

# Financial Commodity Investments (Option Selling Strat.)

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## ANNUAL RETURNS

	2004	2005	2006	2007	2008 YTD
Advisor	26.34%	38.22%	58.52%	5.50%	2.69%
Barclay CTA Index	3.30%	1.71%	3.54%	7.64%	2.07%
Funds Managed (Mil.)	\$ 0.25	\$ 0.34	\$ 4.32	\$ 28.18	\$ 27.58

## ACCOUNT INFORMATION

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

## REWARD/RISK RATIOS

	3-Years	Cumulative
Sharpe Ratio:	1.42	1.66
Sterling Ratio:	1.63	1.63
Barclay Ratio:	3.06	2.78
Efficiency Index:	1.63	1.87

## PERFORMANCE ANALYSIS

Start Date:	July 2004
Total Return Since Inception:	199.90%
Compounded Average Annual ROR:	34.92%
Average Monthly ROR:	2.67%
Std. Deviation of Monthly ROR:	5.40%
Winning Months:	32 Average Gain: 4.82%
Losing Months:	12 Average Loss: -3.08%

## PORTFOLIO COMPOSITION

Currencies:	0%	Energy:	25%
Equities:	0%	Grains:	25%
Interest Rates:	0%	Meats:	5%
Base Metals:	0%	Precious Metals:	20%
Softs:	25%	Stock Indices:	0%
SSF:	0%	VIX:	0%
Other:	0%		

## RELATIVE VOLATILITY

Loss of 25% or more:	0.17%
Loss of 50% or more:	0%
Loss of 75% or more:	0%

## CORRELATIONS

Barclay CTA Index:	0.05	S&P 500	-0.03
US Treasury Bonds:	-0.20	EAFE	0.11
World Bonds:	-0.01		

## DRAWDOWN REPORT

Depth	Length (Mos.)	Recovery (Mos.)	Start Date	End Date
16.26%	4	2	Mar 05	Jul 05
12.94%	2	*	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

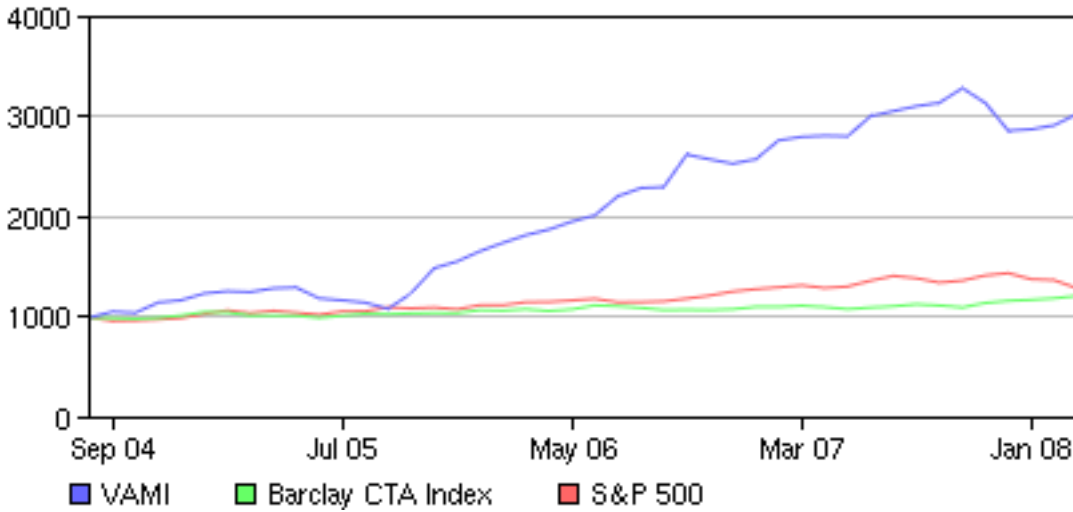
Length (Mos.)	Best	Worst	Average
1	20.30%	-8.84%	2.67%
3	43.31%	-12.50%	8.44%
6	67.47%	-13.31%	17.80%
9	85.67%	-7.28%	29.25%
12	111.69%	2.80%	43.65%
18	157.60%	14.15%	80.28%
24	188.80%	59.54%	120.02%

THE BARCLAY INSTITUTIONAL REPORT  
641-472-3456

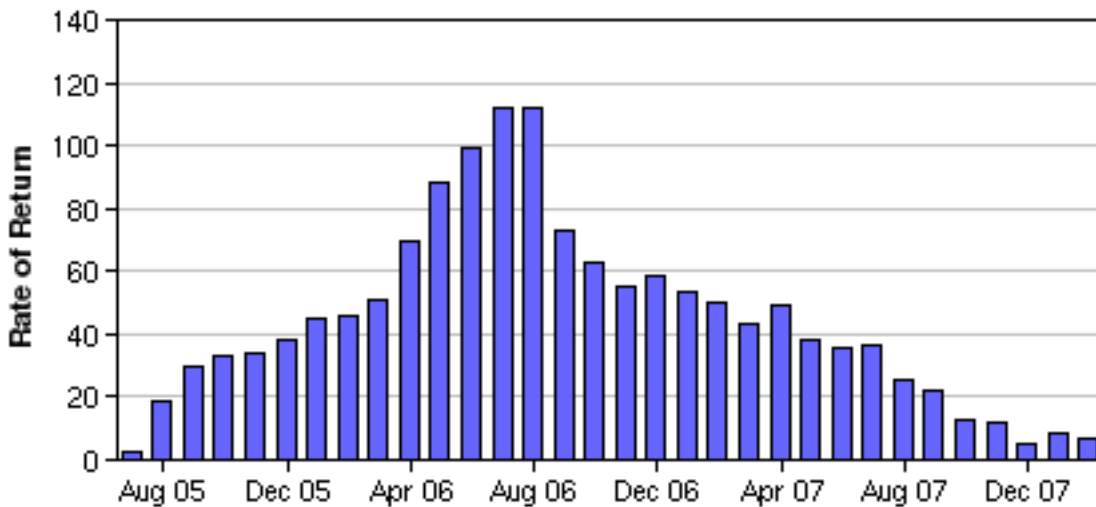
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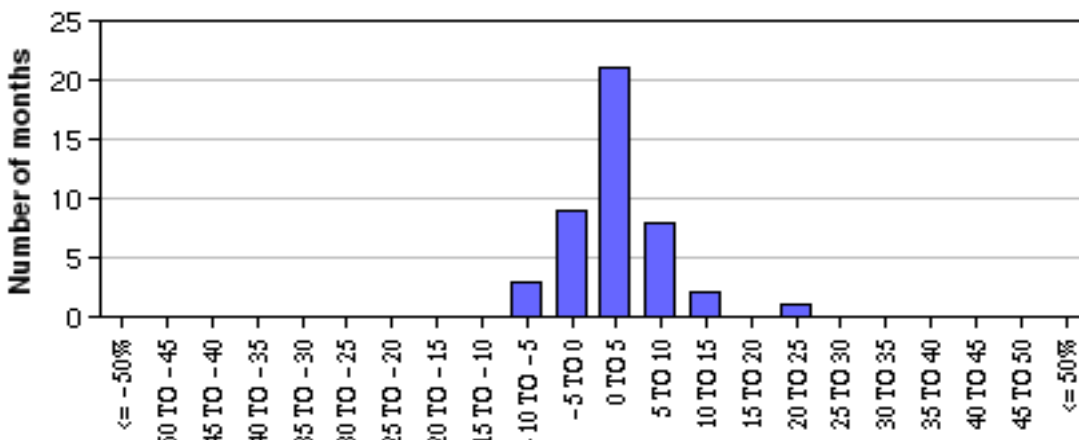
## VAMI vs BARCLAY vs S&P 500



## RETURNS FOR PRECEDING 12-MO. PERIODS



## DISTRIBUTION OF MONTHLY RETURNS



## PERFORMANCE HISTORY

DATE	VAMI	ROR
Jun 04	1000	
Jul 04	1059	5.90
Aug 04	1048	-1.00
Sep 04	1151	9.80
Oct 04	1174	2.00
Nov 04	1241	5.70
Dec 04	1263	1.80
Jan 05	1256	-0.60
Feb 05	1292	2.90
Mar 05	1300	0.60
Apr 05	1192	-8.30
May 05	1173	-1.60
Jun 05	1150	-2.00
Jul 05	1089	-5.30
Aug 05	1241	14.00
Sep 05	1493	20.30
Oct 05	1560	4.50
Nov 05	1663	6.60
Dec 05	1746	5.00
Jan 06	1823	4.40
Feb 06	1880	3.10
Mar 06	1959	4.20
Apr 06	2021	3.20
May 06	2211	9.40
Jun 06	2293	3.70
Jul 06	2305	0.50
Aug 06	2627	14.00
Sep 06	2580	-1.81
Oct 06	2537	-1.66
Nov 06	2581	1.72
Dec 06	2768	7.28
Jan 07	2804	1.30
Feb 07	2815	0.39
Mar 07	2810	-0.18
Apr 07	3010	7.11
May 07	3061	1.70
Jun 07	3111	1.61
Jul 07	3144	1.08
Aug 07	3290	4.65
Sep 07	3142	-4.50
Oct 07	2864	-8.84
Nov 07	2879	0.51
Dec 07	2921	1.44
Jan 08	3034	3.88
Feb 08	2999	-1.15

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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.

## KEY PRINCIPALS - BIO

CRAIG B. KENDALL is the owner and manager of Kendall & Company, CPA, and Financial Investment, Inc. 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 as a CPO (Commodity Pool Operator), which participates and advises clients in the acquisition of or investment in securities or other instruments, including private offerings. FII also does business as Financial Investment, LP, a hedge fund that trades a portion of its assets pursuant to FCI's options selling strategy. FILP uses unique implied volatility valuation models to capitalize with the strategy of selling short term dated, far out of the money options and derivatives on equities and commodity contracts. 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 received his Series 6, 63, 65 and 3 Securities Licenses in 2001 and currently maintains his license as a Registered Investment Advisor. 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).