

MANAGEMENT REPORT APRIL 2020 - WINE SOURCE FUND – WSF SICAV PLC INVESTMENT COMMITTEE REPORT

The world of Fine Wines was disturbed on several fronts in 2019 through the Brexit crisis, the HK protests and the USA tariffs on European wines at 25% in Q4. This impacted the 3 biggest wine markets in the world over a 12 months period.

As the market was starting 2020 defining where to optimise its growth, the Covid19 crisis came with the massive impacts we have seen on the economies worldwide.

With the actual closure of all the fine dining restaurants and luxury hotels in the world since March 2020, as these clients represent half of the worldwide consumption of fine wines, it did create a major impact on the market liquidity of fine wines in Q1 and in Q2.

We started to see in April a return to some activity with opportunity buyers chasing deals on the market. We expect a rebound in June month on the Bordeaux category, as this is the period of the En Primeurs in Bordeaux, which have been priced with substantial discounts this year by the chateaux to re-energise the markets (2019 which is an excellent Bordeaux vintage has often been released to the market at a 30% discount or more versus the previous vintages, this pricing seems to have found a strong appeal for private collectors).

The Restaurants and Luxury Hotels category itself should start to regain life from September as the lockdowns in the various countries are being lifted.

The upside of having a long-term asset which improves with age, like fine wines, is that you can always see an increase in value if you are long in the game. So the short term losses of all these major fluctuations of 2019 and 2020 will eventually be replaced by a renewed demand through new form of fine wines consumption: either online, through home delivery services, through releases of historically reserved wines to restaurants being made available for private clients... but eventually these wines will find a way to reach their intended clientele.

Our Fund is stocked today with several thousands cases of the very best producers and fine wines on the market, we went away from the ultra premium bottles at Euros 10,000+ as we see them as becoming an asset for only a very limited Asian clientele but all the fine wines between Euros 50 to Euros 500 should have a solid future in front of them.

The Fund will continue to exercise caution on its portfolio, our average bottle is today around Euros 110 valuation and we believe this is the right balance to have in these troubled times, between market accessibility and an average value

high enough to cover for storage and insurances at a sub 1% of the value of the assets held in stock.

We also believe that like for the equity market, without having its volatility, as our assets are much more stable historically, it is probably a good time to reinvest in the Fund now, as the category is still pretty much a buyers market for the moment and good investments can be made now.

With this in mind the Fund can probably drive a solid performance in 2021 as it will benefit from the gradual return to some normality and active trading.

We thank you again for your support in this hectic period and we remain available to discuss with you any of the points related to our portfolio, your investment and the opportunities in front of us.

Philippe Kalmbach & Benjamin Billarant
Fund Managers – Wine Source Fund

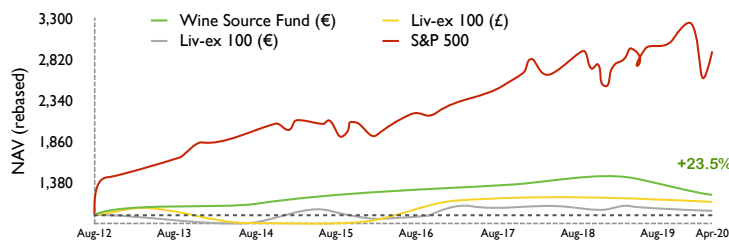


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Investment Objective

Wine Source Fund aims to generate superior risk-adjusted returns by investing in fine wines, champagnes and spirits. The portfolio primarily invests in the top regions of France and in other selected countries to ensure proper diversification benefits. The Fund seeks to leverage a unique merchant-backed platform to source attractive opportunities and make valuable acquisitions while following strict investment guidelines. The Fund targets annual returns of 8-10% with a low volatility.

Performance Summary (since inception)



Fund Performance (net of fees)

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Jan		-0.66%	-1.55%	1.01%	0.39%	0.74%	0.50%	1.47%	-0.56%
Feb		0.10%	-0.49%	1.51%	-0.45%	-0.19%	0.47%	0.58%	-3.98%
Mar		1.42%	0.30%	1.18%	1.25%	0.30%	0.64%	-0.26%	-2.72%
Apr		0.47%	1.73%	0.54%	0.58%	-0.99%	0.34%	0.15%	-0.23%
May		-0.19%	1.35%	-0.37%	0.86%	1.81%	0.47%	-1.82%	
Jun		0.56%	0.72%	1.22%	1.1%	-0.14%	0.23%	-0.56%	
Jul		-1.49%	0.46%	0.25%	1.06%	-0.61%	1.29%	0.17%	
Aug		2.55%	0.50%	-0.14%	0.44%	0.13%	-0.92%	-0.36%	
Sep	4.04%	1.53%	1.23%	-0.30%	-0.08%	-0.01%	0.47%	-0.26%	
Oct	0.99%	0.03%	0.30%	2.04%	0.95%	0.39%	0.05%	-0.91%	
Nov	-0.34%	0.46%	0.30%	-0.97%	-0.21%	0.31%	-0.40%	-2.48%	
Dec	0.67%	-0.85%	0.70%	2.14%	0.33%	0.61%	-0.23%	-0.97%	
YTD	5.4%	4.0%	5.6%	8.3%	6.38%	2.35%	2.91%	-5.26%	-7.49%

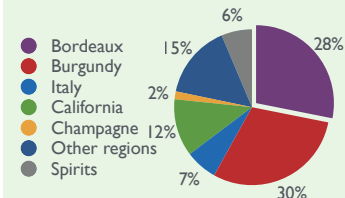
Estimated Performance (as of 30/04/2020)

	Class A - €	Class B - \$	Class C - £
Net Asset Value	€ 1235.24	\$ 1179.49	£ 1027.03
Net return month	-0.23%	-1.07%	-2.25%
Net return year	-7.49%	-6.83%	-4.5%

Fund Statistics

Last 12-Months Net Return	-13.8%
Standard Deviation	4.4%
Sharpe Ratio	-3.27
Average Monthly Return	0.24%
Best Month	4.0%
Worst Month	-3.98%
% Positive Months	68%
Net Return since Inception	23.5%
Correlation S&P500	0.26

Geographic Exposure



General Information

Name of Fund: WSF SICAV Plc - Wine Source Fund
 ISIN Class A (EUR): MT7000003752
 ISIN Class B (USD): MT7000006284
 ISIN Class C (GBP): MT7000006292
 Bloomberg Code: WINESFA MV
 Inception: Sept 2012
 Currency: EUR, GBP & USD share class
 Minimum Investment: €75,000, £75,000 or \$75,000
 Subscriptions: Monthly, 5 business days notification
 Redemptions: Quarterly, 60 days notification
 Fees (p.a.): 2% management & 20% performance
 High Water Mark: Yes
 Lock-up period: 12 months
 Independent Administrator: Alter Domus
 Auditor: Deloitte
 Registered Address: WSF SICAV Plc - Wine Source Fund
 Il-Pjazetta, Block B, Level 1, Office 14
 Tower Road, Sliema, SLM1605, Malta
 Fund Managers: Philippe Kalmbach and Benjamin Billarant

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