FINE DIAMOND

FINE WINE INVESTMENTS

— Investment Proposal —

Fine wine has proven to be one of the best performing asset classes over the last 30 years.

Executive **summary**

RETURNS. Since 1988 when the LIV-EX Fine Wine Investables Index started, the compound annual growth rate from fine wine has been around 10% (in GBP).

UNCORRELATED. No correlation to equities or any other asset class making it an excellent portfolio diversifier and return enhancer.

PRICING INEFFICIENCIES. They exist due to lack of one single marketplace further enhancing returns.

EXCHANGE RATE HEDGE. Fine Diamond will invest in both local, but predominantly international wines.

PROVENANCE. Wines are stored in secure, temperature controlled warehouses with a carefully managed passport.

SAFETY. Wines are insured at replacement value.

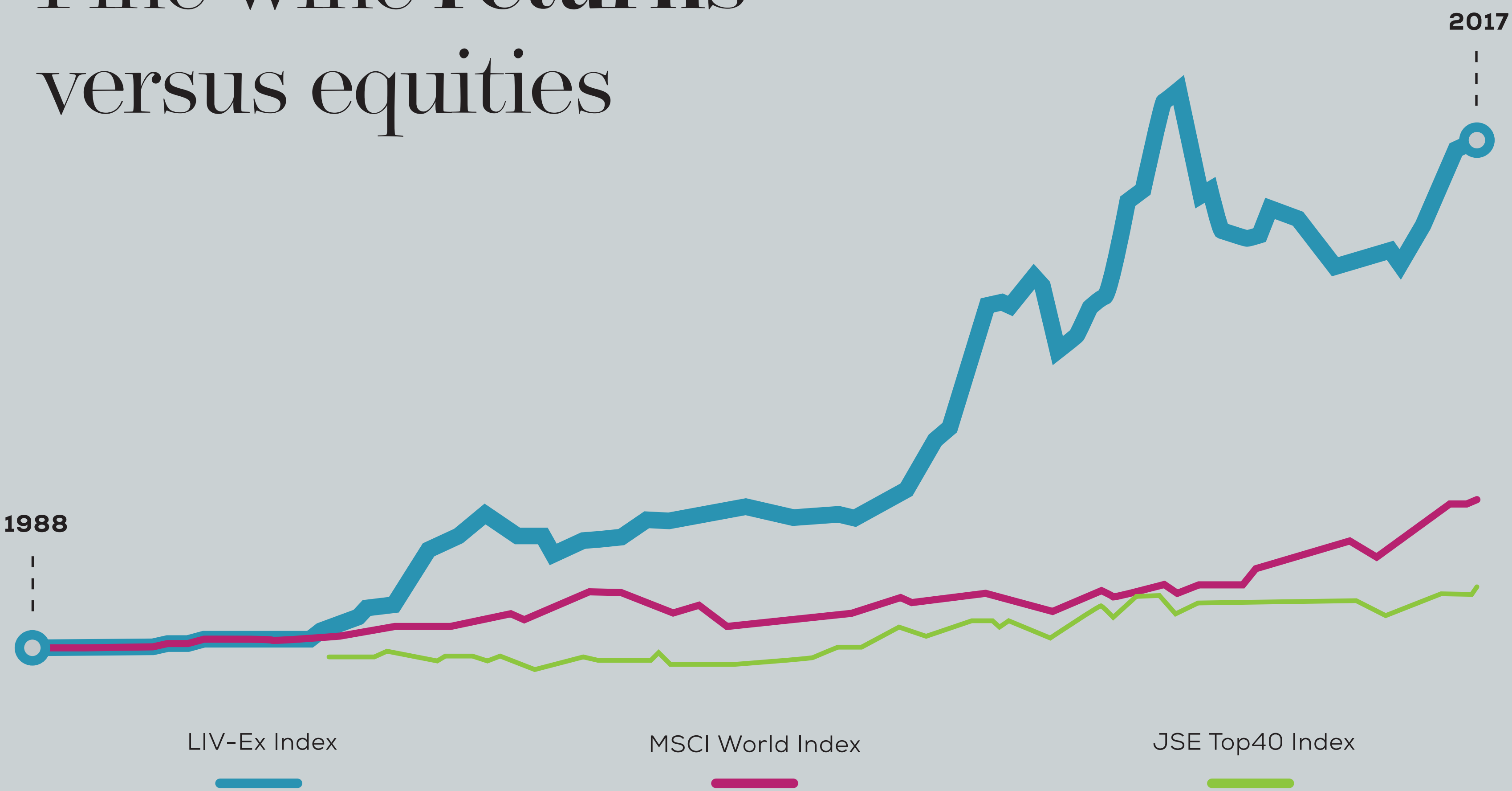
TRUST. Professional advisory board has extensive wine experience and a network of contacts.

CONFIDENCE. Management team are also invested assuring alignment of interests.

UNIQUE. No other professionally managed wine fund in South Africa.

PRIVATE OFFER. This investment opportunity is made available as a private, non-public offer as contemplated in Section 96 of the Companies Act 71 of 2008 (Republic of South Africa).

Fine wine **returns** versus equities



SOURCE: BLOOMBERG FINANCE

What is an investment grade wine?

"One Percent of the world's wine is considered "investment grade." To qualify as such, it's generally agreed that a wine must be from a prestigious chateau or domain, have the ability to age for at least a quarter century, have a documented history of price appreciation, be available in sufficient quantities to be traded, and have top scores from the world's major wine critics. Investment grade wines are usually insured against damage."

– Karen MacNeil
WWW.KARENMACNEIL.COM

Why add wine to my **investment** portfolio?

i. 30 year track record of profitability
ii. Uncorrelated with other asset classes
iii. Investable wines have internationally recognised value
iv. Wine is a tangible asset

What is our **investment** methodology?

i.	Constantly **monitor** global wine market for opportunities
ii.	Monitor relative valuations for **arbitrage** opportunities
iii.	Avoiding "feeding frenzies" and **excessive** valuations
iv.	Focus on **outstanding** vintages
v.	Seek out **en-primeur** (pre-release) opportunities
vi.	**'Insider allocations'** due to Advisory Board network.
vii.	Proven Diamond Capital **proprietary metrics** determine entry and exit strategy
viii.	**Diversified** portfolio allocation: limit 10% to any one Chateau, Domaine or Estate.

Fine Diamond Advisory Board

Combining industry leading acumen, the Fine Diamond Advisory Board will leverage an established and trusted global network to source and sell fine wines.

Greg Sherwood MW
A qualified Master of Wine and fine wine buyer at Handford Wines in London with 20 years experience. Greg is a regular judge at international wine awards.

Nicolò Pudel
Founder of South Africa's largest fine wine marketplace, Port2Port. wine.

Ken Kinsey-Quick
Brings 25 years international fund management experience. Founder and CEO of Diamond Capital, a multi-disciplined investment house. Responsible for daily management of Fine Diamond.

Investor **redemption** process

i. Match buyers and sellers at NAV on a six monthly basis.

ii. If no match can be found, investors can wait until next redemption date.

iii. OR investors can exit en specie and physically receive their pro-rata wine from portfolio.

iv. OR Fine Diamond will assist in a discounted exit for investors.

What is our **valuation** methodology?

i. The portfolio will predominantly contain international investment wines priced on wine exchanges (eg Liv-Ex) reflecting true secondary market pricing.

ii. All non exchange-traded portfolio holdings to be conservatively valued by Fine Diamond advisory board.

Provenance

i. Strict focus on proven provenance.

ii. Strict monitoring of temperature and light controlled transport and storage to maximise value.

iii. No grey-market purchases.

Corporate **governance**

i. NAV independently calculated at arms length by trade.

ii. Annual audit by recognised audit firm.

iii. Management accounts kept by Finleys and open to shareholders.

Structure **details**

COMPANY STRUCTURE: Proprietary Limited.

LIQUIDITY: Semi-annual subscriptions, secondary market redemptions/sales.

MINIMUM/MAX: R100k/R1m per investor.

MANAGEMENT FEE: 1% per annum ex VAT.

PERFORMANCE FEE: 5% per annum ex VAT.

VALUATIONS: Semi-annual.

MAXIMUM SHAREHOLDERS: 50.

Contact details

Fine Diamond Wine Investment Holdings (Pty) Ltd

(the company shareholders invest in) (Reg no: 2017/464911/07)

Ken Kinsey-Quick (CEO/Director)

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Diamond Capital Management (Pty) Ltd

(the manager of the wine portfolio) (Reg no: 2014/258492/07)

Ken Kinsey-Quick (CIO/Director)

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Finleys

(Company Accountants)

Fran Vosloo (Director)

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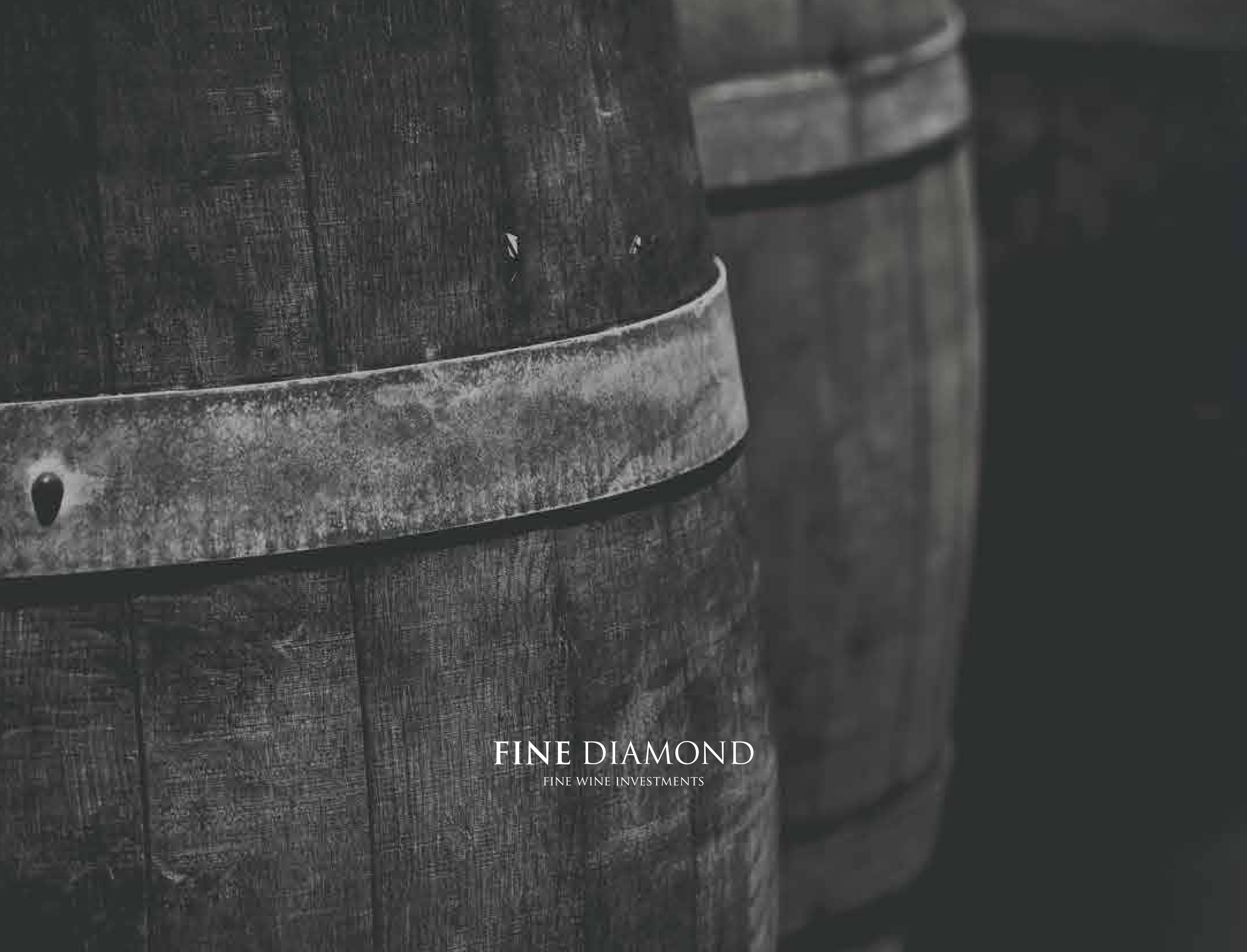
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