

OWC Asset Management Limited

THE VINTAGE WINE FUND

Commentary

In what is usually a very quiet month in the fine wine market (the lull before the storm of en primeur) activity remained remarkably high and prices continued their steady climb. This time it was the turn of the very young vintages to take centre stage with the main movements being in 2003 and 2004 Bordeaux. The almost forgotten vintages of 2001 and 2002 however also showed signs of springing into life and so the rally which had its roots many months ago in the mature vintages continues its spread into all sections of the market.

The main market moving event of the month was the “in bottle” report from Robert Parker where all the 2003 Bordeaux wines were re-rated following his tastings after bottling. Latour and Lafite were awarded 100 points while Margaux received 99. With the legendary status of these wines accordingly confirmed, prices pushed higher some 20%. Montrose which had been tipped as a possible 100 pointer came in at 97+ which the market saw as neutral to slightly negative, but no major selling ensued and the wine seems fairly priced for the time being. The biggest mover came from Leoville Poyferre which with a score of 98 points jumped 70%. We had built a nice position in this wine as even before the upgrade, with a score of 94-96, it was undervalued at around 45 Euro.

As 2003s were jumping, the 2004 vintage also started to attract a fair amount of interest and the vintage is beginning to gain something of a reputation for comparatively cheap, high quality, classically styled wines. Margaux in particular seems to be very much sought after but we managed to beat the rush to get our positions topped up - all in the secondary market as Bordeaux seems to have shut off supplies of this vintage for the time being – another sign that the prices are on the up.

So what of 2005 en primeur? No major wines have been released and the expectation is for the campaign not to take off properly until early June. We visited Bordeaux at the end of the month and can confirm (if there was any need for confirmation) that the wines are excellent and fascinating. Prices will seem high, but one must not forget how much the market has moved up over the last two years. The 2005 first growths are truly great young wines and so it is only reasonable for release prices to take into account the **current** price of other great wines - both young and old. Those who think release prices should somehow be related to previous years' **release** prices are literally stuck in the past.

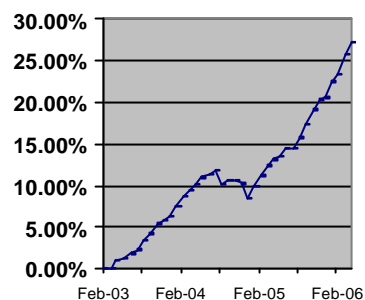
Portfolio Breakdown - % NAV

Cash – 5.6%	Red still	White still	Other
Bordeaux	78.5%	1.9%	0.0%
Burgundy	3.3%	0.2%	0.0%
Rhone	5.5%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.6%
Italy	3.3%	0.0%	0.0%
Other	0.0%	0.0%	0.2%
Wine – 94.4%	90.5%	2.1%	1.8%

April 2006

ORDINARY SHARES

Price (€):	127.22
P&L on month:	1.13%
Year to date:	5.49%
Since inception:	27.22%
Leverage:	0.00%



Investment Manager

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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
ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006 (YTD)									
ORD for Year	6.22%	2.12%	11.18%	5.49%									
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	1.34%	1.16%	1.03%	0.68%	0.34%	0.78%	0.06%	1.08%	1.39%	1.51%	1.06%	0.23%	11.18%
2006	1.50%	0.69%	2.06%	1.13%									5.49%

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