



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

An investment in knowledge always pays the best interest"

Benjamin Franklin (1706-1790)

The month of March has seen a rise in the Net Asset Value of the Fund which shows a positive performance. The general wine market seems to have reached the ground and certain holdings in the Fund are starting to rise in value therefore returning a positive growth.

The rise in value results from a good spread of vintages with an extensive range of wines, along with varied bottle format. The managers have seen a slow increase in value of the rare and hard to find wines, particularly those in larger format bottles.

There is a general view that the price of wines have stabilised and we have seen general trading increase amongst the major merchants, with the Bordeaux Negociants also reporting an increase in demand for an increasing range of wines over previous months.

The general climate looks steady, however, with the release of the 2008 vintage *En Primeur*, interest in wine has started to increase and this has some positive effect on prices of the wines within the Fund. The major critics' evaluation of the 2008 vintage is extremely encouraging and wine trade has started to accelerate again.

The managers expect resumption of the upward trend in the value of the Fund following the recent downturn. We believe this was largely driven by the need for immediate cash by some wine investors realising their investments and the ease with which wine can be sold.

The managers will continue their objective of reducing risk by a spread of the key components:

- Chateau
- Vintage
- Commune
- Format
- Rating
- Parcel size

This then offers minimisation of reducing values and the potential for steady positive growth.

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

Specialist Wine Advisor:
Managing Company: Vinum Investments Limited
Fund Administrators: Vinum Fund Managers Limited
Admin Tel: PSG Active Fund Services Limited
Admin Email: +44 (0) 1481 711378
admin@psgactive.gg

Sales & Marketing address:
address: Vinum Investments Limited
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: A O Hall
Auditors: BDO Novus Ltd

Identifiers A Class Share: SEDOL: B39T4K6
ISIN: GG00B39T4K65

Identifiers B Class Share: SEDOL: B39T4L7
ISIN: GG00B39T4L72

Company Reg. No: 46636
Registered Office: 3rd Floor, Natwest House,
Le Truchot, St Peter Port,
Guernsey GY1 1WD

Website: www.vinumfinewinefund.com