

OWC Asset Management Limited

THE VINTAGE WINE FUND

Commentary

The market remained firm amidst continued strong demand from all quarters – US, Europe and the Far East and spanning drinkers, collectors and investors. The demand is also well spread in terms of the wines which are being sought. The older (and obviously rarer) vintages of 1982 and 1986 are moving up in discrete jumps as stock at each price level is taken out. Younger vintages display smoother price appreciation (and can even show occasional, brief retracements) due to the greater depth of stock in the market and the resultant more commodity-type price action.

There has been a certain amount of 1995 and 1996 (and even a little 1986) stock released by a few chateaux and these parcels disappeared almost instantaneously – a very healthy sign. We were able to secure a reasonable amount directly but were happy to additionally purchase more of this “ex chateau” stock in the secondary market. The impeccable provenance of these wines gives them an additional desirability (even for vintages a mere ten years old) and the opportunities to purchase “ex chateau” outside en primeur are limited and unpredictable.

One area which has been out of the limelight until now is Burgundy, however we have witnessed a sudden surge in demand for top growers and in particular Domaine de la Romanee Conti wines (our Burgundy holdings are now virtually entirely DRC except for a handful of other growers such as de Vogue and Jayer). Prices for the 2002, 1999 and 1996 and older DRC wines – and in particular La Tache and Richebourg - have jumped and will undoubtedly move higher. We sold one case of 1990 DRC Assortment back to one counter-party 34% higher than where that same company sold us several cases just over a year ago!

Finally, we purchased a lovely parcel of the 2001 Gaja single vineyard Barbarescos which should prove to be a legendary Piedmont vintage rivalling 1997.

Portfolio Breakdown - % NAV

	Red still	White still	Other
Bordeaux	72.4%	2.6%	0.0%
Burgundy	5.7%	0.3%	0.0%
Rhone	8.6%	0.0%	0.0%
Rest of France	0.0%	0.0%	1.7%
Italy	4.5%	0.0%	0.0%
Other	0.0%	0.0%	0.3%
TOTALS	91.2%	2.9%	2.0%

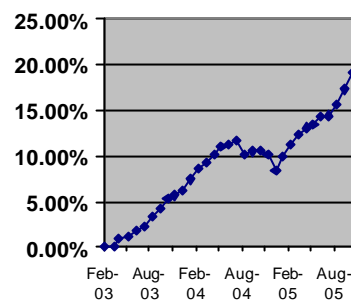
Cash – 3.9%

Wine – 96.1%

October 2005

ORDINARY SHARES

Price (€):	119.07
P&L on month:	1.51%
Year to date:	9.77%
Since inception:	19.07%
Leverage:	0.00%



Investment Manager

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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

For Further Information Contact

The Investment Manager (see above)

	2003	2004	2005 (YTD)
ORD for Year	6.22%	2.12%	9.77%

2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Ord	1.34%	1.16%	1.03%	0.68%	0.34%	0.78%	0.06%	1.08%	1.39%	1.51%			9.77%

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