

# Financial Commodity Investments (FCI)

## Credit Premium Program

Manager: **Craig Kendall**

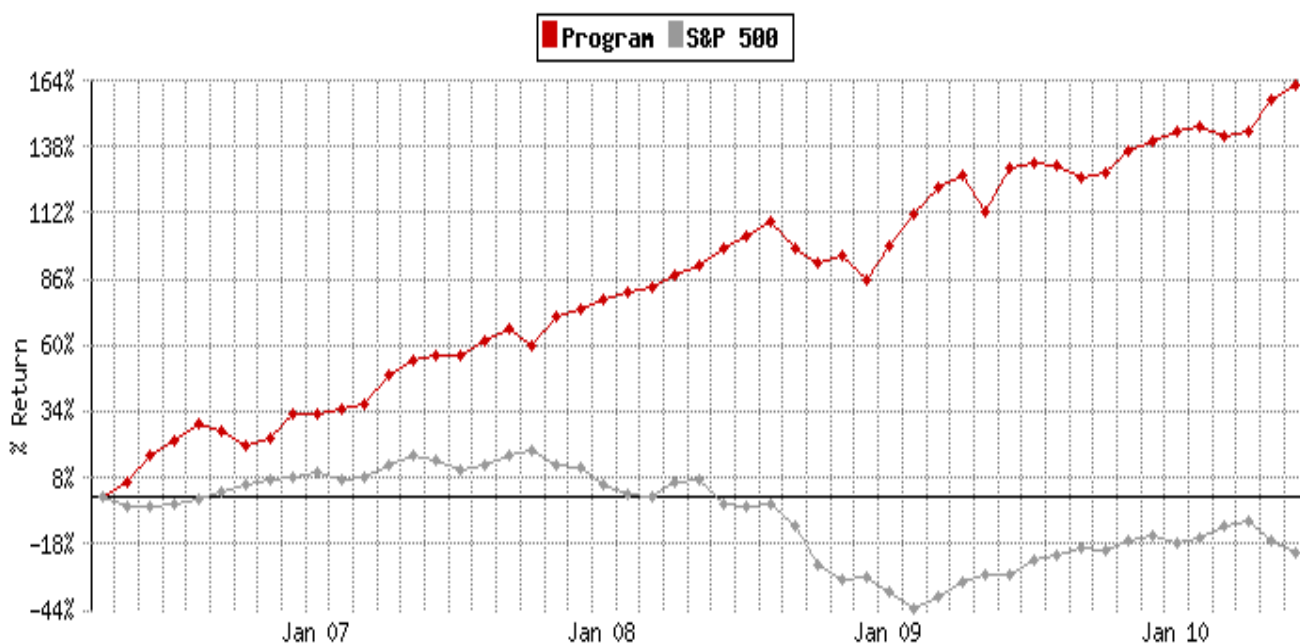
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### Program Summary

Primary Market:	Diversified	Accepting Funds:	Yes
Inception Date:	May, 2006	Min Investment:	\$50,000
Registrations:	CTA	Notional Funding:	Yes
Current Assets:	\$19,146,608	Annual Mgt Fee:	1%
Max Capacity:	N/A	Incentive Fee:	25%
CPO Strategy:	N/A	Other Fee:	N/A
Max Margin/Equity:	50%	RT per Mil \$:	6000
		Disclosure:	Yes

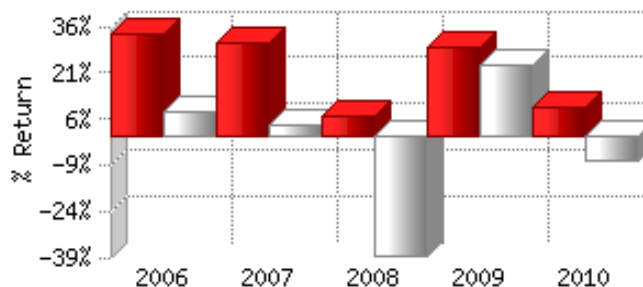
### Program Performance VS S&P 500



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Performance	Program	S&P
Total ROR:	162.50%	-21.36%
Annual ROR:	26.06%	-5.60%
Year to Date:	9.37%	-7.57%
1 Year:	14.44%	12.11%
3 Years:	68.83%	-31.46%
Alpha:	2.00	
Beta:	-0.05	

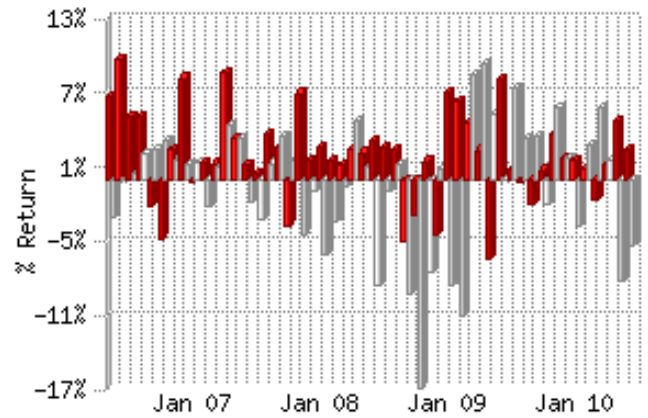
### Yearly Returns Program VS S&P 500



Statistics	Program	S&P
Avg Monthly Gain:	3.44%	3.02%
Avg Monthly Loss:	-3.05%	-5.38%
Winning Months:	39	30
Losing Months:	11	20
Current Drawdown:	0%	33.48%
Max Drawdown:	10.64%	52.56%
# DD > 25%:	0	1
# DD > 20%:	0	0
# DD > 15%:	0	0
# DD > 10%:	1	0
# DD > 5%:	2	0
Sharpe Ratio:	2.05	-0.32
Annualized Std Dev.:	12.61	
Sortino Ratio:	4.25	
Sterling Ratio:	5.82	
Calmar Ratio:	2.45	

Risk Free Rate: 0.16%

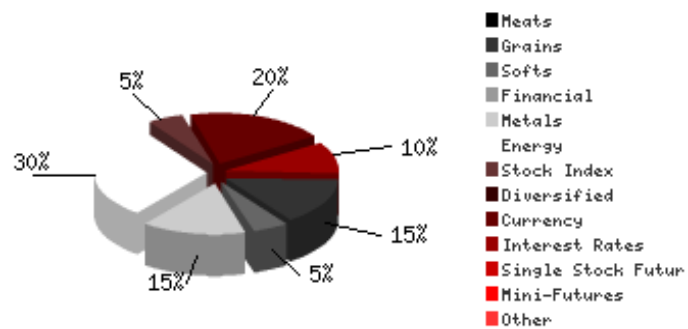
Monthly Returns  
Program VS S&P 500



Directional	
Long:	0%
Short:	0%

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
January	1.53%	7.10%	2.54%	-0.13%	
February	0.87%	6.37%	1.50%	1.37%	
March	-1.72%	4.52%	1.19%	1.29%	
April	1.17%	2.35%	2.44%	8.60%	
May	4.78%	-6.46%	2.18%	3.39%	6.67%
June	2.51%	8.19%	3.22%	1.19%	9.68%
July		0.81%	2.59%	0.44%	5.07%
August		-0.17%	2.52%	3.66%	5.13%
September		-2.07%	-5.04%	2.67%	-2.19%
October		0.76%	-2.82%	-3.68%	-4.75%
November		3.64%	1.46%	6.97%	2.43%
December		1.66%	-4.56%	1.56%	8.21%
YTD	9.37%	29.04%	6.94%	30.32%	33.45%

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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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 - CREDIT PREMIUM PROGRAM (CPP) engages in the selling or "writing" options (puts and calls) on futures contracts in the natural gas, crude oil, coffee, soybeans, corn, and financial currency markets, among others. However, in the future, FCI - CPP may trade a broader portfolio of options, futures and cash markets. In doing so FCI reserves the right to place trades in any commodity futures contract or option contract thereon, on any exchange, foreign or domestic, at FCI's sole discretion.

Similar to FCI's Option Selling Strategy program, the primary trading strategy of FCI - CPP will be to sell, on behalf of a client, options on futures contracts. However, FCI - CPP is different from the Option Selling Strategy program because FCI - CPP may sell options that are (a) likely to be closer to the expiration date, ranging from four (4) days to ninety (90) days from expiration, [versus thirty (30) to forty-five (45) days from expiration for the Option Selling Strategy program], and (b) closer to being "in the money". The program also utilizes more of a vertical credit and calendar spread strategy, thus reducing per trade capital requirements. When premium collection transactions become unprofitable contracts, offsetting futures contracts or options are purchased as a hedge to limit further future contract losses. The net effect is that FCI - CPP targets higher returns with additional contracts being executed. There is an increased likelihood of the strike price being met on options written versus the portfolio of options written in the Option Selling Strategy program.

Furthermore, FCI - CPP is more progressive with its rolling forward, exiting out of option contracts, and with the rolling further out as a hedge to limit contract losses. FCI - CPP will also utilize directional future trades from time to time. This will occur when underlying futures appear to be over extended in either an over or under valued status in relation to historical values of an underlying commodity. Finally, FCI - CPP program will utilize larger margin account balances with capital requirements targeted at a range of 40% to 60% of the total account balance.

## 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.