

OWC Asset Management Limited

THE VINTAGE WINE FUND

Commentary

As is customary at this time of year, the focus on Bordeaux (see below) has resulted in rather subdued activity in the wider market with major buyers holding fire until the Bordeaux 2004 picture becomes clear. We are utilising this lull to negotiate some well priced purchases. We continue however to receive many enquiries from new (to us) private collectors and trade buyers through our trading screen. Most notable was buying interest coming from both the US and South America and there is no doubt that global demand for the core wines is increasing at a rapid pace. While the en primeur distraction has caused a slight, and we firmly believe temporary, slowing of what looks like being a prolonged steady rally in drinking vintages, prices over the month were firm across the board with modest increases in pre 1990 vintages.

At this time of year, the Bordeaux en primeur campaign is usually in full swing. However, this year the major chateaux seem to be delaying making their releases for as long as possible. It would seem that none of the top properties wishes to be the first to pitch their price level, preferring to wait and see what others have decided. While the main chateaux indulge in this stand-off, minor properties have been gradually releasing their wines and getting rather more attention than they would normally enjoy. The general picture is rather mixed, with a quite a few chateaux releasing at significant reductions to last year and others being less bold. The unanimous feeling (amongst the trade) is that in this good but not particularly memorable vintage, prices will need to be very low to generate the interest required to distribute what is a very large production.

If the Bordelais listen to the message the trade is sending, and set prices at levels more in line with 2002 than 2003, we could stand to do extremely well from this vintage. The allocations we established two years ago, in a weak market where we could almost dictate what we did and, more importantly, what we did not want to buy, contain very few of the lesser wines which can be difficult to dispose of even at cost. This really sets us apart from the average buyer, and there is every chance allocation sizes could be increased this year due to the large crop. It is still uncertain how things will evolve, but the signs so far are promising and this undoubtedly has the potential to be a profitable vintage for us.

Portfolio Breakdown - % NAV

	Red still	White still	Other
Bordeaux	68.7%	2.5%	0.0%
Burgundy	5.3%	0.4%	0.0%
Rhone	9.9%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.6%
Italy	4.7%	0.0%	0.0%
Other	0.1%	0.0%	0.4%
TOTALS	88.7%	2.9%	2.0%

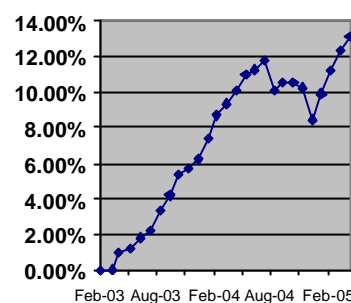
Cash – 6.3%

Wine – 93.7%

April 2005

ORDINARY SHARES

Price (€):	113.11
P&L on month:	0.68%
Year to date:	4.28%
Since inception:	13.11%
Leverage:	0.00%



Investment Manager

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Fund Structure

Domicile: Cayman Islands

Inception: 20th February 2003

Denomination: Euro (€)

Subscription: Monthly

Redemption: Quarterly

NAV: Month end by Administrator

Administrator: Olympia Capital
(Ireland) Limited

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005 (YTD)
ORD for Year	6.22%	2.12%	4.28%

2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Ord	1.34%	1.16%	1.03%	0.68%									4.28%

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