

THE VINTAGE WINE FUND

Commentary

The rally in the EUR and weak USD continued almost relentlessly throughout April however we saw the upward realignment in dollar based bids start to take place and so ended the month modestly up. A continuation of this process, as well as what looks to be a sharp oil related dollar rally in the early part of May, should see all of last month's drop quickly regained.

Volumes remained rather subdued and the market was more interested in digesting the release of Robert Parker's scores for the 2010 vintage. An air of slight apprehension seems to be hovering over the market for the moment. No-one expects release prices to be reduced from last year and there is a little uncertainty over what the level of demand for this new vintage is actually going to be. Everyone is waiting for the first release of a major name to see how well it sells through at what will unquestionably be a higher price for USD (or HKD) and GBP based purchasers. We should have the answer in the next few weeks.

Parker also published in-bottle scores for 2008 and this must have come as something of a disappointment to those who had blindly followed his initial assessment (despite it being out of step with every other commentator) only to see his views converge sharply towards the majority after bottling. For better or worse we follow our own judgment so did not own any 2008s. Of course it would have been nice to enjoy the huge rally in Mouton 2008 after the artist for the label was disclosed but we hold the crazy view that wine should be purchased on the strength of what is *inside* the bottle – if you want to own a bit of Chinese art, buy a painting! So we did not shed too many tears as we observed the price of Mouton 2008 drop 25%.

Price moves outside 2008s were almost all rather modest with the better performances coming from second tier names such as Pontet Canet and Pichon Baron while the first tier wines – particularly Latour and Cheval Blanc – slipped back as merchants sold small volumes cheaply to lighten their load of top end stocks in the run up to the major en primeur releases.

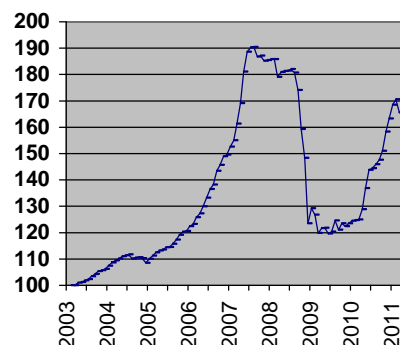
Portfolio Breakdown - % NAV

	Up to 1996	1997 – 2000	2001 and later
Cash: 0.4%			
First growths	26.0%	20.6%	25.9%
Other Bordeaux	6.6%	7.7%	11.3%
Other	0.0%	1.6%	0.0%
Wine: 99.6%	32.6%	29.9%	37.2%

April 2011

ORDINARY SHARES

Price (€):	166.54
P&L on month:	0.58%
Year to date:	1.98%
Since inception:	66.54%
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: CACEIS Fastnet Ireland

ISIN: KYG9368H1103
Bloomberg: VWFUNDO:KY

For further information please contact the Investment Manager

	2003	2004	2005	2006	2007	2008	2009	2010	2011 YTD				
ORD	6.22%	2.12%	11.18%	23.97%	23.97%	-33.37%	0.02%	32.21%	1.98%				
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.72%	0.24%	0.18%	3.11%	6.24%	5.08%	0.36%	1.06%	1.15%	2.32%	4.86%	3.17%	32.21%
2011	3.14%	1.27%	-2.93%	0.56%									1.98%