

NOBLES CRUS

Passion investment™



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Data at 29.07.2011

Historical Performance (%)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Performance
2011	+0.61	+0.58	+0.11	+0.27	+1.52	+1.57	+1.20						+6.00 %
2010	+0.91	+1.06	+1.26	+0.81	+1.22	+1.04	+0.45	+0.81	+0.83	+1.44	+1.89	+0.91	+13.41 %
2009	-0.13	-0.56	+0.18	+1.16	+0.15	+1.81	+0.56	+0.40	+1.51	+0.82	+1.00	+2.52	+9.79 %
2008	+3.62	+2.90	+1.20	+2.77	+1.19	+2.24	-0.22	+1.85	+0.75	+1.68	+0.60	+0.17	+20.39 %

Fund manager's comment

We have seen various articles in the press reporting that this year's Bordeaux en primeur campaign has stalled and that there have been difficulties in finding buyers for some wines. As is often the case with such stories, especially in the general press, everything tends to be lumped into the same category in a simplistic version of a highly complex situation. To have a clear understanding of what is happening in this market, it must be reiterated that the wine sector is stratified into different sub-sectors, each of which react independently to market conditions.

When a Bordeaux premier cru or similar is released at an en primeur price of EUR 700 or EUR 800 or even EUR 1,000, it is because – beyond the quality, which must be perfect – there is usually a strong demand and low supply for these legendary wines with their centuries-old reputations for excellence and rich history of superb vintages. The fact that *Château Lafite-Rothschild* figured at the top of the list of premiers crus in the 1855 classification and is now Bordeaux's most sought-after wine boils down to cause and effect: *Lafite-Rothschild* was considered to be the greatest château well before 1855. How can one compare, in market terms, these oenological superstars with third or fourth crus, which are excellent wines, but which are released at EUR 40 or EUR 50? The key is to grasp that the impact of price increases from one year to the next is not at all the same for a premier cru as it is for wines in other categories, even second crus. The conclusion is simple: in one case the market will absorb the increase without any problem and in the other there could be difficulties in finding buyers. Let us not forget that there are only ten or at the most fifteen châteaux in the premier cru and similar category, compared to several hundred for the other estates that sell in the en primeur system: there is a huge difference in terms of numbers of bottles and it is plausible and even quite normal that there should be some difficulty in selling the lesser, more numerous wines without the same being true of the grands vins. Furthermore, 2010 en primeur prices have not changed a great deal in relation to 2009, and yet we consider it to be its equal and probably its superior in terms of finesse and longevity. So we are pleased to have been able to make our purchases on an extremely selective basis, limiting ourselves to the following wines: *Lafite-Rothschild*, *Latour* (very hard to find), *Margaux*,

Mouton-Rothschild, *Haut-Brion*, *Yquem*, *Ausone*, *La Mission Haut-Brion*, *Montrose*, *Pichon Baron*, *Clos Fourtet*, *Leoville Poyferré*, *Leoville Las Cases* and *Carruades de Lafite-Rothschild*. We have not yet obtained any *Pétrus* because it is virtually impossible to find, but it is only a matter of weeks before we succeed!

Apart from the en primeurs, we managed to acquire several very rare items such as some 1945 and 1961 *Latour* and 1945 *Romanée-Conti*, all in magnums, some mixed cases of *Domaine de la Romanée-Conti* from different vintages including the ultra-rare 1990, some 1982 *Lafite-Rothschild* in magnums, some 1982 *Lafleur* and some 1990 *Pétrus*... With these additions we can be sure that the quality of the *Nobles Crus* portfolio is being maintained at an exceptionally high standard.

We also sold certain wines this month when prices were attractive. For example, we sold some magnums of *Montrachet*, making a gain in excess of 70%, as well as several hundred bottles of 1995 *Lafite-Rothschild*, for a margin of more than EUR 100 per bottle.

The *Nobles Crus* team hopes that you enjoy your summer holidays, and will be in touch again with another monthly newsletter at the end of August.

Net Asset Value at 29.07.2011

EUR 158.89

2011 Performance

+6.00 %

Asset Under Management

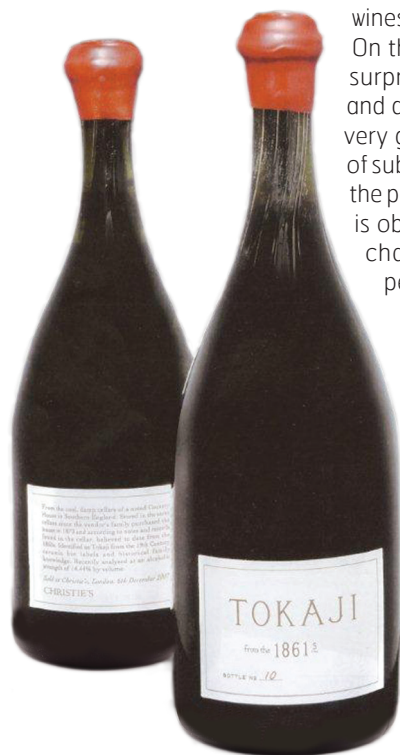
EUR 48,257,208.52

Wine of the month

1861 TOKAJI

It is not every day that one has the opportunity to taste four different bottles all from 1861. At a recent dinner we were lucky enough to enjoy this remarkable Hungarian wine, made from the Furmint grape, that is capable of ageing for incredibly long periods and is certainly one of the greatest botrytised white wines in the world.

The colour of the wine varied between the bottles from pale pink to dark amber; three bottles were crystal clear, one was slightly cloudy. The nose was fairly pronounced, suggesting dry Marsala-type aromas of rancio, with notes of prunes, nuts, orange peel and coffee. For two of the bottles, an exotic scent of saffron was clearly dominant (which is not unusual in sweet wines).



On the palate, we were immediately surprised by the extreme lightness and delicacy of the attack. After this very gentle beginning, the sensation of substance increases, without tiring the palate because the residual sugar is obviously very low. The texture is characterised by freshness and perfectly integrated acidity. The finish is well-defined without being particularly long, but let us not forget that this is a 150 year-old wine!

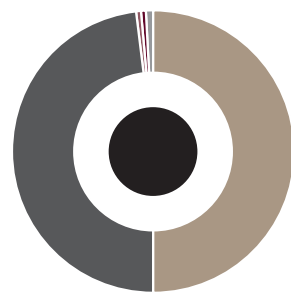
It offers us a wonderful reconnection with history: in 1861 Napoleon III was ruling France, Italy was undergoing unification and civil war was breaking out in the United States,...

Portfolio Overview

Wine	Castle	Region	Year
Lafite-Rothschild (En-Pr)	Lafite-Rothschild	Bordeaux	2009
Romanée-Conti	Domaine de la Romanée-Conti	Burgundy	2005
Lafite-Rothschild (En-Pr)	Lafite-Rothschild	Bordeaux	2010
La Tâche	Domaine de la Romanée-Conti	Burgundy	2005
Lafite-Rothschild	Lafite-Rothschild	Bordeaux	1995
Lafite-Rothschild	Lafite-Rothschild	Bordeaux	2008
Romanée-Conti	Domaine de la Romanée-Conti	Burgundy	1978
Latour	Latour	Bordeaux	1995
Mouton-Rothschild	Mouton-Rothschild	Bordeaux	1945
Romanée-Conti	Domaine de la Romanée-Conti	Burgundy	1999

(En-Pr) = En Primeur

Geographical Allocation (%)



Burgundy	50.0
Bordeaux	48.2
Piedmont	0.6
Tuscany	0.6
Misc.	0.6

Technical Information

Promotor: Elite Advisers S.A.
 Lawyers: Allen & Overy
 Depository Bank: CACEIS
 Auditors: Deloitte
 First NAV: 02.01.2008 at EUR 100
 NAV Frequency: monthly
 Dividends: capitalisation

ISIN Code: LU0332753077
 Bloomberg Ticker: ELTNOBL LX
 Launch date: 21.11.2007
 Investment Horizon: 5 years
 Fund managers: Christian Roger (Fund manager)
 Averardo Borghini Baldovineti (Co-Fund manager)
 Marco Clerici (Co-Fund manager)



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