

# THE VINTAGE WINE FUND

## Commentary

With the en primeur campaign finally over, market participants seemed content, for most of the month, to relax and take something of a break from what has been a fairly hectic market for the last six months. Although activity was somewhat reduced, there was still a steady trickle of demand which on the whole kept prices firm. However, we did see a few merchants make discounted offers towards the end of the month. This is fairly common during the summer months and is simply an attempt to keep their sales figures up, however it did feed through to our mark to market levels and as such put something of a lid on the month's performance. No doubt we will witness similar market conditions in August before things spring back to life in the autumn. We have a little cash to invest so a short lull with a few bargain offers is by no means unwelcome.

There is little to say on market movements. We saw the 2006 first growths remain firm at their relatively (to other young vintages) high prices. En primeur is a wonderful marketing tool – the excitement of a brand new vintage being released seems to encourage buyers to pay prices which are, to say the least, inconsistent with neighbouring vintages. Having bought them, it takes a lot for the owners of these wines to consider selling at a loss and the realignment in prices (which always happens – e.g. the difference in release prices of 2001 and 2002 first was enormous but you would not guess that by looking at the almost identical market prices now) is bound to occur by the cheaper vintages catching up with 2006, rather than vice versa.

The only other notable movement was an increased interest in all vintages of Mouton Rothschild, driven by its outstanding performance in 2006 – a result of, among other things, dramatically reduced yields. It is good to see a little divergence from the current fascination with Lafite. With the 1982 Lafite trading at over 2,000 Euro per bottle, anyone who has experienced the unforgettable sheer pleasure of the 1982 Mouton will know that at under 1,200 Euro per bottle it is hugely undervalued.

We would like to confirm that the Fund remains closed to further subscriptions (unless pre-agreed and reserved by the Investment Manager prior to the closure). We will keep all investors informed of any plans, if any, for a reopening.

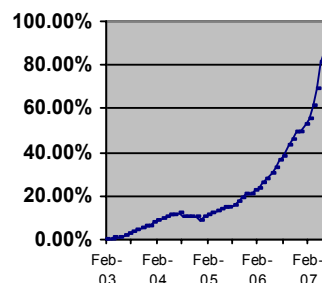
### Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
<b>Cash – 8.8%</b>			
First growths	11.2%	23.7%	29.9%
Other Bordeaux	4.9%	4.8%	15.1%
Other	0.4%	1.1%	0.2%
<b>Wine – 91.2%</b>	<b>16.6%</b>	<b>29.5%</b>	<b>45.1%</b>

July 2007

### ORDINARY SHARES

Price (€):	190.24
P&L on month:	0.86%
Year to date:	27.24%
Since inception:	90.24%
Leverage:	0.00%



### Investment Manager

OWC Asset Management Limited  
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### Fund Structure

Domicile: Cayman Islands  
Inception: 20<sup>th</sup> 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	2007 (YTD)								
<b>ORD for Year</b>	<b>6.22%</b>	<b>2.12%</b>	<b>11.18%</b>	<b>23.97%</b>	<b>27.24%</b>								
<b>ORD</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD</b>
<b>2006</b>	1.50%	0.69%	2.06%	1.13%	2.15%	2.47%	2.50%	1.22%	3.80%	1.51%	2.31%	0.37%	<b>23.97%</b>
<b>2007</b>	2.03%	1.57%	4.13%	4.81%	7.03%	4.20%	0.86%						<b>27.24%</b>