

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

There seems to be no respite for the beleaguered pound and dollar and with the US seeing the benefit to the balance of payments and exports, little likelihood of any immediate improvement.

The Fund has resumed its upward trend this month with a small increase in the net asset value. This reflects the general trend for fine wines, in what has been a quiet period. This quiet period is normal at this time of year as the majority of the wine trade focuses on the latest vintage to be released in Bordeaux - the 2007 vintage.

Hopes are not high for the 2007 wines due to the extremely difficult weather conditions experienced in the Bordeaux region last year.

We will await the judgement of the wine experts and critics, however, this will have an interesting effect upon the prospects for the wines held by the Fund and those that may or may not be deemed of investment quality from the 2007 vintage.

From a worldwide standpoint, there seems to be no slackening in demand and the perception of the value of wine as an alternative asset class continues unabated.

On the Vinum Investments Limited web site, we have posted an Update that reproduces the opinion of the world renowned Robert Parker on wine as an investment and this offers an insight from one of the leading Bordeaux experts who has been tasting these wines every year since the early eighties. He also sees no diminution in demand nor of the asset class as an investment.

We referred to a change in the valuer and valuation last month. There will be the normal valuation in April as at the 10th. This will be followed by a new valuation on the 30th of April by the new valuation service. More details with the April valuation.

Performance

NAV
1.29

10.02.2008 - 10.03.2008
+0.78%

Year to date
+29.00%

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 on investment is diluted with a wide range of appropriate and judicious purchases.

The Specialist Wine Advisor continues to research older 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.

Contact

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Identifiers	SEDOL B1W6L98 ISIN GG00B1W6L987

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