



Walnut Finance most widely held Hedge Funds

February 2008 Performances*

Man IP 220 Ltd	+6.4%
Man IP 220 Int'l Ltd	+6.3%
Man IP 220 Series 5 Ltd	+5.6%
Man AP Spectrum 2 Ltd	+3.0%
Man AP Stratum Ltd	+4.1%

**Non-audited performances*

Investment Letter March 2008

Instrument	Last	Year-to-date	1-Year	3-Year
DJIA	11740	-4.61%	-4.37%	+8.64%
Nasdaq	2169	-18.22%	-9.05%	+5.05%
CAC 40	4567	-18.65%	-17.77%	+12.81%
\$/€	1.5354	-4.45%	-16.76%	-16.32%
MSCI World	1391	-12.46%	-6.36%	+5.55%

The recent weeks have seen a continuation of the sell-off following the sub-prime crisis started last July. Bad news are still pouring in, the latest being comments by the Gulf countries that they may stop buying into Citigroup (C) and the announcement of a \$400 million margin call in the highly leveraged mortgage bond fund Carlyle Capital (CARYF) threatening forced assets sales after the fund defaulted on its payments to four lenders.

European markets suffer in the wake of the US market and their trend is a straight reflection of the US one. In the regional news, according to the local press, the UAE and Qatar Central Banks are formally looking in the de-pegging of the UAE Dirham to the US Dollar putting more pressure on the greenback. This could be good news for Dirham earners though. It could also increase further the downward pressure on the US Dollar.

IPO Two large issues in the pipeline

China Railway Construction \$5.4 Billion

VISA \$10 Billion, issue date still not determined due to markets conditions

Société Générale capital increase 1.8 times oversubscribed

Real Estate Office space in Dubai

In 2008, Dubai's office space is expected to double; by 2010, available office space in the emirate is expected to triple. This of course will rely on the ability of developers to deliver on schedule. For the moment handover challenges are still very important with infrastructure issues, labor shortage, and overly ambitious construction timelines. As a result, occupancy rates remain close to 98%. As handover dates continue to be pushed back, prices are expected to remain at record levels.

Events

Opening of VP Bank, February 2008

Schroder Launch Party, March 2008

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