



Summary

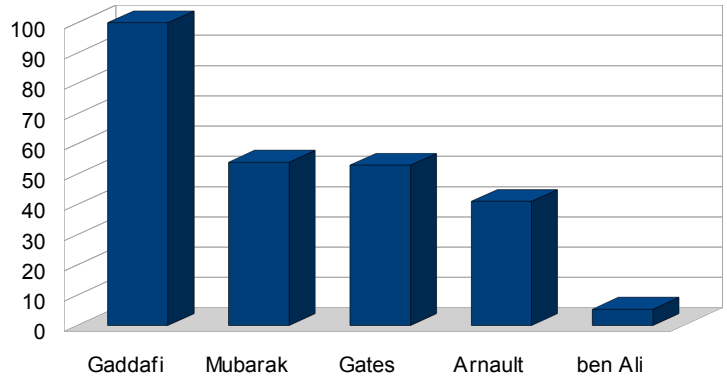
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February marked the beginning of the end in Egypt while the next in line, Libya proved to be a more difficult matter as for the first time, a leader is fighting to retain his privileges. An earthquake in New Zealand, the markets at 2-year high, life goes on. With fears about Libya, oil is becoming the new star commodity, gold stagnates. While real estate in Dubai continues to surprise us..

To put things in *Perspective...*

With an estimated fortune of \$54 Billion, Hosni Mubarak has done much better for himself than his Tunisian counterpart (\$5.4 Billion), even surpassing Bill Gates (\$53 Billion) and French businessman Arnaud (\$41 Billion). But everybody seems to be dwarfed by the estimated \$100 Billion said to belong to Muammar Gaddafi...



Latest from the front: *Not Much...*

Tunisia and Egypt were so far the year 2011 stars. Uprising, revolution, leaders escaping, and then... not much happening... Should we be surprised? Probably not, let's remember that revolutions in Europe or even America

or Russia, China, etc... didn't unfold in a few weeks. Nor months. It took years in most cases for new government structures to establish. We should therefore watch and wait.

Dow Jones, CAC40, ... *Big Moves!*

For the first time since June 2008, the Dow Jones moved past the 12,000 mark. And it seems it may well stay there for a while. Let's remember that in March 2009 (exactly 1 year ago) the Dow was at 6,600. It just doubled over one year, not bad for a Blue Chips index! The all-time high for the same Dow was 14,000 in October 2007. Our

guess is that it may not take too much time to get back there, after all, it's only 16% away. In Europe, the CAC40 and other indexes have done extremely well in 2010. For the years 2009-2010, the Dow grew +32%, the CAC40 +18%, the Footsie +33%, etc... And 2011 has started quite well. So is it time to be in the market? We think so.

Real Estate *in Dubai*

Conflicting news on the local real estate market

Prices slashed, more than 15,000 ads in local newspapers for houses and apartments to sell in Dubai. Rental prices cut by 50% in many areas. The Dubai real estate is still on the downside, and the same goes for Abu Dhabi where hundreds of units are on the verge of being delivered.

Optimistic articles in the local press cannot hide the fact that construction, while slowly re-starting, is still far from going full speed. And what about the many buildings in Business Bay, for example, ready for business for over 18 months... without access roads, power and water?

Crisis? *What Crisis?*

French businessman \$41 Billion

French businessman Bernard Arnault became Europe's richest man and ranks 4th in the world. His businesses include mainly LVMH the luxury manufacturing.

Dubai Residential *Transactions*

Dubai recorded residential transactions worth Dhs 123 Billions in 2010. More than 220 projects underway and all have been declared "good for investors"

walnutfinance *Investments*

Fund	Last	Month	YTD	2010	2009
Man Directional Series 2 USD Income	\$ 1.0191	+0.80%	-0.50%	n.a.	n.a.
Man AP Enhanced Series 2 USD	\$ 1.0916	-0.20%	-0.90%	+11.10%	-7.80%
Man-IP 220 EUR	€ 1.3853	+1.70%	-2.20%	+18.10%	-10.50%
Man AP Enhanced Series 3 EUR Capital	€ 0.9583	+0.40%	-1.50%	+7.90%	-1.20%
Man Directional USD Income	\$ 0.9467	+0.90%	-0.50%	+4.90%	n.a.
Man IP 220 Series 5 USD	\$ 0.9927	+1.20%	-1.40%	+21.20%	-17.30%
Man AP Stratum Series 2 USD	\$ 0.8949	+0.00%	-1.20%	+14.20%	-11.90%
Man IP 220 Series 6 USD	\$ 1.0349	+1.70%	-1.80%	+15.40%	-8.70%
Man IP 200 Series 7 USD	\$ 1.1241	+1.60%	-1.80%	+14.40%	n.a.
FIM Brazil	€ 30.24	+0.87%	-7.18%	+19.30%	+135.60%
FIM India	€ 40.94	-3.40%	-17.58%	+27.60%	+71.00%
FIM Russia	€ 112.22	+1.50%	+2.50%	+45.40%	+152.30%
FIM Emerging Europe	€ 16.33	-0.91%	-0.06%	+13.10%	+44.20%
FIM China	€ 12.31	-4.05%	-7.93%	+16.70%	+40.60%
FIM Sahara	€ 10.15	-3.43%	-15.63%	+27.00%	+31.70%
FIM Ukraine	€ 2.97	+0.00%	+4.21%	+30.10%	+15.20%
FIM Brands	€ 13.37	+1.13%	-2.62%	+21.90%	+40.93%
Swiss-Asia Marco Polo Hedge Fund	\$77.05	+3.08%	+3.08%	+3.20%	+12.82%

The World according to *walnutfinance*

Europe



Latvia Latvia registers Europe's third fastest increase in new automobile registrations in February.

UK UK bankers are getting fatter than ever bonuses. Stephen Hester RBS chief executive, received a total pay packet worth potentially £7.7 million for 2010.

Oceania



New Zealand A 6.3 earthquake shattered Christchurch, New Zealand's second largest cities. More than 150 victims have been numbered, lots of destruction.

Middle East



Bahrain The small Kingdom saw increasing streets protests and violence.

Iran Tens of thousands protesters took the streets for the biggest demonstration since Ahmadinejad re-election.

Bahrain Bahrain's Formula 1 Grand Prix was canceled due to safety concerns. A first and a blow for the Kingdom.

Americas



Mexico Mexican Carlos Slim remains the world's richest man with a \$54 Billion fortune made in telecommunications.

Africa

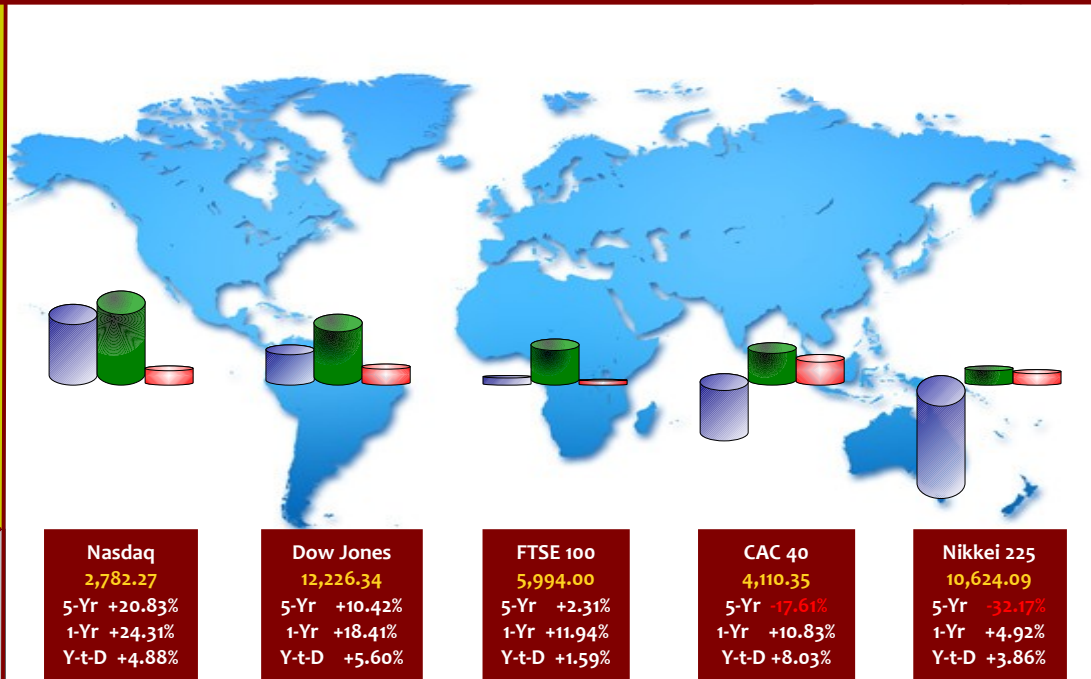


Libya Fitch downgraded Libya's credit rating to BBB (from BBB+)

walnutfinance Panel

Financial News

- Dow Jones tops 12,000 for first time since June 2008
- Euro hits 1.3729
- UAE and Saudi Arabia stock markets badly hit by Egypt turmoil
- US Corporate profits surge
- CAC40 hits the 4,000 mark
- Moody's downgrades Egypt bond rating
- Oil price above \$100 for the first time in two years
- After 2-year drought UK bankers will get bonuses



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walnutfinance \$100K Portfolio vs. Markets

Index	February 2011	Year-to-date	Since January '09*
wf 100K Portfolio	Best +6.21%	Best +11.28%	Best +247.27%
S&P500	+3.20%	+5.53%	+46.94%
CAC40	+2.62%	+8.03%	+27.73%
FTSE100	+2.24%	+1.59%	+35.18%

*Inception of wf 100K Portfolio

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Annualized Return
 Since Inception:
+75.61%

2009 >>> **+98.97%**

2010 >>> **+56.84%**

On January 1, 2009, **walnut** finance invested \$100,000 split evenly over five different US-listed securities. The table on the right gives the result of that investment as of February 28, 2011. Dividends are net and not re-invested. Total profit is +247.27%.

walnutfinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
Amazon	AMZN	200	\$170.00	\$173.29	\$34,658.00	\$658.00
Advce Micro	AMD	4,500	\$8.15	\$9.21	\$41,445.00	4,770.00
Bk of America	BAC	3,250	\$11.60	\$14.29	\$44,622.50	\$8,742.50
Broadcom	BRCM	850	\$42.20	\$41.22	\$35,037.00	(\$833.00)
Citigroup	C	6,000	\$4.70	\$4.68	\$28,080.00	(\$120.00)
JPMorgan Ch.	JPM	1,250	\$41.25	\$46.69	\$58,362.50	\$6,800.00
Glu Mobile	GLUU	14,000	\$2.25	\$4.53	\$63,420.00	\$31,920.00
Ford Motors	F	2,650	\$16.00	\$15.05	\$39,882.50	(\$2,517.50)
Cash + Net Dividends Earned					\$1,762.57	
Portfolio Net Value as of February 28, 2011					\$347,270.07	\$247,270.07

(\$100,000 invested on January 1, 2009 evenly split over five securities)

We took one straight loss with HILL while GLUU continued to strengthen the portfolio. Low trading activity for the month.

Sold	Bot
MSFT \$28.00 QQQQ \$57.80 NVDA \$23.00 - HILL \$3.40	HILL \$3.65 AMD \$8.15

Current Value:

\$347,270.07

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