



Camelot's Recommended Trading Strategy Returns Up To 76% in August

This August 2009 Trade Update aims to discuss the successful results that have been achieved for our clients since the May report.

Clients that have taken Camelot recommendations, as previously outlined; have so far enjoyed cash returns of 76% for the month of August. All at Camelot are very pleased for our clients and we believe that this momentum should continue, market conditions permitting.

Our April 2009 report outlined Camelot's view that world equity markets were starting to rebound, due to the reality that the markets have been heavily over sold in 2008, with a correction in excess of 50%. Many markets have been showing surprising resilience. We also held the observable view that, as a general rule, equity markets tend to factor in recovery 9 months before the physical economy shows signs of higher consumption and growth. Since the April report the London Stock market has enjoyed a 25% rally which our clients have been able to take part in.

Camelot felt that there were a number of trading strategies to take advantage of these market conditions. We believed that Covered condors as well as directional bought call options have the potential achieve good results.

Based on the April market report, we made a recommendation to implement this strategy through out August and closing the trade out early September. We advised clients to set the following Trade;

Covered Condor

Bought 1 Oct FTSE 4950 Calls @ 70 sold at 170 points
Sold 3 October 5100 and bought 5300 Calls (Spread) @ 37.0 points
Bought 1 October 4400 Puts @ 15 points
Sold 6 October 4350 Puts and bought 4150 put spread 23.0 points closed out @ 5

Independent Bought Calls

Bought 1 December FTSE 5200 Calls @ 62 points close 180.0 points A\$2,520.00/contract profit
Bought 2 December FTSE 5300 Calls @ 30 points currently 150.0 points A\$5,040.00/contract profit

The client's objective of setting the covered condor was to earn a small rate of income return by selling condors, whilst at the same time limiting the risk associated with the trade.

The entire covered condor strategy paid our clients 164 points or A\$3,444.00 per trade.

The trade needed A\$12,000.00 in risk capital set aside in the client's account. The trade took approximately three weeks to work for our clients and we were able to close out of the entire strategy for a cost of A\$630.00. This liberated a profit on the trade of A\$2,814.00/trade, or 24% for the month which we consider is quite an excellent result. The trade was successful because of the rapid erosion of time premium was due to a fall in market volatility. At the time we set the spread, the volatility index, the VIX was trading at 28% at the closing of the trade the volatility had narrowed to 24% resulted in a narrowing of short dated premiums.

The object of the directional bought Call is to take advantage of strongly rising equity markets. The longer dated December trades were bought at the beginning of August and held for approximately four weeks. The market throughout August rallied approximately 320 points and as a result the premiums increased from 60 points to 180 points which were closed out late in August. This increase in option premium generated over 300% for the month.

The risks and the associated costs of these transactions can be found in our April report as well as our Product Disclosure Statement. If you would like a copy, please let your Camelot client advisors (James Titlow or Michael Lauterstein) know.

Camelot is currently educating people about how they can take advantage of these potentially very lucrative market conditions that are occurring. We will be conducting seminars and free one-on-one consultations. In addition, we have the free investment pack available for those who wish to take advantage of the trading described.

What Do Our Clients Think Of Our Results?

'Thank you very much for this successful trade.' - Thai N

'Neil that is fantastic, I am absolutely astounded! Keep up the good work.' - Bryan S

What's The Next Step?

If you are interested in finding out more about how you can participate in options trading. Please call your Camelot advisor today on **1300 136 759** or email us at **info@camelotderivatives.com**

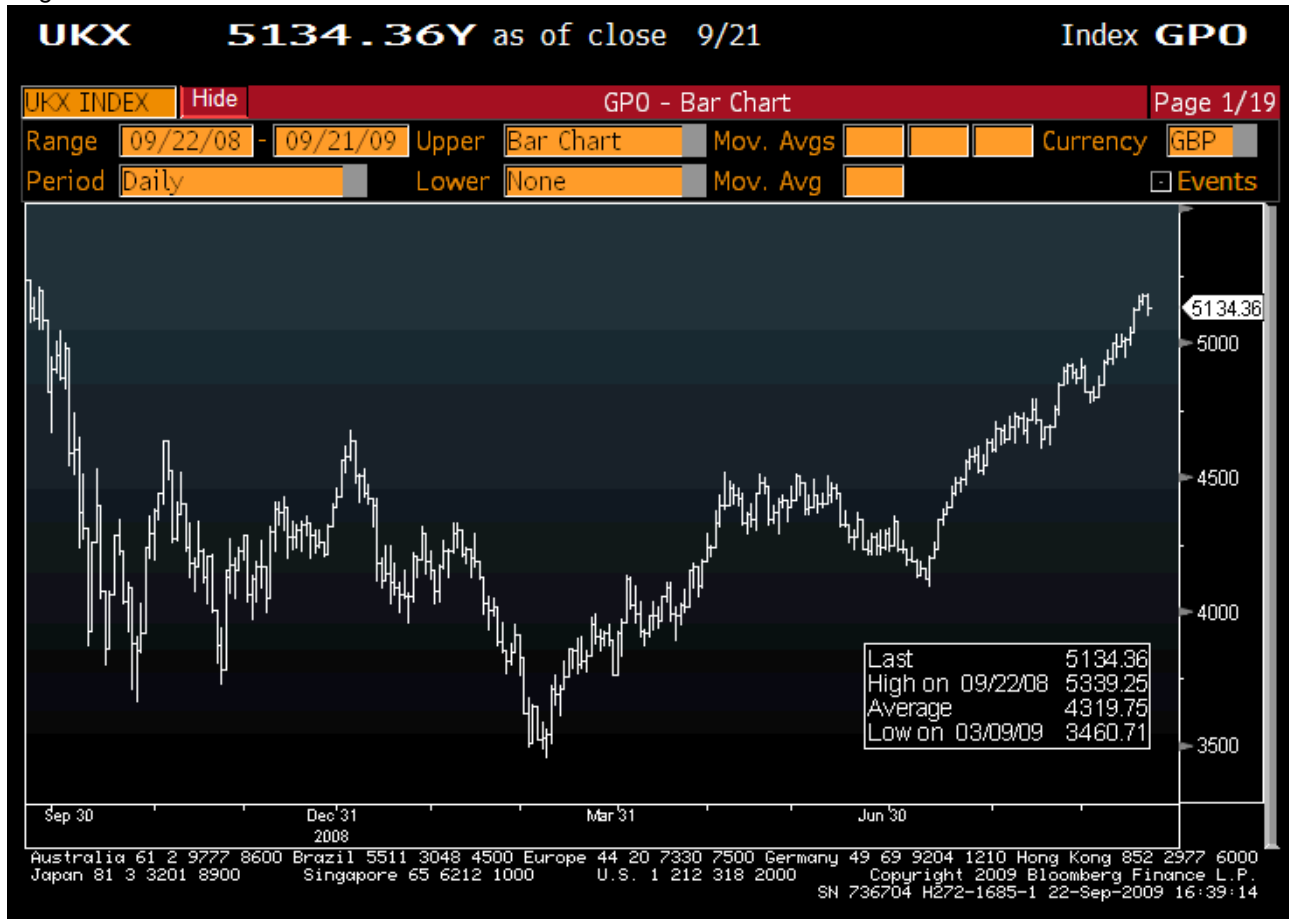


Chart: Daily FTSE chart from September 2008 to September 2009

We are hosting seminars in Brisbane, Sydney and Melbourne soon. Reply to this email today if you would like to secure you place!

Melbourne Seminars

Date: Thursday 8th October
Time: 6.15pm for 6.30pm. Seminar will last approx 1 hour.
Venue: Level 5 / 63 Exhibition Street
 MELBOURNE VIC 3000

Date: Tuesday 13th October
Time: 6.15pm for 6.30pm. Seminar will last approx 1 hour.
Venue: Level 5 / 63 Exhibition Street
 MELBOURNE VIC 3000

Sydney Seminar

Date: Thursday 5th November
Time: 6.15pm for 6.30pm. Seminar will last approx 1 hour.
Venue: Level 39 / 2 Park Street
 SYDNEY NSW 2000

Brisbane Seminar

Date: Thursday 22nd October

Time: 6.15pm for 6.30pm. Seminar will last approx 1 hour.

Venue: Level 18 / 123 Eagle Street
BRISBANE QLD 4000

Regards,

Neil King
Managing Director
Camelot Derivatives Pty Limited
September 2009

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