

OWC Asset Management Limited

THE VINTAGE WINE FUND

Commentary

We can report another satisfactory month where prices pushed steadily higher on the back of very solid global demand with that demand extending from first growth 1982 Bordeaux wines at nearly 1000 Euros per bottle to Cru Bourgeois 2003 wines at less than 25 Euros per bottle. The month was steady rather than spectacular but as we entered March the rally was undoubtedly accelerating once again.

With buying pressure affecting all regions, not just Bordeaux, we disposed of some fairly large (in terms of number of cases rather than value) holdings of basic Chateaufort du Pape which we feel have limited further upside in part due to the high relative storage costs of holding wines at this price level. The Rhone valley is the one region where we have strayed a little too far down the price scale and although the holdings of less expensive wines from this region have never been significant as a proportion of our portfolio (less than 1%) we are keen to move them out. This process of focusing our Rhone portfolio around a fairly small number of the best wines is now well progressed and the 7% or so of our portfolio invested in this region is now predominantly in the best vintages of wines such as Guigal single vineyard Cote Roties, Jaboulet Hermitage la Chapelle and a handful of the best top cuvee Chateauforts.

This desire to keep the portfolio focused on the core target wines is something we apply rigorously to every region and requires constant weeding out of those wines acquired as part of bigger parcels but which are not the best long term prospects. So as well as the Chateauforts mentioned above, this month has seen the disposal of several 2000 Barolos and some second tier 2002 and 2003 Bordeaux – all decent wines sold at a reasonable profit but not possessing the medium to long term potential of our core holdings.

It is around now that the temptation to speculate on the forthcoming en primeur release in Bordeaux begins to get almost irresistible. There is a great deal of excitement about the quality of the vintage and even more speculation on the release prices. We will not discuss this just yet but with the expectation of a successful and expensive vintage the chateaux and negociants are willing to consider offers for their excess stocks of other recent vintages and we have been able to acquire a number of well priced parcels of some target wines mainly from the 2000 vintage.

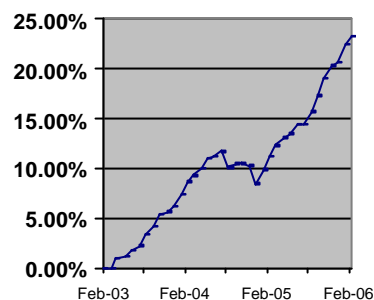
Portfolio Breakdown - % NAV

Cash – 6.4%	Red still	White still	Other
Bordeaux	74.0%	2.2%	0.0%
Burgundy	4.5%	0.3%	0.0%
Rhone	7.2%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.5%
Italy	3.8%	0.0%	0.0%
Other	0.0%	0.0%	0.2%
Wine – 93.6%	89.5%	2.4%	1.7%

February 2006

ORDINARY SHARES

Price (€):	123.26
P&L on month:	0.69%
Year to date:	2.20%
Since inception:	23.26%
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

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005	2006 (YTD)									
ORD for Year	6.22%	2.12%	11.18%	2.20%									
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%											2.20%

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