

# THE VINTAGE WINE FUND

## Commentary

Most of the month was spent in anticipation of how Robert Parker would rate the new 2007 vintage from Bordeaux and, more importantly, what he would say when he reappraised the 2005 wines from bottle. His report came out just after month end and it was difficult to judge exactly how the market would react. Essentially he confirmed his opinion that 2005 is a landmark vintage but really only when viewed as a whole. At an individual wine level, and especially amongst the first growths, 2005 is not the highest rated vintage, with several other vintages being preferred – notably 2000 and 1996. This came as something of a shock in some quarters and although some price action has already been observed we will be able to describe better the market response next month.

Foreign exchange volatility continues to constantly narrow and widen the anomalies between prices in various trading centres and it is not always easy to see what the fundamental direction of movement in values is. It would seem clear that on top of the wave of selling in late 2007 there have been further sizeable discrete disposals over the last few months which have kept inventories topped up, particularly in London. There have perhaps been some moments when we thought the market was ready to resume its strong upward trend only to see further supply emerge and it has been frustrating to see the process of working through these abnormally high inventories take rather longer than we hoped.

But there is one important fact to bear in mind – the demand has never wavered and indeed it has been steadily growing for several years now. If there was an imbalance between overall (as opposed to short term) supply and demand ten years ago, there is even more of an imbalance now. The consumers around the world have had it too easy for the last nine months as stocks have been made available by people who have often spent years collecting them - and indeed it would take years to replace them for the wines they have sold are being consumed. But the tap of supply is only dripping now and when it runs dry those same consumers will be reminded that the very limited production of the greatest and most fascinating wines is simply not big enough to satisfy the thirst of *all* the world's drinkers – and that is when the bidding battle will start again.

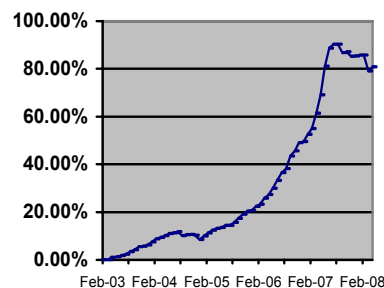
### Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
<b>Cash – 0.2%</b>			
First growths	11.7%	26.3%	35.1%
Other Bordeaux	4.8%	5.4%	15.6%
Other	0.0%	0.8%	0.1%
<b>Wine – 99.8%</b>	<b>16.5%</b>	<b>32.5%</b>	<b>50.8%</b>

April 2008

### ORDINARY SHARES

Price (€):	180.86
P&L on month:	1.00%
Year to date:	-2.42%
Since inception:	80.86%
Leverage:	0.00%



### Investment Manager

OWC Asset Management Limited  
6<sup>th</sup> Floor 159-173 St John Street  
London EC1V 4QJ  
FSA reference number: 211721

Telephone: +44 (0) 1723 355962  
Email: [info@owcam.com](mailto:info@owcam.com)

### 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

ISIN: KYG9368H1103

### For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006	2007	2008 (YTD)							
<b>ORD for Year</b>	<b>6.22%</b>	<b>2.12%</b>	<b>11.18%</b>	<b>23.97%</b>	<b>23.97%</b>	<b>-2.42%</b>							
<b>ORD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD</b>
<b>2007</b>	2.03%	1.57%	4.13%	4.81%	7.03%	4.20%	0.86%	0.05%	-1.86%	0.15%	-1.00%	0.08%	<b>23.97%</b>
<b>2008</b>	0.21%	0.01%	-3.60%	1.00%									<b>-2.42%</b>