

THE VINTAGE WINE FUND

Commentary

This report will be fairly brief as August was, as it always is, a fairly quiet month in the fine wine market. However, it is a sign of the underlying strength in the market that even on fairly low volumes, prices continued moving higher. The main price moves were seen in the two top 1986's – Lafite and Mouton – which were the target of some investment buying and significant moves were also seen in Cheval Blanc from 1995, 1998, and 2000 and (once again) in Lafite, Latour and Margaux 1996.

We were able to complete a few final trades with Bordeaux negociants before they all disappeared on holiday for most of the month. These deals - which mainly comprised first growths from 1996 and 2003 - were the major ones for the month although the fairly quiet market conditions did allow us to pick up small quantities here and there at attractive prices in the London market.

By the end of August activity was picking up again and with the return of the main players in Bordeaux we were able to commence working on several large orders which will get our investment ratio back to full investment following the inevitable dip after the last wave of subscriptions which were received prior to the Fund closing. At the time of writing a number of these deals have already been completed but full details of this belong to next month's report. Suffice to say for now that the process of investing this final tranche is well advanced.

As mentioned last month, we are working on an upgrade to the two-way market-making screen and putting in place the necessary infrastructure to grow this part of the business into a very major trading operation. This will launch in the next few weeks and is an exciting development. Although the platform will be open to all categories of client wishing to buy or sell wine, the emphasis will be on quoting significant volume for the negociant, wholesale and export markets as well as larger private investors and collectors.

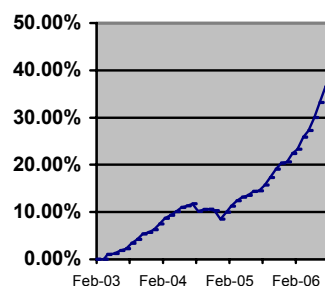
Portfolio Breakdown - % NAV

Cash – 18.8%	Red still	White still	Other
Bordeaux	74.1%	1.0%	0.0%
Burgundy	1.0%	0.0%	0.0%
Rhone	2.5%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.2%
Italy	1.4%	0.0%	0.0%
Other	0.0%	0.0%	0.1%
Wine – 81.2%	78.9%	1.0%	1.3%

August 2006

ORDINARY SHARES

Price (€):	138.17
P&L on month:	1.22%
Year to date:	14.57%
Since inception:	38.17%
Leverage:	0.00%



Investment Manager

OWC Asset Management Limited
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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%	14.57%									
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%	2.15%	2.47%	2.50%	1.22%					14.57%