

THE VINTAGE WINE FUND

Commentary

February was a rather uninteresting month in terms of price movements with there only really being one noteworthy area which was 2001 southern Rhones which were given an updated review by Parker. On the whole, the scores moved upwards, particularly amongst the special cuvees, confirming that the vintage is one of the best in recent years. The trio of 1998, 2000 and 2001 have been a wonderful success in this region and we have been in the process of increasing our exposure to the 2001 in particular. Incidentally, 2002 is a virtual wash-out due to the torrential storms, but 2003 could turn out to be spectacular although quantities will be limited – good news for us now that we have our allocations secured.

We have continued the process of increasing the Burgundy contribution to the portfolio mentioned last month, mainly in the 1999s, 2001s and 2002s. It is slow work and the quantities are extremely limited, but it would be a mistake to overlook the sometimes spectacular returns achieved by the top wines in the best vintages.

We are keen to attract any private collectors, currently unknown to us, who are looking to sell their wine provided we can be sure that the wine has been stored correctly and that the condition is perfect. Investors may have noticed the Fund's notice in the weekend edition of the Financial Times which we are running with this aim in mind. We have received an excellent response and although there is a fair amount of work involved in the inspection of the wine and the various logistics, we feel that the purchase prices we can achieve justify the extra effort. Many private collectors are frustrated by the fact that wine merchants are unwilling to make firm cash bids for their wine (preferring to list the stock on the client's behalf for a commission). They often resort to auctions where commissions are huge and selling prices uncertain. By simply being able to make firm bids and pay promptly we can secure parcels at very attractive prices.

At the end of March we will be travelling to Bordeaux for the annual primeur tastings and have appointments with all the top chateaux. The vintage could be exciting for us. The quality looks to be high and release prices should be very reasonable. Although this will not be a replay of 2000, there could be some very quick profits to be made.

Portfolio Breakdown - % NAV

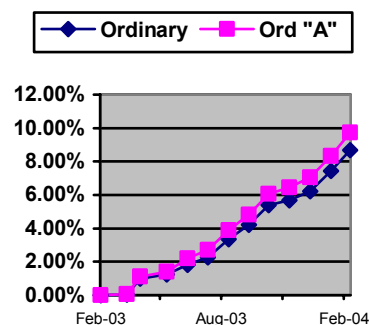
	Red still	White still	Other
Bordeaux	42.3%	1.2%	0.0%
Burgundy	4.3%	0.6%	0.0%
Rhone	11.1%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.7%
Italy	4.8%	0.0%	0.0%
Other	0.1%	0.0%	0.2%
TOTALS	62.6%	1.8%	1.9%

Cash – 33.8 %

Wine – 66.2%

February 2004

	Ord	Ord "A"
Price (€):	108.69	109.74
P&L on month:	1.17%	1.30%
Year to date:	2.33%	2.52%
Since inception:	8.69%	9.74%
Leverage:	0.00%	0.00%



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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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Ord	-	-	0.02%	0.97%	0.24%	0.59%	0.42%	1.08%	0.82%	1.12%	0.29%	0.50%	6.22%
"A"	-	-	0.07%	1.04%	0.31%	0.78%	0.49%	1.15%	0.89%	1.19%	0.36%	0.56%	7.04%
2004	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Ord	1.14%	1.17%											2.33%
"A"	1.21%	1.30%											2.52%