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DRW Investments, LLC

Financial Report
December 31, 2010 and 2009

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Independent Auditor's Report

To the Member
DRW Investments, LLC
Chicago, Illinois

We have audited the accompanying statements of financial condition of DRW Investments, LLC as of December 31, 2010 and 2009, and the related statements of operations, changes in member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DRW Investments, LLC as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Chicago, Illinois
March 31, 2011

DRW Investments, LLC

FC 026974

Statements of Financial Condition
December 31, 2010 and 2009

	2010	2009
Assets		
Cash	\$ 1,153,666	\$ 838,908
Securities purchased under agreements to resell	5,195,945,237	4,978,309,259
Securities owned, at fair value	7,895,964,873	3,229,134,851
Derivative financial instruments owned, at fair value	2,286,140,731	1,779,346,308
Receivable from clearing brokers, net	16,520,043	13,299,335
Memberships in exchanges, at cost		
(fair value \$9,139,141 and \$11,435,143, respectively)	5,008,285	5,118,285
Subordinated loans receivable	7,680,725	8,013,750
Promissory notes receivable	41,000,000	30,000,000
Receivables from affiliates	10,910,822	7,408,710
Other assets	3,649,038	3,257,397
Total assets	\$ 15,463,973,420	\$ 10,054,726,803
Liabilities and Member's Equity		
Liabilities		
Securities sold under agreements to repurchase	\$ 7,919,160,344	\$ 3,326,650,840
Securities sold, not yet purchased, at fair value	5,116,089,684	4,837,451,076
Derivative financial instruments sold, at fair value	1,848,296,217	1,608,840,521
Payable to clearing brokers, net	232,978,912	26,783,713
Payable to affiliates	63,430,738	48,325,943
Accrued expenses	25,609,413	39,500,799
Total liabilities	15,205,565,308	9,887,552,892
Member's Equity	258,408,112	167,173,911
Total liabilities and member's equity	\$ 15,463,973,420	\$ 10,054,726,803

These financial statements were approved by the directors and authorized for issued on
March 31, 2011 and are signed on their behalf by

D R Wilson Jnr
Director



The accompanying notes are an integral part of these financial statements

DRW Investments, LLC

Statements of Operations
Years Ended December 31, 2010 and 2009

	2010	2009
Revenue		
Proprietary trading, net	\$ 368,132,785	\$ 308,350,000
Interest and dividends	1,931,823	91,977,042
Other	4,602,251	3,120,082
Total revenue	374,666,859	403,447,124
Expenses		
Trading expenses		
Commissions, trade execution and related fees	68,095,092	60,801,569
Interest and dividends	2,729,102	71,556,910
Other trading expenses	591,057	748,918
Total trading expenses	71,415,251	133,107,397
Operating expenses		
Employee compensation and benefits	90,177,825	78,836,631
Other operating expenses	53,713,294	52,131,335
Total operating expenses	143,891,119	130,967,966
Total expenses	215,306,370	264,075,363
Net income	\$ 159,360,489	\$ 139,371,761

The accompanying notes are an integral part of these financial statements

DRW Investments, LLC

**Statements of Changes in Member's Equity
Years Ended December 31, 2010 and 2009**

Balance, December 31, 2008	\$ 132,391,581
Capital contributions	236,999,014
Capital withdrawals	(341,588,445)
Net income	<u>139,371,761</u>
Balance, December 31, 2009	167,173,911
Capital contributions	280,535,392
Capital withdrawals	(348,661,680)
Net income	<u>159,360,489</u>
Balance, December 31, 2010	<u><u>\$ 258,408,112</u></u>

The accompanying notes are an integral part of these financial statements

DRW Investments, LLC

Statements of Cash Flows
Years Ended December 31, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Net income	\$ 159,360,489	\$ 139,371,761
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on sale of membership in exchange	(148,795)	-
Changes in operating assets and liabilities		
Securities purchased under agreements to resell	(217,635,978)	(3,152,748,150)
Securities owned	(4,666,830,022)	1,539,211,411
Derivative financial instruments owned	(506,794,423)	(1,779,346,308)
Receivable from clearing brokers, net	(3,220,708)	86,082,711
Subordinated loans receivable	333,025	(5,013,750)
Promissory notes receivable	(11,000,000)	(30,000,000)
Receivables from affiliates	(3,502,112)	(54,235,233)
Other assets	(391,641)	(2,012,854)
Securities sold under agreements to repurchase	4,592,509,504	1,556,308,078
Securities sold, not yet purchased	278,638,608	292,517,919
Derivative financial instruments sold	239,455,696	1,608,840,521
Payable to clearing brokers, net	206,195,199	(106,101,634)
Payable to affiliates	68,432,090	122,653,850
Accrued expenses	(13,891,386)	6,434,988
Net cash provided by operating activities	121,509,546	221,963,310
Cash Flows from Investing Activities		
Proceeds from sale of stock in an exchange		
Net cash provided by investing activities	258,795	-
Cash Flows from Financing Activities		
Proceeds received from borrowings	86,679,074	-
Repayment of borrowings	(86,679,074)	-
Capital contributions	227,208,097	72,010,000
Capital withdrawals	(348,537,260)	(294,761,922)
Net cash used in financing activities	(121,329,163)	(222,751,922)
Effect of exchange rate translation on cash	(124,420)	-
Net increase (decrease) in cash	314,758	(788,612)
Cash		
Beginning of year	838,908	1,627,520
End of year	\$ 1,153,666	\$ 838,908

(Continued)

DRW Investments, LLC

Statements of Cash Flows (Continued)
Years Ended December 31, 2010 and 2009

	2010	2009
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	<u>\$ 109,508,997</u>	<u>\$ 71,556,910</u>
Supplemental Schedule of Noncash Financing Activity		
During the year, the Company's parent forgave certain amounts due for expenses paid on the Company's behalf. Such amounts were treated as capital contributions of the parent by the Company.	<u>\$ 53,327,295</u>	<u>\$ 164,989,014</u>
During the year, the Company incurred certain expenses on behalf of the parent. Such amounts were treated as capital withdrawals by the parent.	<u>\$ -</u>	<u>\$ 46,826,523</u>

The accompanying notes are an integral part of these financial statements.

DRW Investments, LLC

Notes to Financial Statements

Note 1 Nature of Business and Significant Accounting Policies

DRW Investments, LLC (the Company) is an Illinois limited liability company and wholly-owned subsidiary of DRW Holdings, LLC (DRWH) and engages in proprietary trading. The Company is a member of the Chicago Board of Trade, Chicago Mercantile Exchange, Euronext LIFFE and Eurex.

On August 31, 2006, the Company established DRW Investments, LLC (UK Branch) (the Branch), a branch of the Company registered in England and Wales. The Branch is regulated by the Financial Services Authority of the United Kingdom (FSA). The activities of the Branch are included with the Company for financial presentation.

The following is a summary of the Company's significant accounting policies.

Accounting policies. The Company follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operations, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*[™], sometimes referred to as the Codification or ASC.

Use of estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Foreign currency transactions. The Company's functional currency is the U.S. dollar; however, it transacts business in currencies other than the U.S. dollar. Assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars at the rates in effect at the date of the statement of financial condition. Income and expense items denominated in currencies other than the U.S. dollar are translated into U.S. dollars at the rates in effect during the period. Gains and losses resulting from the translation of transactions denominated in foreign currencies to U.S. dollars are reported in income currently and gains and losses from translating the financial statements of the Branch are included in members' equity. As of December 31, 2010 and 2009, approximately \$140,699,000 and \$231,286,000, respectively, of assets and approximately \$20,347,000 and \$176,529,000, respectively, of liabilities were attributable to the Branch of the Company.

Securities transactions. Proprietary securities transactions are recorded on the trade-date basis at fair value in accordance with GAAP. The resulting realized gains and losses and change in unrealized gains and losses are reflected in proprietary trading, net in the accompanying statements of operations.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statements of financial condition.

Derivative financial instruments. Derivative financial instruments include equity options, futures, options on futures, interest rate forwards and interest rate swaps and are recorded at fair value in accordance with GAAP. Futures transactions are recorded in receivable from/payable to clearing brokers in the statements of financial condition. The remaining derivatives are classified as derivative financial instruments in the statements of financial condition. The change in unrealized gains and losses on derivative contracts are reflected in proprietary trading, net in the statements of operations.

DRW Investments, LLC

Notes to Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Interest and dividend revenue/expense The Company recognizes interest on securities and derivative transactions on an accrual basis, and dividend income on securities transactions is recognized on the ex-dividend date. The Company accounts for its secured financing activities on an accrual basis with related interest recorded as interest and dividend income and interest and dividend expense, as applicable.

Resale and repurchase agreements Transactions involving purchases of securities under agreements to resell or securities sold under agreements to repurchase, comprised primarily of U.S. Government obligations, are accounted for as collateralized financings except where the Company does not have an agreement to sell (or purchase) the same or substantially the same securities before maturity at a fixed or determinable price. It is the policy of the Company to obtain possession of collateral with a market value equal to or in excess of the principal amount loaned under resale agreements. Collateral is valued daily, and the Company may require counterparties to deposit additional collateral or return collateral pledged when appropriate.

Memberships in exchanges Memberships in exchanges that are required to be held by the Company for membership privileges at certain exchanges are carried at cost, or if any other-than-temporary impairment in value has occurred, at a value that reflects management's estimate of the impairment. Management believes no such impairment in value occurred in 2010 or 2009. Memberships in exchanges not held for operating purposes are carried at fair value and are included in securities owned. If there has been a sale within 30 days of the measurement date, management uses the last sale price to determine fair value. If there has not been a sale within 30 days of the measurement date, management uses the average of the bid and offer prices.

Gains and losses on memberships in exchanges are computed based on specific identification and included in other revenue on the statements of operations.

Income taxes As a limited liability company, the Company is not subject to federal tax, but may be subject to certain state taxes. Additionally, the Branch is subject to taxation in its respective jurisdiction and, accordingly, files a separate return. The Company's member separately accounts for the Company's income, deductions, losses and credits on its tax return.

For the years ended December 31, 2010 and 2009, the Branch recorded tax provisions of approximately \$5,193,000 and \$9,980,000, respectively, which are included in other operating expenses on the statements of operations and, accordingly, has recorded corresponding accrued tax liabilities of approximately \$546,000 and \$3,900,000, respectively, which are included in accounts payable and accrued expenses on the statements of financial condition. As of December 31, 2010 and 2009, the liability consists of approximately \$117,000 and \$2,975,000, respectively, due to HM Revenue and Customs (HMRC) and approximately \$429,000 and \$925,000, respectively, due to an affiliated entity operating in the United Kingdom that incurred losses and allows the Branch to utilize such losses via group relief in accordance with HMRC rules.

The Company evaluates tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. The Company is generally not subject to examination by U.S. federal and state tax authorities for tax years before 2007. The Branch is not subject to examination by HMRC for tax years before 2007. For the years ended December 31, 2010 and 2009, management has determined that there are no material uncertain tax positions.

Reclassifications Certain reclassifications were made to December 31, 2009 balances to conform to 2010 presentation.

DRW Investments, LLC

Notes to Financial Statements

Note 2. Receivable From and Payable To Clearing Brokers

Amounts receivable from and payable to clearing brokers at December 31, 2010 and 2009 consist of the following

	2010	
	Receivable	Payable
Clearing brokers	\$ 16,520,043	\$ 419,391,873
Interest receivable	-	(31,007,390)
Exchange-traded futures - open trade equity	-	(155,405,571)
	<u>\$ 16,520,043</u>	<u>\$ 232,978,912</u>

	2009	
	Receivable	Payable
Clearing brokers	\$ 13,299,335	\$ 83,745,754
Interest receivable	-	(1,240,133)
Exchange-traded futures - open trade equity	-	(55,721,908)
	<u>\$ 13,299,335</u>	<u>\$ 26,783,713</u>

The Company clears its proprietary transactions through clearing brokers. The amount payable to the clearing brokers relates to the aforementioned transactions and is collateralized by securities and derivative financial instruments owned by the Company.

Note 3 Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below.

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 include listed equities and listed derivatives.

Level 2 Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

DRW Investments, LLC

Notes to Financial Statements

Note 3 Fair Value of Financial Instruments (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by the Company to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

Equity securities, equity options, futures contracts, options on futures and U.S. Government obligations are recorded at fair value based on quoted market prices, which are generally the exchange settlement prices. These financial instruments are classified as Level 1 in the fair value hierarchy.

Over-the-counter (OTC) derivative contracts include forward and swap contracts related to interest rates. Fair value of these OTC derivative products is determined using models that take into account the terms of the transactions and the counterparties' creditworthiness. The models for interest rate swaps and forwards do not employ a material amount of subjectivity as pricing inputs, such as relevant interest rates and yield curves, are observed from actively quoted markets. The OTC derivatives products valued by the Company using pricing models fall into this category and are categorized within Level 2 of the fair value hierarchy.

DRW Investments, LLC

Notes to Financial Statements

Note 3. Fair Value of Financial Instruments (Continued)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010

		2010			
		Fair Value Measurements Using			
		Quoted Prices in	Significant Other	Significant	
		Active Markets for	Observable	Unobservable	
		Identical Assets	Inputs	Inputs	
	Total	(Level 1)	(Level 2)	(Level 3)	
Assets					
Securities owned					
Equity securities	\$ 25,850	\$ 25,850	\$ -	\$ -	
U S Government obligations	7,895,939,023	7,895,939,023	-	-	
Derivative financial instruments owned					
Equity options	100,050,000	100,050,000	-	-	
Options on futures contracts	2,158,842,853	2,158,842,853	-	-	
Interest rate forwards	17,692,066	-	17,692,066	-	
Interest rate swaps	9,555,812	-	9,555,812	-	
Payable to clearing brokers net					
Futures contracts	213,783,246	213,783,246	-	-	
	\$ 10,395,888,850	\$ 10,368,640,972	\$ 27,247,878	\$ -	
Liabilities					
Securities sold, not yet purchased					
U S Government obligations	\$ 5,116,089,683	\$ 5,116,089,683	\$ -	\$ -	
Derivative financial instruments sold					
Equity options	100,050,000	100,050,000	-	-	
Options on futures contracts	1,705,739,879	1,705,739,879	-	-	
Interest rate swaps	42,506,339	-	42,506,339	-	
Payable to clearing brokers net					
Futures contracts	58,377,675	58,377,675	-	-	
	\$ 7,022,763,576	\$ 6,980,257,237	\$ 42,506,339	\$ -	

DRW Investments, LLC

Notes to Financial Statements

Note 3 Fair Value of Financial Instruments (Continued)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2009

	2009			
	Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Securities owned				
Equity securities	\$ 35,000	\$ 35,000	\$ -	\$ -
U S Government obligations	3,229,134,851	3,229,134,851	-	-
Derivative financial instruments owned				
Interest rate swaps	5,149,796	-	5,149,796	-
Options on futures contracts	1,774,161,512	1,774,161,512	-	-
Payable to clearing brokers, net				
Futures contracts	79,607,168	79,607,168	-	-
	<u>\$ 5,088,088,327</u>	<u>\$ 5,082,938,531</u>	<u>\$ 5,149,796</u>	<u>\$ -</u>
Liabilities				
Securities sold, not yet purchased				
U S Government obligations	\$ 4,837,451,076	\$ 4,837,451,076	\$ -	\$ -
Derivative financial instruments sold				
Options on futures contracts	1,604,911,895	1,604,911,895	-	-
Interest rate swaps	3,928,626	-	3,928,626	-
Payable to clearing brokers, net				
Futures contracts	23,885,260	23,885,260	-	-
	<u>\$ 6,470,176,857</u>	<u>\$ 6,466,248,231</u>	<u>\$ 3,928,626</u>	<u>\$ -</u>

U S Government obligations owned are pledged to counterparties or the clearing brokers on terms which permit those parties to resell or pledge the securities subject to certain limitations

Note 4 Borrowings

The Company has entered into an agreement for a demand loan facility in the amount of \$30,000,000 with a financial institution, which accrues interest at an annual rate of the Federal Funds effective rate plus 1 percent (1.013 percent and 1.05 percent at December 31, 2010 and 2009, respectively). The borrowing is secured by the assets of the Company that are on deposit with the clearing broker. As of December 31, 2010 and 2009, the Company had no outstanding amounts drawn on this demand loan facility. The financial institution requires the Company to satisfy certain financial reporting and other covenants, as defined. The facility matures annually on February 28, subject to an automatic one year extension. Subsequent to year-end, the term of the agreement was extended through February 28, 2012.

DRW Investments, LLC

Notes to Financial Statements

Note 4 Borrowings (Continued)

As of December 31, 2010 and 2009, the Company also has a risk-based margin finance demand loan facility in the amounts of \$60,000,000 and \$10,000,000, respectively, with another financial institution which accrues interest at an annual rate of the overnight London Interbank Offered rate plus 0.555 percent (0.807 percent and 0.724 percent at December 31, 2010 and 2009, respectively). The borrowing is secured by the assets of the Company that are on deposit with the clearing broker. As of December 31, 2010 and 2009, the Company had no outstanding amounts drawn on this demand loan facility. The financial institution requires the Company to satisfy certain financial reporting and other covenants, as defined. The facility matures annually on January 31, subject to an automatic one year extension. Subsequent to year-end, the term of the agreement was extended through January 31, 2012 and the available amount was increased to \$100,000,000.

Note 5 Related Party Transactions

The Company pays all direct expenses associated with its trading activities. The Company has an agreement with DRWH whereby all employee compensation and other operating expenses, \$142,261,586 and \$131,824,107 for the years ended December 31, 2010 and 2009, respectively, are paid by DRWH and charged to the Company based on a series of usage factors. At December 31, 2010 and 2009, the payable to affiliates in the amounts of \$63,001,579 and \$48,325,943, respectively, are related to these activities.

At December 31, 2009, the receivable from an affiliate in the amount of \$7,408,710 primarily represents amounts due to the Company as a result of certain trading activities executed in the Company's accounts on behalf of the affiliate.

Note 6. Subordinated Loan

The Company has entered into subordinated loan agreements with affiliated entities as of December 31, 2010 and 2009 as follows:

	2010	2009
Subordinated loan agreement, due March 15, 2011, interest at the Federal Funds Effective rate plus 0.625%	\$ 3,000,000	\$ 3,000,000
Subordinated loan agreement, due May 1, 2011, interest at the 3-month Euro-London Interbank Offered Rate plus 6.0%	4,680,725	5,013,750

To the extent that the affiliates require the subordinated loans for compliance with net capital requirements, they may not be repaid. On March 15, 2011, the subordinated loan in the amount of \$3,000,000 was repaid by the affiliate.

Note 7. Promissory Notes Receivable

The Company has unsecured promissory notes receivable from an affiliated entity totaling \$41,000,000 and \$30,000,000, respectively. The notes bear no interest, and are payable beginning January 8, 2012. At December 31, 2010 and 2009, the fair value of the unsecured promissory notes is approximately \$40,594,000 and \$28,436,000, respectively. On February 25, 2011, the affiliate repaid \$31,000,000 of the outstanding promissory notes.

DRW Investments, LLC

Notes to Financial Statements

Note 8 Derivative Financial Instruments and Concentration of Credit Risk

In the normal course of business, the Company enters into transactions in financial instruments with varying degrees of market and credit risk. These financial instruments include U.S. Government obligations, equity securities and derivatives such as equity options, interest rate swaps, interest rate forwards, interest rate futures contracts and their related options on futures contracts. Certain of these financial instruments are traded and/or cleared on futures and securities exchanges located in the United States and Europe. Settlement of these transactions primarily takes place in the United States and Europe through clearing brokers utilized by the Company. These instruments involve elements of market and credit risk that may exceed the amounts reflected in the statements of financial condition.

Various factors affect the market risk of these transactions, among them are the size and composition of the positions held, the absolute and relative levels of interest rates and market volatility. Also, the time period in which options may be exercised, the market value of the underlying instruments, and the exercise price affect market risk. A significant factor influencing the Company's overall exposure to market risk is its use of hedging strategies.

Options written on futures contracts may obligate the Company to deliver or to take delivery of the asset underlying the options contract at contract price, and in the event the option is exercised by the holder, it may result in market risk not reflected in the statements of financial condition to the extent that the Company is obligated to purchase or sell the underlying futures contracts in the open market. To minimize these risks, the Company may hold or sell short the underlying instruments which can be used to settle these transactions.

Securities sold, not yet purchased represent obligations of the Company to deliver specific securities and thereby create a liability to purchase these instruments in the open market at prevailing prices. These transactions may result in market risk not reflected in the statements of financial condition as the Company's ultimate obligation to satisfy its obligation for trading liabilities may exceed the amount reflected in the statement of financial condition. To minimize this risk, the Company may hold futures contracts which can be used to settle these obligations.

Since the Company does not clear its own securities and futures transactions, it has established accounts with certain clearing brokers for this purpose. This can and often does result in concentrations of credit risk with these firms. Such risk, however, is mitigated by each clearing broker's obligation to comply with rules and regulations governing brokers in the United States and Europe.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Company maintains its cash deposits with a financial institution. On occasion, these deposits will exceed the maximum insurance level provided by the Federal Deposit Insurance Corporation. The Company monitors such credit risk and has not experienced any losses related to such risks.

DRW Investments, LLC

Notes to Financial Statements

Note 9. Derivative Instruments and Hedging Activities

The Company's activities in derivatives include trading of equity options, futures contracts, and options on futures contracts traded and/or cleared on exchanges. Additional derivatives activities include interest rate forwards and interest rate swaps. These derivative contracts are recorded on the statement of financial condition as assets and liabilities measured at fair value, and the related realized and unrealized gain (loss) associated with these derivatives are recorded in the statement of operations. The Company employs a variety of proprietary trading strategies using these instruments. The notional value of open derivative positions of the Company is not representative of market risk as measured by standard value-at-risk models. These derivative contracts are recorded on the statement of financial condition as assets or liabilities measured at fair value and the related realized and unrealized gain (loss) associated with these derivatives is recorded on the statement of operations. The Company does not consider any derivative instruments to be hedging instruments, as those terms are generally understood.

As of December 31, 2010 and 2009, and for the years then ended, the Company's derivative activities had the following impact on the statements of financial condition and the statements of operations:

Contract Type	Gross Asset Derivatives at Fair Value December 31, 2010	Gross Liability Derivatives at Fair Value December 31, 2010	Gains/(Losses) on Derivatives for the Year Ended December 31, 2010
Fixed income contracts			
Futures	\$ 73,416,922 (2)	\$ 52,785,158 (2)	\$ (139,394,039)
Interest rate forwards	17,692,066 (1)	-	17,692,066
Interest rate swaps	9,555,812 (1)	42,506,339 (3)	(64,818,876)
Options on futures	1,269,256,784 (1)	964,793,155 (3)	207,514,490
Equity index contracts			
Equity options	100,050,000 (1)	100,050,000 (3)	13,375
Futures	1,721,962 (2)	75,999 (2)	11,496,050
Options on futures	5,402,733 (1)	4,033,640 (3)	(112,573,000)
Energy contracts			
Futures	-	141,653 (2)	1,293,785
Options on futures	393,187,250 (1)	1,397,250 (3)	102,482,226
Agriculture contracts			
Futures	130,261,509 (2)	5,346,290 (2)	322,341,413
Options on futures	490,526,135 (1)	735,446,658 (3)	(260,083,317)
Precious metals contracts			
Futures	2,196,635 (2)	-	7,924,955
Options on futures	417,700 (1)	50,000 (3)	(609,000)
Currency contracts			
Futures	6,186,218 (2)	28,575 (2)	25,466,587
Options on futures	52,250 (1)	19,175 (3)	(5,268,275)
	<u>\$ 2,499,923,976</u>	<u>\$ 1,906,673,892</u>	<u>\$ 113,478,440 (4)</u>

- (1) - Included in Derivative financial instruments owned, at fair value on the statement of financial condition
(2) - Included in Payable to clearing brokers, net on the statement of financial condition
(3) - Included in Derivative financial instruments sold, at fair value on the statement of financial condition
(4) - Included in Proprietary trading, net on the statement of operations

DRW Investments, LLC

Notes to Financial Statements

Note 9. Derivative Instruments and Hedging Activities (Continued)

Contract Type	Gross Asset Derivatives at Fair Value December 31, 2009		Gross Liability Derivatives at Fair Value December 31, 2009		Gains/(Losses) on Derivatives for the Year Ended December 31, 2009
Fixed income contracts					
Futures	\$ 67,579,232	(2)	\$ 12,021,592	(2)	\$ 337,403,198
Interest rate swaps	5,149,796	(1)	3,928,626	(3)	(12,566,364)
Options on futures	1,450,924,013	(1)	1,277,786,189	(3)	17,182,012
Equity index contracts					
Futures	980,210	(2)	7,545,362	(2)	143,506,799
Options on futures	208,045,534	(1)	169,851,747	(3)	(106,734,834)
Energy contracts					
Futures	-		2,233,013	(2)	499,370
Options on futures	-		-		(9,950,391)
Agriculture contracts					
Futures	11,251,084	(2)	135,572	(2)	(144,305,174)
Options on futures	111,756,357	(1)	157,070,600	(3)	174,062,139
Currency contracts					
Futures	-		2,153,080	(2)	8,506,001
Options on futures	3,232,250	(1)	-		(178,000)
	<u>\$ 1,858,918,476</u>		<u>\$ 1,632,725,781</u>		<u>\$ 407,424,756</u> (4)

(1) - Included in Derivative financial instruments owned, at fair value on the statement of financial condition

(2) - Included in Payable to clearing brokers, net on the statement of financial condition

(3) - Included in Derivative financial instruments sold, at fair value on the statement of financial condition

(4) - Included in Proprietary trading, net on the statement of operations

Note 10 Commitments, Contingencies and Guarantees

The Company conducts its operations in leased office space. The lease for this office space expires in 2024 and provides for payment of base rent plus adjustments for real estate taxes and operating expenses. At December 31, 2010, future minimum lease payments, exclusive of the adjustments for real estate taxes and operating expenses, under the noncancelable lease are as follows:

	Total Commitment
December 31	
2011	\$ 3,259,630
2012	3,341,021
2013	3,423,710
2014	3,510,163
2015	3,597,913
Thereafter	36,703,088
	<u>\$ 53,835,525</u>

DRW Investments, LLC

Notes to Financial Statements

Note 10. Commitments, Contingencies and Guarantees (Continued)

Facility rent expense for the years ended December 31, 2010 and 2009 was approximately \$559,000 and \$406,000, respectively. During the same periods, the Company allocated rent expense in the amount of approximately \$3,622,000 and \$2,302,000, respectively, to affiliates.

The Company is required to disclose information about its obligations under certain guarantee arrangements. Guarantees are defined as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event related to an asset, liability or equity security of a guaranteed party. Guarantees are also defined as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others. As of December 31, 2010 and 2009, the Company has no guarantees as defined above.

The Company trades and holds certain fair-valued derivative contracts, which may constitute guarantees. Such contracts include written option contracts. Written options obligate the Company to deliver or take delivery of specified financial instruments at a contracted price in the event the holder exercises the option.

As of the reporting dates, maximum payouts do not represent the expected future cash requirements as the Company's written options positions may be liquidated or expire without being exercised by the holder. In addition, maximum payout amounts are frequently decreased by offsetting positions taken by the Company as part of its trading activities. The fair values of all written option contracts as of December 31, 2010 and 2009, are included as liabilities in derivative financial instruments sold on the statements of financial condition.

Note 11. Collateral

In the normal course of business, the Company obtains securities under resale agreements on terms which permit it to repledge or resell the securities to others. At December 31, 2010 and 2009, the Company obtained approximately \$7,896,000,000 and 3,229,000,000, respectively, of securities on such terms, all of which have been either pledged or otherwise transferred to others in connection with the Company's financing activities, or to satisfy its commitments under proprietary transactions for securities sold, not yet purchased.

Note 12. Indemnifications

In the normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing brokers, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

Additionally, the Company enters into contracts and agreements that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

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Notes to Financial Statements

Note 13 Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through March 31, 2011, the date the financial statements were available to be issued. There were no subsequent events to disclose.