



# WF NewsLetter

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Walnut Finance favorites have lost the final. Well, they didn't play but fought the game, well done *Spain!*



In a World Cup Final dominated by Fair Play, only Paul the Octopus held his rank!

## It's Euro Again!

**In the Euro vs. US Dollar competition, after a 1<sup>st</sup> round in favor of the greenback, the Euro seems to be winning round #2.**

Against many specialist opinion, the Euro is not only alive but has regained most of the ground lost against the greenback during the Goldman attack against European economies. There is still a lot to be done to transform the old Europe in a working, but

the least to say is that its defense systems are good as the Euro swift recovery shows. No more articles in the specialized press on the demise of the old continent's currency, that's an interesting swing from the last few month. **Awaiting for round #3!**

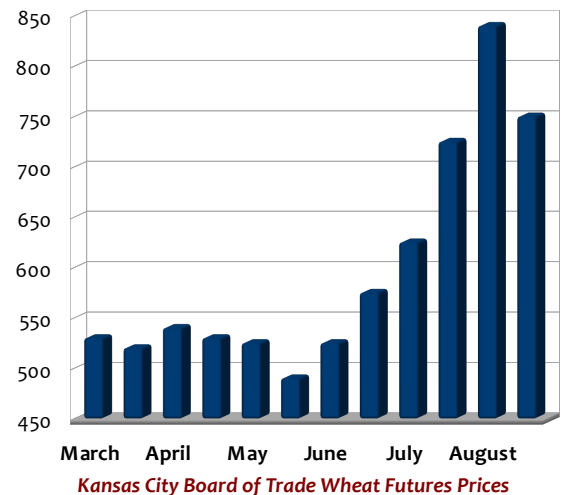
## EDITO

First, the Deepwater oil slick if not over, seems, at least, contained. Second, the Euro slick looks also contained, no more doom-and-gloom articles about the European currency in the anglo-saxon financial press... Story of the month is Russia and its wildfires. Bad for Russian economy, bad for environment, and bad for wheat prices and the French baguette eaters!

## If you are a Commodity Trader **Watch Wheat Prices**

### Gains for Grains - Washington wheat farmers profit from drought in Russia

Commodities are about offer and demand. And offer is a problem for wheat today as Russia is burning after Vladimir Putin (Putin? though Medvedev was in charge?) announced a ban on grain exports from his country. As the chart on the left is showing wheat prices in the US are rocketing, trading at a **23-month high**, with one of the world's largest exporter out of the game. Hedge Funds managers and CTAs are certainly rushing to take positions, let see what the soft commodities funds' performances will show for August and September. Gains we hope.



## American Billionaires to Pledge **50% of Fortunes**

About 40 US Billionaires have pledged to donate to various charities at least 50% of their fortunes. Under the leadership of Bill Gates and Warren Buffet (who have pledge to give up to 95% of their own moneys), other billionaires have announced this surprising pledge. The donations

should bring in about \$600 billions into philanthropy. Much can be said about Americans, but when it comes to money no one can deny their philanthropist approach, some French billionaires should draw some inspiration from this announcement and spread their wealth more appropriately!

## Crisis? **What Crisis?**

### Berkshire Hattaway **Fund**

Warren Buffet's flagship Fund benefits are down 40% for 2010 second quarter. The drop is mostly due to losses in derivatives.

### Air Arabia **Profits down 44%**

Second quarter profits dropped by 44% for the oldest Middle East low-cost carrier. Drop is mainly due to fuel costs and reduced yield margin.

# walnutfinance Investments

Fund	Last	Month	YTD	2009	2008
Man Directional Series 2 USD Income	\$ 0.9879	-0.60%	n.a.	n.a.	n.a.
Man AP Enhanced Series 2 USD	\$ 1.0897	+2.90%	+9.80%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.2711	+060%	+5.90%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR Capital	€ 0.9677	+0.40%	+7.30%	-1.20%	-15.60%
Man Directional USD Income	\$ 0.9095	-0.70%	-2.80%	-9.30%	-14.20%
Man IP 220 Series 5 USD	\$ 0.9245	+3.90%	+11.30%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8797	+3.30%	+10.90%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 0.9634	+2.20%	+5.60%	-8.70%	n.a.
Man IP 200 Series 7 USD	\$ 1.0448	+1.70%	+4.50%	n.a.	n.a.
FIM Brazil	€ 28.89	-0.80%	+0.00%	+135.60%	-57.80%
FIM India	€ 44.06	+3.60%	+18.20%	+71.00%	-61.20%
FIM Russia	€ 87.38	-4.40%	+10.90%	+152.30%	-69.10%
FIM Emerging Europe	€ 14.79	-5.80%	-5.00%	+44.20%	-56.50%
FIM China	€ 12.21	+2.10%	+6.10%	+40.60%	-51.20%
FIM Sahara	€ 10.31	-4.00%	+5.90%	+31.70%	-49.80%
FIM Ukraine	€ 2.87	-2.40%	+29.20%	+15.20%	-91.60%
FIM Brands	€ 11.95	-1.90%	+6.00%	+40.93%	-44.63%
Swiss-Asia Marco Polo Hedge Fund	\$78.60	+1.80%	+4.42%	+12.82%	n.a.

## The World according to walnutfinance

### Europe



**Russia** Russian President Dmitry Medvedev had to declare a state of emergency after large wildfires killed 34. An unprecedented heatwave in which temperatures have reached 42C in some parts of the country.

### The Middle East



**UAE** Use of Blackberry's search, mail and messenger services have been declared illegal in the United Arab Emirates since the out of-the-country storage they imply are not in line with local legislation.

**UAE** Damas Jewelry, the number one UAE jewelry has announced an astounding Dhs 1.91 Billion (€400,000,000) loss for its last exercise. The reasons cited for the loss are prices of gold, the global crisis and lower consumer confidence.

**Saudi Arabia** A few days after the UAE announced its decision to ban certain vital applications for the Blackberry, Saudi Arabia announced the same thing, but instead of October, the decision will be applicable immediately.

### Asia



**Pakistan** 3.5 million people said to be affected by huge floods, death toll rises to 1,500.

**North Korea** As expected, North Korean soccer coach is said to have been condemned to forced labor for betraying his country.

**Afghanistan** Eight medical aid workers (six Americans, a Briton, and one German) killed by gunmen.

### Americas



**USA** US Tycoon S Harman paid \$1 to buy struggling current affairs magazine Newsweek from the Washington Post. This advantageous price was agreed upon after Harman confirmed he would keep most employees of the magazine.

# walnutfinance Panel

	\$/€	Dow	NASDAQ	Nikkei225	FTSE100	CAC40
Last	1.3051	10,465.94	2,254.70	9,537.30	5,258.02	3,643.14
1-Month	▼ -6.69%	▲ +7.08%	▲ +6.90%	▲ +1.65%	▲ +6.94%	▲ +9.08%
Year-to-Date	▲ +9.36%	▼ -1.12%	▼ -2.70%	▼ -10.71%	▼ -4.86%	▼ -9.48%
12-Month	▲ +9.00%	▲ +12.29%	▲ +13.63%	▼ -6.98%	▲ +12.29%	▲ +4.80%
5-Year	▼ -7.60%	▼ -1.27%	▲ +3.20%	▼ -18.95%	▼ -3.79%	▼ -17.29%

Phone +971.4.343.0782  
 Fax +971.4.343.0569  
 Mail info@walnutfinance.com



Bill Gates US Billionaire & Philanthropist ▲



Liliane Bettancourt French Billionaire & That's it ▼



Warren Buffet US Billionaire & Philanthropist ▲

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## Quote of the month

"Les prévisions sont difficiles, surtout quand elles concernent l'avenir." ("Forecasting is difficult, especially when it concerns the future")

Pierre Dac, French Humorist

Annualized Return Since Inception:  
**+60.41%**

2009 >>> **+98.97%**

2010 >>> **+8.87%**

On January 1, 2009, **walnut** finance invested \$100,000 split equally into five different US-listed securities. The table on the right gives the result of that investment as of July 31, 2010. Dividends are net and not re-invested. Total profit is +116.62%.

Current Value:  
**\$216,618.75**

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## walnutfinance \$100K Portfolio vs. Markets

Index		June 2010	Year-to-date	Since January '09*
WF 100K Portfolio	🌳	Best +9.33%	Best +8.87%	Best +116.62%
S&P500	🇺🇸	+6.88%	-1.21%	+21.96%
CAC40	🇫🇷	+9.08%	-9.48%	+13.21%
FTSE100	🇬🇧	+6.94%	-4.86%	+18.58%

\*Inception of WF 100K Portfolio

## walnutfinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
AIG	AIG	574	\$34.80	\$38.47	\$22,081.78	\$2,106.58
Arcelor Mittal	MT	679	\$29.43	\$30.70	\$20,845.30	\$862.33
Brocade Com.	BRCD	6,000	\$5.40	\$4.95	\$29,700.00	(\$2,700.00)
FedEx	FDX	300	\$70.11	\$82.55	\$24,765.00	(\$1,035.00)
Citigroup	C	8,000	\$3.59	\$4.10	\$32,800.00	\$4,080.00
Schlumberger	SLB	400	\$57.00	\$59.66	\$23,864.00	\$1,064.00
Ford	F	1,800	\$10.50	\$12.77	\$22,986.00	4,086.00
Cash + Net Dividends Earned					\$436.67	
Portfolio Net Value as of July 31, 2010					\$216,618.75	\$116,618.75

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

We took our profits on IBM (IBM) and invested the proceeds into Ford Motors (F), a bit of a challenge as the company is not completely back to what it used to be (that is, at least 20 years back!), but the

trend seems definitively to be there. Citigroup (C) did quite well, while Brocade (BRCD) and FedEx (FDX) are still lagging. Overall, the portfolio moved up +9.33% for the month.