



# THE VINUM FINE WINE FUND PCC LTD MONTHLY MANAGERS REPORT

Issue 13

31 May 2008

Welcome,

## Fund overview

**This is a wine investment Fund that aims to achieve above average investment returns over the medium to long term. Medium term is defined as 3 - 5 years.**

The Fund will trade in a diverse portfolio of fine and rare Bordeaux wines. The Managers will seek to strike a balance of holding stock long term and taking gains for re-investment / additional diversification. The Managers unrivalled network of specific buying opportunities will be identified for the benefit of the Fund.

## Market commentary

**With the UK stock market trading at or near the 12-month low, and further negative data being released, pressure on the UK economy persists and the worldwide issues continue to subdue any potential recovery.**

During the last period when the market has continued its quiet phase due to the focus on the 2007 *En Primeur* which has seen the release of the last wines, including the first growths and the key high end wines including Ausone and Le Pin, the market for older vintages has been soft and the trading in these wines very light. This is usual and to be expected with the focus on new as opposed to old wines.

During this time, re-evaluation of the Fund and its holdings has taken place and the assessment of holdings and their relative values in a soft market has seen a small fall in the NAV to £1.32 per share. This small fall is largely represented by the softer markets of May and June during the *En Primeur* period.

There is a cycle with the prices and values of wines that are dependant upon a range of factors and the managers are confident that the upward trend of the NAV will continue moving forwards.

The managers constantly review the market and the wines available for purchase and the current and future purchases are aimed at increasing value for investors. During the latest review, where we feel wines may have reached a value plateau, the managers will consider selling part or all of the holding.

## Contact

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Auditors: **BDO Novus (Guernsey)**  
Identifiers: **SEDOL: - B1W6L98**  
**ISIN: - GG00B1W6L987**

## Performance 01.05.08 - 31.05.08

NAV  
**1.32**  
Growth  
**- 1.49%**  
Since Inception  
**+ 32%**

## Investment rationale

The managers will maintain a policy of diversification across key investment criteria:

- Vintages
- Chateaux
- Communes
- Bottle format

As stated the Managers will ensure that exposure to any single criteria of investment is diluted with a wide range of appropriate and judicious purchases.

The Specialist Wine Advisor continues to research a range of vintages for undervalued stock which arises due to the general increase in the value of wine. Parcels of such wines offer the prospect of gains from the growth in their value. This is in line with the Fund objective.

The objective of the Managers is to hold long term and not be a regular trader, other than to purchase as new monies flow in. When appropriate, profits will be taken to create liquidity and allow other opportunities to be accessed.

## Fees and expenses

Front Load	5%
Withdrawal	potentially subject up to 3 months notice
Management Fee	1.5%
Performance Fee	20% of growth subject to hurdle rate
Hurdle	Euribor
Min investment	£10,000
Min addition	£5,000

Risk warning: The value of shares within the Fund may fall as well as rise and past performance is no guarantee for the future.