

THE VINTAGE WINE FUND

Commentary

The market continued to trade very steadily throughout the month although volumes were modest. End user demand, mainly from the US and Asia, continued to gradually soak up cheap stock from London. US based buyers seem to favour second or third growths such as Pichon Comtesse and Grand Puy Lacoste from good vintages whereas the flows to the Far East are dominated currently by less expensive vintages of first growths – 2001, 2002, 2004 – and in particular Lafite and Mouton Rothschild. Demand for the most expensive wines – e.g. Petrus 1989, 1990 and top vintages of first growths – is still there but is more erratic and with no geographical bias.

Among more speculative buyers, the level of low underlying “vulture” bids remained firm and in some cases even edged slightly higher. Although headline offer prices have not moved, we have seen several discounted deals go through in reasonable size on the bid side. We are anxious not to overstate our values by ignoring the levels of real transactions hence our negative monthly performance.

Looking forward, with the UK government using every possible piece of firepower at their disposal to stimulate their domestic economy we will undoubtedly see very high volatility in the value of sterling versus the euro and our NAV with its sensitivity to this rate is unfortunately going to reflect that volatility as well. For buyers in EUR or USD, the price of fine wines offered by London merchants is as low as it has been for over three years and is around 40% lower than the peak in 2007. This can only accelerate the depletion of the stockpiles of wines offloaded in the UK by cash hungry profit-takers throughout last year. So although EUR based valuations are being nastily effected by weak sterling, it is perhaps some sort of consolation that the greater the pain becomes, the shorter it will probably last.

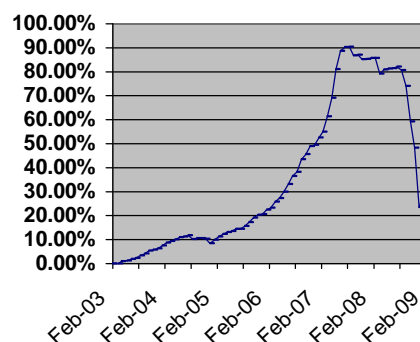
Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
Cash: 0.5%			
First growths	13.2%	25.9%	31.5%
Other Bordeaux	4.6%	5.3%	18.3%
Other	0.0%	0.7%	0.1%
Wine: 99.5%	17.8%	32.0%	49.8%

February 2009

ORDINARY SHARES

Price (€):	126.82
P&L on month:	-1.83%
Year to date:	2.69%
Since inception:	26.82%
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: Fastnet (Ireland) Ltd

ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006	2007	2008	2009 (YTD)						
ORD for Year	6.22%	2.12%	11.18%	23.97%	23.97%	-33.37%	2.69%						
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	0.21%	0.01%	-3.60%	1.00%	0.20%	0.11%	0.33%	-0.77%	-3.59%	-8.56%	-6.88%	-16.71%	-33.37%
2009	4.61%	-1.83%											2.69%