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WF NewsLetter

SUMMARY

- **≻**Edito
- >Germany and the EU
- ► KC-135 US Tankers
- **≻**Volvo Chinese
- **➤ Crisis. What Crisis?**
- **≻WF Investments**
- ➤ News of the World
- >WF Panel
- ➤ People of the Month
- >WF \$100 K Portfolio



Suicide bomb in Moscow, sudden disappearance of the head of ADIA in the UAE, Greece still a problem for EU. Obama passed the healthcare bill, quite an eventful month. Volvo is now Chinese (!). BA is on strike while Air France finally opens its long-overdue stop in Abu Dhabi.

Germany, and the EU

Is Germany comfortable sharing its wealth with high-spenders / quiet workers like Greece or Portugal? This is the question that makes headlines these weeks. Not so much it would seem. From buying some of the many Greek islands to not lending them any cash the Germans are not showing much compassion to their southern neighbors. Should they? Not so sure. The Greek deficit being, not the

result of the global crisis, but the result of a vast underground economy where no one pays taxes and a very lax government overspending all EU subsides. Finally with the help of France and the shame of a EU member getting an IMF loan, Greece seems to have decided to tackle the problem. Lower state taxes spending, levied. government employees wages frozen, this is going to be quite

a difficult year for the Greek population. This is also the acid test for EU. Will it be able to overcome this crisis –we think so- or might it be the beginning of its end? In any case, the crisis is not yet over.

Greece may have taken important decisions but they are not yet implemented. The sure thing is that there are plenty of islands for sale...





Boeing vs. Airbus



The \$40.000.000 contract to be awarded by the US Air Force for the replacement of its tankers fleet has, again, been the subject of many comments this month. Airbus, along with its US partner Northrop Gruman, gave up competition after the latter decided it was too much hassle fighting against Boeing with a European ally. However, the Obama administration seems

to be willing to play fair and has decided to give the bid more time (after all it's only 10 years now since the beginning of the competition!) so now Airbus is willing to try again, to the despair of Boeing. Let's not forget that the bid was initially granted to Airbus, only to be rejected by the Bush administration on ground that the European was subsided by the EU and therefore the bid

was not fair. Only forgetting that Boeing was given a permanent lifeline through military contracts. John McCain, formerly competitor to Obama in their bid to the US presidency was the man who reversed the ruling and put back Airbus and Gruman in the competition. McCain is the Senator for Arizona, close to Gruman's factories and thousand of jobs... and votes...



Volvo, The Chinese Quality Cars

Geely Motors. Ever heard about it? Probably not, they are the 11th largest car producer in China. They bought Volvo Cars from Ford for \$1.8 Billion. Geely's founder, Li Shufu has an history of cost cutting over his 25 years as businessman. From refrigerators parts, to

motorcycles and now cars, Li's strategy has been consistent, he makes money in whatever business he is involved in and whenever new competitors crowd in, he moves to the next thing. Today Volvo Cars. What makes Li think that he may turn Volvo into a profitable business when Ford (which paid \$6.5 Billions at the time) could not do it in a decade? Simple: replace high Swedish wages by low Chinese ones. Quite a challenge for the Chinese entrepreneur! Let's see how he will succeed where Ford failed and lost money.

Crisis? What Crisis?

Rake Hike? Why Not?

The Greenspan years may be back soon with increasing rumors of a first increase in US rates. **Bond holders heware!**

Strike at British Airways

After numerous warning, BA workers have decided to go along with their strike, and it looks like a long battle ahead. Passengers be warned!

WalnutFinance Investments

Fund	Last	Month	YTD	2009	2008
Man Global Strategies Diversified Series 2 USD Capital	\$ 0.9314	+0.40%	+2.60%	-5.20%	-21.80%
Man AP Enhanced Series 2 USD	\$ 1.0177	+0.80%	+2.60%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.2190	+2.60%	+1.60%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR	€ 0.9254	+1.30%	+2.60%	-1.20%	-15.60%
Man AP Spectrum Series 2 USD	\$ 0.7347	+1.70%	+3.60%	-9.30%	-14.20%
Man IP 220 Series 5 USD	\$ 0.8513	+1.00%	+2.50%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8141	+0.70%	+2.60%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 0.9143	+1.40%	+0.20%	-8.70%	n.a.
Man IP 220 Series 7 USD	\$ 0.9973	+1.10%	-0.30%	n.a.	n.a.
Man Directional USD Income	\$ 0.9424	+0.70%	-2.40%	n.a.	n.a.
Man Directional Series 2 USD Income	\$ 1.0000	n.a.	n.a.	n.a.	n.a.
FIM Brazil	€ 28.23	+5.93%	+3.41%	+135.60%	-57.80%
FIM India	€ 43.21	+10.29%	+11.02%	+71.00%	-61.20%
FIM Russia	€ 94.69	+15.70%	+25.75%	+152.30%	-69.10%
FIM Emerging Europe	€ 16.20	+11.65%	+12.11%	+44.20%	-56.50%
FIM China	€ 12.03	+7.99%	+4.97%	+40.60%	-51.20%
FIM Sahara	€ 10.56	+11.86%	+11.51%	+31.70%	-49.80%
FIM Ukraine	€ 3.46	+23.57%	+57-99%	+15.20%	-91.60%
Swiss-Asia Genghis Hedge Fund	\$ 131.52	+0.10%	-0.80%	+7.00%	-20.50%

Latest Prices & NAV on Walnut Finance website





News









Germany Under its constitution, Germany can only go to war for defensive purpose. Good. But there may be some, East of the Rheine river, still looking at expansion. How to do it? With money! They already did it with the reunification which has cost West Germans Billion of (now defunct) Deutsche Marks. Another opportunity for expansion has just risen: Greece (the brotherly EU state) is in trouble, no problem, let them sell some of their islands - they have so many of them. A buyer? Germany of course!

Russia

Blast in Moscow. 40 dead, and two young women suicide bombers. This is how Muscovites woke up on the last week of this month.

Asia







China

The under-evaluation of the Chinese Yuan is becoming a real concern for international trade. It is becoming more and more of a concern to

India

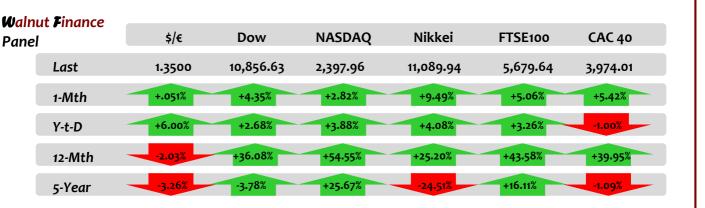
Sportsmen are often described as no-brainers. But for once, the are showing the way. Indian tennis star Sania Mirza and Pakistani cricket Pakistan player Shoaib Malik are going to get married. Relations between to two states being what they are, this can be seen as a very courageous act... or pure craziness!

Middle East



UAE

Sheikh Ahmad bin Zayed Al Nahyan, 41, brother of the UAE Ruler and former head of ADIA (Abu Dhabi Investment Authority) died in a glider accident in Morocco.. ADIA had recently become a major shareholder of London's Gatwick airport.



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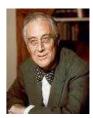
After a 100-Year discussion Got Healthcare Bill passed



William J. "Bill" Clinton Failed to pass **Healthcare Bill**



John F. Kennedy Failed to pass **Healthcare Bill**



Franklin D. Roosevelt Failed to pass **Healthcare Bill**



QUOTE OF THE MONTH

"Your most unhappy greatest source of learning"

BILL GATES

customers are your

AMERICAN BUSINESSMAN

Annualized Return Since Inception: + 79.21%

2009 >>> + 98.97%

2010 >>> +7.91%

On January 1, 2009, Walnut Finance invested for its own five times \$ 20,000 in five different US-listed securities. The table on the right gives the result of that investment of March 31, 2010. Dividends are net and not reinvested. Profit is +114.71%.

> **Current Value:** \$ 214,706.27

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Walnut Finance \$100K Portfolio vs. Markets

Index	March 2010	Year-to-date	Since January '09*	
WF 100K Portfolio	best +10.64%	<u>►hest</u> +7.91%	<u> </u>	
S&P500	+4.81%	+2.90%	+31.30%	
CAC40	+5.42%	-1.00%	+23.49%	
FTSE100	+5.06%	+3.26%	+28.09%	

^{*}Inception of the WF 100K Portfolio

Walnut Finance \$100,000 Portfolio

Company	Symbol	Shares	Bought	Last	Value	P/L
AIG	AIG	574	\$ 34.80	\$ 34.14	\$ 19,596.36	(\$378.84)
Arcelor Mittal	MT	679	\$ 29.43	\$ 43.91	\$ 29,814.89	\$ 9,831.92
Yahoo!	үноо	1,600	\$ 14.75	\$ 16.53	\$26,448.00	\$ 2,848.00
FedEx	FDX	300	\$ 86.00	\$ 93.40	\$ 28,020.00	\$ 2,220.00
IBM	IBM	300	\$ 122.00	\$ 128.25	\$ 38,47500	\$ 1,875.00
Citigroup	C	8,000	\$ 3.59	\$ 4.05	\$ 32,400.00	\$3,680.00
Schlumberger	SLB	400	\$ 57.00	\$ 63.46	\$ 25,384.00	\$ 2,584.00
Cash + Net Dividends Earned			\$ 14,568.02			
Portfolio Net Value as of March 31, 2010				\$ 214,706.27	\$ 114,706.27	

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

We sold **EMC** (EMC) with a small profit, and invested the proceeds into FedEx Corp. (FDX). The value of the portfolio increased

by \$20,649.89 (or +10.64%) during the month of March 2010. All stocks moved up along with the markets. AIG (AIG) did very well.