

THE VINTAGE WINE FUND

Commentary

Another very positive month in the market and the end of the first quarter marks the moment that the Fund finally completely shakes off the burden of the historical outflows. With our asset base now returned to stability and the excitement of a great vintage coming at just the right time (thank goodness it was not last year) the Fund is on the brink of a tremendously exciting period and the next few months will see us burst back into life. April is already shaping up very nicely.

Two years ago we were a large fund (in wine terms) operating in a market which has limited capacity and limited liquidity even at the best of times. We have learned that this compromised returns and made for a very unwieldy entity when the market environment turned nasty. We will not go there again: while we are delighted that some investors have very recently decided to add to their positions at this exciting time, we are not actively marketing the fund/seeking new investors. Our focus is on our current investor base and over the next nine months we are determined to make back a significant portion of lost ground; retaining our rather more modest size will magnify the positive contribution of our active portfolio management and accelerate the recovery in share price.

If bulky size was a mistake, many other aspects of the Fund have proved to be invaluable. The unparalleled relationships with producers, negociants and intermediaries in Bordeaux and elsewhere were the key to making the necessary disposals which would quite simply have been impossible for a less well connected operator; our live dealing screen enabled us to access major importers, particularly in the important Asian markets, which would otherwise have been unknown to us; robust analytics and our strict discipline meant that the disposals made were the right ones, not just the easiest ones, and so the portfolio we now have is optimal in design for the current market. It is precisely these features that will now give us the ability to bounce back all the more quickly – the transition from a cumbersome beta monster to an agile alpha-generating creature is complete.

That will hopefully be the last time we refer to the past! The immediate future is of course all about 2009 Bordeaux. Our tastings at the properties were fascinating as this is an entirely different vintage from 2000 or 2005. As the campaign will be slow-starting and probably long we will postpone detailed comment for now. But the number of visitors passing through Bordeaux for the tastings has been incredible and the excitement surrounding this vintage is having a knock-on effect on the wider market. Everything seems set for memorable few months.

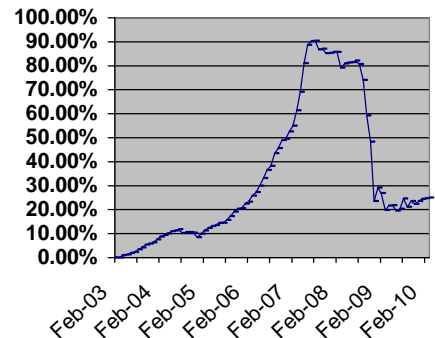
Portfolio Breakdown - % NAV

| | Up to 1990 | 1991 – 1999 | 2000 and later |
|--------------------|--------------|--------------|----------------|
| Cash: 3.1% | | | |
| First growths | 14.4% | 22.2% | 31.9% |
| Other Bordeaux | 3.0% | 5.2% | 18.9% |
| Other | 0.0% | 1.4% | 0.0% |
| Wine: 96.9% | 17.4% | 28.8% | 50.8% |

March 2010

ORDINARY SHARES

| | |
|------------------|--------|
| Price (€): | 124.94 |
| P&L on month: | 0.18% |
| Year to date: | 1.15% |
| Since inception: | 24.94% |
| 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% | 1.15% | | | | | |
| 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% | | | | | | | | | | 1.15% |