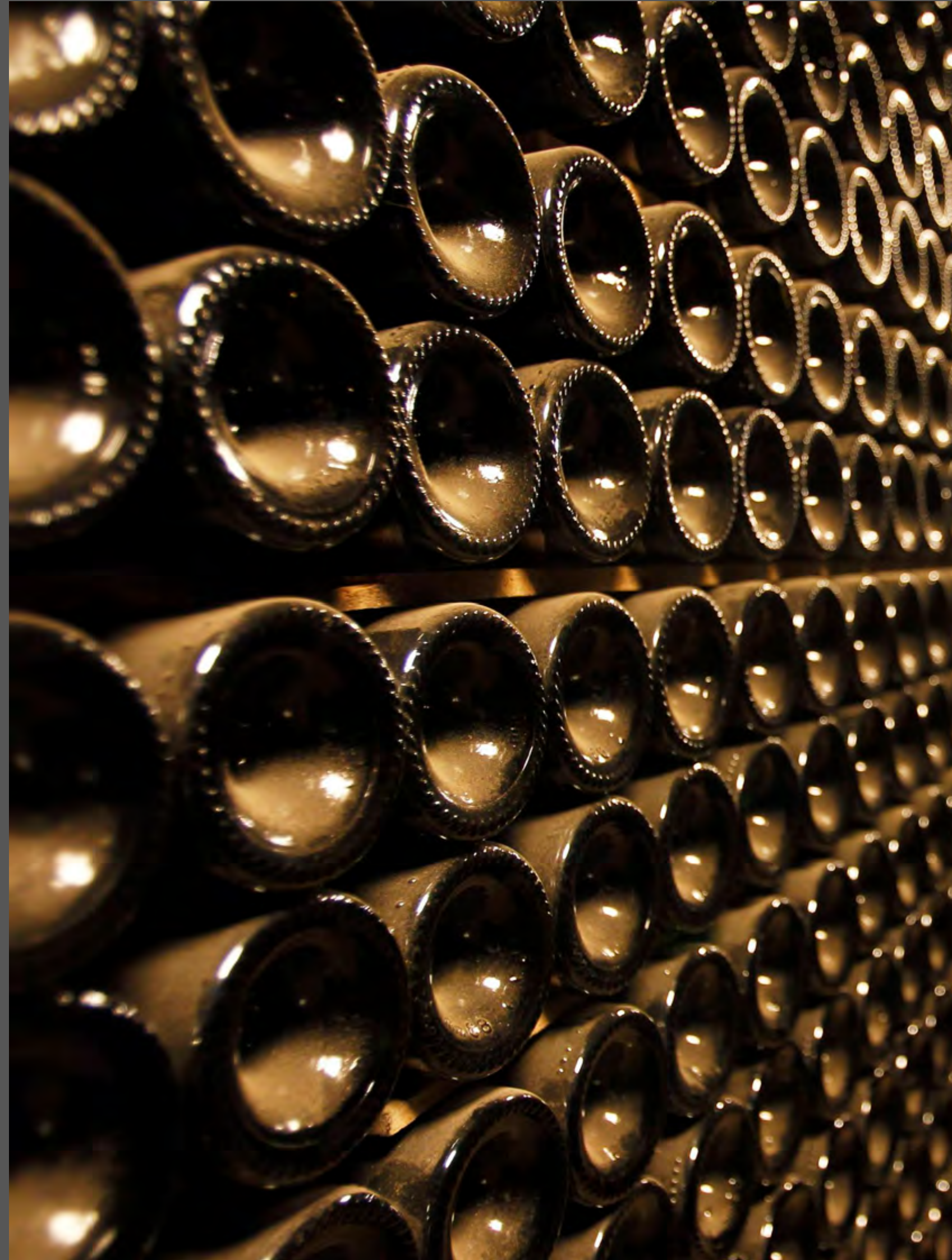


WineSourceFund.

Superior long-term investment returns through a unique strategy in the fine wine and spirits market

Wine Source Fund - Corporate Brochure 2018





Executive Summary

- EU-regulated 'Professional Investor Fund' licensed under the Malta Financial Services Authority (MFSA)
- Open-ended fund incepted on September 15, 2012
- Targeted annual returns of 8-10% with low volatility and contained drawdowns
- Minimal correlation to traditional and other alternative asset classes
- Monthly published NAV with monthly subscriptions
- Quarterly redemptions with 12 month lock
- 2% management fee, 20% performance fee with high water mark
- Multiple currencies offered: EUR, GBP and USD

Market Overview

- Fine Wine is a proven alternative investment consistently outperforming other asset classes
- In recent years, global demand for fine wines has accelerated in tandem with a growing population of HNWI
- Supply remains constrained by local regulation as well as Châteaux reducing yields to improve quality
- With supply being further reduced each time a bottle is consumed, fine wine enjoys a unique inverted supply curve
- As a tangible and consumable asset, fine wine has historically appreciated by 15% per annum over the last 30 years
- The Wine Source Fund was incepted in September 2012 and has since generated a net performance of 36%

Investment Objective

- The Wine Source Fund aims to generate superior risk-adjusted returns by investing in the fine wine market
- The Fund leverages its unique merchant-backed platform — or Ecosystem — to source attractive opportunities
- The Fund focuses on assets of high scarcity to benefit from a structural supply/demand imbalance
- The Fund targets superior provenance and traceability in order to limit risks and maximise realisation of profits at exit
- The Fund strives to offer full diversification by investing in wines from the top regions of France, Italy and Spain and also in high-end Champagnes and spirits for enhanced returns and an optimal portfolio blend

The Ecosystem

The Fund is able to leverage a unique merchant-backed Ecosystem to the benefit of investors both at the time of acquisition and sale of assets.





Benefits of the Wine Source Ecosystem

The Fund has multiple opportunities to generate alpha in the course of an investment:

1. Ability to access producers directly and secure allocations of rarest and most sought-after wines and spirits
2. Superior ability to ascertain a wine's provenance which translates into greater security and value at point of exit
3. Access to non-traditional sales channels such as hotels, restaurants and private collectors to maximise realisation of profits

Group Structure

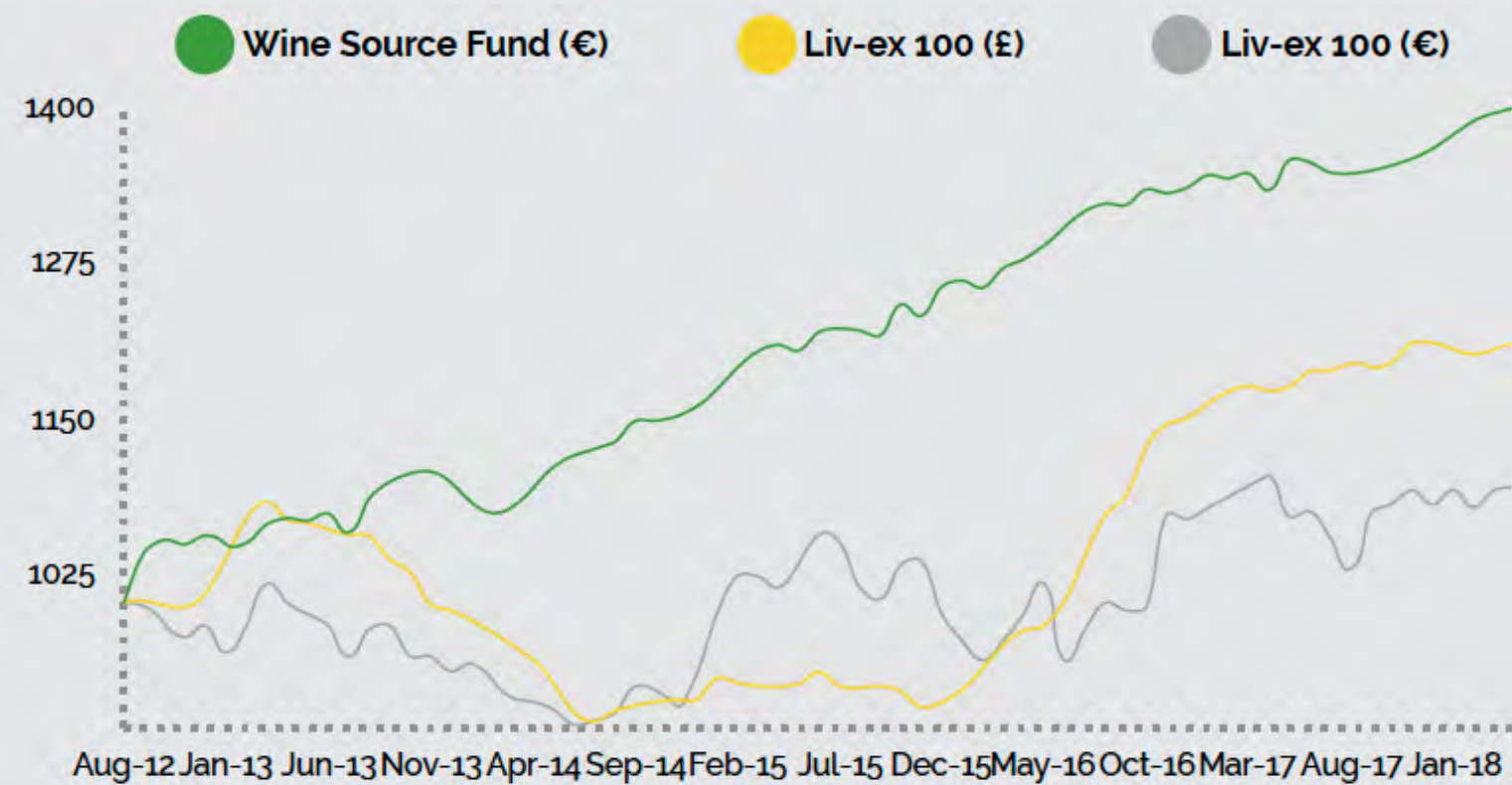
As a fully regulated wine fund, the Wine Source Fund has contracted quality service providers to meet the demand of professional and institutional investors



Relative Performance

In a challenging environment, the Fund has returned 40% since inception net of all fees, providing stable returns and preserving capital

The Fund has globally outperformed the Liv-ex benchmarks over the same period



Historical Monthly Returns

Net Return since Inception: 40%
12-Month Rolling Return: 4.9%
Standard Deviation (L12M): 1.9%
Sharpe Ratio (L12M): 1.38
Average Monthly Return: 0.49%
Best Month: 4.0%
Worst Month: -1.5%
% positive Months: 71%
Correlation S&P500: 0.03
Maximum Drowdown: -2.8%

Performance Table (net of fees)

	2012	2013	2014	2015	2016	2017	2018
Jan		-0.66 %	-1.55 %	1.01 %	0.39 %	0.74 %	0.50 %
Feb		0.10 %	-0.49 %	1.51 %	-0.45 %	-0.19 %	0.47 %
Mar		1.42 %	0.30 %	1.18 %	1.25 %	0.30 %	0.64 %
Apr		0.47 %	1.73 %	0.54 %	0.58 %	-0.99 %	0.34 %
May		-0.19 %	1.35 %	-0.37 %	0.86 %	1.81 %	0.47 %
Jun		0.56 %	0.72 %	1.22 %	1.10 %	-0.14 %	
Jul		-1.49 %	0.46 %	0.25 %	1.06 %	-0.61 %	
Aug		2.55 %	0.50 %	-0.14 %	0.44 %	0.13 %	
Sep	4.04 %	1.53 %	1.23 %	-0.30 %	-0.08 %	-0.01 %	
Oct	0.99 %	0.03 %	0.30 %	2.04 %	0.95 %	0.39 %	
Nov	-0.34 %	0.46 %	0.30 %	-0.97 %	-0.21 %	0.31 %	
Dec	0.67 %	-0.85 %	0.70 %	2.14 %	0.33 %	0.59 %	
FY	5.4 %	4.0 %	5.6 %	8.3 %	6.4 %	2.4 %	2.4 %





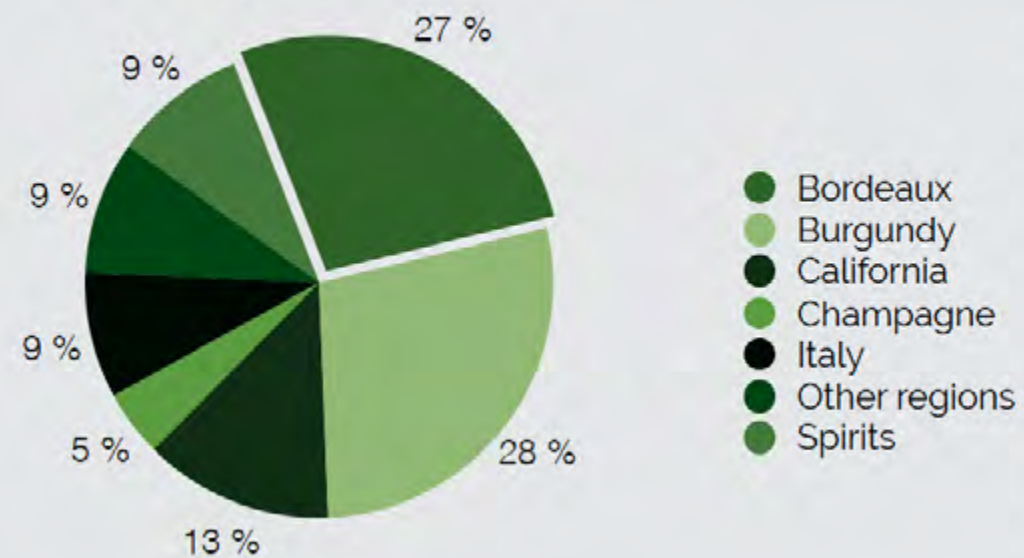
Risk Management

The Fund adheres to strict investment guidelines to ensure diversification:

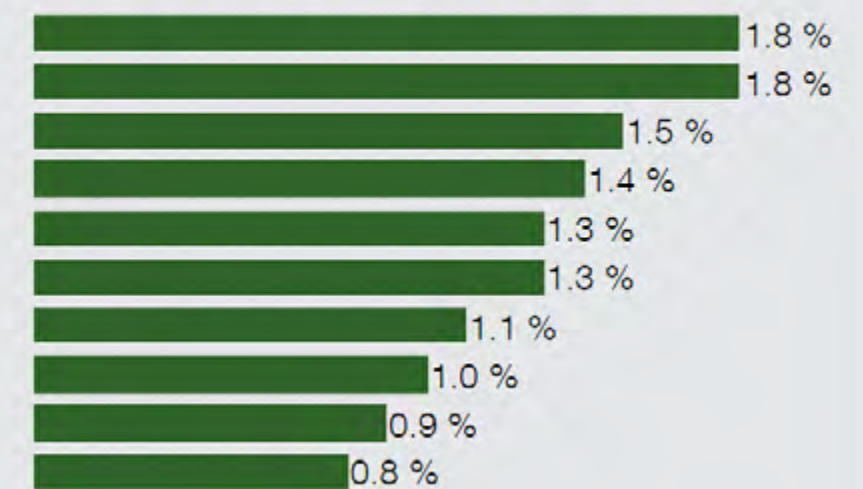
- Maximum of 10% in any one wine & 20% in any one producer of wines
- Maximum of 10% in rare spirits & 5% in any one producer of rare spirits
- Maximum of 25% of wines purchased in the futures market
- Storage is outsourced to premier 'In-Bond' providers for maximum security, traceability and cellaring conditions
- Assets are insured at full replacement value against transport and storage risks
- The Fund keeps 10% of its assets in cash in order to optimise purchases and ensure adequate liquidity

Portfolio Diversification (February 2018)

Geographic Allocation



Portfolio Concentration
Top 10 Holdings by Wine



Investment Committee



Philippe Kalmbach

Founder and Co-Portfolio Manager



Benjamin Billarant

Co-Portfolio Manager



Matthieu Phanthala

Strategic Advisor



Axel Jahu

IC Advisor - Bordeaux expert

Jean-François St Laurent

Legal & Credit

Summary Terms and Service Providers

Fund Name: **WSF Sicav PLC - Wine Source Fund**

Currency: **EUR, GBP & USD**

Minimum investment: **EUR 75,000 (or other currency equivalent)**

Subscriptions: **Monthly**

Redemptions: **Quarterly, 60 days notice period with 12 month lock**

Management fee: **2% per annum**

Performance fee: **20% with 6% soft hurdle**

High Water Mark: **Yes**

No entry or exit fees

ISIN: **MT7000003752**

Bloomberg Code: **WINESFA MV**

Accredited Investors: **Qualifying investors as defined by the MFSA**

Domicile: **Malta (Europe)**

Legal structure: **Collective Investment Scheme Professional Investor Fund**

Administrator: **FundBPO**

Custodians: **Octavian Cellars, Grand Cru Storage, Vine**

Auditor: **Deloitte**

Bank: **Sparkasse Bank**

WineSourceFund.

The Wine Source Fund

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