

THE VINTAGE WINE FUND

Commentary

February was another month of brisk trade. Quite what happened to prices depended on who you were – or rather where you were. GBP prices quoted in London were up around 3% which meant for anyone thinking in Euros prices were about flat and if you were paying in USD prices were about 3% lower and in Yuan about 5% lower at the end of the month compared with the start! However it seems fair to say that with demand very firm, the market is well supported and it is likely that if the recent gains by the dollar are maintained, then further upward adjustments to prices in UK/Europe will be felt – especially since virtually none of the demand is from buyers measuring the cost in GBP or EUR. As mentioned before, it will be a month or two before the Fund will enjoy the benefit of recent moves for the reasons which were outlined in last month's report.

It is interesting that currently demand very neatly splits into two distinct and complementary parts. Demand from the US seems mainly focused on wines in the second tier – e.g. wines such as Gruaud Larose 2000, Leoville Poyferre 2003, Grand Puy Lacoste 1996. Heading in the other direction - East - are the first growths with Lafite (and Carruades de Lafite) still leading the way but now joined by all the others including Cheval Blanc and Ausone.

The excitement is mounting over the 2009 vintage as the annual tastings in Bordeaux will take place at the end of March. We will be visiting all the first growths and the top seconds during the second week of April and by the time of the next report will know whether the excitement was justified. Where will 2009 fit in amongst the other great vintages of the decade – 2000 and 2005 and to some extent 2003 – both in terms of price and quality? Will increased familiarity with the workings of the wine market and the en primeur system lead to greater participation from Asian buyers? Will an en primeur campaign of a highly rated vintage capture the attention of European and UK collectors and kick start a reawakening of demand from those quarters? All will become clear over the coming months.

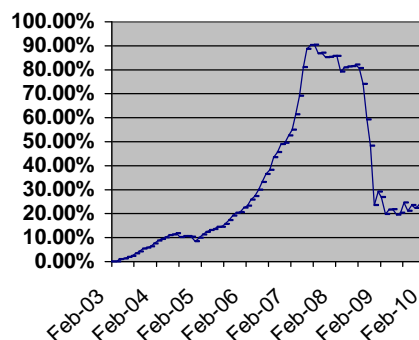
Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
Cash: 4.2%			
First growths	14.7%	21.4%	31.2%
Other Bordeaux	3.0%	4.8%	19.4%
Other	0.0%	1.3%	0.0%
Wine: 95.8%	17.7%	27.5%	50.6%

February 2010

ORDINARY SHARES

Price (€):	124.72
P&L on month:	0.25%
Year to date:	0.97%
Since inception:	24.72%
Leverage:	0.00%



Investment Manager

OWC Asset Management Limited
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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: Fastnet (Ireland) Ltd

ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006	2007	2008	2009	2010 (YTD)					
ORD for Year	6.22%	2.12%	11.18%	23.97%	23.97%	-33.37%	0.02%	0.97%					
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	4.61%	-1.83%	-5.51%	1.53%	0.09%	-1.82%	0.61%	3.57%	-2.81%	2.04%	-0.93%	0.92%	0.02%
2010	0.72%	0.24%											0.97%