

THE VINTAGE WINE FUND

Commentary

July and August are quiet months in the fine wine market but trade volumes throughout the former month have been remarkably high. However price movements have been fairly insignificant with the robust demand being met by steady supply from merchants reducing stock positions and continuing, though much reduced, disposals from investment companies.

Although the overall market has yet to share in the strong bounce recently seen in equity markets, one wine does seem to be firmly on the way back up and that is Chateau Lafite Rothschild. The well reported liking of Asian buyers for this wine – and its second wine Carruades de Lafite – is no doubt the main reason lying behind this out-performance but it is also important that disposals from wine funds have been light on Lafite which has meant a relative shortage of this wine thus adding to the upward pressure.

To what extent, as the price differential widens, the demand for Lafite will spread to other first growths and beyond is uncertain; nonetheless, what we can say with certainty is that the demand we see at the moment is once again very willing to pay higher and higher prices to secure the wines they want. This lack of price sensitivity is very encouraging.

As we approach the end of summer it seems likely we will see evidence of nervousness in financial markets – particularly after the bounce seen in July. But assuming we get through to September with no nasty surprises, we are cautiously positive for a good final third of the year.

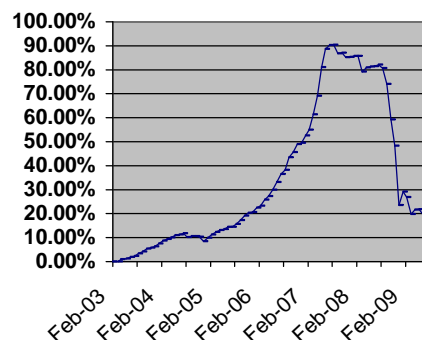
Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
Cash: 0.2%			
First growths	14.1%	24.3%	33.5%
Other Bordeaux	3.8%	5.5%	17.6%
Other	0.0%	0.9%	0.0%
Wine: 99.8%	18.0%	30.8%	51.0%

July 2009

ORDINARY SHARES

Price (€):	120.28
P&L on month:	0.61%
Year to date:	-2.61%
Since inception:	20.28%
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	2009 (YTD)						
ORD for Year	6.22%	2.12%	11.18%	23.97%	23.97%	-33.37%	-2.61%						
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%	-16.7%	-33.37%
2009	4.61%	-1.83%	-5.51%	1.53%	0.09%	-1.82%	0.61%						-2.61%