



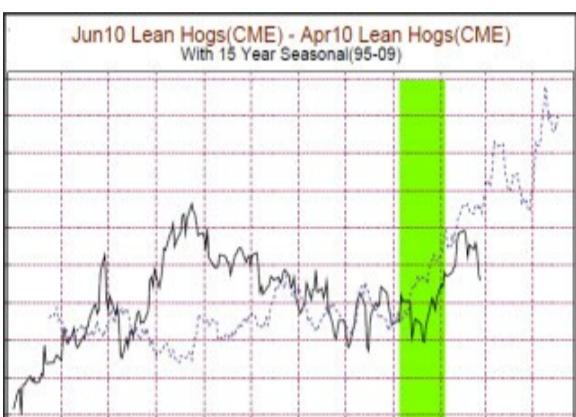
## February 10

The **PIIGS** become a new acronym this month and it was also the catalyst for our worst trading month in quite some time. The sovereign debt issues that confront **Portugal, Italy, Ireland, Greece and Spain** surfaced in February to cause a sudden sell off on many fronts including triggering some of our trading stops and subsequent slippage. Every now and then these unforeseen events occur and it is not nice however we also acknowledge that it is temporary to our overall trading patterns and a move back into profitable trading usually occurs just as swiftly. See our long term performance table at end of sheet.

Overall the February trades tracked by Option1 came in at **-14.07%** from 6 trades closed during the month. \* see calculation method below

The following information provides a snapshot of each trade:

### Lean Hogs Seasonal Spread



**Trade** - Buy June Lean Hogs / Sell April Lean Hogs

**Trade Entered** - 4/1/10

**Trade Exited** - 2/2/10

**Total Days** - 29 days

**Trade Return** - **+ 2.48%**

**Comments**— Soon after entry, this trade went into negative and we waited until seasonal exit to close out the trade with a yearly average profit.

### Silver Options Spread



**Trade** - Sell March 22.00 Call / Sell March 15.00 Put

**Trade Entered** - 12/1/10

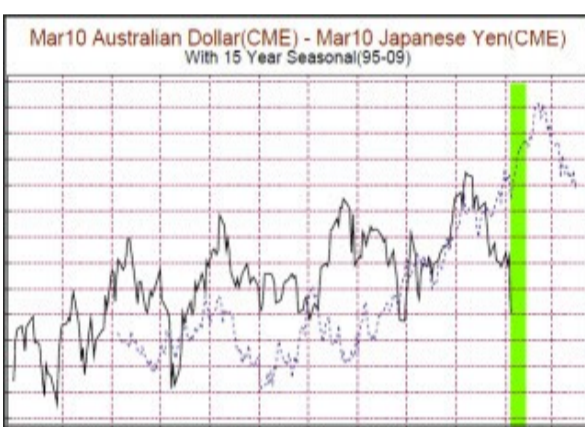
**Trade Exited** - 5/2/10 Puts

**Total Days** - 24 days

**Trade Return** - **- 5.72%**

**Comments**— Midway through this trade our Puts side triggered our MIT level and we closed out that side whilst the Calls went thru to expiry.

### Currency Seasonal Spread



**Trade** - Buy March AUD / Sell March YEN

**Trade Entered** - 4/2/10

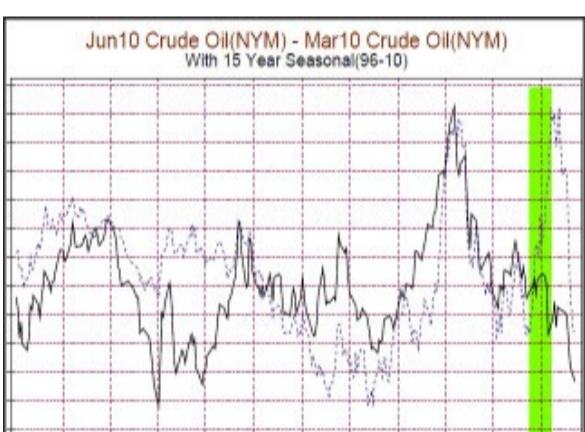
**Trade Exited** - 5/2/10

**Total Days** - 1 day

**Trade Return** - **- 14.16%**

**Comments**— Within 24 hours we had entered and exited this trade with our stop triggered and further slippage. The sovereign debt situation in PIIGS triggered a sell off unforeseen by most but felt by all. If only we had 1 more day prior to entry then we would have never entered.

### Crude Oil Seasonal Spread



**Trade** - Buy June Crude Oil / Sell March Crude Oil

**Trade Entered** - 29/1/10

**Trade Exited** - 12/2/10

**Total Days** - 14 days

**Trade Return** - **- 1.69%**

**Comments**— The seasonal pattern did not eventuate after showing entry signs and we exited prior to a further sell off and ensure we capped a small loss.

### Crude Oil Options Spread



**Trade** - Sell March 100 Calls / Sell March 60 Puts

**Trade Entered** - 5/1/10

**Trade Exited** - 17/2/10

**Total Days** - 42 days

**Trade Return** - **+ 3.06%**

**Comments**— We were happy to have a low maintenance trade amongst our Feb trades. The trade stayed well within the strikes for a full premium return.

### Heating Oil Options Spread



**Trade** - Sell March 250 Call / Sell March 175 Put

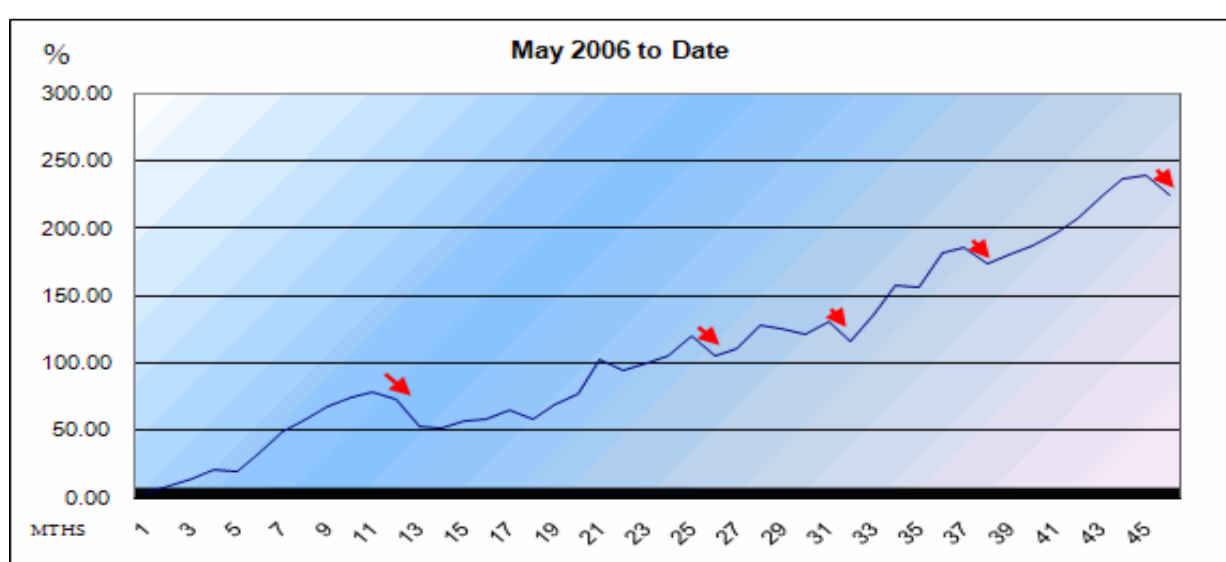
**Trade Entered** - 15/1/10

**Trade Exited** - 23/2/10

**Total Days** - 38 days

**Trade Return** - **+ 1.96%**

**Comments**— A neat trade that ranged within our strikes for a small return, but they all add up.



\* **Method of calculation**—Since Option1 is not a managed fund, results vary from account to account depending on the exact contracts traded relative to account size. The results shown here are based strictly on this recommended contract level. Also the results do not take into account the effect of compounding or individual costs, deposits or withdrawals that can impact on account performance. Individual results may vary. Trading involves risk of loss and may not be suitable for you. Past performance is no guarantee of future results. All Option1 advice and education is of the nature of general information and neither purports nor is intended to be advice specifically designed for you. No consideration has been given or will be given to the individual investment objectives, financial situation or needs of any particular person. The decision to invest or trade and the method selected is a personal decision and involves an inherent level of risk. Not all risks can be or will be explained in the Option1 material. Option 1 Pty Ltd will not accept any liability for loss or damage however caused be it accidental, consequential, direct or indirect, as a result of this email and any files transmitted with it containing viruses or any other defect, or the misuse of the information. In any event, our liability is limited to the cost of re-supplying this communication. Option1 is a member of the Financial Ombudsman Services (FOS). FOS provide a complaints resolution service. If dissatisfied with the outcome of any complaint, clients have the right to take the matter to FICS. Their contact details are 1800780808 or P.O. Box 3 Melbourne VIC 3001, www.fos.org.au