

Wine as an Investment

International Family Office Summit
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Introduction

- Established 2000
- Specialised importer
- Largest allocations of South Africa's finest producers
- Pioneering South African fine wine investment baskets
- FSCA regulated entity (52718)
- Strategic Manager to fine wine AMC



What is wine investment?

Origins of wine investment

- Symbiotic relationship between buyer and sellers – buyers finance the harvest, gain wines at a fair price

What drives price?

- Supply and demand mechanics
- Effect of time and qualitative appreciation



Two types of wine investment

Investing for consumption

- Buy wines on release, store properly and drink at maturity
- Enables the enjoyment of mature wine, without paying the premium
- Wine Cellar portfolios



Two types of wine investment

Investing for asset growth only

- Not intent on consuming the product
- An asset that forms part of a broader alternative asset strategy
- Bond Fine Wine AMC



The case for investing in wine as alternative asset

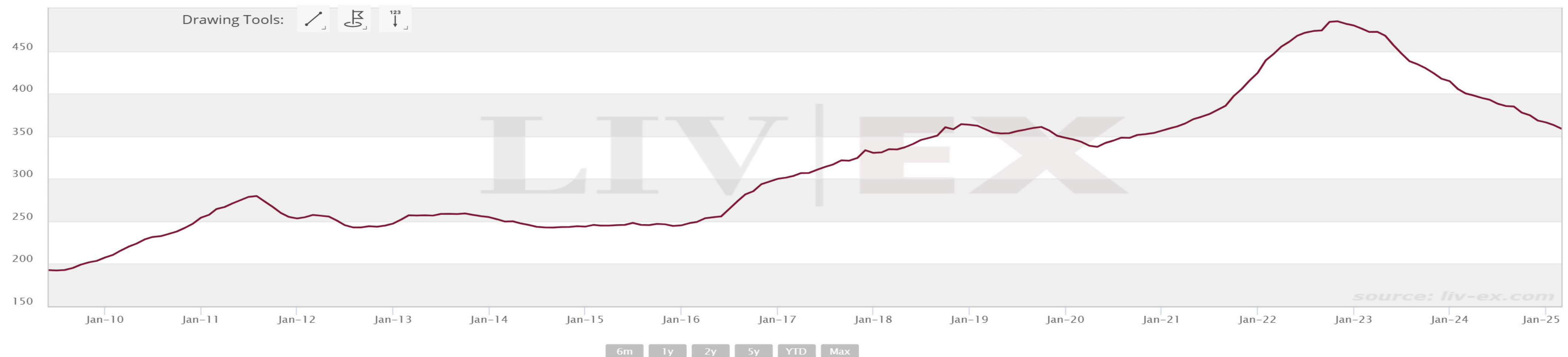
Liv-ex (London International Vintners Exchange)

- Established 2000 to enhance greater transparency in fine wine trade through better data
- 875m. data points on 500 000+ wines. £120-£140m of live exposure
- Various tracking indices (LX1000 – 6.5% p.a. since inception)
- *De facto* pricing mechanism in the fine wine world

The case for investing in wine as alternative asset

Why wine as alternative asset?

- Global wine market is estimated between \$300-\$400b per annum
- Fine wine is around £5b per annum
- Long term steady growth with low volatility
- Uncorrelated to traditional assets (Univ. Stellenbosch paper)



Bond Fine Wine AMC

What is Bond Fine Wine AMC?

- Regulated and securitised fine wine investment into a collection of the world's finest wines (including a portion of S.A. wines)
- Tradable fine wine investment
- Traded on the SIX Swiss Exchange

Why an AMC?

- Security and regulation
- Ideal for family offices with a variety of assets
- Allows for institutional investment (very difficult in other vehicles)

Bond Fine Wine AMC

How does it work?

- Investors buy certificates
- Certificates linked to the value of the underlying asset – a collection of fine wines
- Composition of the collection is advised on by Bond Wine
- Wine regions, vintage, critic ratings, brand equity, etc. are all factored in when selecting wines

What are the aims?

- Long term, steady growth with low volatility
- 8-10% p.a. (net) in Pound Sterling

Thank you!

Tasting and Q&A

Questions?

Contact:

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Wines tasted

- Keet First Verse 2021
- Domaine de Chevalier
Pessac-Léognan Rouge
2021

