

# Characteristics of Fine Wine as an Investment

and **The Wine Investment Fund / The Wine Enterprise Investment Scheme Limited** in particular

**the headline**

**the detail**

a physical asset

whose value cannot be eroded by inflation. Like gold, a hedge against uncertainty

unique fundamental characteristics

Supply of any given vintage falls over time as wine is consumed. Demand tends to rise because the wine improves in the bottle and as global wealth rises

security

all wines are stored in UK government bonded warehousing (in optimal conditions)

insurance

all wines are insured at replacement value

risk reducing diversification

low correlation with traditional assets (in normal market conditions), which means that adding wine to an investment portfolio reduces its overall risk

outperforms traditional asset classes

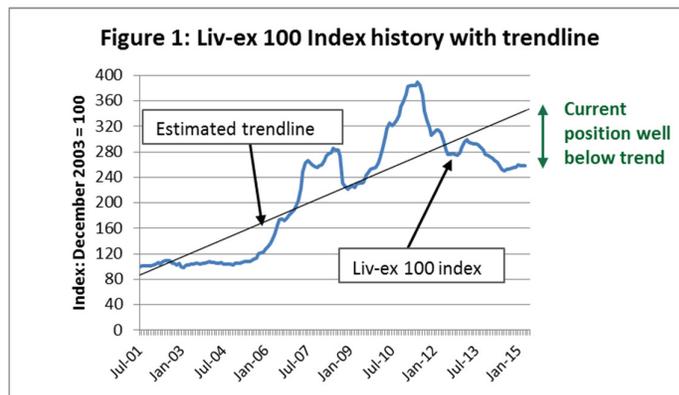
long-run data shows that wine has higher returns than equities, gold and oil

low risk

wine has also shown lower volatility, i.e. lower risk, than equities, oil and gold. Perhaps more strikingly, since 1988, taking every possible monthly 5 year period (i.e. Jan 1988-Jan 1993, Feb 1988-Feb 1993, etc. - a total of 268 periods as at 31 March 2015), wine shows a negative return in just two periods, both of less than 2%. The FTSE 100 has seen 75 negative periods, with the worst being -39%.

prices well below trend

now may prove to be as good a time to enter the market as The Wine Investment Fund has seen since 2009 as the market has fallen well below its trend line. The reasons for the downturn since 2011 appear to have unwound themselves.



professional team

TWIF has a stable, professional and expert management team with a combined 85+ years experience in wine and asset management

research and analyses

They have a unique research and analysis function which applies equity-style modelling to the fine wine market. They also regularly make available detailed reports on fine wine as an asset class, including more in-depth looks at many of the topics summarised here

risk management

They actively manage risk while also seeking to generate high returns. This sometimes means going against established practice (e.g. we do not invest *en primeur*).

track record	7.2% annualised average paid out return, net of all costs since launch in 2003
independent	They are fully independent
one stop shop	subscribers include institutions, family offices, private banks and fund of funds as well as private investors worldwide. TWIF is Sipp-able while its sister product TWEISL has 30% income tax relief, no CGT, no IHT and CGT deferral.
transparency	portfolios are valued by Liv-ex, the fine wine exchange, and the NAV (net asset value) is calculated independently by a licenced third party administrator
diversification	investors' subscriptions are pooled to form a large, well-diversified portfolio, thereby reducing risk within the asset class
established and respected asset managers	They have the longest track record (12 years since launch in 2003) of any fine wine manager and are, they believe, the largest specialist fine wine investment fund open to public subscription. The management team is widely recognised as <i>the wine investment experts</i> - e.g. is regularly quoted in the financial press



*Note that past performance is not necessarily a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount originally invested.*

The Wine Investment Fund Limited is a limited liability open-ended exempted mutual fund company of unlimited duration incorporated as a limited liability company under the laws of Bermuda with registration number 41751 and registered as a segregated accounts company pursuant to the Segregated Accounts Companies Act 2000, as amended.

The Wine Investment Fund is the collective name given to The Wine Investment Fund, The Wine Investment Fund Limited and The Wine Investment Fund Limited Partnerships.

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