

THE VINTAGE WINE FUND

Commentary

In what is usually a quiet month with traders awaiting the start of the en primeur campaign, we saw high trading volumes and another surge in prices amongst the very top wines. The Fund has now gained 13.1% since the start of 2007 and since this most recent wave of demand started at the end of August 2006, it has returned 22.4%. The biggest moves in April were in fact confined to a handful of wines – Chateau Lafite Rothschild once again being the top performer – and there are many second tier wines which look set to put in strong rallies over the next few months as they catch up, at least to some extent, with the market leaders.

Although there is still a great deal of uncertainty over the price at which the first growths will release their 2006 wines, there is a belief that, even with the much hoped for sizeable discount to 2005 prices, the wines will still seem expensive compared to vintages such as 2001, 2002 and 2004. To take Lafite as an example, the 2005 release price was 360 Euro and at the start of April the 2001 was trading at around 215 Euro. For the 2006 (which is rated similarly to the 2001) to be seen as good value compared to the 2001, a 40% reduction in release price would be necessary and this is being perceived as unlikely. Hence there has been strong demand for 1999, 2001, 2002 and 2004 first growths with good ratings. As a result the Lafite 2001 ended the month at around 240 Euro. These vintages may continue to do well if release prices over the next few weeks suggest the discount to 2005 may not be as high as some hope.

The publication of the 2006 ratings from Robert Parker was accompanied by his updated ratings of all the 2005 wines. This confirmed the very high quality of the 2005 vintage with an incredible number of wines scoring 98-100 or 96-100. The 2005 wines had until recently looked somewhat expensive compared to the market as a whole; however, with every vintage from 1982 to 2004 having pushed significantly higher since the 2005s were released, the boost provided by the Parker report arrived just as that vintage was actually beginning to look quite reasonably valued (the one exception being the very overpriced Lafite). We have therefore seen quite a sharp leap in 2005 prices in the last week.

The first few 2006s have been released and the campaign will get into full swing over the next month or so. Normally, activity in other vintages would virtually cease, but this year that seems extremely unlikely.

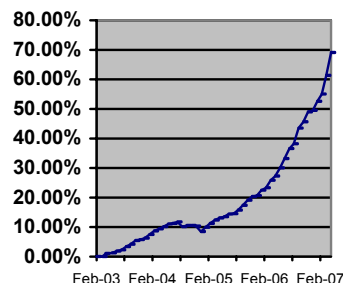
Portfolio Breakdown - % NAV

Cash – 5.3%	Red still	White still	Other
Bordeaux	90.5%	0.8%	0.0%
Burgundy	0.1%	0.0%	0.0%
Rhone	1.1%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.8%
Italy	0.4%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Wine – 94.7%	92.1%	0.8%	1.8%

April 2007

ORDINARY SHARES

Price (€):	169.11
P&L on month:	4.81%
Year to date:	13.11%
Since inception:	69.11%
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		2007 (YTD)				
ORD for Year	6.22%		2.12%		11.18%		23.97%		13.11%				
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006	1.50%	0.69%	2.06%	1.13%	2.15%	2.47%	2.50%	1.22%	3.80%	1.51%	2.31%	0.37%	23.97%
2007	2.03%	1.57%	4.13%	4.81%									13.11%