

THE VINTAGE WINE FUND

Commentary

February saw steady growth across all maturities on the back of continued strong demand. Far Eastern and UK collectors were most prominent with European and US buyers less active. Top performers were Ausone and Lafite from all vintages while the ultra top end wines such as Petrus and Le Pin seem, for the moment, to be taking a break from the action.

Following a trip to visit the top buyers in Macau, Hong Kong and Singapore we can report that demand is extremely healthy with importers reporting unprecedented interest from both collectors and individuals purchasing for immediate consumption. The status of top-end wine in this region has always been high but there seems to be more and more people desirous of owning and drinking the best wines. Gaming turnover in Macau now compares to that of Las Vegas and on the back of this, the hotels and casinos, old and new, are selling ever greater quantities of the world's top wines, the production of which of course remains ever static.

The wine of the moment is without doubt Lafite Rothschild followed closely by Ausone. We have seen prices for Lafite significantly outperform the other first growths in just about every vintage. The spike in Lafite prices has opened up some switching opportunities and Mouton 1982, Leoville Lascases 1982, Latour 2000 and Margaux 1996 now all look like good value compared to Lafite. Although it may not be imminent, it is likely that the current fascination with Lafite will ultimately move, or perhaps simply spread, to the other first and super second growths and prices will come back into line.

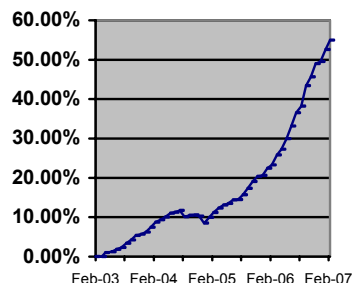
In terms of price, Ausone has long left its St Emilion rival Cheval Blanc far behind (explained partly by the much bigger production at the latter) and is now part of the ultra-elite group containing Petrus, Le Pin and (in top vintages) Lafleur. In contrast to the above situation, we view this outperformance as permanent and it perhaps has even further to go. Ausone in recent years has consistently produced unique, mesmerizing wines in tiny quantities and belongs firmly in this top price bracket.

With en primeur tastings just weeks away, the market will be focusing on the quality and pricing of the 2006 vintage. It will be fascinating to see how prices compare to the record high prices of the (much superior) 2005s. We look forward to reporting our own conclusions in due course.

February 2007

ORDINARY SHARES

Price (€):	154.95
P&L on month:	1.57%
Year to date:	3.64%
Since inception:	54.95%
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
ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

Portfolio Breakdown - % NAV

Cash – 4.9%	Red still	White still	Other
Bordeaux	91.0%	0.8%	0.0%
Burgundy	0.1%	0.0%	0.0%
Rhone	1.4%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.4%
Italy	0.4%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Wine – 95.1%	92.9%	0.8%	1.4%

	2003	2004	2005	2006	2007 (YTD)								
ORD for Year	6.22%	2.12%	11.18%	23.97%	3.64%								
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006	1.50%	0.69%	2.06%	1.13%	2.15%	2.47%	2.50%	1.22%	3.80%	1.51%	2.31%	0.37%	23.97%
2007	2.03%	1.57%											3.64%