



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

"Prediction is very difficult, especially about the future" Niels Bohr 1885 - 1962

The issues within the wider investment world persist, however, in the last two weeks we have seen a recovery in the dollar and some may think it signals a change and the worst of the financial issues are receding for the US - the jury is still out.

During the month of July, the Fund and the advisors have continued a period of review and rationalisation of the wines and their values. The result for the month has been a small drop of 0.03% in the NAV. The advisors, managers and the independent valuer are confident that this small fall in value is the last and the upward trend will continue for the future. The overall gains since inception remain at an impressive 31% in the share price and this provides an excellent platform from which to progress.

During the month, purchases of three new holdings were made and these needed to be incorporated into the Fund and we expect these to provide good value and an increasing contribution to the overall Fund value.

Inflow of monies has been consistently high during the summer which has been a very positive sign and enabled the Specialist Wine Advisor to use his expertise, contacts and sources to deliver some excellent purchases. We are currently sourcing further major parcels of wine for the Fund.

Please note the various emails that have been sent regarding the new share classes and the SEDOL and ISIN numbers, together with the notice regarding accessing the Fund via Transact platform.

Contact

Specialist Wine Advisor: **Vinum Fund Managers**
Managing Company: **PSG Active Fund Services Limited**
Admin Tel: **+44 (0) 1481 711822**
Sales & Marketing: **Vinum Investments Limited**
Address: **2 The Mews, 16 Holly Bush Lane, Sevenoaks, Kent TN13 3TH**
Telephone: **+44 (0) 1732 455931**
Email: **info@vinuminvestments.com**
Custodian: **Butterfield Bank (Guernsey) Ltd**
Legal Advisors: **O A Hall**
Auditors: **BDO Novus (Guernsey)**
Identifiers A Class Share: **SEDOL: - B39T4K6**
ISIN: - GG00B39T4K65
Company Reg. No: **46636**
Registered Office: **3rd Floor, Natwest House, Le Truchot, St Peter Port, Guernsey GY1 1WD**

Website: www.vinumfinewinefund.com

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

A Share Class Performance

30.06.2008 - 31.07.2008

NAV
1.31
Growth in share price
-0.03%
Since Inception
+ 31%

Investment rationale

In the first month the Managers invested a little over £2 million and this has been spread as follows:

- 18 different Chateaux including Latour and D'Yquem
- 33 different Vintages from 1870-2004
- All 5 first growths represented
- 8 different Communes from the Medoc to Pomerol & St Emilion

The largest exposure to one chateau in vintages is 13. The single largest financial stake in one Chateau represents £225,000 spread across the 13 vintages.

We have taken a strategic stake in wines where we can perceive both demand and shortage of stock. This will ensure that gains can be taken from the holdings.

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. Where 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