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Save the Banks? Or Not.

There is a growing consensus favoring re-capitalization of European banks, maybe the US ones will follow suit, while bankers themselves declare they don't need cash.

Surprising difference of view? Not so much, first, even if bankers know they needed cash, they cannot say it. That would be a stock market disaster. So they say "no thank you". On the other hands, governments are negotiating the Greek default and upping it from the agreed 20% to at least 50%. The Greek debt is held by the banks, so in reality, the governments are telling bankers "like it or not, with our decision, you now have to re-assess your position". Of course. Change the rule and everything changes.

The banks, on the other hand let it be known that they were forced and didn't have a choice underwriting the Greek debt. Not really true, they were hungry for potentially volatile paper that would sink in the markets and then come back with EU support, good money to be made. The 50% default was not on any shelves.

Back to square one: should then governments help banks?

And how?

Bankers claim they have no requirement, governments prepare a trap, the Greek default.

We'd say let not save those banks unless they ask for it.

Then, how will come naturally.

Steve Jobs, Apple's Visionary

By the time you'll read this everything will have been said or written about Steve Jobs, we have therefore chosen to show the products he has helped fans the world over to enjoy:



Who can say he or she never used one of those?



1976 - Apple I



1977 - Apple II



1984 - Macintosh



1998 - iMac



1999 - iPod



2003 - iTunes



2010 - iPad



Ironically Steve Jobs was worshiped by millions the world over for the liberty he gave them to work or play with objects that allowed them to reach the world. Meanwhile, with its largest capitalization, Wall Street recognizes Apple Inc., Jobs' creation as the symbol of Capitalism. This might have been Jobs' biggest achievement: bonding Wall Street back & Main Street.

IBM, The Return

IBM has just taken over Microsoft in terms of capitalization (IBM: \$214 Billion vs. MSFT: \$213 Billion) for the first time in over 15 years. This is a little bit of the "old" industry coming back on the "new". This change is a reflection of both companies stock prices, IBM moved up +19% since October 2010 while MSFT moved down -11%. Note that both firms are still behind Apple which shows a \$354 Billions value). The reason for this IBM turnover is a move from computers

manufacturer to adviser it services and enterprise software. A move that has required a \$25 billion investment and the sale of its manufacturing business to Chinese Lenovo.

IBM stock is now showing an astounding thirty consecutive profitable quarters including during the crisis.

Microsoft, on the other side has not been able to divert from its initial core business into new territories. The result is showing now.

Crisis? What Crisis?

Dexia, a Franco-Belgium Disaster

Dexia is set to become the first European victim of the financial crisis. Belgium and French governments are rescuing their national units, while Qatar takes over the Luxembourg activities.

Apple stock survives Jobs

Despite the demise of its founder and inspiration of its most successful products, Apple's stock has not shown any sign of slowing down its fantastic growth.

Last minute: "Occupy Wall Street" movement spreads into Switzerland

walnutfinance *Investments*

| Fund | Last | Month | YTD | 2010 | 2009 |
|--------------------------------------|------------|---------|---------|---------|----------|
| Man Directional Series 2 USD Income | \$0.9347 | +0.10% | -5.50% | n.a. | n.a. |
| Man AP Enhanced Series 2 USD | \$ 1.1960 | +1.10% | +8.50% | +11.10% | -7.80% |
| Man-IP 220 EUR | € 1.3703 | +1.30% | -3.30% | +18.10% | -10.50% |
| Man AP Enhanced Series 3 EUR Capital | € 1.0102 | +1.80% | +3.80% | +7.90% | -1.20% |
| Man Directional USD Income | \$ 0.8654 | -0.10% | -6.00% | +4.90% | n.a. |
| Man IP 220 Series 5 USD | \$ 1.0539 | +2.10% | +4.70% | +21.20% | -17.30% |
| Man AP Stratum Series 2 USD | \$ 0.9781 | +1.80% | +8.00% | +14.20% | -11.90% |
| Man IP 220 Series 6 USD | \$ 1.0631 | +1.80% | +0.90% | +15.40% | -8.70% |
| Man IP 200 Series 7 USD | \$ 1.1495 | +2.10% | +0.50% | +14.40% | n.a. |
| FIM Brazil | € 22.82 | -13.53% | -19.00% | +19.30% | +135.60% |
| FIM India | € 35.61 | -0.25% | -28.10% | +27.60% | +71.00% |
| FIM Russia | € 69.08 | -16.61% | -24.30% | +45.40% | +152.30% |
| FIM Emerging Europe | € 12.27 | -11.79% | -14.90% | +13.10% | +44.20% |
| FIM China | € 8.47 | -12.05% | -28.00% | +16.70% | +40.60% |
| FIM Sahara | € 9.35 | -0.53% | -21.90% | +27.00% | +31.70% |
| FIM Ukraine | € 1.75 | -8.38% | -33.00% | +30.10% | +15.20% |
| FIM Brands | € 11.82 | -4.45% | -9.90% | +21.90% | +40.93% |
| Superfund Blue SPC (Class A) Gold | € 1,495.86 | -11.30% | +9.32% | +49.00% | +22.90% |

Investments *Fund of the Month*

FIM Brands

FIM Brands invests worldwide in equities and equity-linked securities of companies that represent either globally or locally known strong brands. The investment targets are publicly listed sector equities globally, with emphasis on the shares of European and North American companies. Top investments are Apple, McDonald's, LVMH, Volkswagen, Google, BMW, or Nestlé.

Year-to-date, the Fund is down -9.9% which compares very well with major indexes such as S&P500 -11.71%, the FTSE100 -16.26%, or the CAC40 -25.60%.

| | 2007 | 2008 | 2009 | 2010 |
|------------|--------|--------|---------|--------|
| FIM Brands | -1.4% | -44.6% | +40.9% | +21.9% |
| Index | -12.7% | -31.9% | +22.10% | +28.0% |

FIM is a Finnish provider of investment services, owned fully by its own management and personnel. Of the FIM Values, the most crucial one is "Customer First". As the owners of the company, FIM knows that its success depends on the success of its customers.

walnutfinance Panel

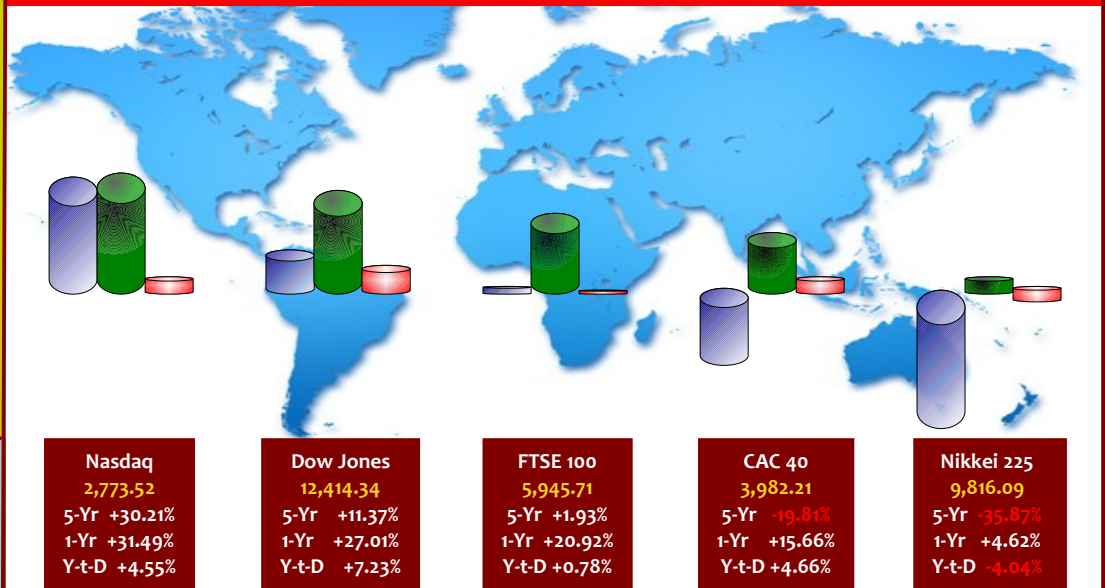
Financial News

- Worth month for **Equities** across the board
- Moody's is hinting at reviewing the **French** triple-A credit rating if more decisions are not implemented within three months
- Apple loses **Jobs**, for good
- **Chinese** growth in danger with European crisis
- **Greece** is still Greece...
- **Air France** shuffles management and fires CEO
- **Euro** drops, and then comes back on... Greece...

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September 2011 closings

EUR/USD 1.3388 USD/JPY 77.0450 GBP/USD 1.5578 USD/CHF 0.9078



walnutfinance \$100K Portfolio vs. Markets

| Index | September 2011 | Year-to-date | Since January '09* |
|-------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------|
| wf 100K Portfolio | -5.37% | Best +5.46% | Best +229.10% |
| S&P500 | -7.18% | -10.04% | +25.26% |
| CAC40 | -8.44% | -21.63% | -7.33% |
| FTSE100 | Best -4.93% | -13.08% | +15.66% |

*Inception of wf 100K Portfolio

walnutfinance \$100,000 Portfolio

| Company | Symbol | Shares | Paid | Last | Value | P/L |
|-----------------------------------------------------|------------|--------------|----------------|----------------|---------------------|----------------------|
| Coca-Cola | KO | 650 | \$67.50 | \$67.56 | \$43,914.00 | \$39.00 |
| Bank America | BAC | 4,500 | \$10.50 | \$6.12 | \$27,540.00 | (\$19,710.00) |
| Texas Instr. | TXN | 1,824 | \$27.40 | \$26.65 | \$48,609.60 | (\$1,368.00) |
| Procter & Gble | PG | 750 | \$61.00 | \$63.18 | \$47,385.00 | \$1,635.00 |
| Citigroup | C | 900 | \$40.17 | \$25.62 | \$23,053.50 | (\$13,099.50) |
| Total | TOT | 1,000 | \$54.00 | \$43.87 | \$43,870.00 | (\$10,130.00) |
| Peps Boys ... | PBY | 6,000 | \$11.20 | \$9.87 | \$59,220.00 | (\$7,980.00) |
| Airgas | ARG | 550 | \$66.00 | \$63.82 | \$35,101.00 | (\$1,199.00) |
| Cash + Net Dividends Earned | | | | | \$407.47 | |
| Portfolio Net Value as of September 30, 2011 | | | | | \$329,100.57 | \$229,100.57 |

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

Worse month and worse quarter for years for the markets. The portfolio limited losses and positioned itself more on consumers.

| Sold | Bot |
|------------------------------------------|-----------------------------------------|
| FTE \$16.90 BP \$39.00 GLUU \$3.30 | KO \$67.50 TXN \$27.40 PG \$61.00 |

Current Value:

\$329,100.57

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Annualized Return
Since Inception:
+53.32%

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 September 30, 2011. Dividends are net and not re-invested. Total return is +229.10%.