

THE VINTAGE WINE FUND

Commentary

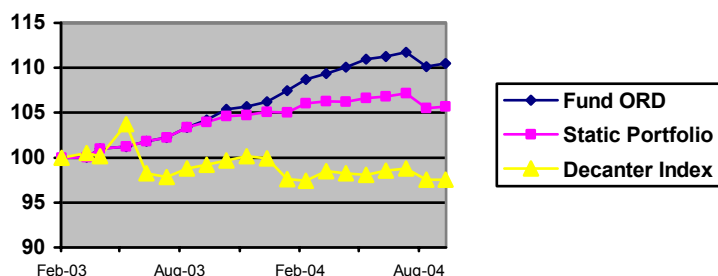
During September we completed negotiations on an excellent large parcel of Bordeaux purchased from a private collector. This transaction represented the first third of the seller's total planned disposals and we are confident that we will now be able to secure the whole cellar. The wines are in top condition – we have (as is usual) had every single case opened and photographed - and the purchase prices are very favourable.

Price action continues the trend of the last six months with older rarer vintages showing strong gains while younger wines are relatively dormant. However, the strong performance in mature wines clearly points to healthy underlying demand for fine wine and as the younger wines approach maturity and get consumed there is a great deal of room for large and, in some cases, very dramatic increases.

Weak sterling continues to dampen some of our valuations in Euro terms. However, sterling prices are beginning to adjust and (if the currency weakness proves to be persistent) will eventually compensate for recent moves and we should see these temporary losses regained.

The graph below may be of interest and shows three data series:

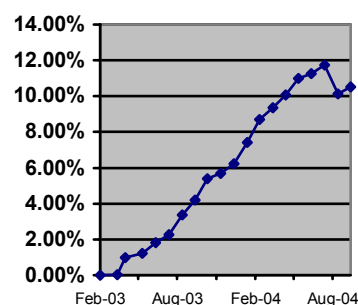
- The Fund share price – the total performance of the Fund including the active portfolio management/relative value adjustments effected through our two-way pricing screens.
- the performance of the static portfolio as defined by our basic selection criteria without any active management
- the Decanter magazine Bordeaux Index which is a fair representation of the fine wine market in general.



September 2004

ORDINARY SHARES

Price (€):	110.51
P&L on month:	0.35%
Year to date:	4.04%
Since inception:	10.51%
Leverage:	0.00%



Investment Manager

OWC Asset Management Limited
6th Floor 159-173 St John Street
London EC1V 4QJ

Telephone: +44 (0) 20 7553 4314
Fax: +44 (0) 20 7553 4315
Email: info@owcam.com

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)

Portfolio Breakdown - % NAV

	Red still	White still	Other
Bordeaux	57.0%	2.4%	0.0%
Burgundy	4.9%	0.6%	0.0%
Rhone	10.2%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.8%
Italy	4.7%	0.0%	0.0%
Other	0.1%	0.0%	0.1%
TOTALS	76.9%	3.0%	1.9%

Cash – 18.1%

Wine – 81.9%

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%
2004	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Ord	1.14%	1.17%	0.60%	0.66%	0.84%	0.24%	0.42%	-1.43%	0.35%				4.04%