

# THE VINTAGE WINE FUND

## Commentary

Trading activity and volumes remained healthy during May but prices were generally unchanged. Following the in bottle report on 2005 Bordeaux from Robert Parker we did see some slight easing of prices on first growths from this vintage but it was more a matter of bids being lowered than any from of active selling. One exception was Ausone which continues to narrow the price gap between itself and Petrus in top vintages. One vintage of Ausone to watch will be the 1998 - a superb vintage for the right bank appellations - which is currently about a fifth of the price of the 2005. This is somewhat reminiscent of the time when Cheval Blanc 1998 languished in price terms (as did Petrus 1998 for a while) due to a relatively modest score from Parker only to shoot up when its great quality was ultimately acknowledged. Cos d'Estournel 2005 also spiked up in price on the back of an upgrade and we let a few cases go to high bidders but maintain a meaningful position.

The only other noteworthy activity during the month was in response to strong buying demand for some top 1982s and we were able to switch a small proportion of our Lafite 1982 and Mouton 1982 into younger vintages at good price differentials.

Of course the 2007 en primeur campaign has been progressing throughout the month but this is not a vintage of any interest to us at all. The prices seem quite bewildering when compared to other recent vintages and we are seeing many negociants discounting their prices and slashing their margins which is quite a contrast to the usual stampede for en primeur. Quite how they will manage to sell this vintage is hard to see and large stocks may be sitting in Bordeaux for some time. However it does no harm to have a vintage such as this highlight the value to be had in other recent vintages.

Our Administrator, Olympia Capital, was purchased recently by the French group CACEIS which is combining the Dublin based part of Olympia's operations with that of its existing Irish fund administration company Fastnet. Although there have been no changes to the personnel dealing with the Fund and there should be no change in any way to the services provided, the name of our Administrator has therefore now changed to Fastnet. An update to our prospectus will be made and circulated in due course.

A fairly lacklustre month then but with demand as strong as ever we hope to have more exciting things to report before too long.

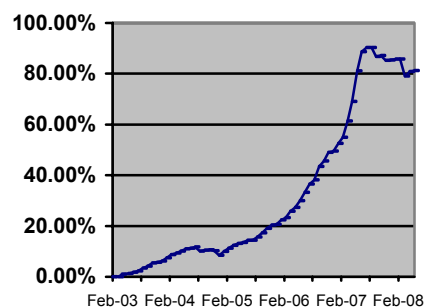
### Portfolio Breakdown - % NAV

	Up to 1990	1991 – 1999	2000 and later
<b>Cash – 0.4%</b>			
First growths	12.0%	26.5%	34.6%
Other Bordeaux	4.6%	5.3%	15.7%
Other	0.0%	0.8%	0.1%
<b>Wine – 99.6%</b>	<b>16.6%</b>	<b>32.5%</b>	<b>50.5%</b>

May 2008

### ORDINARY SHARES

Price (€):	181.23
P&L on month:	0.20%
Year to date:	-2.22%
Since inception:	81.23%
Leverage:	0.00%



### Investment Manager

OWC Asset Management Limited  
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Scarborough, UK  
FSA reference number: 211721

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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: 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>-2.22%</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%								<b>-2.22%</b>