

THE VINTAGE WINE FUND

Commentary

The momentum we have been building up continued throughout June. We have been making excellent profits thanks to the 2009 vintage without necessarily owning much of it! The high - sometimes ludicrously high - prices of the 2009 wines have created a multitude of trading opportunities and we have been busy exploiting these. As the various top chateaux released their wines in the final stages of the campaign the more obvious anomalies were clear but many less obvious opportunities also presented themselves and even more have emerged and will continue to open up as different segments of the market adjust at different paces. It will take some months for the market to fully digest and react to all of the implications of the en primeur campaign but these sorts of conditions play right into our hands. The outperformance we have been enjoying over the last few months looks set to continue.

Just as the 2009 campaign was entering its final stages - Robert Parker published a very timely update of his scores for all the top 2000 Bordeaux. Upgrades included Leoville Poyferre which was awarded 97 points (previously 95): its price rose about 15%. This serves to remind us of the brainwashed dependency on Parker scores of a particular sort of wine drinker who seem to regard their own preferences - if indeed they have any - as irrelevant. They can only enjoy wines which are highly regarded by this one individual - a bit like teenagers only buying brands favoured by some celebrity. For them, prior knowledge of the score is essential for appreciating a wine and so the score actually becomes a quality of the wine as concrete as its pH or phenolic index. Poyferre 2000 now just *is* a 97 point wine. A few days ago it was not, but of course it was the same wine: or was it? For this group of babies suckling on the breast of Parker scores, a bottle they drink today will give them more pleasure than one drunk a week ago - it is in fact for them now a different wine!

Three decades ago, when Parker emerged on the scene, his simple scoring system was just the thing to reveal, through the murk of an antiquated wine market, the inadequacies of under-achieving wine producers hiding behind famous names. His early books gave a generation the confidence to ignore the establishment nonsense and recognise their own preferences and develop their own understanding. But with those original goals totally achieved, we need to ask if awarding scores in a simplistic and possibly even demeaning way to complex fine wines is appropriate or even desirable. Indeed, when sections of the current generation are in danger of getting as mesmerised by Parker scores as the previous generation was by the establishment bores it seems clear that the babies need weaning and Parker is the only person who can do it.

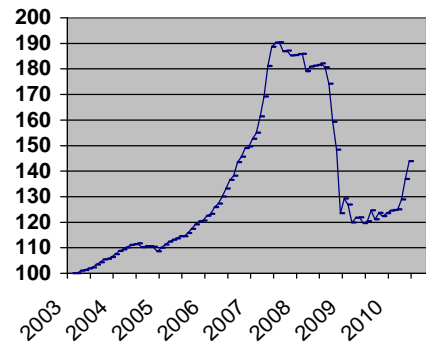
Portfolio Breakdown - % NAV

	Up to 1990	1991 - 1999	2000 and later
Cash: 3.5%			
First growths	13.9%	22.4%	33.6%
Other Bordeaux	2.5%	5.1%	17.6%
Other	0.0%	1.4%	0.0%
Wine: 96.5%	16.4%	28.9%	51.2%

June 2010

ORDINARY SHARES

Price (€):	143.81
P&L on month:	5.08%
Year to date:	16.43%
Since inception:	43.81%
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%	16.43%					
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%	0.18%	3.11%	6.24%	5.08%							16.43%