

# THE VINTAGE WINE FUND

## Commentary

We have had a very quiet month in the wine market mainly due to the focus of everyone's attention being the soon to be released 2003 vintage from Bordeaux. As wine merchants, commentators and collectors descended on Bordeaux for the annual round of tastings there were high hopes of a very successful vintage – at least in some areas. It was the general view that the incredibly hot summer would have provided the conditions for spectacular wines for those with skill, judgement and a little luck but could easily mean hot, cooked wines for those who got it wrong.

These predictions were proved to be pretty accurate and there are a number of wines – mainly in the Northern Medoc – which have produced something very special and quite unique: wines with the upfront appeal of sweet, ripe fruit but concealing enormous yet fully integrated and soft-edged tannins. A number of properties have produced better wines than in 2000. The pit-falls are mainly to be found in the right bank appellations of St Emilion and Pomerol. Here the quality is much more variable with the earlier picked Merlot grapes not getting the same benefit from mid September rains. There are however a number of very impressive wines.

What this means for the Fund is that the committed allocations which we established last year are quite simply going to return excellent profits this year. How much will depend on release prices. Investors will remember that the 2002 vintage was released very cheaply in an atmosphere of economic pessimism and a shortage of US buyers. This was one reason why we made good profits even from this fairly uninspiring vintage. However it is also good news for this year as it sets a low level for producers on which to base their 2003 price. No doubt some will be happy to make large increases given the hype already beginning to attach to the vintage, however the pattern of a sequence vintages with declining prices followed by a vintage like 2003 is for us an ideal scenario.

More news on this after the wines have been released. As for March, we traded around our positions generating bid-offer margin trading profits in a market which was basically static in terms of price. All eyes are now firmly on 2003 Bordeaux and everyone eagerly awaits the verdict of Robert Parker and the start of a very exciting en primeur campaign.

## Portfolio Breakdown - % NAV

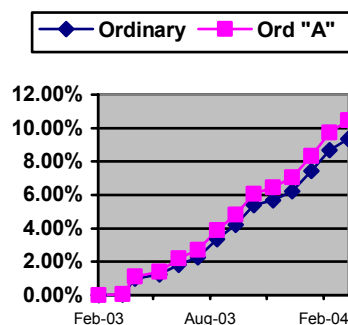
	Red still	White still	Other
Bordeaux	45.1%	1.7%	0.0%
Burgundy	4.6%	0.6%	0.0%
Rhone	11.5%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.9%
Italy	4.4%	0.0%	0.0%
Other	0.1%	0.0%	0.2%
<b>TOTALS</b>	<b>65.7%</b>	<b>2.3%</b>	<b>2.1%</b>

Cash – 29.9%

Wine – 70.1%

## March 2004

	Ord	Ord "A"
Price (€):	109.34	110.47
P&L on month:	0.60%	0.67%
Year to date:	2.94%	3.20%
Since inception:	9.34%	10.47%
Leverage:	0.00%	0.00%



## Investment Manager

OWC Asset Management Limited  
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## Fund Structure

Domicile: Cayman Islands  
Inception: 20<sup>th</sup> 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%	0.60%										2.94%
"A"	1.21%	1.30%	0.67%										3.20%