

FNF Investments Annual Report



Redesigning for Constant Portfolio Results



Year-End Review

Family and Friends Investment Partnership (**FNF**) is a group of unique and diverse individuals that have pooled their resources and experience to invest in the stock market. We entered into this partnership with no promises or guarantees of profit, but only dreams of what our combined potential can yield.

2006:

The FNF Portfolio yielded a total return of +33.8% for 2006, which when compared to the NYSE (\$NYA), +18%, AMEX (\$AXA), +17%, Dow30 (\$INDU) +16%, S&P500 (\$SPX) +14% and the NASDAQ (\$COMPQ) +10%, is quite extraordinary. Our annualized return since 1996, calculated using “internal rate of return” (IRR) is **3.7%**.

The FNF portfolio added only 4 new stocks to its holdings: Walt Disney Company (DIS), General Electric Company (GE), Pfizer Inc. (PFE) and Gentex Corporation (GNTX), bringing the total number of stocks within the FNF portfolio to 14.

FNF partners look to redesign our portfolio in 2007 to create even more growth opportunities and yield better long-term constant returns.

Sincerely,

Christopher M. Biegel
Co-Founder of Family and Friends Investment Partnership

FNF Highlights



	2006	2005	2004	2003	2002
Assets	\$9,850	<i>\$8,478</i>	<i>\$7,137</i>	<i>\$9,785</i>	<i>\$8,122</i>
Cash Contributions by Members	\$1,154	<i>\$1,180</i>	<i>\$605</i>	<i>\$1,803</i>	<i>\$3,207</i>
Dividends	\$175	<i>\$110</i>	<i>\$94</i>	<i>\$80</i>	<i>\$38</i>
Interest	\$0	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Short-term Capital Gain/(Loss)	\$2	<i>\$41</i>	<i>38</i>	<i>(0)</i>	<i>(78)</i>
Long-term Capital Gain/(Loss)	\$110	<i>\$118</i>	<i>(867)</i>	<i>(37)</i>	<i>(32)</i>
Total Income	\$287	<i>\$270</i>	<i>(735)</i>	<i>43</i>	<i>(73)</i>
Total Expenses	(\$69)	<i>(\$109)</i>	<i>(40)</i>	<i>(183)</i>	<i>(299)</i>
Net Profit/Loss	\$218	<i>\$161</i>	<i>(775)</i>	<i>(140)</i>	<i>(371)</i>
Total Return for the Year	33.8%	<i>3.7%</i>	<i>0.9%</i>	<i>44.0%</i>	<i>-47.5%</i>
Total (IRR) Return (since) 1996	3.7%	<i>0.0%</i>	<i>-0.5%</i>	<i>-0.7%</i>	<i>-8.5%</i>



FNF Portfolio Review

Name	Shares Held	Cost Basis per Share	Total Cost Basis	Price per Share	Market Value	Unrealized Gain/(Loss)	Percent
Bank of America Corp	16.686	\$43.81	\$731.01	\$53.39	\$890.87	\$159.86	5.8%
Biomet Inc	20.531	\$30.54	\$627.05	\$41.27	\$847.31	\$220.26	5.5%
Cisco Systems Inc	60	\$17.54	\$1,052.25	\$27.33	\$1,639.80	\$587.55	10.7%
General Electric Company	20.512	\$36.08	\$740.09	\$37.21	\$763.25	\$23.16	5.0%
Gentex Cp	41.038	\$16.07	\$659.48	\$15.56	\$638.55	-\$20.93	4.2%
Harley Davidson Inc	10.444	\$16.59	\$173.26	\$70.47	\$735.99	\$562.73	4.8%
Nvidia Corp	120	\$11.61	\$1,392.82	\$37.01	\$4,441.20	\$3,048.38	28.9%
Pfizer Inc	26.196	\$27.30	\$715.07	\$25.90	\$678.48	-\$36.59	4.4%
Procter & Gamble Company	20.771	\$54.89	\$1,140.14	\$64.27	\$1,334.95	\$194.81	8.7%
Sysco Corp	10.591	\$31.88	\$337.59	\$36.76	\$389.33	\$51.74	2.5%
Time Warner Inc	30.519	\$19.38	\$591.36	\$21.78	\$664.70	\$73.34	4.3%
Walgreen Co	20.391	\$30.51	\$622.12	\$45.89	\$935.74	\$313.62	6.1%
Walt Disney Company	10	\$27.36	\$273.55	\$34.27	\$342.70	\$69.15	2.2%
Wells Fargo & Company	22.809	\$26.48	\$604.09	\$35.56	\$811.09	\$207.00	5.3%
			\$9,659.88		\$15,113.96	\$5,454.08	98.4%

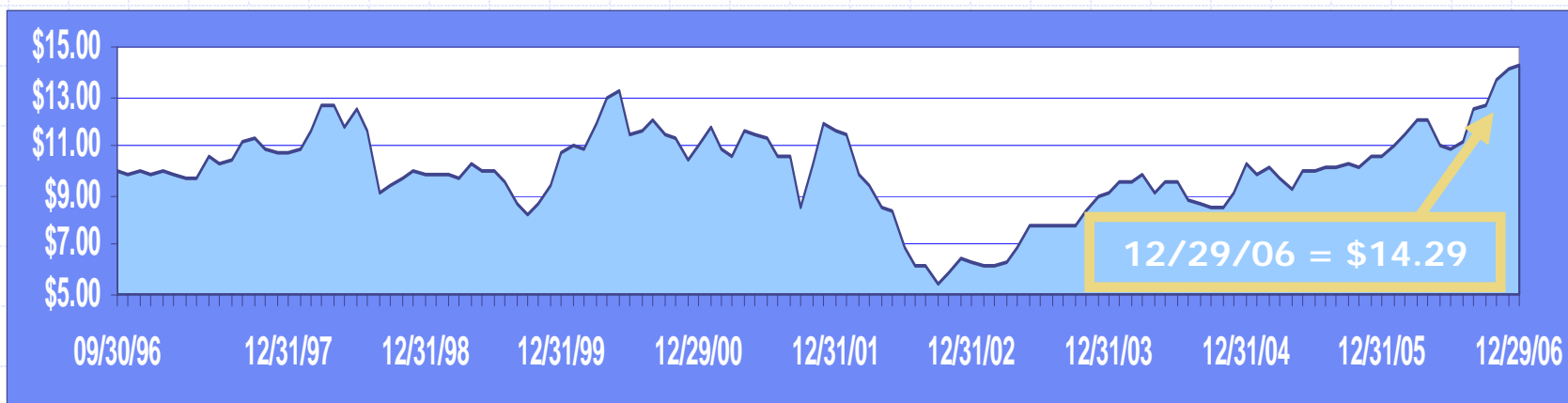
Name	Total Cost Basis	Market Value	Unrealized Gain/(Loss)	Percent
Broker	\$241.45	\$241.45	0	1.6%
	\$241.45	\$241.45	0	1.6%

Total Securities and Cash Accounts	\$9,901.33	\$15,355.41	\$5,454.08	100.0%
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Total Number of Valuation Units to Date: 1074.539988
 Value of One Unit: \$14.29
 Valuation Date: 12/29/2006



FNF Historical Stock Performance



Portfolio Holdings	Annualized Internal Rate of Return for 2006
Nvidia Corp	103.7%
Cisco Systems Inc	60.3%
Harley Davidson Inc	39.1%
Walt Disney Company	27.5%
Time Warner Inc	26.6%
Sysco Corp	21.2%
Bank of America Corp	21.0%
Wells Fargo & Company	17.0%
Biomet Inc	14.1%
Procter & Gamble Company	13.4%
Pfizer Inc	9.0%
General Electric Company	7.6%
Walgreen Co	4.4%
Gentex Cp	-10.6%

FNF stock jumped from \$11.08 (January 2006) to \$14.29 (December 2006), which is a 28.9% increase. That increase is directly related to the performance and management of our portfolio.

As you can see in the table to the left, the majority of the FNF Portfolio holdings posted double digit returns for 2006 and only 1 out of 14 positions posted a negative return.



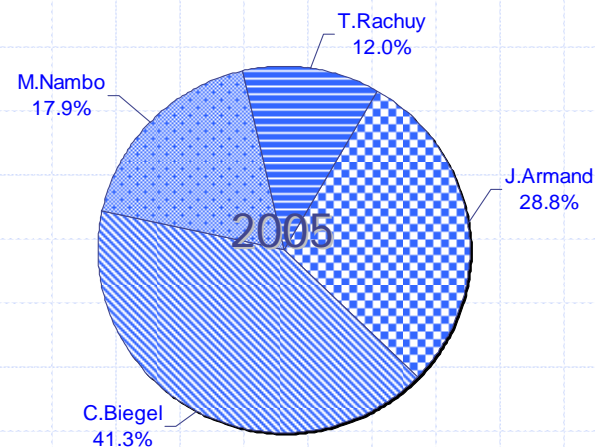
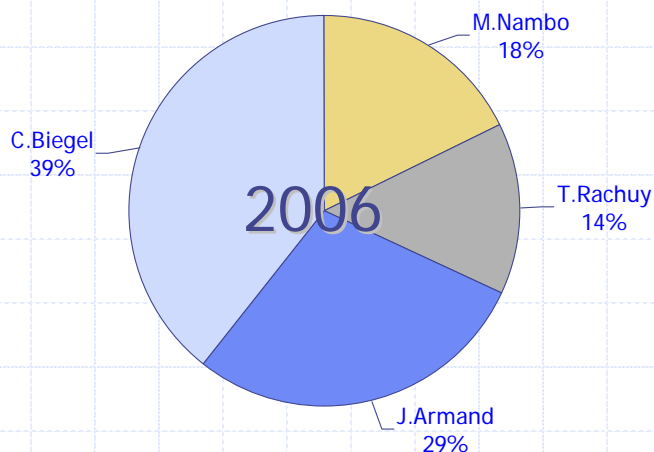
FNF Partner Value

Name	Units	Market Value	%	Return Since	Annualized Internal Rate of Return
Rachuy, Tina	151.883296	\$2,170.45	14.1%	9/1/1996	8.6%
Nambo, Michelle	190.982537	\$2,729.18	17.8%	9/1/1996	8.0%
Biegel, Christopher	423.964694	\$6,058.55	39.5%	9/1/1996	5.4%
Armand, Jean-Edouard	307.709461	\$4,397.23	28.6%	10/1/1999	4.6%
	1074.539988	\$15,355.41	100.0%		

Average Annual Return for All Members	3.7%
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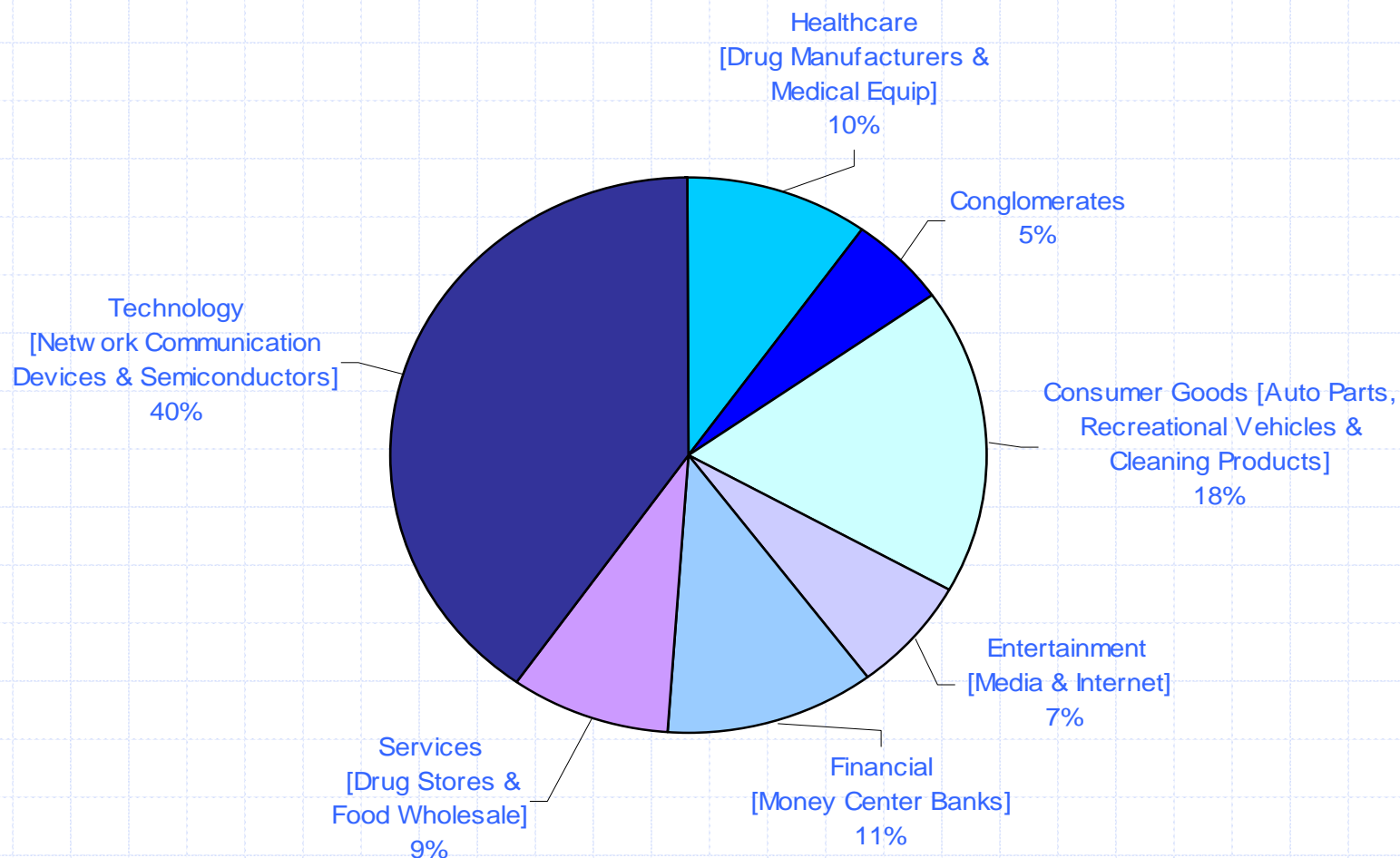
Name	Return Since	Annualized IRR
Rachuy, Tina	4/1/2001	16.1%
Nambo, Michelle	4/1/2001	13.9%

Club Accounting uses what is called an "Internal Rate of Return" (IRR) calculation to calculate these returns. This type of calculation takes into account both the time when money was invested and the amount of money that was invested.





FNF Portfolio Diversification



Portfolio Value \$15,113.96