

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

The turmoil, uncertainty and currency pressures, continue for the sterling and the dollar in particular. This obviously has implications for purchasers in the UK and the US as wine prices rise.

The Fund has appreciated again in the last month by a considerable margin. The bulk of this rise in value can be attributed to the elevation in wine values and sale prices that has occurred due to changes in Hong Kong .

During February, the Hong Kong government removed any taxation charges to private individuals and to companies importing fine wines to the country. This follows the reduction from 80% to 40% some 3 years ago. The appetite for investment wines in Hong Kong and the surrounding territories is massive and has been a key driver of the fine wine market for some years now.

This rise is reflected in the Liv-ex 100 index, which has hit an all time high, substantiating the general rise in values of investment wines.

The Fund has made acquisitions over the past month and these have further expanded both the range of vintages and the variety of wines. The investment rationale remains fundamentally the same and the Specialist Wine Advisor has been working with the directors to ensure that we continually track the market to source attractive parcels and key wines to spread the balance of the portfolio and ensure that the holdings are adding considerable value to the proposition that remains to buy and hold long term.

As specified in the last report, the date and basis of the valuation will be changing from the end of April and full details are available on the Fund website. Key points are that the valuer will be changing and the revised valuation date will be the last working day of the month.

Performance

NAV
1.35

10.02.2008 - 10.03.2008

+4.65%

Year to date

+33.65%

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