

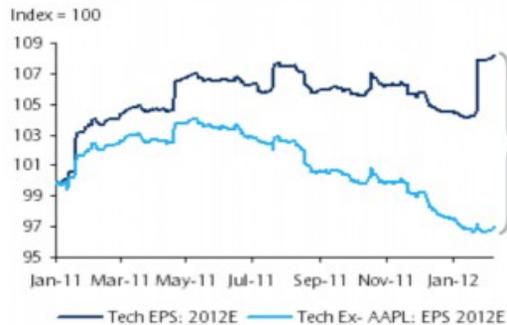


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## S&P500 followers go "ex-Apple"

Technology Sector Estimates with and without Apple



The dark-blue line is the S&P Index over 12 months. The light blue one is the same S&P without Apple: **enlightening!** It's either up +8% or down -1%. So UBS, Morgan Stanley, Goldman Sachs, Barclay's, and Well Fargo analysts are now using the **S&P ex-Apple** as a more realistic instrument to follow the market. Obviously the solution would be for the Index makers to reduce the weight of Apple in both the S&P and the NASDAQ. But then many Mutual Funds would have to follow suit. And generate a sell-off?

## Goldman Sachs, 'was Bad, is getting Worse'

Star company begins to smell death. While still a strong power in US finance and politics, Goldman Sachs' image gets worse every day and the resignation of one of its London-based Executive Directors, Greg Smith who published a "Why I resigned from Golden Sachs" in the New York Times will not improve it. Smith managed clients assets worth more than \$1 Trillion for the firm. In his article he mainly states that he cannot bear any longer to stay with a firm that calls clients "puppets". Rolling Stone magazine described Goldman as a "vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money." Maybe too strong a statement, but after this article, the company paid \$300 million in fines to the U.S. Treasury and another \$250 million to investors - to settle charges of securities fraud linked to mortgage investments. Back in 2001, Goldman cut a secret deal for the government of Greece so that it could join the Euro zone. Greece qualified by taking out a loan that **hid 2.8 billion Euros in debt**, under terms that made the Wall Street bank 600 million Euros in profit (12% of the year's profits). **Today, Greece owes \$5.1 billion to Goldman** for the 2001 loan. Doubled.

### Amazon, World's Largest Tax Cheater?

With UK sales in excess of £3.3 Billion last year, Amazon.com UK paid zero tax to Her Majesty Revenue & Customs. After the company has relocated its headquarters from UK to Luxemburg, its European tax rate has as much as disappeared. The UK taxman is now looking into the matter but Amazon's tax affairs are also being investigated in the US, China, Germany, France, Japan and Luxembourg. And it is not only about corporate taxes, but also about VAT as Amazon also uses discrepancies between countries to lower to near-zero its VAT exposition. Big company, Small payer.

### Is Japan Back?

Japanese stocks rocketed to some of the strongest gains in recent memory over the first three months of this year, but further advance for the market will likely depend in large part on where government policy goes. Nikkei **climbed 19.3%** in the first quarter of 2012. Its **best first-quarter performance since the boom-times of 1988**. Cr dit Suisse went "tactically overweight" on the Japanese market in the last few days of March, meaning a three-month recommendation in the case of Japan. According to strategists there could be another 12% out-performance from current levels. The next bet?

## EDITO

Goldman decried by a Senior Manager, and Amazon.com cheating on taxes worldwide. Japan is coming back into positive territory. We learn that sacro-saint Libor is manipulated by bankers and that Spanish debt reaches a 20-year high. S&P500 is distorted by Apple's incredible performance and some analysts following the new S&P ex-Apple index. The wf 100K took full advantage of Apple's growth and moved up ahead of the S&P.

### Libor Manipulation?

The famous "London InterBank Offered Rate" (LIBOR) may have been manipulated by Barclays, Deutsche Bank, UBS, and RBS. The LIBOR rates may have been artificially kept down during the crisis for banks to look healthier. According to reports of court documents filed by Canadian regulators, traders at UBS, communicating with traders at other banks colluded on whether they wanted Libor to be set high or low. Strange..

### Spain's debt at 20-year high

Despite announcing its most austere budget for more than 30 years last week, Spain's government admitted on Tuesday that the debt-to-GDP ratio will jump to 79.8% in 2012, keeping it, however, still bellow Europe's average. The latest downbeat news from the government sent shares falling and bond yields climbing. Spread between Spanish bonds and their German equivalents widened as investor confidence slipped.

### Crisis! What Crisis?

#### Russian Gold producer net jumps

Petropavlovsk 2011 net profit increased tenfold on higher production and higher sales prices.

#### Groupon shares dive on accounting

As previously hinted in these columns, the Groupon shares dived -12% after accounting problems were discovered.

Fund	Last	Month	Y-t-D	2011	2010
Man Directional Series 2 USD Income	\$ 0.8467	-1.80%	-1.90%	-9.20%	-
Man AP Enhanced Series 2 USD	\$ 1.1890	-1.40%	-1.10%	+9.10%	+11.10%
Man AHL Diversified (Guernsey USD)	\$ 1.1411	-1.80%	-1.00%	-6.40%	+16.10%
Man Synergy USD Income Bond	\$ 0.8244	-2.60%	-0.60%	-	-
Man Directional USD Income	\$ 0.7880	-2.20%	-2.20%	-9.20%	+4.90%
Man IP 220 Series 5 USD	\$ 0.9969	-3.30%	-2.90%	+1.90%	+21.20%
Man AP Stratum Series 2 USD	\$ 0.9655	-1.70%	-1.50%	+8.20%	+14.20%
Man IP 220 Series 6 USD	\$ 0.9709	-4.00%	-3.60%	-4.40%	+15.40%
Man IP 220 Series 7 USD	\$ 1.0162	-4.90%	-4.50%	-7.00%	+14.40%
FIM Brazil	€ 26.95	-6.91%	+16.40%	-23.60%	+19.30%
FIM India	€ 35.48	-5.03%	+19.30%	-36.90%	+27.60%
FIM Russia	€ 80.88	-6.79%	+20.90%	-34.40%	+45.40%
FIM Emerging Europe	€ 12.87	-2.65%	+15.60%	-30.00%	+13.10%
FIM China	€ 10.04	-8.06%	+17.70%	-30.60%	+16.70%
FIM Sahara	€ 11.00	-0.81%	+14.00%	-19.10%	+27.00%
FIM Ukraine	€ 1.63	-2.98%	-2.30%	-39.70%	+30.10%
FIM Brands	€ 14.99	+2.81%	+13.20%	-6.20%	+21.90%
Superfund Blue SPC (Class A) Gold	€ 1,621.69	-0.70%	+7.37%	+10.60%	+49.00%
Keystone Real Estate Placement	€ 100.00	-	-	-	-
Prestige Alternative Fund	\$ 123.24	+0.41%	+0.96%	+5.81%	+6.56%

People of the *Month*



**Mariano Rajoy**  
Leading Spain, or is he?



**Rick Santorum**  
Republican Primaries Rising Star



**Aung San Suu Kyi**  
From jail to Parliament



**Treyvon Martin**  
Killed for walking in the street

Talk of the *Month*



Hackers said to have grabbed 1.5 million **Visa** & **MasterCard** numbers



**Research in Motion** in trouble after conceding defeat vs. **Apple's** iPhone

**BlackBerry**



**Qatar Holding** has become Media & Defence Group **Lagardère** largest single shareholder



**Apple** set to become the first Trillion-dollar company?

**Total** facing financial and ecological disaster in one of its North Sea platforms



**TOTAL**

# walnutfinance *Panel*

## Financial News

- Qatar takes 2% of French oil company **Total**
- Qatar takes 1% of French luxury Group **LVMH**
- Apple has announced that starting 2012 4th quarter it will pay a \$2.65 **dividend**
- Research in **Motion** loses another executive

## Contact

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[walnutfinance.com](http://walnutfinance.com)

**Annualized Return Since Inception**  
+74.57%

2009 >>> +98.97%

2010 >>> +56.84%

2011 >>> +41.45%

On January 1, 2009, **walnutfinance** invested \$100,000 spread evenly over five different US-listed securities.

The table on the right gives the results of that investment as of March 31, 2012.

Dividends are net and reinvested.  
Total return is +532%.

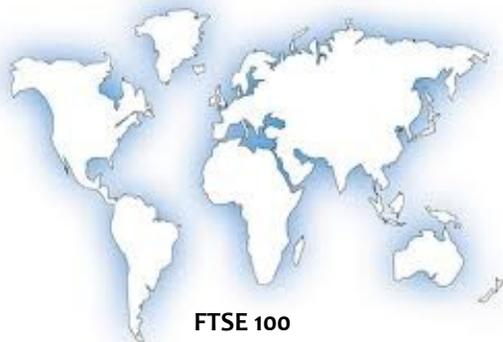
**Current Value**  
\$632,222.17

**Gold 1.6620**  
EUR/USD 1.3340

*March Closings*  
USD/JPY 82.8650    GBP/USD 1.6012

**Oil 102.93**  
USD/CHF 0.9020

**NASDAQ**  
Last **3,091.57**  
5-Y **+25.10%**  
12-M **+11.16%**  
Y-t-D **+18.67%**



**Nikkei 225**  
Last **10,083.56**  
5-Y **-42.33%**  
12-M **+3.37%**  
Y-t-D **+19.26%**

**Dow Jones**  
Last **13,212.04**  
5-Y **+5.18%**  
12-M **+7.24%**  
Y-t-D **+7.53%**

**FTSE 100**  
Last **5,768.45**  
5-Y **-9.83%**  
12-M **-2.38%**  
Y-t-D **+3.52%**

**CAC 40**  
Last **3,423.81**  
5-Y **-40.37%**  
12-M **-14.17%**  
Y-t-D **+8.35%**

## walnutfinance *\$100K Portfolio vs. Markets*

Index	March 2012	Year-to-Date	Since January 2009*
wf 100K Portfolio 	<b>Best</b> +10.86%	<b>Best</b> +43.00%	<b>Best</b> +531.22%
S&P 500 	+3.13%	+12.00%	+55.93%
CAC 40 	<b>-0.83%</b>	+8.35%	+2.21%
FTSE 100 	<b>-1.76%</b>	+3.52%	+26.45%

\*Inception Date of the wf\$100K Portfolio

## walnutfinance *\$100,000 Portfolio*

Company	Symbol	Shares	Paid	Last	Value	P/L
Glu Mobile	GLUU	17,500	\$3.95	\$4.85	\$84,875.00	\$15,750.00
Cisco	CSCO	3,000	\$18.00	\$21.15	\$63,450.00	\$9,450.00
Bank of America	BAC	10,000	\$5.80	\$9.57	\$95,700.00	\$37,700.00
Apple	AAPL	100	\$410.00	\$599.55	\$59,955.00	\$18,955.00
Citigroup	C	900	\$40.17	\$36.55	\$32,895.00	<b>(\$3,258.00)</b>
Microsoft	MSFT	2,500	\$26.60	\$32.26	\$80,637.50	\$14,137.50
McDonald's	MCD	800	\$97.00	\$98.10	\$78,480.00	\$880.00
Boeing	BA	800	\$74.00	\$74.37	\$59,496.00	\$296.00
eBay	EBAY	2,000	\$35.00	\$36.90	\$73,800.00	\$3,800.00
<b>Cash + Net Dividends</b>					\$1,933.67	
<b>Portfolio Net Value as of March 31, 2012</b>					\$631,222.17	

### Portfolio Comments

Apple (AAPL) made our month, the stock has reached and then gone through the \$600 mark. Bank of America (BAC) was one of the best performers. Good month overall.

### Bought

MCD \$97.00  
BA \$74.00  
GLUU \$3.95

### Sold

AAPL (50%) \$590.00  
PCLN \$650.00  
QLD \$117.00