



# WF NewsLetter

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## Eyjafjallajokull (whatabigmess!)

“Send Cash! Not Ash!” (British bankers)

With an ongoing strike at British Airways and the quarterly strike at SNCF the Icelanders could not have chosen a better time to launch their strike against Europe: Eyjafjallajokull! Good timing? Maybe not. The natural link for American business in Russia and vice-versa, Iceland was a staunch anti-EU until it was broken by greed and bad policies during the crisis. Iceland is now hinting at a **speedy** **adhesion to EU in 2011**.

## Goldman Sucks (whatabunchof...)

“One shitty deal” (Goldman on its own product)

During the 1929 crisis, Goldman Sachs **reputation was hurt for many years** as the Ponzi scheme they had set up abruptly came to an end, sending thousands of their clients into bankruptcy (and nearly getting there themselves). Today, they launched Abacus, and sold it to two large investors, while, selling a bet against Abacus to Paulson & Co. which earned it \$1 Billion. Same amount lost by the two investors. **Ethical?**



This month's big story obviously was the Icelandic cloud of ashes. The accidental death of the Polish president and Goldman Sachs obvious unethical and unprofessional behavior made also for small and big talk. Greece, Portugal and now, Spain downgraded by S&P, provoking roller-coaster markets worldwide. Germany dreams of an Europe made of... Germans only.

## Polish President dead, EU increases from 26 to 27 Members

Lech Kaczynski, the former President of Poland died in an air crash. A big loss for his country and its citizens, maybe not so much for the European Union. Mr. Kaczynski was a living obstacle to any progress, often alone versus the other 26 countries blocking decision after decision. Anti-Europe, opposed to abortion, against homosexuals, Mr. Kaczynski could be categorized as populist, Christian and ultra-conservative. In short, **the George Bush of Europe**. Not the kind of partner most European leaders

were looking for. On the positive side, he was said to be incorruptible. There have been rumors about the accident not being one, the Russians having not yet recognized the Katyn massacre he was going to commemorate. On the other hand, his plane, a 20-year old Tupolev 154 was **not equipped to land in fog**, neither was the airport. The President was known to have fired one of his former pilots for having refused to land in similar conditions. **Wrong decision.**

## Wealthy Millionaires? Not as Before

The number of High Net Worth Individuals (HNWIs) has **declined by 24%** in 2009 according to the 13<sup>th</sup> Merrill Lynch - Capgemini Report. In the Middle East, their number was only down by 6% but assets dropped by 16%. As assets, HNWIs hold about 30% in real estate, 25% in shares, 17% in cash and 13% in bonds.

Gold amounts to between 0% and 0.5% of their wealth. Let's note that Asia has overtaken North America as the region with the most High Net Worth Individuals. **UAE millionaires** are down 2% to 21,000, with only 17% of them planning to purchase properties in the Middle East. Caution, Caution.

## Crisis? What Crisis?

### British Airways & Iberia

Have decided to merge their operations while keeping both brands. Long life to happy British drinkers, Spanish beach are yours!

### Armani Hotel, Dubai

The Burj Khalifa Armani Hotel opened. With suites selling up to \$10,000 per night it is the new spot in town. Let's see how the current crisis will affect operations of this new Dubai icon.

# 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	\$ 1.0137	-0.40%	+2.20%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.2731	+4.40%	+6.10%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR	€ 0.9399	+1.60%	+4.20%	-1.20%	-15.60%
Man Directional USD Income	\$ 0.9591	+1.80%	-0.70%	-9.30%	-14.20%
Man IP 220 Series 5 USD	\$ 0.8602	+1.00%	+3.60%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8158	+0.20%	+2.80%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 0.9442	+3.30%	+3.50%	-8.70%	n.a.
Man IP 200 Series 7 USD	\$ 1.0307	+3.30%	+3.10%	n.a.	n.a.
FIM Brazil	€ 28.85	+6.40%	+3.90%	+135.60%	-57.80%
FIM India	€ 43.21	+9.40%	+10.10%	+71.00%	-61.20%
FIM Russia	€ 96.41	+15.50%	+25.60%	+152.30%	-69.10%
FIM Emerging Europe	€ 16.34	+11.40%	+11.80%	+44.20%	-56.50%
FIM China	€ 11.87	+6.90%	+3.90%	+40.60%	-51.20%
FIM Sahara	€ 10.80	+11.90%	+11.50%	+31.70%	-49.80%
FIM Ukraine	€ 3.60	+22.50%	+56.60%	+15.20%	-91.60%
FIM Brands	€ 12.67	+8.20%	+9.00%	+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



**Kyrgyzstan** Coup in Kyrgyzstan. The (now former) president and most of his government fled the country and are in hiding.

**Poland** Polish President Lech Kaczynski and members of his government died when their plane crashed near Smolensk in Russia. The President's wife as well as the Head of the Central Bank and ministers were also among casualties.

**UK** The row between England and Iceland goes on. After the Northern island has been accused of having "stolen"

**Iceland** Millions of pounds from UK savers, Iceland is now blocking UK air traffic with ashes from one of its volcanoes.

**Belgium** King Albert II accepted -one more time- His Prime Minister's resignation from office. Row between Dutch and French speakers was the usual sparking for the crisis.

**Greece** The end is not far: either Greece will be ousted from the Euro zone (as some German wish), or it will get loans from EU and will probably negotiate its mega debt. As in Argentina or Brazil in the good old days. As of April 26th, Greece became the world's riskier country, financially speaking (ahead of North Korea or Sudan).

### Asia



**Thailand** The country is still marred with increasing violence, thousands wounded, tens dead, the red, the yellow, the pink now. How many more colors to come? There has been 18 coups in Thailand over the past 77 years.

### America



**USA** Huge leak in the Gulf of Mexico after the collapse of a BP-operated oil rig. Louisiana on alert.

**USA** Hewlett-Packard buys iconic Palm for \$1.2 Billion.

### The Middle East



**Iran** The row relating to three Islands taken over manu militari 20 years ago by the Iranians from the United Arab

**UAE** Emirates is resurfacing.

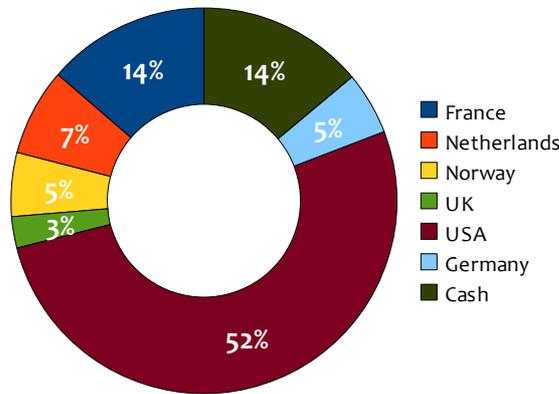
*Recent studies have constantly shown that companies with a higher percentage of women in their boards or senior management perform better than the average*

Want to support Women's accession to business decisions and make money, contact **Claire Cabanel Rey**  
 UAE +971.50.558.5705 → France +33.6.67.32.36.03 → Mail [claire.cabanel@walnutfinance.com](mailto:claire.cabanel@walnutfinance.com)

## WalnutFinance is sponsoring the launch of the Women's Executive Fund

Since January 1, 2010, **WalnutFinance** has been managing a test portfolio in accordance with the Fund's guidelines, the results so far are conclusive since the Fund has outperformed all major indexes

**WEF Geographical Allocation**



**WEF Top 10 Holdings**

Companies	WEF Holding
Kraft Foods	6.00%
Sodexo	5.90%
Texas Instruments	5.80%
Statoil	5.34%
Pepsico	5.29%
Deutsche Post	5.26%
Macy's	5.17%
BNP-Paribas	5.10%
AT&T	4.93%
Western Union	4.93%

Instrument	April 2010	Year-to-date
Women's Executive Fund	-0.06%	+9.60%
S&P500	+1.48%	+4.41%
CAC40	-3.95%	-4.91%
FTSE100	-2.22%	+0.96%

## WalnutFinance is also caring for Men...

### Solar Impulse

The Solar Impulse website quotes the author of "Around the World in 80 days", Jules Verne, who said "All that is impossible remains to be achieved". A sure inspiration for explorer Bertrand Picard who has decided to prove that is possible to fly around the world using only solar power. The plane he designed to that end has the



wingspan of a Boeing 747, with the weight of a small car. Not cheap, the project budget is Euro 70 Million. After an initial and successful 90-minute flight test, the next step will be to test Solar Impulse's ability to fly at night which, not a small affair for a solar powered plane which carries 12,000 solar cells.

### Yacht A

Andrey Melnichenko is a wealthy and successful Russian industrialist and banker. Having worked very hard. Maybe not a soccer fan, he decided not to buy an English football club and rather to build the A, one of the world's largest yachts. And if not the largest, certainly the most extravagant. Designed by Philippe Stark, the A is a 390-foot ship that



has cost only \$300,000,000. Filling the tank costs \$1 Million. The 23,600 sqft living quarters are a show of luxury, starting with the 2,583 sqft revolving master bedroom located on top of the ship. The master suite is wrapped in a 44-millimeter bomb-proof glass. The ship also bears 44 security cameras equipped with motion detection and night-vision infrared system.

*Reasonable*

*Not so Reasonable*

# WalnutFinance Panel

	\$/€	Dow	NASDAQ	Nikkei225	FTSE100	CAC40
Last	1.3315	11,008.61	2,461.19	11,057.40	5,553.29	3,816.99
1-Month	▲ +1.43%	▲ +1.40%	▲ +2.64%	▼ -0.36%	▼ -2.22%	▼ -3.95%
Y-t-D	▲ +7.64%	▲ +4.01%	▲ +6.60%	▲ +3.52%	▲ +0.96%	▼ -4.91%
12-Month	▼ -1.39%	▲ +34.78%	▲ +43.16%	▲ +18.91%	▲ +30.86%	▲ +17.88%
5-Year	▼ -6.03%	▲ +6.41%	▲ +25.10%	▲ +0.08%	▲ +15.65%	▼ -6.82%

Phone +971.4.343.0782  
 Fax +971.4.343.0569  
 Mail info@walnutfinance.com

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## Quote of the month

"Women who dress inappropriately... incite extramarital sex in society, which increases earthquakes!"

**Ayatollah Kazem Sedighi**  
 Senior Iranian Cleric

**Annualized Return Since Inception:**  
**+84.41%**

**2009 >>> +98.97%**

**2010 >>> +14.41%**

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 April 30, 2010. Dividends are net and not re-invested. Profit is +124.64%.

**Current Value:**

**\$227,643.19**

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**Roza Otounbaieva**  
 New Kirghistan PM  
 First female heading a Coup d'Etat



**Lloyd Blankfein**  
 Goldman Sachs CEO  
 Played customers against each others



**John Paulson**  
 President Paulson & Co.  
 Beneficent of Goldman's tricks



**Nick Clegg**  
 UK Lib Dem  
 The third man and his party are moving up

## WalnutFinance \$100K Portfolio vs. Markets

Index		April 2010	Year-to-date	Since January '09*
<b>WF 100K Portfolio</b>	<b>Best</b>	<b>+6.03%</b>	<b>Best +14.41%</b>	<b>Best +127.64%</b>
S&P500		+1.48%	+4.41%	+31.38%
CAC40		-3.95%	-4.91%	+18.61%
FTSE100		-2.22%	+0.96%	+25.24%

\*Inception of WF 100K Portfolio

## WalnutFinance \$100,000 Portfolio

Company	Symbol	Shares	Bought	Last	Value	P/L
AIG	AIG	574	\$34.80	\$38.90	\$22,328.60	\$2,353.40
Arcelor Mittal	MT	679	\$29.43	\$38.83	\$26,365.57	\$6,382.60
Natus Medical	BABY	2,500	\$14.50	\$17.04	\$42,600.00	\$6,350.00
FedEx	FDX	300	\$86.00	\$90.01	\$27,003.00	\$1,203.00
IBM	IBM	300	\$122.00	\$129.00	\$38,700.00	\$2,100.00
Citigroup	C	8,000	\$3.59	\$4.37	\$34,960.00	\$6,240.00
Schlumberger	SLB	400	\$57.00	\$71.42	\$28,568.00	\$5,768.00
<b>Cash + Net Dividends Earned</b>					\$7,118.02	
<b>Portfolio Net Value as of April 30, 2010</b>					\$227,643.19	\$127,643.19

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

We sold Yahoo! (YHOO) with a 30% profit, and invested the proceeds into Natus Medical (BABY), a company specialized in neurodiagnostics for babies which gave us

a healthy profit for the month. Citigroup (C) and AIG (AIG) suffered heavily by month-end in the wake of the Goldman Sachs affair. Hectic month.