

# Financial Commodity Investments (FCI)

## Option Selling Strategy

Manager: **Craig Kendall**

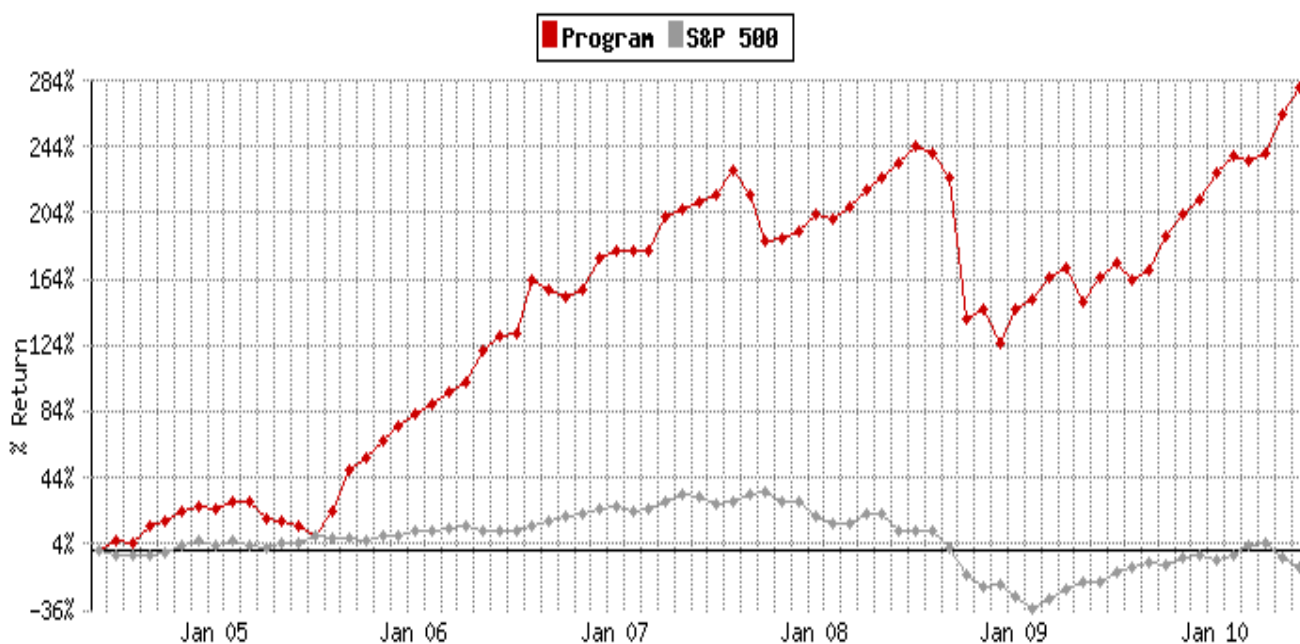
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### Program Summary

Primary Market:	Diversified	Accepting Funds:	Yes
Inception Date:	Jul, 2004	Min Investment:	\$50,000
Registrations:	CTA	Notional Funding:	Yes
Current Assets:	\$17,176,905	Annual Mgt Fee:	2%
Max Capacity:	\$150,000,000	Incentive Fee:	20%
CPO Strategy:	N/A	Other Fee:	None
Max Margin/Equity:	40%	RT per Mil \$:	5000
		Disclosure:	Yes

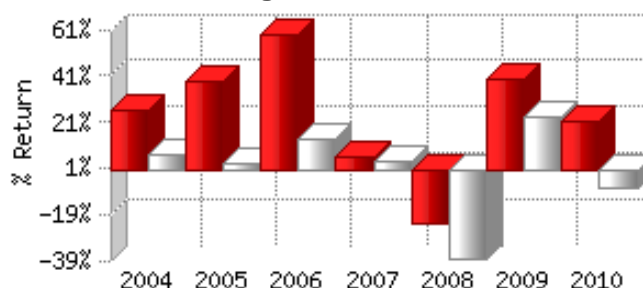
### Program Performance VS S&P 500



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

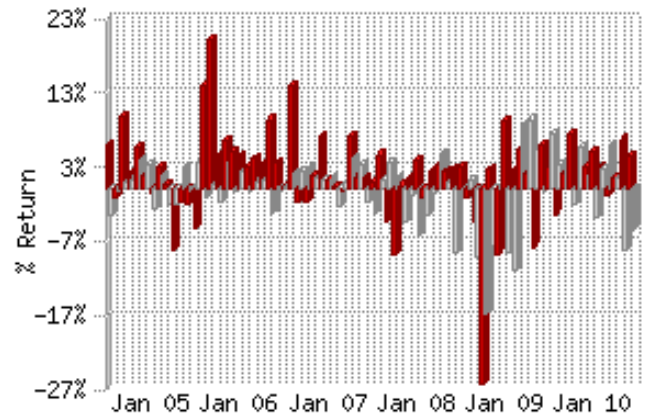
Performance	Program	S&P
Total ROR:	279.69%	-9.63%
Annual ROR:	24.90%	-1.67%
Year to Date:	21.57%	-7.57%
1 Year:	43.15%	12.11%
3 Years:	22.07%	-31.46%
Alpha:	2.06	
Beta:	0.24	

### Yearly Returns Program VS S&P 500



Statistics	Program	S&P
Avg Monthly Gain:	4.48%	2.68%
Avg Monthly Loss:	-4.71%	-4.30%
Winning Months:	53	44
Losing Months:	19	28
Current Drawdown:	0%	33.48%
Max Drawdown:	34.63%	52.56%
# DD > 25%:	1	1
# DD > 20%:	0	0
# DD > 15%:	1	0
# DD > 10%:	1	0
# DD > 5%:	0	0
Sharpe Ratio:	1.19	-0.12
Annualized Std Dev.:	20.82	
Sortino Ratio:	1.83	
Sterling Ratio:	3.57	
Calmar Ratio:	0.72	
Risk Free Rate:	0.16%	

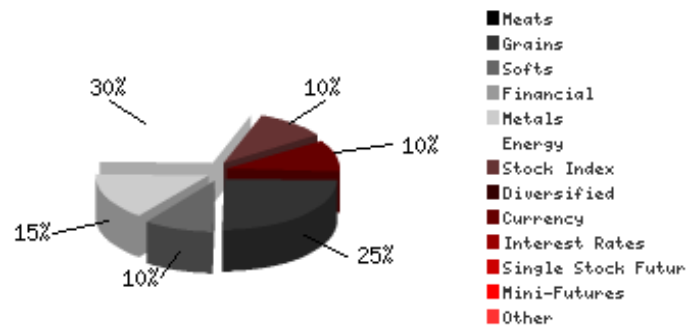
Monthly Returns  
Program VS S&P 500



Directional	
Long:	5%
Short:	95%

Strategy	
Systematic:	50%
Discretionary:	50%
Trend Following:	0%
Day Trading:	0%
Fundamentals:	0%
Pattern Recognition:	0%
Arbitrage:	0%
Other:	0%

Sectors Traded



Yearly Monthly Returns							
	2010	2009	2008	2007	2006	2005	2004
January	5.21%	9.23%	3.88%	1.30%	4.40%	-0.60%	
February	2.97%	2.56%	-1.15%	0.39%	3.10%	2.90%	
March	-0.90%	5.36%	2.37%	-0.18%	4.20%	0.60%	
April	1.50%	2.15%	3.34%	7.11%	3.20%	-8.30%	
May	6.74%	-7.78%	2.42%	1.70%	9.40%	-1.60%	
June	4.52%	6.10%	2.86%	1.61%	3.70%	-2.00%	
July		2.94%	2.91%	1.08%	0.50%	-5.30%	5.90%
August		-3.33%	-1.24%	4.65%	14.00%	14.00%	-1.00%
September		2.06%	-4.36%	-4.50%	-1.81%	20.30%	9.80%
October		7.45%	-26.29%	-8.84%	-1.66%	4.50%	2.00%
November		4.80%	2.80%	0.51%	1.72%	6.60%	5.70%
December		2.96%	-8.67%	1.44%	7.28%	5.00%	1.80%
YTD	21.57%	38.91%	-23.02%	5.50%	58.52%	38.22%	26.34%

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## Company Info

Financial Commodity Investments, which is located in the greater Washington D.C. Metropolitan area, manages several absolute return strategies. Our performance has low correlation to the equity, fixed income and real estate markets. These alternative strategies are leveraged, and maintain high levels of liquidity. As a result of our asset management skill in executing these alternative strategies, the managed futures accounts under our management have posted positive returns in recent periods. (Past performance is no indication of future results)

Financial Commodity Investments (FCI) is a registered CTA (Commodities Trading Advisor). Accounts are managed on a separate basis according to one of our specific strategies. Please visit our website at [www.financialcii.com](http://www.financialcii.com).

## Program Info

FCI OPTION SELLING STRATEGY utilizes a market neutral trading strategy that does not attempt to forecast market direction. FCI utilizes options on futures to initiate market neutral positions by simultaneously writing out of the money call and put options, followed by appropriate adjustments based on movement of the underlying futures contract. Profits are derived when the price of the options that have been written declines such that the options can be purchased for amounts less than the price at which those options were initially sold. Profits also are realized when options expire worthless, providing full profit on the option premium sold (after commission and other fees). 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.

## Manager Biography

Craig B. Kendall, CPA, is the principal owner and manager of the Financial Investment, Inc. (FII) family of companies. This includes Financial Commodity Investments (FCI), Financial Investment, LP (FILP) and Kendall & Company, CPA's.

His business experience includes more than 20 years in the finance, accounting and investment banking industries. In 1997, Mr. Kendall founded FII as an investment firm that acquires equities, private placement memorandums, and other investments. Established Financial Investments Limited Partnership (FILP), a limited partnership developed to capitalize on the opportunities available using proprietary trend tracking investment models.

Mr. Kendall holds FINRA Series 3 and Series 66 licenses.

Under Mr. Kendall's leadership, FII has been named an Inc. 5000 company nationally, and received the "Fantastic 50" award in 2008 and 2007 from the Virginia Chamber of Commerce. He led FCI to a ranking as a Top 20 Commodity Trading Advisor (CTA), in the Barclay Managed Funds Report.