

# THE VINTAGE WINE FUND

## Commentary

We again saw a high level of market activity throughout the month but with little effect on overall values – other than the now monthly phenomenon of GBP prices increasing to slowly compensate for the currency weakness of last few months. The end of the 2007 en primeur campaign was fractionally more interesting than the start but it is unlikely this campaign will be remembered by anyone as anything but a rather laborious struggle. All the negociants were happy to cut their standard mark-ups on the chateau release price in an attempt to shift the wines and one can only assume that there are plenty of stocks still languishing in Bordeaux. It goes without saying that we own virtually none of these wines.

Our activities at the moment are concentrating on some rebalancing and with prices steady it is a perfect time to be transacting switches which generally need to be legged into and out of so we have been tidying up one or two areas of the portfolio and fine tuning the balance between old and young vintages as well as the ratio of first growths (including right bank “first growth equivalents”) and second growths. The portfolio draws on around 25 different chateaux/producers but only includes the best examples (3 to 10 vintages depending on the wine) for each so is now very well focused but without being so narrow as to increase the volatility.

With the en primeur season out of the way and summer upon us, we would expect a brief period of reduced activity but with consumer demand still extremely healthy and new investment money continuing to come into the market we cannot see this period of fairly static prices lasting much longer. We very much expect the second half of the year to be a great deal more satisfying than the first half!

Our Administrator, Olympia Capital has merged its operations with Fastnet (Ireland) Ltd – both companies are owned by the French group Caceis – and they will now operate under the name Fastnet. There have been no changes whatsoever to the service level or any aspect of the Administration of the Fund, but we will need to make an update to our prospectus which will be circulated shortly to all investors.

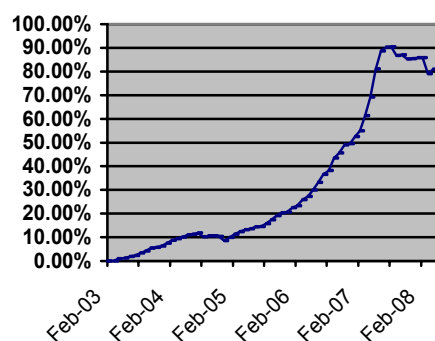
### Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
<b>Cash – 0.6%</b>			
First growths	11.6%	26.6%	34.9%
Other Bordeaux	4.8%	5.1%	15.5%
Other	0.0%	0.8%	0.1%
<b>Wine – 99.4%</b>	<b>16.4%</b>	<b>32.4%</b>	<b>50.6%</b>

June 2008

### ORDINARY SHARES

Price (€):	181.43
P&L on month:	0.11%
Year to date:	-2.11%
Since inception:	81.43%
Leverage:	0.00%



### Investment Manager

OWC Asset Management Limited  
Mellwood House  
43 Falsgrave Road  
Scarborough, UK  
FSA reference number: 211721

Telephone: +44 (0) 1723 355962  
Email: [info@owcam.com](mailto:info@owcam.com)

### Fund Structure

Domicile: Cayman Islands  
Inception: 20<sup>th</sup> 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 (YTD)							
<b>ORD for Year</b>	<b>6.22%</b>	<b>2.12%</b>	<b>11.18%</b>	<b>23.97%</b>	<b>23.97%</b>	<b>-2.11%</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>2007</b>	2.03%	1.57%	4.13%	4.81%	7.03%	4.20%	0.86%	0.05%	-1.86%	0.15%	-1.00%	0.08%	<b>23.97%</b>
<b>2008</b>	0.21%	0.01%	-3.60%	1.00%	0.20%	0.11%							<b>-2.11%</b>