

The Optima Portfolio: Yield and Return Analysis

Report Date: 2/1/2010

Ticker	Name	Option Ticker	Price	Notional Share Count	Contracts	Strike	Expiry	Last Bid	Premium Received	Bid Premium	Projected Dividend Yield (1)	Call + Dividend Yield (2)	Call-Away Return (3)	Calendar Duration	Position Value
AFL	Aflac Inc	AJO CX	\$ 49.11	300	3	\$ 50	Mar-10	\$ 1.79	\$ 537	3.64%	0.26%	3.90%	5.71%	47	\$ 14,733
AAPL	Apple Inc.	APV CT	\$ 194.91	100	1	\$ 200	Mar-10	\$ 7.80	\$ 780	4.00%	0.00%	4.00%	6.61%	47	\$ 19,491
ASH	Ashland Inc	ASH CI	\$ 42.39	400	4	\$ 45	Mar-10	\$ 1.05	\$ 420	2.48%	0.13%	2.61%	8.76%	47	\$ 16,956
BIG	Big Lots Inc	BIG CF	\$ 28.76	500	5	\$ 30	Mar-10	\$ 1.05	\$ 525	3.65%	0.00%	3.65%	7.96%	47	\$ 14,380
CI	Cigna Corp	CI CT	\$ 33.50	500	5	\$ 34	Mar-10	\$ 1.70	\$ 850	5.07%	0.00%	5.07%	6.57%	47	\$ 16,750
COH	Coach Inc	CKO CI	\$ 34.86	500	5	\$ 35	Mar-10	\$ 1.50	\$ 750	4.30%	0.13%	4.43%	4.83%	47	\$ 17,430
CTSH	Cognizant Technology	UPU CI	\$ 43.90	400	4	\$ 45	Mar-10	\$ 1.80	\$ 720	4.10%	0.00%	4.10%	6.61%	47	\$ 17,560
DTV	DIRECTV Group Inc	DTV CL	\$ 30.85	500	5	\$ 31	Mar-10	\$ 1.30	\$ 650	4.21%	0.00%	4.21%	4.70%	47	\$ 15,425
HPQ	Hewlett-Packard Co	HPQ CS	\$ 47.44	400	4	\$ 48	Mar-10	\$ 1.84	\$ 736	3.88%	0.13%	4.01%	5.19%	47	\$ 18,976
HSP	Hospira Inc	HSP EK	\$ 50.52	300	3	\$ 55	May-10	\$ 1.10	\$ 330	2.18%	0.00%	2.18%	11.05%	110	\$ 15,156
MHS	Medco Health Sol.	MHS DM	\$ 61.40	300	3	\$ 65	Apr-10	\$ 1.55	\$ 465	2.52%	0.00%	2.52%	8.39%	75	\$ 18,420
MU	Micron Technology	MU CL	\$ 8.99	1600	16	\$ 9	Mar-10	\$ 0.65	\$ 1,040	7.23%	0.00%	7.23%	7.34%	47	\$ 14,384
SBUX	Starbucks Corp	SSU CW	\$ 22.12	800	8	\$ 23	Mar-10	\$ 0.62	\$ 496	2.80%	0.00%	2.80%	6.78%	47	\$ 17,696
UIS	Unisys Corp	UIS CF	\$ 29.36	500	5	\$ 30	Mar-10	\$ 1.65	\$ 825	5.62%	0.00%	5.62%	7.80%	47	\$ 14,680
AES	AES Corp/The	AES EC	\$ 12.59	1200	12	\$ 15	May-10	\$ 0.25	\$ 300	1.99%	0.00%	1.99%	21.13%	110	\$ 15,108
AXP	American Express Co	ABZ CW	\$ 38.19	400	4	\$ 39	Mar-10	\$ 1.48	\$ 592	3.88%	0.26%	4.13%	6.25%	47	\$ 15,276
KO	Coca-Cola Co	KO CK	\$ 54.23	300	3	\$ 55	Mar-10	\$ 1.07	\$ 321	1.97%	0.39%	2.36%	3.78%	47	\$ 16,269
CNX	Consol Energy Inc	SDF DJ	\$ 48.80	300	3	\$ 50	Apr-10	\$ 3.40	\$ 1,020	6.97%	0.21%	7.17%	9.63%	75	\$ 14,640
CSX	CSX Corp	CDT CF	\$ 43.90	400	4	\$ 44	Mar-10	\$ 1.99	\$ 796	4.53%	0.26%	4.79%	5.02%	47	\$ 17,560
BEN	Franklin Resources I	BEH DB	\$ 101.07	200	2	\$ 105	Apr-10	\$ 3.60	\$ 720	3.56%	0.21%	3.77%	7.66%	75	\$ 20,214
GIS	General Mills Inc	GIS CV	\$ 71.37	200	2	\$ 73	Mar-10	\$ 1.25	\$ 250	1.75%	0.26%	2.01%	3.59%	47	\$ 14,274
IBM	Intl Bus Machines	IBM CE	\$ 124.38	200	2	\$ 125	Mar-10	\$ 3.15	\$ 630	2.53%	0.13%	2.66%	3.16%	47	\$ 24,876
ICE	Intercontinental Ex.	IHH CT	\$ 95.75	200	2	\$ 100	Mar-10	\$ 3.60	\$ 720	3.76%	0.00%	3.76%	8.20%	47	\$ 19,150
LIFE	Life Tech. Corp.	IUV CJ	\$ 49.96	300	3	\$ 50	Mar-10	\$ 1.65	\$ 495	3.30%	0.00%	3.30%	3.38%	47	\$ 14,988
NE	Noble Corp	NE CP	\$ 41.27	400	4	\$ 42	Mar-10	\$ 1.75	\$ 700	4.24%	0.13%	4.37%	6.14%	47	\$ 16,508
SWN	Southwestern Energy	TKQ CI	\$ 44.57	400	4	\$ 45	Mar-10	\$ 2.55	\$ 1,020	5.72%	0.00%	5.72%	6.69%	47	\$ 17,828
TRV	Travelers Cos Inc.	TRV DK	\$ 50.51	300	3	\$ 55	Apr-10	\$ 0.40	\$ 120	0.79%	0.41%	1.20%	10.09%	75	\$ 15,153
UTX	United Technologies	UTX EN	\$ 67.35	200	2	\$ 70	May-10	\$ 2.41	\$ 482	3.58%	0.60%	4.18%	8.12%	110	\$ 13,470
WAG	Walgreen Co	WAG CV	\$ 36.06	500	5	\$ 37	Mar-10	\$ 0.65	\$ 325	1.80%	0.13%	1.93%	4.54%	47	\$ 18,030
WAT	Waters Corp	WAT EL	\$ 57.08	300	3	\$ 60	May-10	\$ 1.80	\$ 540	3.15%	0.00%	3.15%	8.27%	110	\$ 17,124

Equal Weighted Mean: 3.64% 0.12% 3.76% 7.13% 59

Option Premium Total Received: \$ 18,155 Portfolio Value (4) \$ 502,505

Source: Value Line, Bloomberg, The Street.com

Prices and return metrics as of previous market close.

Premiums listed represent the bid (for options to be sold) and the ask (for options that are to be bought) as of the previous market session close.

(1) The dividend yield of the underlying stock used to calculate the implied volatility of the option. This is equal to the dividend flow over the remaining life of the option divided by the underlying price (NOT ANNUALIZED - This metric is purely computational and does not reflect consensus or California Investment Trust's view on a dividend) , (2) Bid premium + Projected Dividend Yield (NOT ANNUALIZED), (3) Potential price appreciation to strike price + Income yield (NOT ANNUALIZED), (4) Portfolio Value is the sum of the position value.

These projections do not include fees and expenses and presume current implied volatilities and interest rates which will change. All analyses and projections depicted herein are for illustration purposes only, and are not intended to be representations of generalized Optima performance or expected results. Nothing in the analysis constitutes a recommendation of any security, an offer to sell, or a solicitation of an offer to purchase, any securities, nor does it constitute an endorsement with respect to any security. They are based on stock prices, implied volatilities, interest rates and other factors current at the time the illustration was created, but all of which are subject to change. The results achieved by individual clients will vary and will depend on a number of factors including the particular underlying stock and its dividend yield, option market liquidity, interest rate levels, implied volatilities, and the client's expressed return and risk parameters at the time the service is initiated and during the term. Past performance is not a guarantee of future results. Supporting documentation for any claims, comparisons, recommendations, statistics or other technical data will be furnished upon request to the California Investment Trust Advisory Group.

The upside potential of fully written call option positions is limited to the strike price plus the premium received. Unless the position is closed, the client relinquishes any upside potential above the call strike price. The downside protection afforded by call writing is limited to the amount of the premium received. If the stock held by the client declines significantly, the only protection will be the premium received.

Clients subscribing to the Optima Portfolio service should be willing to sell all of the stock under the Investment Advisory Agreement at the Strike Price. The Strike Price is the price at which a specific option contract can be exercised. The sale of stock will produce tax consequences for U.S. taxpayers. Each option transaction also produces a tax consequence. Prior to undertaking the Optima Portfolio service, you should discuss with your personal tax adviser how the options transactions and any sales of underlying stock may affect your tax situation. California Investment Trust Advisory Group does not provide tax advice.

Option trading is not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies of this document may be obtained from your Investment Advisor, from any exchange on which options are traded or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-800-678-4667).