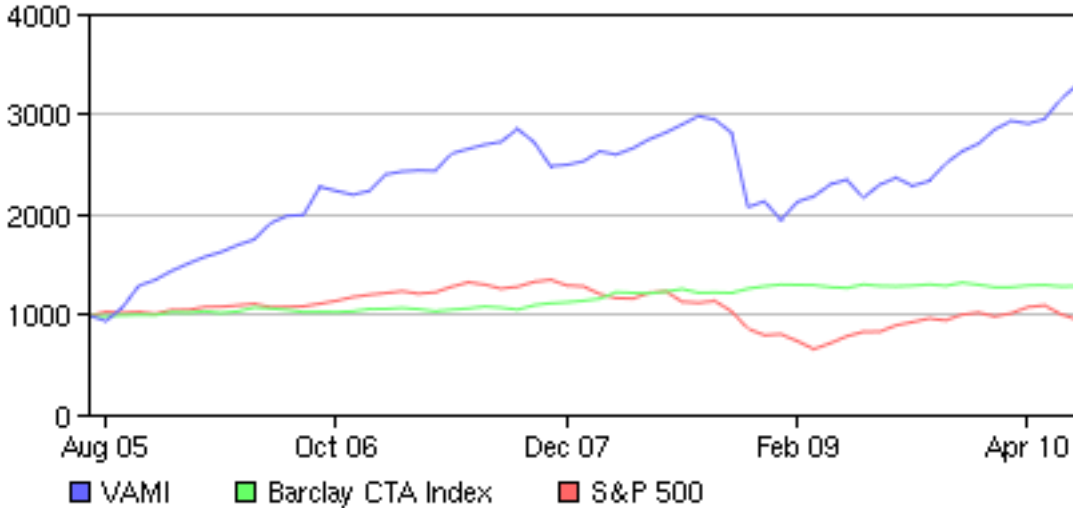
Length (Mos.)	Best	Worst	Average
1	20.30%	-26.29%	2.06%
3	43.31%	-30.80%	6.24%
6	67.47%	-32.73%	12.48%
9	85.67%	-26.77%	18.64%
12	111.69%	-23.07%	25.50%
18	157.60%	-27.72%	41.12%
24	188.80%	-19.78%	56.32%

THE BARCLAY INSTITUTIONAL REPORT  
641-472-3456

# Financial Commodity Investments (Option Selling Strat.)

June 2010

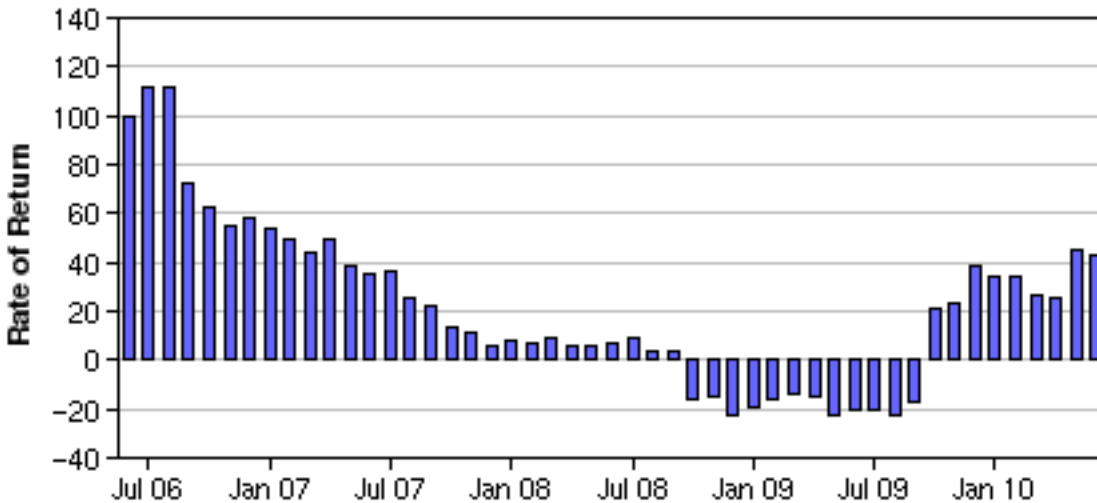
## VAMI vs BARCLAY vs S&P 500



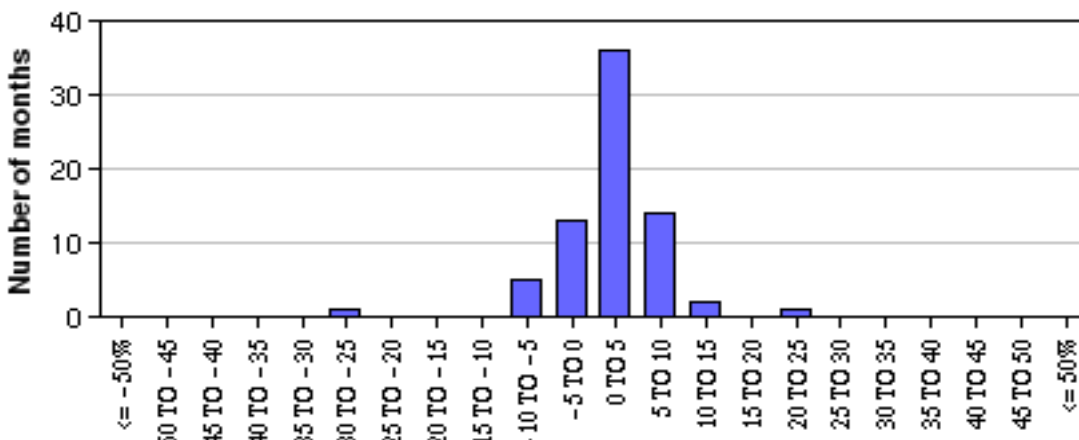
## PERFORMANCE HISTORY

DATE	VAMI	ROR
Jul 06	1005	0.50
Aug 06	1146	14.00
Sep 06	1125	-1.81
Oct 06	1106	-1.66
Nov 06	1125	1.72
Dec 06	1207	7.28
Jan 07	1223	1.30
Feb 07	1228	0.39
Mar 07	1225	-0.18
Apr 07	1313	7.11
May 07	1335	1.70
Jun 07	1356	1.61
Jul 07	1371	1.08
Aug 07	1435	4.65
Sep 07	1370	-4.50
Oct 07	1249	-8.84
Nov 07	1256	0.51
Dec 07	1274	1.44
Jan 08	1323	3.88
Feb 08	1308	-1.15
Mar 08	1339	2.37
Apr 08	1383	3.34
May 08	1417	2.42
Jun 08	1458	2.86
Jul 08	1500	2.91
Aug 08	1481	-1.24
Sep 08	1417	-4.36
Oct 08	1044	-26.29
Nov 08	1074	2.80
Dec 08	980	-8.67
Jan 09	1071	9.23
Feb 09	1098	2.56
Mar 09	1157	5.36
Apr 09	1182	2.15
May 09	1090	-7.78
Jun 09	1157	6.10
Jul 09	1191	2.94
Aug 09	1151	-3.33
Sep 09	1175	2.06
Oct 09	1262	7.45
Nov 09	1323	4.80
Dec 09	1362	2.96
Jan 10	1433	5.21
Feb 10	1475	2.97
Mar 10	1462	-0.90
Apr 10	1484	1.50
May 10	1584	6.74
Jun 10	1656	4.52

## RETURNS FOR PRECEDING 12-MO. PERIODS



## DISTRIBUTION OF MONTHLY RETURNS



THE BARCLAY INSTITUTIONAL REPORT

641-472-3456

# Financial Commodity Investments (Option Selling Strat.)

June 2010

## 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. -----

Disclaimer: The risk of loss in trading commodities can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains. In some cases, managed commodity accounts are subject to substantial charges for management and advisory fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets. The disclosure document contains a complete description of the principal risk factors and each fee to be charged to your account by the Commodity Trading Advisor "CTA").

## 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).