



## Summary

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### Japan moved 2.4 meters!

On March 11 Japan was hit by a massive 8.9 earthquake. This, in turn triggered a gigantic tsunami that hit the north-eastern coast of Japan with up to 20 meters waves, devastating an entire region, destroying 90% of houses and buildings in the area and downgrading dangerously coastal nuclear plants cooling systems to a point where overheating led to radioactive leaks in the so-called containment areas. This is for the triple catastrophe said to have cost in excess of 20,000 lives so far.

Japan has moved by 8 feet (2.4 m) to the East as measured by the Geospatial Information Authority. At the same time, the same Authority announced that Earth had slightly shifted on its axis causing the planet to rotate somewhat faster, shortening the length of the day by about 1.8 millionths of a second.

Another event has gone quite unnoticed,

Imagine that all maps will have to be modified in Japan, otherwise GPS localization will differ from maps. Japan is now closer to Western America

### Earthquake, Tsunami, Nuclear Catastrophe. Japan, What Else?

After a triple catastrophe such as the one Japan went (is going) through, not many countries would emerge unhurt Japan is no different. The cost of the Kobe earthquake in 1995 was Yen 10 Trillion (\$100 Billion). Astronomic. The

2011 earthquake could cost \$308 Billions! Three times more. And this number doesn't perfectly estimate the nuclear catastrophe. Japan was already in a depressive state, the Nikkei is 1/3<sup>rd</sup> of what it was worth 25 years ago.



After Tunisia and Egypt, here comes Libya. And Bahrain, and Yemen and Syria, and... Japan. Now, that's the Big One. Japan. The safe heaven that produces auto parts and chips for the rest of the world... unless the other Big Ones hits. To be fair, the Japanese are reacting quite courageously. However with a \$300 Billion bill, Japan may take time to come back.

### This Month: Libya

As 2011 continues, Arab countries go. Tunisia, Egypt, Libya. The first one went quite easily, President ben Ali yielded quite quickly to demonstrators. It took some more time for Mubarak to realize it was time to go. In Libya, Gaddafi, after having promoted himself as Leader, King, Emperor and other over the years has been cornered and

is now witnessing high ranking defections that are certainly a strong indication of a nearing collapse. In Africa, Algeria and Morocco seem to differ from the first three. However the contagion is spreading in the Middle East with Syria, Yemen, Bahrain and spots of troubles in nearly all countries. What will happen in April? Interesting

### Where will the Dow Stop?

From a mere 9,700 points in July 2010, the Dow Jones Industrial has reached 12,400 points today. A +27% hike in 18 months. Not bad for an index representing the 30 largest companies by capitalization in the US in the middle of a global crisis. And to this rise one should add the dividends that are paid by these companies, about 3.5% per year. What better investment? Real estate in Paris? Starting to show some decline (and this roof that you have to redo, and the estate and the wealth taxes). Real estate in Dubai. OK, let's wait five more years to talk

about it. Gold? Moved from \$1,250 to \$1,430 during the same period, +14%. No dividend. Oil? Moved from \$80 to \$108, +35%, not bad and the prospects for further rise are there. But the game is risky, let Gaddafi flee Libya and it may lose some of its steam, let China announce a lower growth expectation (as may seems the case) and the demand -or its perception- will hurt oil prices. In the meantime, the Dow components (IBM, Microsoft, Boeing, GE, ...) will still attract more money as US growth is coming back. What safer choice for for the now?

### Crisis? What Crisis?

#### AT&T snags T-Mobile for \$39Billion

Creating the US largest wireless carrier, AT&T has acquired German telecom company T-Mobile from Deutsche Telekom. More services and speed for the US Public at a much higher price.

#### GCC Railways budget \$106.2 Billion!

Saudi Arabia, the United Arab Emirates, Qatar and the other GCC members have put on tracks an ambitious railways project that should give a hue boost to intra-Gulf business.

# walnutfinance *Investments*

Fund	Last	Month	YTD	2010	2009
Man Directional Series 2 USD Income	\$0.9899	-2.30%	-3.40%	n.a.	n.a.
Man AP Enhanced Series 2 USD	\$ 1.0843	-0.70%	-1.60%	+11.10%	-7.80%
Man-IP 220 EUR	€ 1.2981	-5.20%	-8.40%	+18.10%	-10.50%
Man AP Enhanced Series 3 EUR Capital	€ 0.9400	-2.10%	-3.40%	+7.90%	-1.20%
Man Directional USD Income	\$ 0.9176	-2.40%	-3.50%	+4.90%	n.a.
Man IP 220 Series 5 USD	\$ 0.9498	-3.60%	-5.60%	+21.20%	-17.30%
Man AP Stratum Series 2 USD	\$ 0.8791	-1.50%	-2.90%	+14.20%	-11.90%
Man IP 220 Series 6 USD	\$ 0.9748	-4.70%	-7.50%	+15.40%	-8.70%
Man IP 200 Series 7 USD	\$ 1.0552	-5.00%	-7.80%	+14.40%	n.a.
FIM Brazil	€ 30.45	+0.69%	-7.20%	+19.30%	+135.60%
FIM India	€ 43.60	+6.50%	-17.60%	+27.60%	+71.00%
FIM Russia	€ 110.88	-1.19%	+2.50%	+45.40%	+152.30%
FIM Emerging Europe	€ 16.72	+2.39%	-0.10%	+13.10%	+44.20%
FIM China	€ 12.14	-1.38%	-7.90%	+16.70%	+40.60%
FIM Sahara	€ 10.21	+0.59%	-15.60%	+27.00%	+31.70%
FIM Ukraine	€ 2.81	-5.39%	+4.20%	+30.10%	+15.20%
FIM Brands	€ 13.10	-2.02%	-2.60%	+21.90%	+40.93%
Swiss-Asia Marco Polo Hedge Fund	\$75.09	-2.35%	-2.54%	+3.20%	+12.82%

## March in the World according to *walnutfinance*

### Europe



- Germany** The Green party has taken power out of the hands of Angela Merkel in one of Germany's richest States, Baden-Württemberg, where Porsche and Mercedes cars are manufactured.
- France** Pressure on French President Nicolas Sarkozy after losing heavily at local elections. The winners? A clear majority for the Socialist Party and an unprecedented surge for the extreme-right FN party.
- Portugal** José Sócrates, Portugal Prime Minister, resigned after Parliament rejected his government's austerity measures.

### Asia



- Japan** The Big One. 8.9 on the Richter scale, over 15 meters waves, nuclear plants leaking and no short-term solution in view, Japan is in the middle of major crisis.

### Middle East



- Syria** At least 50 dead during protests in Sana'a.
- Bahrain** The island country seems to quiet down, however nothing has been solved and we should wait and see.
- Yemen** Hundreds have died in an uprising that doesn't show any sign of slowing down.

### Africa



- Libya** Where will He go? This seems, as of now, to be the only question.
- Ivory Coast** Will He join Gaddafi?

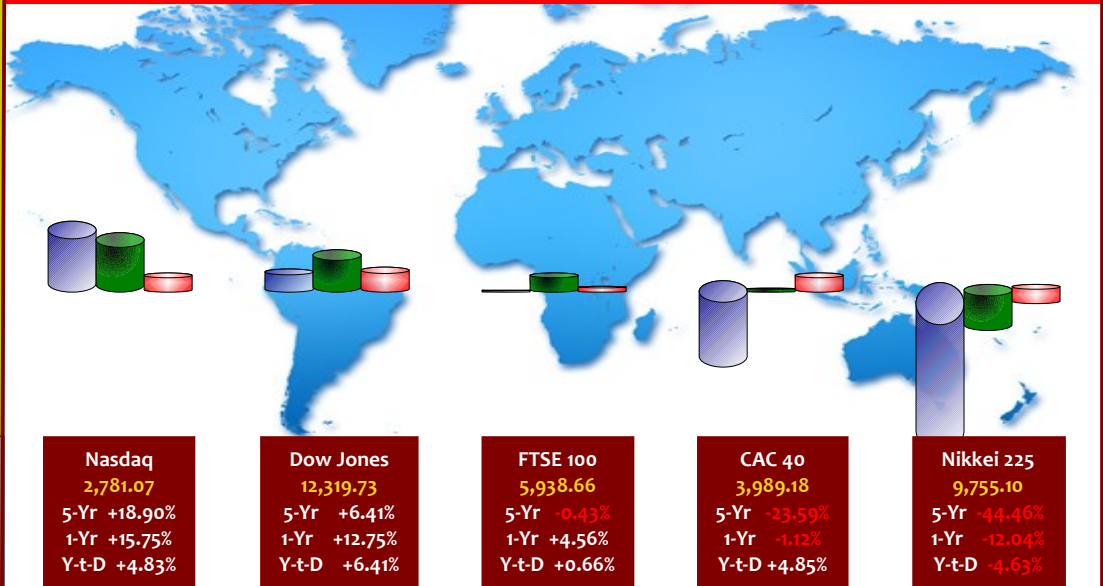
# walnutfinance Panel

## Financial News

- -8.18% for the month, Nikkei was badly hit by earthquake, tsunami and nuclear catastrophe
- Japanese Yen at all-time high against US Dollar at 79.26
- Oil price remaining well above \$100
- Japan disrupted all markets around the world
- Corporate spying at French automaker Renault ended as a farce

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March 2011 closings  
 EUR/USD 1.4160    USD/JPY 83.6250    GBP/USD 1.6070    USD/CHF 0.9221



## walnutfinance \$100K Portfolio vs. Markets

Index	March 2011	Year-to-date	Since January '09*
wf 100K Portfolio	-0.97%	<b>Best</b> +10.20%	<b>Best</b> +243.89%
S&P500	<b>Best</b> -0.10%	+5.42%	+46.78%
CAC40	-2.95%	+4.85%	+23.97%
FTSE100	-0.92%	+0.66%	+33.93%

\*Inception of wf 100K Portfolio

## walnutfinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
Amazon	AMZN	200	\$170.00	\$180.13	\$36,026.00	\$2,026.00
Alcoa	AA	2,500	\$17.20	\$17.66	\$44,150.00	1,150.00
Exxon Mobil	XOM	550	\$81.00	\$84.13	\$46,271.50	\$1,721.50
Broadcom	BRCM	850	\$42.20	\$39.38	\$33,473.00	(\$2,397.00)
Citigroup	C	6,000	\$4.70	\$4.42	\$26,520.00	(\$1,680.00)
JPMorgan Ch.	JPM	1,250	\$41.25	\$46.10	\$57,625.00	\$6,062.50
Dot Hill System.	HILL	20,000	\$2.40	\$2.83	\$56,600.00	\$8,600.00
Ford Motors	F	2,650	\$16.00	\$14.91	\$39,511.50	(\$2,888.50)
<b>Cash + Net Dividends Earned</b>					<b>\$3,707.57</b>	
<b>Portfolio Net Value as of March 31, 2011</b>					<b>\$343,884.57</b>	<b>\$243,884.57</b>

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

Very volatile month, early days shaken by the Japanese events. Overall, the portfolio was flat/slightly negative for the month, in line with indexes.

Sold	Bot
GLUU \$3.80 AMD \$8.50 BAC \$13.50 - DELL \$15.00	DELL \$14.25 XOM \$81.00 HILL \$2.40 - AA \$17.20

## Current Value:

**\$343,884.57**

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Annualized Return  
 Since Inception:  
**+70.91%**

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 March 31, 2011. Dividends are net and not re-invested. Total return is +243.89%.