

OWC Asset Management Limited
THE VINTAGE WINE FUND

Commentary

November is generally an active month for our market with retail outlets from off-licences to five star hotels making sure they are sufficiently stocked up for the busy festive period. This year was no exception and the month was one of brisk trade from start to finish. Price moves occurred across the board however there was a predictable bias towards drinking vintages.

All major first growth holdings in 1982, 1986 and 1990 performed well. In the 1982s and 1986s the gap between first growths and second growths is looking rather wide and there now looks to be considerable upside for wines such as Cos d'Estournel, Pichon Comtesse, Ducru Beaucaillou, Gruaud Larose and Leoville Lascases all of which made top wines in both these vintages (the one exception being Ducru 1986).

We saw a surge in demand for two of our Rhone holdings – Hermitage La Chapelle 1990 and Rayas 1995 – which produced the first meaningful price increases in those two wines for many months proving that patience can pay off in the Rhone valley provided one sticks to the 3 or 4 very best producers and the top vintages.

Amongst the younger vintages - and in particular 2003 and 1996 – price moves were more modest. 2005 prices continued to be static. Finally, as one might expect, the other strong performing part of the market was vintage Champagne. Our holdings here are not numerous – basically three vintages of Krug and two vintages of Dom Perignon – but they all posted healthy price increases.

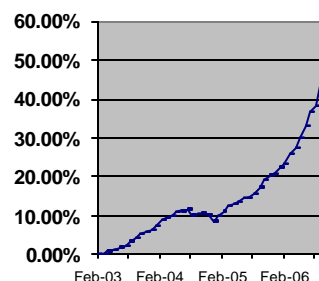
With the portfolio at full investment we were able to ease off our purchasing activities and concentrate on the re-launch of our two way market making trading screens. There have been significant enhancements made over the last couple of months and there has been very positive feedback from other market participants – some of which seem to have found life rather difficult without it! We will report on the early trading activity on this new system next month.

As we entered December, market activity was getting slower and we would expect a fairly quiet end to what has been a most satisfactory year.

November 2006

ORDINARY SHARES

Price (€):	148.95
P&L on month:	2.31%
Year to date:	23.50%
Since inception:	48.95%
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: Olympia Capital (Ireland) Limited

ISIN: KYG9368H1103

For Further Information Contact

The Investment Manager (see above)

Portfolio Breakdown - % NAV

Cash – 2.9%	Red still	White still	Other
Bordeaux	92.8%	0.8%	0.0%
Burgundy	0.1%	0.0%	0.0%
Rhone	1.6%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.3%
Italy	0.5%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Wine – 97.1%	95.0%	0.8%	1.3%

	2003		2004		2005		2006 (YTD)						
ORD for Year	6.22%		2.12%		11.18%		23.50%						
ORD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	1.34%	1.16%	1.03%	0.68%	0.34%	0.78%	0.06%	1.08%	1.39%	1.51%	1.06%	0.23%	11.18%
2006	1.50%	0.69%	2.06%	1.13%	2.15%	2.47%	2.50%	1.22%	3.80%	1.51%	2.31%		23.50%

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