



WF NewsLetter

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MAY 6 *** NASDAQ ▼ 222 POINTS ▼ *** DOW ▼ 1,007 POINTS ▼ *** MAY 6

€750,000,000,000 on the table! Greeks and Speculators: THANK YOU!

Eyjafjallajokull is over; welcome **Apichatpong Weerasethakul**

***Obama ▼ 10% ▼ Obama *** BP ▼ 222 POINTS ▼ BP

MAY 10 *** CAC40 ▲ +9.66% ▲ *** FTSE100 ▲ +5.16% ▲ *** MAY 10

€ € € € € € “Houston, we have a problem” € € € € € €



Last month was all about ashes and Iceland. This month, the big story is in the hands of British Petroleum and its ability not to get oil -this we know they can do- but to stop oil. And there is no telling that they might find a solution in the coming days. This is going to cost about \$1 Billion to the company and a lot more to the Americans for cleaning and on the economic front.

“I support Goldman” **Warren Buffett**

With a \$5 Billion investment in their company, the Oracle of Omaha, Warren Buffett may not have a choice in supporting Executives of Goldman, describing them as “smart” and “high grade”. His giant loan to Goldman earns him \$15/second. And



The Good
Oracle of Omaha
Buffett
Lent \$5 Billion to Goldman



The Bad
Genial Frenchman
Tourre
Genial creator Of Abacus



The Ugly
Highly Paid
Blankfein
Chairman & CEO Goldman Sachs

when questioned about changing the management of Goldman, Buffett could not find anyone better suited than the Blankfein the current CEO. Of course as the White Knight, there is no reason for Buffett to find anything wrong in Goldman's actions. So Buffett (the Good) is happy with Fabrice Tourre's (the Bad) behavior and his boss, Lloyd Blankfein (the Ugly) assurances that all is well. With a few bad years behind him and this new stance, Buffett's image might suffer a bit.

Gulf of Mexico Oil Spill **and BP**

The spill in the Gulf of Mexico is like an air crash, the combination of human errors leading to a major accident. Various players, Halliburton (HAL), BP (BP), and Transocean (RIG) are involved in the initial catastrophe and it will probably takes decades to the justice to determine who will be the

ultimate culprit although BP, being the ugly oil company and looks like the ideal candidate. Mr. Obama seems to have acknowledged this and is permanently singling out the British company leaving the two US player largely ignored. He and BP have most to lose: BP a few Billions, and Obama a re-election.

Crisis? **What Crisis?**

\$106.4 Million **Picasso**



New world record for a 1932 Picasso painting “Nu au plateau de sculpteur”. The painting was the property of US philanthropist F. Lasker Brody. The buyer's identity is not yet known.

WalnutFinance *Investments*

Fund	Last	Month	YTD	2009	2008
Man Directional Series 2 USD Income	\$ 1.0000	n.a.	n.a.	-5.20%	-21.80%
Man AP Enhanced Series 2 USD	\$ 1.0320	+1.80%	+4.00%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.2814	+0.70%	+6.80%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR	€ 0.9500	+1.10%	+5.40%	-1.20%	-15.60%
Man Directional USD Income	\$ 0.9297	+0.10%	-0.60%	-9.30%	-14.20%
Man IP 220 Series 5 USD	\$ 0.8771	+2.00%	+5.60%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8313	+1.90%	+4.80%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 0.9517	+0.80%	+4.30%	-8.70%	n.a.
Man IP 200 Series 7 USD	\$ 1.0374	+0.70%	+3.70%	n.a.	n.a.
FIM Brazil	€ 27.06	+1.00%	+4.80%	+135.60%	-57.80%
FIM India	€ 44.09	+5.00%	+15.50%	+71.00%	-61.20%
FIM Russia	€ 87.07	+0.70%	+26.40%	+152.30%	-69.10%
FIM Emerging Europe	€ 14.51	+1.10%	+13.10%	+44.20%	-56.50%
FIM China	€ 11.79	+1.50%	+5.50%	+40.60%	-51.20%
FIM Sahara	€ 10.45	+1.90%	+13.60%	+31.70%	-49.80%
FIM Ukraine	€ 2.85	+5.00%	+64.40%	+15.20%	-91.60%
FIM Brands	€ 12.09	+2.60%	+11.80%	+40.93%	-44.63%
Swiss-Asia Marco Polo Hedge Fund	\$75.49	+0.60%	0.34%	+12.82%	n.a.

The World according to *WalnutFinance*

Europe



Spain Fitch is the first rating agency to downgrade Spain's sovereign credit rating from godly AAA to AA+. Standard & Poors had already downgraded Spain last month from AAA to AA, while Moody's maintains AAA.

France France won the race to host Euro 2016. France defeated Italy and Turkey the other finalists for the lucrative competition

Asia



Thailand Palme d'Or at the Cannes Festival for Thai Director, Apichatpong Weerasethakul (is that guy from Iceland??). Refreshing news anyway for shattered Thailand.

Korea(s) At each other's throat once again the two Koreas do not seem ready to fraternize yet. Let's be reminded that both countries participate in the Soccer World Cup. They might end there fighting in good spirit. Maybe.

Israel Overreaction to humanitarian fleet in international waters off the Israeli coast. 16 said to be dead amongst Gaza support activists.

America



Jamaica Better known for its sprinters and its tourism industry, the Caribbean island has seen an unexpected eruption of violence after police started hunting well-named Christopher Coke, a drug dealer wanted in the USA.

USA Obama to suspend Arctic drilling until 2011 after the BP Gulf spill disaster, not happy with BP actions and his personal ratings as a consequence

Colombia Antanas Mockus, a Green Party leader is surprisingly close to win the presidential election in war-town Colombia. After two terms as Bogotá mayor Mr. Mockus could prove an interesting candidate.

WalnutFinance Panel

	\$/€	Dow	NASDAQ	Nikkei225	FTSE100	CAC40
Last	1.2200	10,136.63	2,257.04	9,768.70	5,091.40	3,439.43
1-Month	▲ +4.33%	▼ -7.92%	▼ -8.29%	▼ -11.65%	▼ -5.91%	▼ -10.16%
Y-t-D	▲ +15.27%	▼ -4.13%	▼ -2.23%	▼ -8.55%	▼ -7.88%	▼ -14.31%
12-Month	▲ +13.95%	▲ +16.23%	▲ +21.19%	▲ +1.03%	▲ +1.77%	▲ +1.77%
5-Year	▼ -2.81%	▼ -3.10%	▲ +9.71%	▼ -15.16%	▼ -19.44%	▼ -19.44%

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Quote of the month

"I've never had a humble opinion in my life. If you're going to have one, why bother to be humble about it?"

Joan Baez, American Folk Singer

Annualized Return
 Since Inception:
+66.15%

2009 >>> **+98.97%**

2010 >>> **+6.52%**

On January 1, 2009, Walnut Finance invested for its five times \$20,000 in five different US-listed securities. The table on the right gives the result of that investment as of May 31, 2010. Dividends are net and not re-invested. Profit is +111.94%.

Current Value:

\$211,938.42

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Angela Merkel
 German Chancellor
Too slow decision, lost face & majority



David Cameron
 UK Prime Minister
New #10 Tenant. A first for Tories since 1997



Dennis Hopper
 Actor & Director
Easy Rider, Apocalypse Now. Gone.



Jean-Claude Trichet
 President European Central Bank
Finally!

WalnutFinance \$100K Portfolio vs. Markets

Index		May 2010	Year-to-date	Since January '09*
WF 100K Portfolio	Best	-6.90%	Best +6.52%	Best +111.94%
S&P500		-8.20%	-4.15%	+20.61%
CAC40		-10.16%	-14.31%	+18.61%
FTSE100		-2.22%	+0.96%	+25.24%

*Inception of WF 100K Portfolio

WalnutFinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
AIG	AIG	574	\$34.80	\$35.38	\$20,308.12	\$332.92
Arcelor Mittal	MT	679	\$29.43	\$30.32	\$20,587.28	\$6,382.60
BP	BP	900	\$45.00	\$42.95	\$38,655.00	(\$1,845.00)
FedEx	FDX	300	\$86.00	\$83.49	\$25,047.00	(\$753.00)
IBM	IBM	300	\$122.00	\$125.26	\$37,578.00	\$978.00
Citigroup	C	8,000	\$3.59	\$3.96	\$31,680.00	\$2,960.00
Schlumberger	SLB	400	\$57.00	\$56.15	\$22,460.00	(\$340.00)
Cash + Net Dividends Earned					\$15,623.02	
Portfolio Net Value as of May 31, 2010					\$211,938.42	\$111,938.42

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

We sold the balance of Natus Medical (BABY) and took an aggressive bet by investing the proceeds into BP (BP) the British oil company responsible for the

Gulf oil spill. They seem, at last to be in control, and the stock may have been oversold. Despite this month's loss, we are still far ahead of all major indexes.