

Bonjour,

Make money with fine wines. The turmoil on Wall Street has left us to look for investments elsewhere. And more investors are now looking at wine investments.

Wine is defying the odds and bucking the trend. As evidence, we would like to share with you articles from The Telegraph UK and Decanter.

We are also pleased to share with you some information from Liv-Ex, the premier wine exchange in London, about the resilience of the fine wine market.

Au revoir!

*Chris Low and The Vintage Assets Team*

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## NEWS FROM LIV-EX

### A short report from the annual Membership Newsletter 2008

The Fine Wine Market – has remained remarkably resilient in the face of the crisis which continues to unfold in financial markets. The Liv-ex 100 Fine Wine Index is up 9.5% so far in 2008.

to go steadily up in value as time goes on. I think a lot of people took comfort in that fact last week."

Liv-ex, a research company that runs a fine-wine index, estimates that prices of the best vintages have increased by 50 per cent since the start of last year – in sharp contrast to the stock market, where prices have fallen by 15 per cent.

Unlike most investments, people do not have to pay capital gains tax when they sell their wine, which has made it increasingly attractive in recent years.

Berry Bros said many of its customers were not exceptionally well-heeled, but ordinary wine lovers who enjoyed buying a couple of cases each year – one to drink, and one to hold as an investment.

Its stellar week was fuelled by selling 1,000 cases of Chateaux Lynch-Bages 2006 in the space of 24 hours – a vintage, the company admits, that was "mediocre", but good enough value to attract even struggling City workers.

Jonathan Ray, the Daily Telegraph wine writer, said: "I think one of the aspects of this downturn is that people are eating out less. And when they do go to a restaurant they resent paying expensive prices for cheap wine.

"Why not buy a steak from the supermarket and drink good wine cheaply at home?"

A bottle of Chateau Lafite-Rothschild 1986, considered one of the best wines of the twentieth century, was selling for just £40 a bottle when it first went on sale. If you can track one down now, a bottle will set you back at least £1,000.

"As each year goes on, there are fewer and fewer bottles in circulation. So the longer you keep it, the rarer it becomes," said Mr Fowler. "That just isn't the case with a Damian Hirst. He can always knock out another spot painting."

~ Taken from [telegraph.co.uk](http://telegraph.co.uk) 23 September 2008.

## NEWS FROM THE TELEGRAPH UK

### Wine buyers defy credit crunch

The wine industry is celebrating one of its best weeks ever, after thousands of investors turned to fine wine to escape the turmoil in the stock markets.

By Harry Wallop

Berry Bros & Rudd, wine merchants to the Queen, said that it is on track to record the best year in its 310-year history. It has sold £60.5 million-worth of wine since April, a £5 million increase on the same period last year.

It has been helped by booming trade last week – up by 20 per cent on the same week a year ago.

Its performance was matched at Christies, the auction house, which sold £1.65 million worth of claret and Burgundy over just two days, with the 2000 vintage of Chateau Lafite-Roshchild fetching the equivalent of £910 a bottle.

Wine experts said the unprecedented week had been fuelled by investors seeking an alternative home for their savings, as well as City workers choosing to drown their sorrows in style.

Joss Fowler, in the fine wine department of Berry Bros, said: "A lot of people just don't understand what is going on in the financial markets. But fine wine is easy to understand. It's a tangible investment which tends

### Hart Davis Hart buck gloomy trend with huge sale

Howard G Goldberg

Despite Wall Street's historic near-meltdown, Hart Davis Hart has just sold an American cellar for over US\$11m.

case of 1990 Romanée-Conti, DRC, high-estimated at US\$150,000, and US\$107,550 for a case of 1999 Romanée-Conti, DRC, with a US\$90,000 upper estimate.

A 165-lot Lafite-Rothschild consignment of regular and large bottles brought US\$1,819,627.

One 12-bottle lot, high-valued at \$30,000, went to a Chinese bidder in the room for US\$54,970.

Hart's vice chairman, Michael Davis, said: 'There have been a lot of surprises in my 25-year career as a wine auctioneer, but I never thought that I would see a case of 1982 Lafite-Rothschild hammer above case lots of 1982 Pétrus in the same auction.'

~ Taken from [decanter.com](http://decanter.com), 23 September 2008.

The sum of US\$11,160,583 taken on 19-20 September was the highest tallied for a 2008 wine auction and one of the highest ever recorded.

The Chicago house sold all 1,746 lots. The presale estimate of the so-called Fox Cellar was US\$6,827,960 to US\$10,205,500.

Declining to identify the consignor, Hart said, 'The word Fox refers to a private family trust.'

The topmost prices paid included US\$179,250 for a