

# VINT

## Q3 2022 REPORT

## **SOURCES:**

This report's two primary data sources are the London International Vintners Exchange (“Liv-ex”) for wine performance and Rare Whisky 101 for whisky performance. Liv-ex is a global fine wine marketplace offering the most comprehensive database of real-time transaction prices, market data, and insights. Based on the trade of the global network of merchants and businesses on the platform, Liv-ex is able to compile the most accurate secondary wine market and regional indices currently available in the market.

Rare Whisky 101 is a leader in whisky intelligence, valuations, and insights. Compiling data from an extensive range of sources, Rare Whisky 101 tracks the performance of individual bottles and distilleries. Rare Whisky 101 is able to generate several industry-leading composite performance indices, which are referenced in global publications such as the Knight Frank Wealth Report.

## **DISCLAIMER:**

*Each collection is unique and price appreciation of similar assets is not a direct proxy for performance. There is no current market for shares in Vint collections and the performance of the shares will reflect costs and fees described in the Offering Circular that are not reflected in the historical price appreciation of similar assets. Any historical returns, expected returns, or probability projections may not reflect actual future performance.*

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## **Q3 VINT UPDATES & PERSPECTIVE:**

We are pleased to provide this Q3 quarterly update to Vint investors. The aim of this report is to provide our community with an update on trends and developments in the fine wine and spirits market as a whole, as well as insights into the performance of specific regions and categories.

As of the publication of this report, we have offered and fully funded 44 unique collections, each carefully selected to provide investors exposure to some of the world's finest and rarest wines and spirits. Due to the growing number of collections in our portfolio, we have grouped the collections by region for reference in an appendix to this document.

For the tenth quarter in a row, the fine wine market (represented by the Liv-ex 1000 index) saw positive movement up +2.68%, and is sitting at +14.10% for the year to date. This quarterly growth came during the traditionally slow summer months for the fine wine trade, which typically sees a lull followed by an uptick in the fall. We observed this pattern again this year, July and August being relatively flat, but offset by strong growth in September. Currency value fluctuations in Europe and a strong dollar also played a prominent role in shaping the fine wine market in Q3, as US-based buyers have taken advantage of a weak Euro and Pound to acquire additional stocks of European wines at favorable costs. Overall, the fine wine market has continued to perform despite volatility in traditional markets, ongoing global inflation, and geo-political instability.

## GLOSSARY:

### **Bordeaux First Growth**

An official classification of the top wines of the Left Bank of Bordeaux. There are currently five First Growths and they are Château Lafite Rothschild, Château Latour, Château Margaux, Château Haut-Brion, Château Mouton Rothschild.

### **En Primeur**

A system in which wines from the most recent vintage are sold the following year prior to bottling and release. These wines are still maturing in barrel at the time of sale and will be released when the producer deems the wines ready, typically 18 - 24 months after harvest. This system is most prominent in Bordeaux, where a large percentage of the top wines are sold in this manner.

### **Blue Chip**

According to Investopedia, blue-chip assets are seen as relatively safer investments, with a proven track record of success and stable growth. In wine and spirits, this refers to regions or producers with extended histories of investment and returns, like Bordeaux and Burgundy.

### **Liv-ex:**

A global fine wine marketplace offering the most comprehensive database of real-time transaction prices, market data, and insights.

### **Rare Whisky 101 (RW):**

A leader in whisky intelligence, valuations, and insights, that compiles data from an extensive range of sources to track the performance of individual bottles, distilleries, and whole categories of the whisky market.

## INDICES REFERENCED

### **Liv-ex 1000 Index**

Tracks 1,000 wines from across the world and is Liv-ex's broadest measure of the market.

### **Liv-ex Italy 100 Index**

Tracks the price performance of the ten most recent physical vintages for five 'Super Tuscans' and five other leading Italian producers.

### **Liv-ex Bordeaux 500 Index**

Represents the price movement of the 500 leading wines from Bordeaux as designated by Liv-ex.

### **RW Apex 1000 Index**

The whiskies listed in this index are selected to offer an accurate representation of the broader whisky market.

### **Liv-ex Champagne 50 Index**

Tracks the price performance of the most recent physical vintages of the 11 most actively traded Champagnes.

### **Liv-ex Rhone 100 Index**

Tracks the price performance of the ten most recent physical vintage for five southern and five northern Rhone wines.

### **Liv-ex Right Bank 50 Index**

Tracks the price performance of the ten most recent physical vintages for five leading wines from Bordeaux's Right Bank as designated by Liv-ex.

### **Liv-ex Burgundy 150 Index**

Tracks the price performance of the ten most recent physical vintages for 15 representative white and red Burgundies.

### **Liv-ex California 50 Index**

Tracks the price performance of the ten most recent physical vintages of the five most actively traded Californian wines.

### **Liv-ex Fine Wine 50 Index**

Tracks the Bordeaux First Growths and includes the ten most recent vintages of Lafite Rothschild, Margaux, Mouton Rothschild, Haut Brion (2009-2018), and Latour (2004-2013)

## Q3 COLLECTION EXITS

### Regional Overview

In Q3 2022, Vint has completed four distributions to investors. These distributions are the result of data driven analysis and the opportunity to achieve better than market value for each asset sold.

### # of Collections Exited


- 4

### Net Annualized Returns (Realized)

- 28.38%

VINT COLLECTIONS EXITED Q3 2022		
Collection	% of Assets Sold	Net Annualized Return %
California Collection	100%	16.24%
Bowmore Cask Collection	100%	29.54%
Champagne Stars Collection	23.78%	19.97%
Germany Collection	14.04%	34.34%

# Exit Case Study



Sold Out

## Bowmore Cask Collection

A 23 Year-Old Cask of World-Class Single Malt Whisky

<b>\$94,000</b> Collection Value	<b>2,000</b> Total Shares	<b>1</b> Total Bottles	<b>2023-2028</b> Estimated Sale
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**\$47** Share Price

0 / 2,000 Shares Available 100%

Investment Closed

Invest with as little as 1 share

<b>Offering Price</b>	<b>\$94,000 / \$47.00 per share</b>
<b>Distribution to Investors</b>	<b>\$120,166 / \$60.08 per share</b>
<b>Offering Date</b>	<b>September 2021</b>
<b>Exit Date</b>	<b>August 2022</b>
<b>Net Return / IRR</b>	<b>Net +29.54% / IRR +35.49%</b>
<b>Multiple of Invested Capital (MOIC)</b>	<b>1.28</b>

## Above Fair Market Value Offer

- Acquired at 23 years of age
- Exceptional market opportunity to realize appreciation 50% greater than most recent comp auction sale
- Returns outpaced the general whisky market by 2.35<sup>1</sup> times over the same 12-month period
- Current economic conditions have led to a demand increased interest in casks and positively performing assets not correlated with economic markets



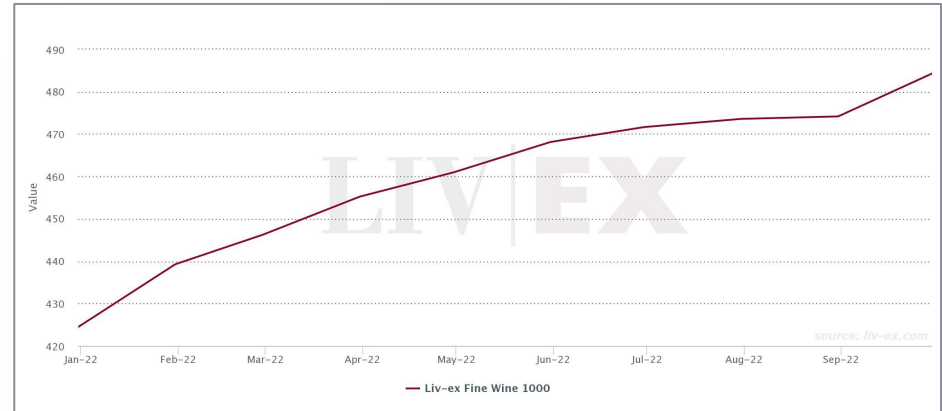
## GENERAL WINE MARKET PERFORMANCE Q3 2022

### Overview of Wine Market Q3

- Fine wine as a category continued to grow in Q3 2022, up 2.68% and 14.10% YTD. Momentum is building into Q4 as the fine wine market was up 2.10% in the month of September. (data based on the Liv-ex 1000 Index)
- According to Liv-ex, the top-performing sub-regions of Q3 2022 were Champagne and Italy, up 8.67% and 3.70%, respectively.
- The fine wine market outperformed traditional US equity markets in the third quarter. The Liv-ex 1000 was up 2.68% compared to -6.02% for the Dow, -3.51% for the Nasdaq, and -4.71% for the S&P 500.
- The third quarter also saw the dollar continue to strengthen against global currencies, achieving parity with the Euro and momentary near-parity with the British Pound. These currency fluctuations have enhanced the conditions for sourcing wines from European suppliers.
- The whisky market continued to experience growth in Q3, with the RW Apex 1000 Index up 0.25%\* on the quarter and 9.63%\* YTD.

\*Through August 29, 2022

### Liv-Ex 1000 Index



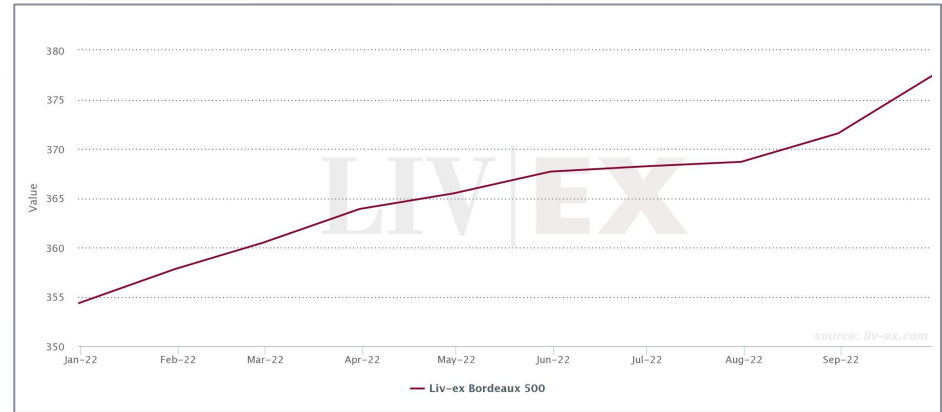
## BORDEAUX

### Regional Overview

Bordeaux as a region saw growth of 2.49% in Q3 2022 according to the Liv-ex Bordeaux 500 Index and is up +6.50% YTD. Breaking the Q3 performance of the region down further, the top wines of the Right Bank saw strong results with a +5.13% increase, while the First Growths on the Left Bank remained steady with gains of +1.45%. Momentum across the region accelerated towards the end of the quarter, with the top Right Bank wines up 1.80% and the top Left Bank wines up 1.5% in September.

The top performers from the Right bank over the last quarter were wines from Le Pin and Petrus, with wines from Châteaux Lafite and Margaux leading the way on the Left Bank. A significant development in Bordeaux in Q3 was the announcement of the updated Saint-Emilion Classifications. Château Figeac, the producer featured in the Vint St. Emilion Upgrade Collection, was promoted to Saint-Emilion's highest tier of Premier Grand Cru Classe A. Historically, promotion to this top tier has led to price appreciation in the years following promotion. We will continue tracking the assets' performance in the collections and update investors.

### Liv-Ex Bordeaux 500



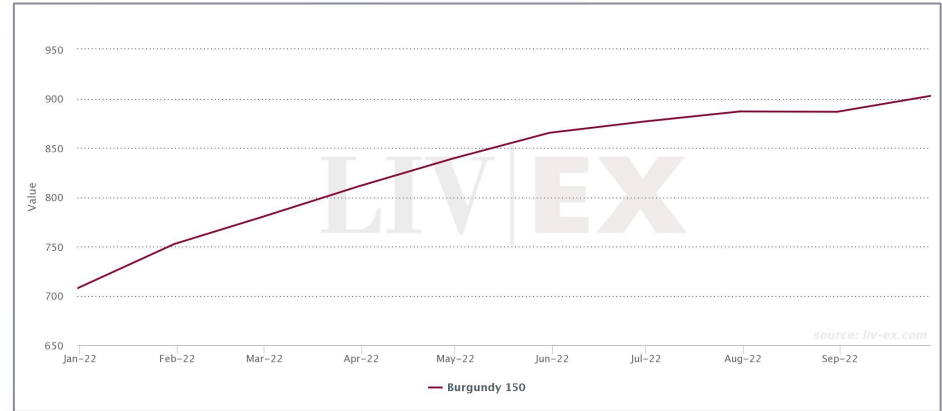
## BURGUNDY

### Regional Overview

Burgundy, as measured by the Liv-ex Burgundy 150 Index, was +2.99% in the third quarter. While this makes Burgundy the 3rd best performer of the quarter, the region is still comfortably ahead as the top performer so far in 2022, up 27.6% YTD. Like Bordeaux, momentum picked up in the final month of the quarter, with the wines of Burgundy up 1.8% in September alone.

In August, Burgundy became only the second region, other than Bordeaux, to lead the world in wines traded by value on Liv-ex making up 36.3% of value traded. While Bordeaux reclaimed the top position in September, Burgundy's rise to #1 demonstrates the continued intense demand for the wines and their values, as the total volume traded compared to Bordeaux is fractional.

### Liv-Ex Burgundy 150



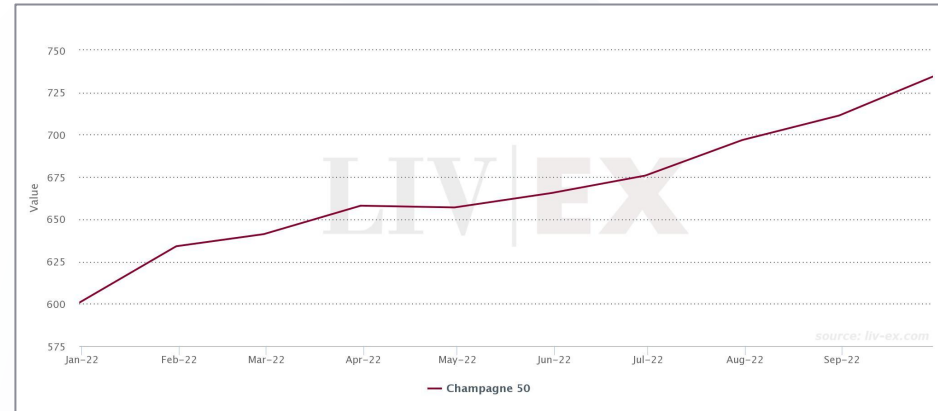
## CHAMPAGNE

### Regional Overview

Champagne was far and away the top performing region in Q3, with the Liv-ex Champagne 50 Index up 8.67%. Champagne is up +12.50% YTD, second only to Burgundy. This growth is the result of sustained interest in the region, which has led the number of unique Champagne labels traded in 2022 to surpass 2021, with 320 traded YTD compared to 319 all of last year.

Following a record-setting year for Champagne in 2021, Champagne is again a top-performing category in 2022 despite uncertain economic conditions and geopolitical instability. Multiple markets have driven demand for Champagne, with the UK leading at 40.3%, Europe accounting for 30.0%, and the US at 22.1% year-to-date. This differs from last year, when the US made up nearly 40%, demonstrating the resiliency and global nature of the demand for Champagne.

### Liv-Ex Champagne 50



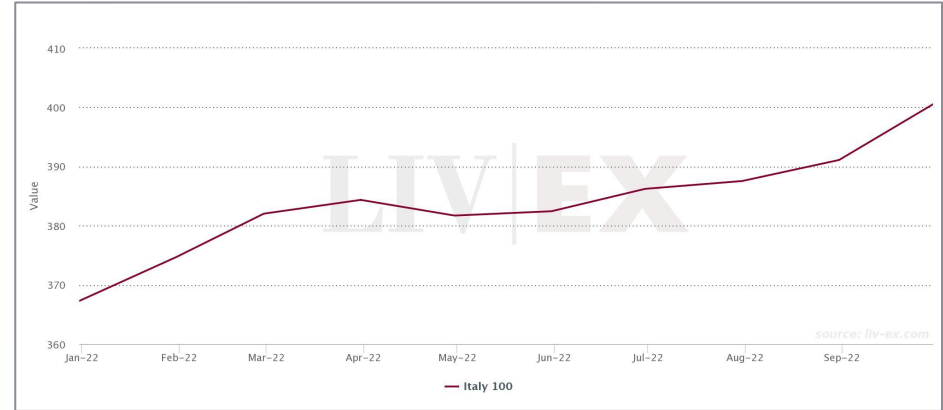
## ITALY

### Regional Overview

Italy was the #2 performing region in Q3 2022, as the Liv-ex Italy 100 Index clocked in up 3.7% from July to September. This growth bucks a slower trend for the region to begin the year as the demand for the country's blue chips continues to persist at a high level.

Growth in the first half of the quarter was driven by Super Tuscans, with Masseto, Sassicaia (two vintages), and Tignanello making up four of the top five top performers in August, but in September, the ratio was flipped, and Piemonte led the way with wines from G. Conterno and Mascarello making up four of the top five performers. With Tuscany and Piemonte offering distinctly different wines and excellent quality-to-price ratios, Italy is well positioned to appeal to a broad collector base.

### Liv-Ex Italy 150



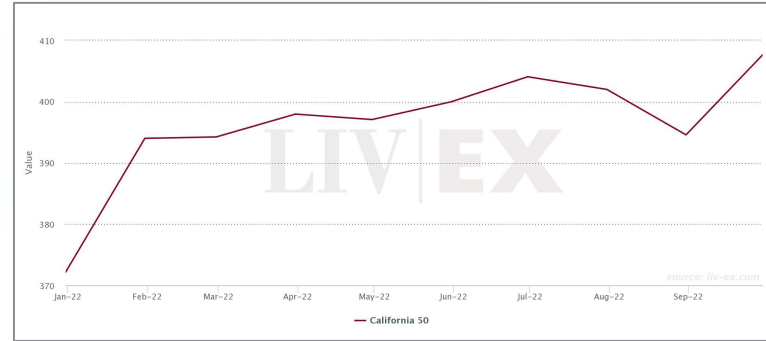
## UNITED STATES, RHONE VALLEY, REST OF WORLD

### Regional Overview

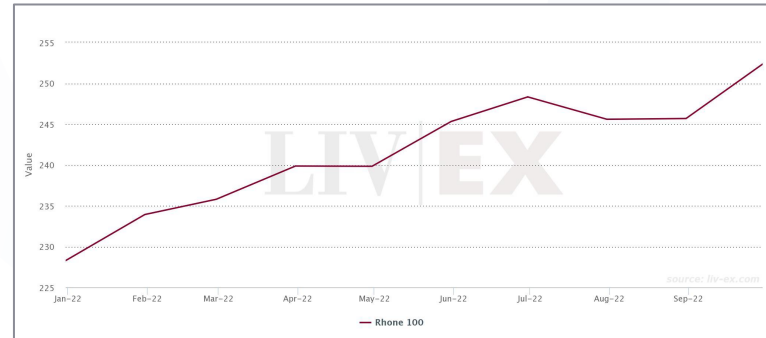
In Q3, The California 50 Index was up +0.88% and up 9.5% YTD. The first half of the quarter saw a small slowdown, with momentum building through September, with the Index up 3.3% in the month alone. The slowdown in the middle of the quarter can be partially attributed to the steep drop in the value of the Euro and British Pound in relation to the dollar. The stronger dollar led the wines of the US to become more expensive relative to their European counterparts, which slowed activity.

The Rhone 100 Index was up 1.62% in Q3 and is up 10.5% YTD. Wines of the Rhone Valley are continuing the consistency that we have seen over the past couple of years, regardless of the pandemic or economic instability. The Liv-ex Rhone 100 is up nearly 30% over the last two years, and the Index is on pace for another 15% year. Global demand for the wines is continuing to grow, and as collectors continue to look for wines with exceptional scores and relative value, the Rhone Valley will remain at the forefront.

### Liv-Ex California 50



### Rest of World 60



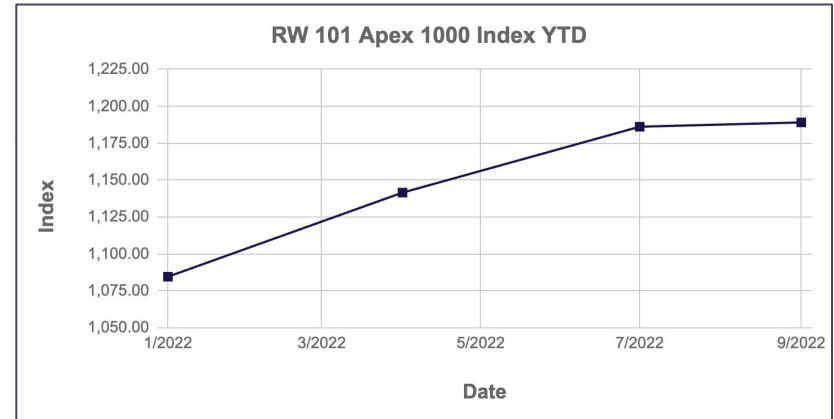
## SPIRITS

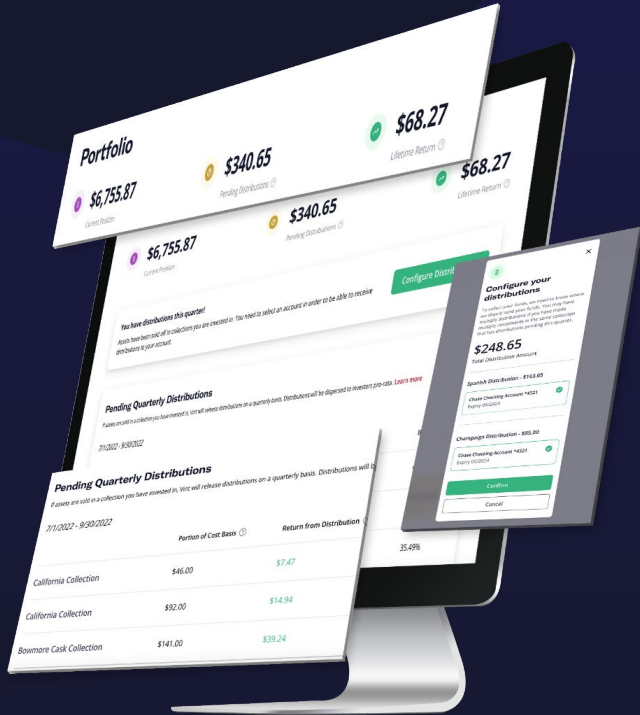
### Regional Overview

As measured by the Rare Whisky 101 Apex 1000 Index, the greater whisky market is up 9.63% YTD. While strong, this growth is outpaced by the top Scottish whiskies, which are up 14.47% YTD (source RW 101 Icon Index), which is bested by Japanese whiskies are up 17.37% (source RW 101 Japanese Index).

Top distilleries from Scotland and Japan continue to garner the most attention from collectors, with bottled whisky, especially limited edition bottlings and series, continuing to drive demand and growth.

### RW APEX 1000





# VINT

Securitized | Diversified | Wine & Spirits Investing





# Appendix

