



WF NewsLetter

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Euro: *What's its Real Value?*

Difficult to say in which direction the Euro is headed, but one thing is for sure, European are quite happy with its fall vs. the Dollar. Cheaper imports, more tourism, especially from the US or the Middle East. The consensus seems to be that the $\text{€}/\text{\$}$ rate should be in the **1.16-1.18** range.

Soccer: *Salaries*

D. Beckham	L.A. Galaxy	€3.5MM/month
T. Henry	FC Barcelona	€865,000/month
F. Lampard	Chelsea FC	€830,000/month
J. Terry	Chelsea FC	€830,000/month
S. Gerrard	Liverpool FC	€750,000/month



Like it or not, *The World Cup is on!*

Bets	1 st	2 nd	3 rd	4 th	5 th
Goldman Sachs	Brazil	Spain	Germany	England	Argentina
UBS	Brazil	Germany	Italy	Netherlands	France
JP Morgan	England	Spain	Netherlands	Slovenia	France
walnutfinance	Netherlands	Spain	Argentina	Brazil	Germany



Two major events, the Deepwater Horizon crisis is worsening and the football World Cup is on. And some crisis there too. Let's remember that one of the first matches was England vs. USA which ended in a draw. Maybe something to think about for BP. Oh and the markets... they keep falling, no obvious reason except for a global lack of confidence. Let's see...

Is BP a UK or a US Corporation?

Obama, having just authorized deep-sea drilling wants to blame **Hayward**, for doing just that, in a messy way. **Cameron** will be the moderator in the dispute.

Boris Johnson, the Mayor of London, has already accused Obama of "indulging in **anti-British rhetoric**", Nick Clegg, Deputy PM has warned that a row between Britain and the USA risked turning into a nasty

"megaphone diplomacy". Obama has already said -wrongly- "British Petroleum" instead of "BP" on two occasions. Most international companies try to hide their origin, "**American Telegraph & Telecom**" has become AT&T, while "**Hong Kong & Shanghai Bank**" has become HSBC, in order to look more global and be accepted worldwide as "local". For BP, though, years of becoming a global corporation have been undermined by the spill, and it has now become a pure English company. And **lost \$90 Billion market cap**.



The Good
Cameron
Representing the United Kingdom interests



The Bad
Hayward
Representing BP, the ugly Oil Company



The Ugly
Obama
Representing the United States of America

The Bettencourt Story

France is blessed with two Bet(t)encourt stories. The one with one "t", we wrote about two years ago, the liberation of the franco-columbian politician held captive for 6 years by brigands. The other one, the one with two "tt" is a kind of tsunami starting to submerge French politics, economy and even

industry. The **L'Oréal** (OR.PA) story started from a banal family feud (daughter vs. mother) and is now expanding to the Ministry of Labor and to his wife, helping the heiress tax evasion plans in Switzerland. The Swiss industry, **Nestlé** (NESM), might take advantage of the fight and take over the French jewel.

Crisis? *What Crisis?*

Emirates orders 32 A380s

In a jumbo order worth \$11.5 Billion Emirates is back on the super growth track. This will bring its total number of A380s to 90!!

S&P threatens Moody's

In a funny swing, S&P is warning that it may downgrade Moody's because new US rules would make court case against them too easy!

walnutfinance *Investments*

Fund	Last	Month	YTD	2009	2008
Man Directional Series 2 USD Income	\$ 1.0000	n.a.	n.a.	n.a.	n.a.
Man AP Enhanced Series 2 USD	\$ 1.0588	+2.60%	+6.70%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.2631	-1.40%	+5.20%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR Capital	€ 0.9639	+1.50%	+6.90%	-1.20%	-15.60%
Man Directional USD Income	\$ 0.9157	-1.50%	-2.10%	-9.30%	-14.20%
Man IP 220 Series 5 USD	\$ 0.8898	+1.40%	+7.20%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8519	+2.50%	+7.40%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 0.9424	-1.00%	+3.30%	-8.70%	n.a.
Man IP 200 Series 7 USD	\$ 1.0269	-1.00%	+2.70%	n.a.	n.a.
FIM Brazil	€ 27.64	+2.14%	+0.80%	+135.60%	-57.80%
FIM India	€ 45.89	+4.08%	+14.10%	+71.00%	-61.20%
FIM Russia	€ 84.59	-2.85%	+16.00%	+152.30%	-69.10%
FIM Emerging Europe	€ 13.73	-5.28%	+0.90%	+44.20%	-56.50%
FIM China	€ 12.26	+3.99%	+3.90%	+40.60%	-51.20%
FIM Sahara	€ 10.21	-2.30%	+10.40%	+31.70%	-49.80%
FIM Ukraine	€ 2.85	+0.00%	+32.40%	+15.20%	-91.60%
FIM Brands	€ 12.10	+0.08%	+8.10%	+40.93%	-44.63%
Swiss-Asia Marco Polo Hedge Fund	\$77.21	+2.28%	+2.62%	+12.82%	n.a.

The World according to *walnutFinance*

Europe



UK A drunk oil trader bought one-third (or more than 7 Million barrels) of OPEC production in less than two hours for a mere \$500 Million boosting oil prices from \$71 to \$73.50. His firm, PVM Oil Futures took the loss (undisclosed) and fired the happy player along with a five-year ban in the markets.

France Jérôme Kerviel, Société Générale's rogue trader court case starts. Does anyone really believe the bank didn't know? Or that Jérôme Kerviel is an honest guy?

UK It took the UK government 38 years and £190 Millions to interview a few witnesses and determine what everyone knew from day one, i.e. British soldiers slaughtered Irish civilian protestors in what has become known as the "Bloody Sunday".

Africa



South Africa The Soccer World Cup opened and everything is going well. That is if your ears survive the vuvuzelas, those awful trumpets that kill the ambiance. And thanks to Al Jazeera for blocking French channels airing matches.

Nigeria The Nigerian president banned his own soccer team from playing international games for two years due to bad play in the World Cup. Nice and deep thinking from an en-lighted leader!

Asia



China Chinese group Fosun acquired 7.1% of French leisure group Club Med headed by former French President's son Henri Giscard d'Estaing.

Americas



USA 11 people have been arrested for spying for Russia in the United States. Ordinary people, living ordinary lives. Sleeping spy, in direct line from the best Le Carré's novels.

walnutfinance Panel

	\$/€	Dow	NASDAQ	Nikkei225	FTSE100	CAC40
Last	1.2227	10,136.63	2,109.24	9,382.64	4,916.87	3,442.89
1-Month	▼ -0.02%	▼ -2.49%	▼ -5.09%	▼ -3.95%	▼ -5.23%	▼ -1.84%
Year-to-Date	▲ +15.19%	▼ -7.65%	▼ -8.63%	▼ -12.57%	▼ -10.16%	▼ -14.31%
12-Month	▲ +12.80%	▲ +14.93%	▲ +14.28%	▼ -3.08%	▲ +15.71%	▲ +10.48%
5-Year	▼ -2.44%	▼ -6.46%	▼ -0.17%	▼ -19.77%	▼ -4.73%	▼ -19.94%

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Quote of the month

"Google's not a real company.
 It's a house of cards."

Steve Ballmer, CEO Microsoft

Annualized Return
 Since Inception:
+46.46%

2009 >>> +98.97%

2010 >>> -0.96%

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 June 2010. Dividends are net and not re-invested. Total profit is +98.13%.

Current Value:
\$198,936.67

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FIFA
 Big Brother



French Soccer Team
 Most Ridiculous



English Soccer Team
 Most Disappointing



Italian Soccer Team
 Most Useless

walnutfinance \$100K Portfolio vs. Markets

Index		June 2010	Year-to-date	Since January '09*
WF 100K Portfolio		Best -0.96%	Best -0.42%	Best +98.13%
S&P500		-3.74%	-9.03%	+14.11%
CAC40		-1.84%	-14.31%	+6.99%
FTSE100		-5.23%	-10.16%	+10.89%

*Inception of WF 100K Portfolio

walnutfinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
AIG	AIG	574	\$34.80	\$34.44	\$19,768.56	(\$206.64)
Arcelor Mittal	MT	679	\$29.43	\$26.76	\$18,170.04	(\$1,812.93)
Brocade Com.	BRCD	6,000	\$5.40	\$5.16	\$30,960.00	(\$1,440.00)
FedEx	FDX	300	\$70.11	\$83.49	\$21,033.00	(\$4,767.00)
IBM	IBM	300	\$122.00	\$123.48	\$37,044.00	\$444.00
Citigroup	C	8,000	\$3.59	\$3.76	\$30,080.00	\$1,360.00
Schlumberger	SLB	400	\$57.00	\$55.34	\$22,136.00	(\$664.00)
Cash + Net Dividends Earned					\$18,936.67	
Portfolio Net Value as of June 30, 2010					\$198,128.27	\$198,128.27

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

Wrong timing for BP (BP), we sold our stake with a \$4,950 loss (a first for the portfolio) and invested the proceeds into Brocade Communications (BRCD). We believe BP is oversold but will wait until the dividend and

political situations are clarified until looking at it again. Overall, the markets have been flat for the month, however, the WF \$100K Portfolio has maintained its strong lead over all major indexes.