



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 reinvestment / additional diversification. The Managers unrivalled network of specific buying opportunities will be identified for the benefit of the Fund.

## Market commentary

**“A crisis is an opportunity riding the dangerous wind”**

*Chinese Proverb*

Despite the continued turmoil in the banking sector, stock markets and property market, the fine wine market has settled and the general trend is for wine prices to have stabilised and in certain cases, prices have increased, albeit by small amounts.

A vital key to this market is the issue of demand for the major investment grade wines and there are definite signs that this is increasing. One of the fundamental advantages of wine as an investment is the limited production with the decreasing supply due to consumption. With this benefit, we are certain that with the significant personal wealth that is still present in the system, wine will return more quickly to a positive investment return.

This underscores the investment strategy of the Fund in selecting a wide range of older highly rated vintages where stock is a key issue, thus ensuring that values are maintained and in a growing number of cases, return quickly to an increased value.

Another element in the equation is that with limited supply, and prices at the current levels, a number of investors and collectors are now seeing opportunities for very good purchases at prices that offer good investment potential in the medium to longer term.

The Managers remain confident that the Fund will resume and maintain its upward direction in terms of increasing value and generating the target returns we are aiming for.

There will be a key event happening over the next 3 months with the 2008 En Primeur release. This will be a significant determining factor for pricing – not only for the new vintage, but also the effect on older more mature vintages. This will be one to watch.

## Investment rationale

The current investment incorporate holdings of wine from:

- 23 different Chateaux
- 35 different Vintages from 1870-2006
- All 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.

## Contact

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