




VEBLEN WINE  
FINE WINE MERCHANT

Fine Wine  
Investment Guide



Discover the world  
of fine wine...

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## Why invest in fine wine?

Let's look at four reasons why fine wine is an excellent investment choice.

### 1 Demand and supply

There is an ever growing demand for fine wine, especially with the increase in interest from emerging economies. Add to this the fact that the supply of new vintages is restricted by law and land and finally that wine, naturally, gets consumed. This makes the perfect match of rarity and active demand, which is why wine has a proven history of price performance and tradability.

### 2 Diversification

Fine wine is known to be an effective hedge investment, due to its low volatility and the low or negative correlation to other financial assets.

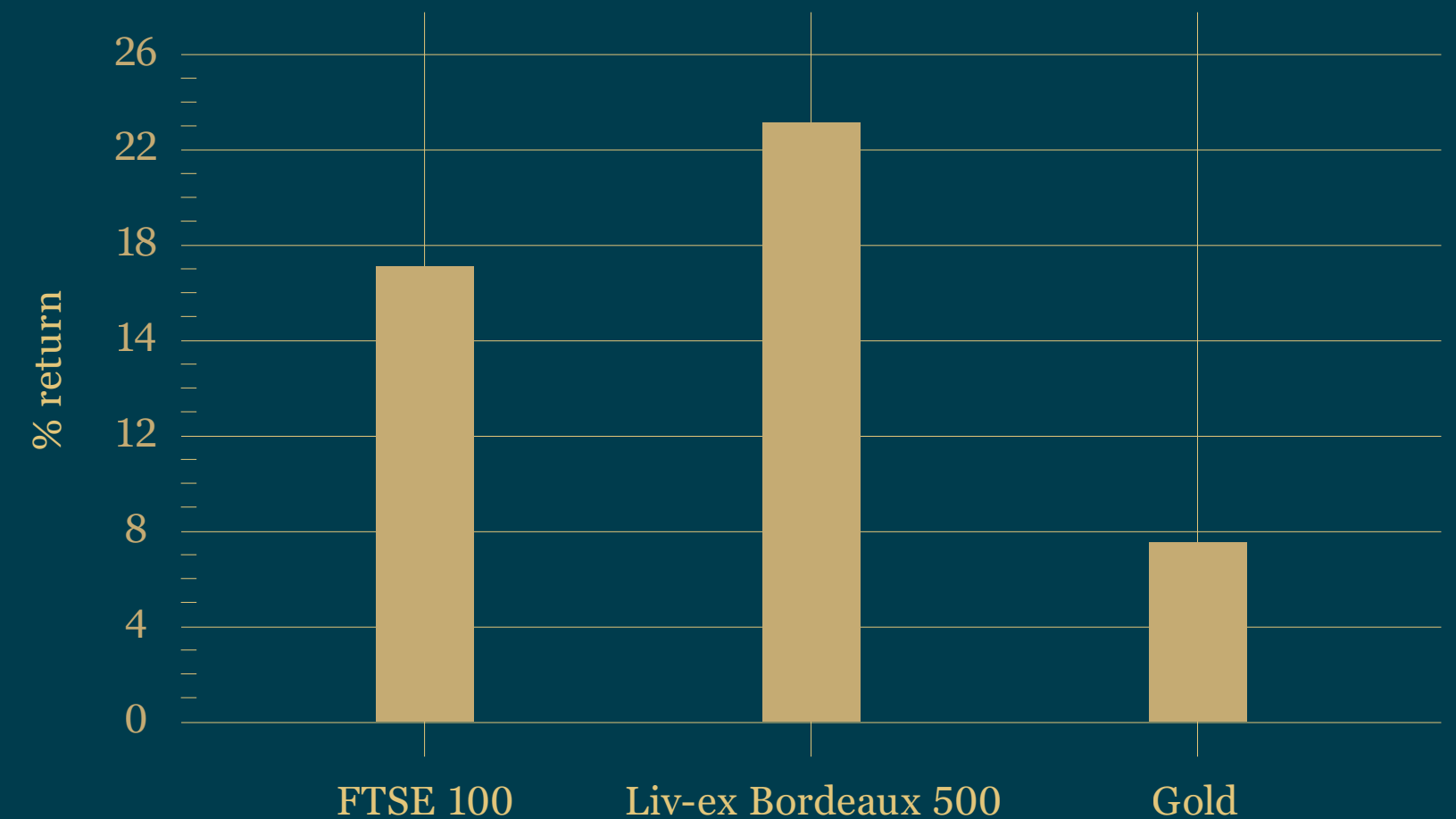
### 3 Tax benefits

Buying and keeping your wine 'in bond' means your investment will not be subject to Excise Duty or VAT. Furthermore, as wine is classed as a wasting asset it is potentially free of Capital Gains Tax.

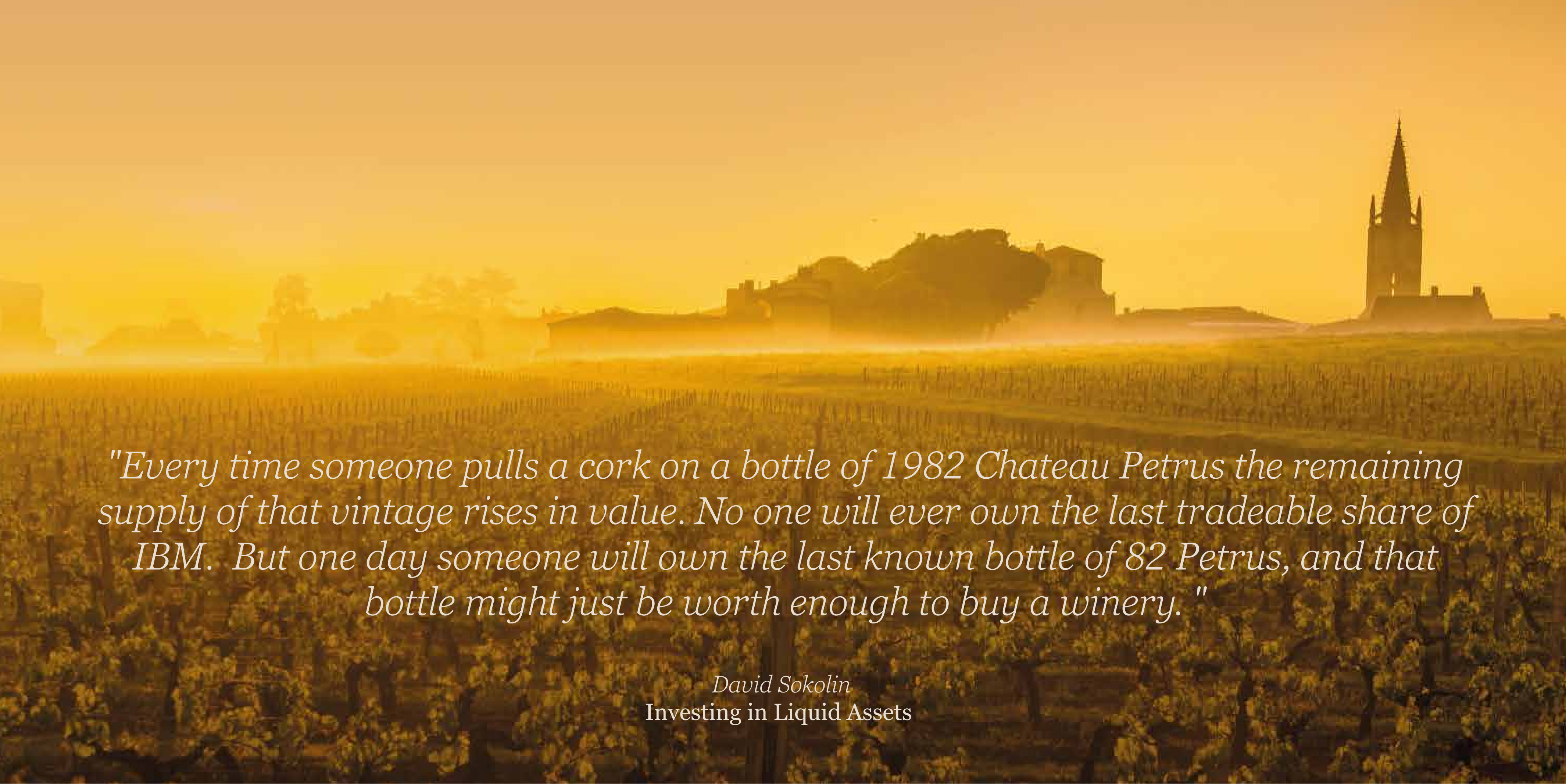
### 4 Performance

Wine has consistently outperformed more mainstream investments, look at the performance chart overleaf.

5 Year investment performance (2013 - 2018)



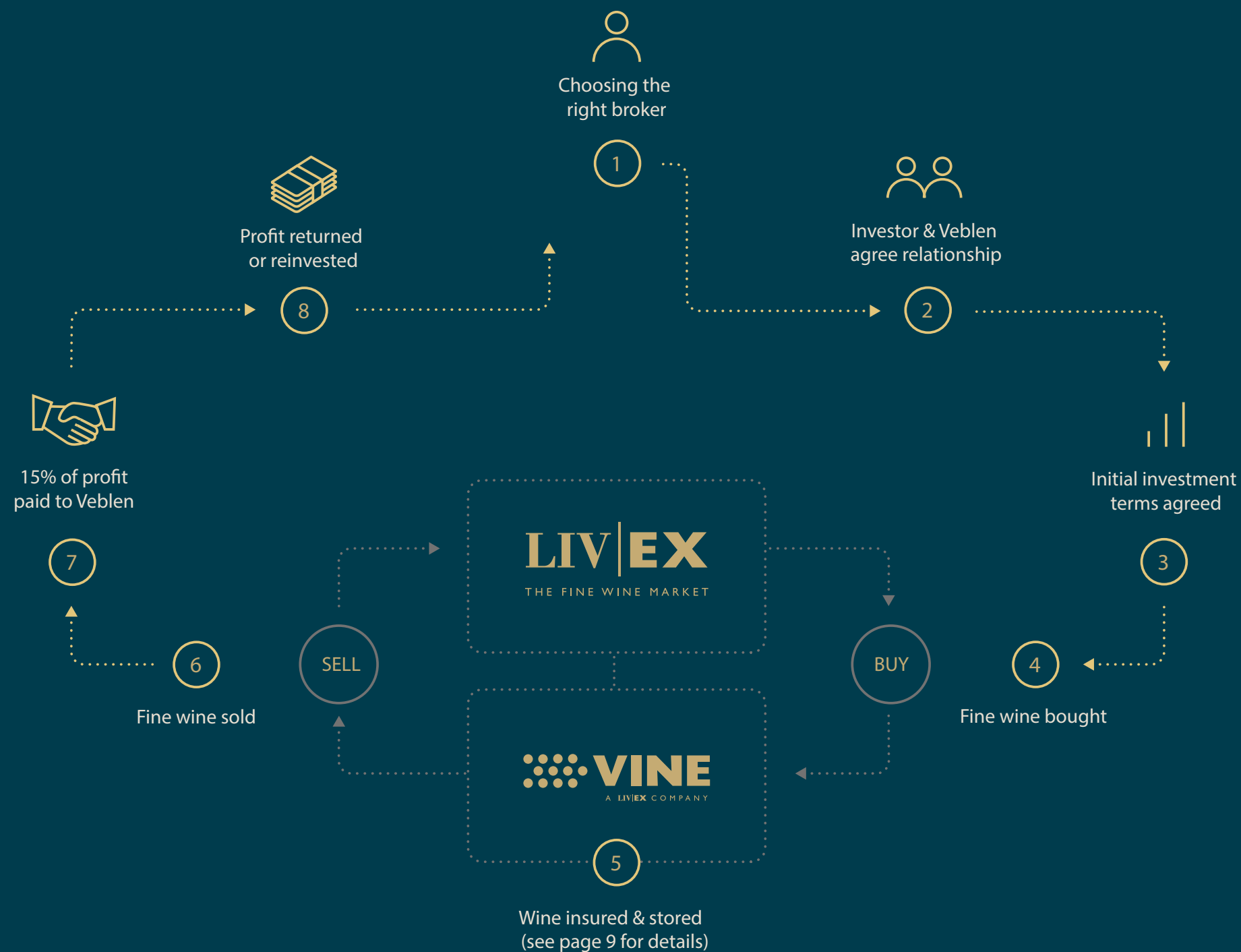




*"Every time someone pulls a cork on a bottle of 1982 Chateau Petrus the remaining supply of that vintage rises in value. No one will ever own the last tradeable share of IBM. But one day someone will own the last known bottle of 82 Petrus, and that bottle might just be worth enough to buy a winery."*

*David Sokolin*  
Investing in Liquid Assets

# The fine wine investment process



## 1 Choosing a broker

Before you invest in wine you'll need to find a broker you can trust. Find out more about this on page 12.

## 2 Establishing a solid relationship

Here at Veblen we like to establish a long term relationship with our investors. To personally tailor our service to you we establish how we can help you with your investment and how often you'd like to hear from us.

## 3 Agreeing the terms of investment

It's crucial to start your investment with clear terms. This is where you and your broker agree on how much should be invested and for how long. Read more on page 13.

## 4 Buying your wine

Your broker will buy your wine for you. We use the trading platform Liv-ex and our extensive network of wine merchants for our transactions. Read more about Liv-ex on page 9.

## 5 Storing your wine

Your wine will be stored in a government bonded warehouse to ensure it is kept at optimum condition. We use Vine. More about their unique benefits on page 9.

## 6 Selling your wine

Your broker will aim to sell your wine at the best time for the highest price. Veblen's expertise and position in the marketplace enables us to execute sales fast and capitalise on market peaks.

## 7 Dealing with service fees

Some brokers charge a management fee, no matter what the outcome of your investment. For new investors we at Veblen only charge a performance fee of 15% on the profit of your sale.

## 8 Reinvestment or return

At this point you can either realise your profit or reinvest or do a bit of both. Your broker will advise you on the best way forward.





## Ingredients for success

In our opinion there is no better way of investing in wine than utilising the unique trading opportunities that Liv-ex and Vine offer.

### **Liv-ex: Direct market access**

The majority of Veblen's wine is bought and sold through a reliable, trustworthy platform called Liv-ex. Liv-ex's global network enables its members, brokers from around the globe, to trade safely and efficiently. Liv-ex's comprehensive data brings transparency to the market, and offers valuable insights to brokers and their customers. Only registered, committee approved wine merchants can trade on Liv-ex. We occasionally draw on our extensive network of merchants to get a price advantage for some, rarer trades.

### **Vine: Keeping your investment safe**

Liv-Ex and Vine allow for instant transfers of ownership of wines, meaning faster payment and immediate trades. This also ensures the wine stays in the same location, reducing the risk of damage in transit and retaining it's optimum condition.



## Ingredients for success

Why we use Liv-ex and Vine:

### 1. Safety & security

Vine's highly skilled and experienced staff produce SIB passports including high resolution photography & detailed condition reports for all wines. The warehouses offer optimal storage conditions, including bi-hourly humidity and temperature monitoring. All wines stored at Vine come with full insurance and proof of ownership using UIDs (unique identification number).

### 2. SIB Passport

The SIB Passport is an electronic certificate issued by Vine. As condition and provenance of a case of wine have a significant impact on its sale price, the passport certifies that it meets quality standards. It enables wines to be processed quickly when they are bought and sold, and allows for immediate trades on Liv-ex.

### 3. Immediate trades

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## Getting started

### What you need to know about wine

Assuming you don't want to spend hours, weeks and months learning and scouring the market, you'll need to choose a trustworthy broker to guide you to getting the best ROI.

#### **Make sure the broker you choose:**

- Uses a government bonded warehouse
- Arranges storage and insurance for your wine
- Only buy wine with proven condition and provenance
- Provides you with proof of purchase and ownership
- Is transparent about their process, especially when it comes to selling off your wine investment if you want to wind it down
- Matches their level of service to your requirements
- Provides you with regular reports on how your investment is performing

#### **Beware of upfront fees**

A lot of brokers charge up front management fees, which can impact your profit. Choose a broker with a fee model that suits you.

#### **Size and length of investment**

While there are no restrictions on how much to invest we do suggest starting with at least £1500, but there really is no upper limit of investment. Fine wine is best invested in over 5 - 10 year period to avoid short term price fluctuations and take advantage of its long term performance.



## Veblen Wine Here to help

### Find out more

If you wish to find out more about fine wine investment, please contact us on +44 (0)1622 672314 or email us, [info@veblenwine.com](mailto:info@veblenwine.com). Our friendly, experienced team of brokers would be happy to help.

