

THE VINTAGE WINE FUND

Commentary

As is often the case in the wine market, August was a quiet month. Activity was very subdued and in an attempt to prop up sales, a few European merchants offered brief discounts on some lines of stock which is the main reason for the dip in share price. For UK merchants a weak GBP is doing the discounting for them so prices in London were static. Although it generally takes a few weeks to wind up to full speed we have already seen activity levels pick up as buyers return from their summer break.

There is really very little to report or to add to our outlook expressed in the reports over the last few months. However, there are signs that the sudden and dramatic appreciation of the USD against both GBP and EUR will bring US buyers back to the market. From discussions with some of the major US importers, it is clear that inventory levels of top end European wine are very low and many retailers are thinking about building up stocks. It has been a long time coming and it is too early to get too excited about a rush of US demand but this is certainly a positive development.

With not much in the way of market news, a brief word on the new vintage: harvesting of the white grapes has begun in Bordeaux and reds will start to be picked towards the end of September. August was too cold and too wet for anyone to expect anything great to emerge from 2008 even if September turns out to be uncommonly warm and sunny. So it would seem that, for the next 18 months at least, collectors will be focused on the vintages up to and including 2005 – all now in bottle – and the en primeur stocks in barrel at the chateaux will hold little interest.

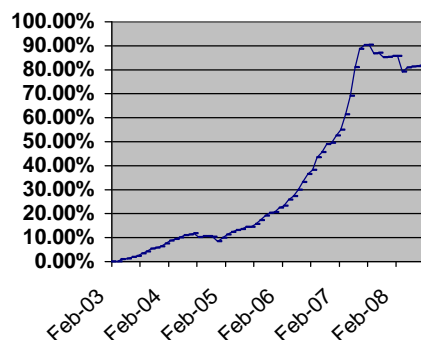
Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
Cash: 0.0%			
First growths	11.4%	28.0%	35.6%
Other Bordeaux	4.7%	4.9%	14.4%
Other	0.0%	0.8%	0.1%
Wine: 100.0%	16.2%	33.7%	50.1%

August 2008

ORDINARY SHARES

Price (€):	180.61
P&L on month:	-0.77%
Year to date:	-2.56%
Since inception:	80.61%
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: Fastnet (Ireland) Ltd

ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006	2007	2008 (YTD)							
ORD for Year	6.22%	2.12%	11.18%	23.97%	23.97%	-2.56%							
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	2.03%	1.57%	4.13%	4.81%	7.03%	4.20%	0.86%	0.05%	-1.86%	0.15%	-1.00%	0.08%	23.97%
2008	0.21%	0.01%	-3.60%	1.00%	0.20%	0.11%	0.33%	-0.77%					-2.56%