

# THE VINTAGE WINE FUND

## Commentary

Although the Fund posted a negative return for June this is entirely due to short term discounted offers from merchants – particularly smaller operators – keen to reduce stock holdings in the run up to summer. Although many deals are going through at prices well above these discounted levels, it is only fair to acknowledge that the presence of cheap offers, albeit in very small quantities, does have some effect on the price at which trades take place and so cannot, for the moment, be disregarded.

Volumes and general market sentiment continue to improve and a sense of optimism is undoubtedly beginning to take hold as drinkers around the world continue to pull corks on top wines with as much enthusiasm as ever. The market has seen something of an exodus of both private and professional investors and some of our own investors have been among those choosing to exit. For those stepping into their shoes a certain amount of courage has been required although the very fact that prices dropped so significantly and that stocks were so much cheaper than at the top was reason enough for some to enter the fray. But as time has passed the magnitude of any potential downside has gradually decreased and it now seems that the risk reward balance is looking very appealing – even to the less courageous.

Let us not forget that the market has managed to consume a very large quantity of disposals from a number of funds and private investors and the demand which made that possible is not about to disappear. When the last seller takes his money and goes home, the buyers will still want more and that is when we could very quickly see lost ground made back. For a start the focus of market activity would start being on the offered side rather than the bid side: this alone could account for a 15% jump and that would only be the start. Having been firmly on the back foot for some time now, it is beginning to feel that the moment to start swinging the bat may just be approaching.

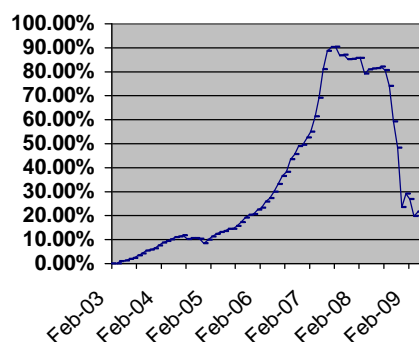
### Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
<b>Cash: 0.3%</b>			
First growths	14.2%	25.3%	33.2%
Other Bordeaux	3.6%	5.4%	17.1%
Other	0.0%	0.9%	0.0%
<b>Wine: 99.7%</b>	<b>17.7%</b>	<b>31.6%</b>	<b>50.3%</b>

## June 2009

### ORDINARY SHARES

Price (€):	119.55
P&L on month:	-1.82%
Year to date:	-3.20%
Since inception:	19.55%
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	2009 (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>-33.37%</b>	<b>-3.20%</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>2008</b>	0.21%	0.01%	-3.60%	1.00%	0.20%	0.11%	0.33%	-0.77%	-3.59%	-8.56%	-6.88%	-16.7%	<b>-33.37%</b>
<b>2009</b>	4.61%	-1.83%	-5.51%	1.53%	0.09%	-1.82%							<b>-3.20%</b>