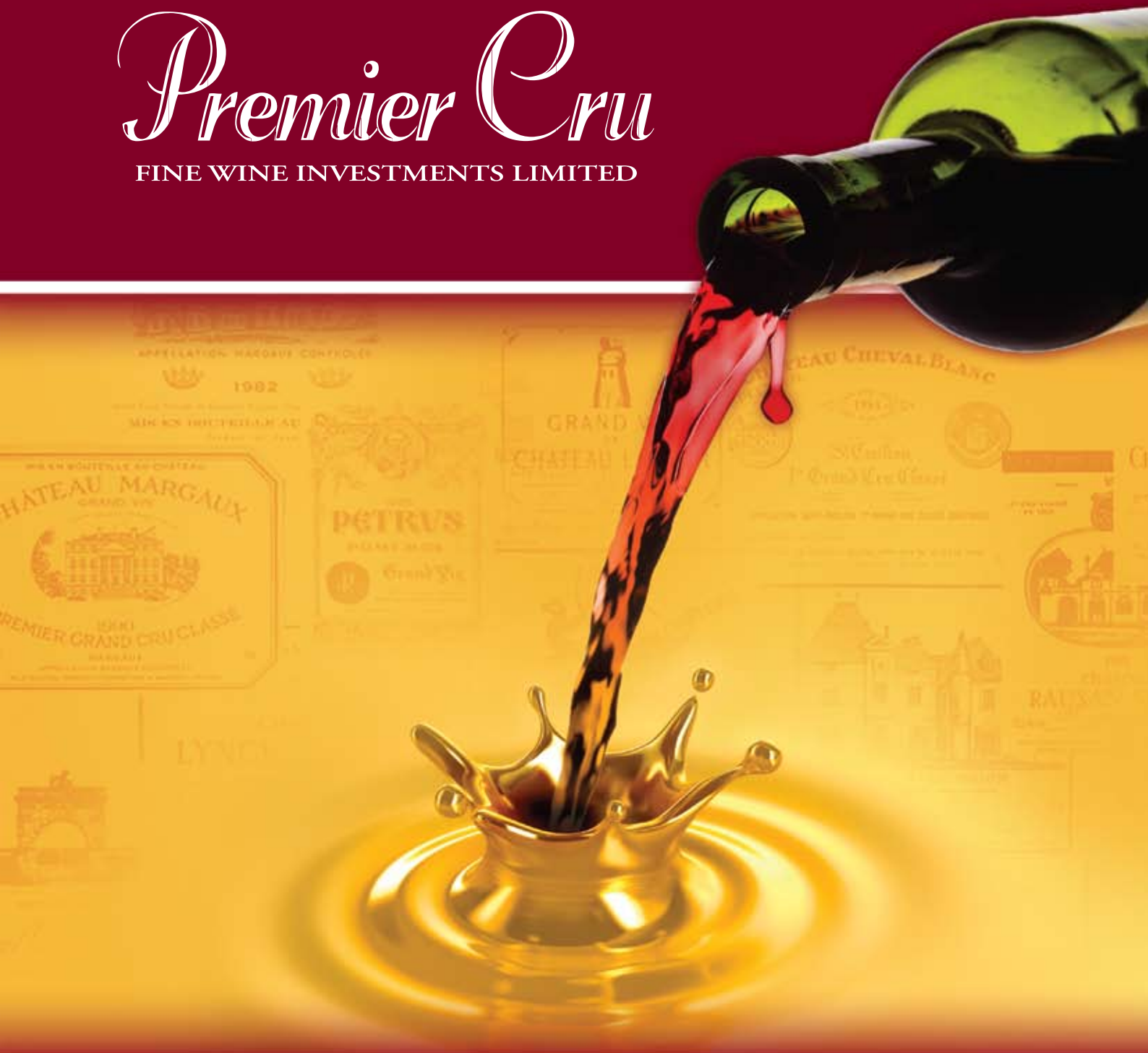


# Premier Cru

FINE WINE INVESTMENTS LIMITED



**An Introduction  
To Tailored Fine Wine Investment**

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# INTRODUCTION

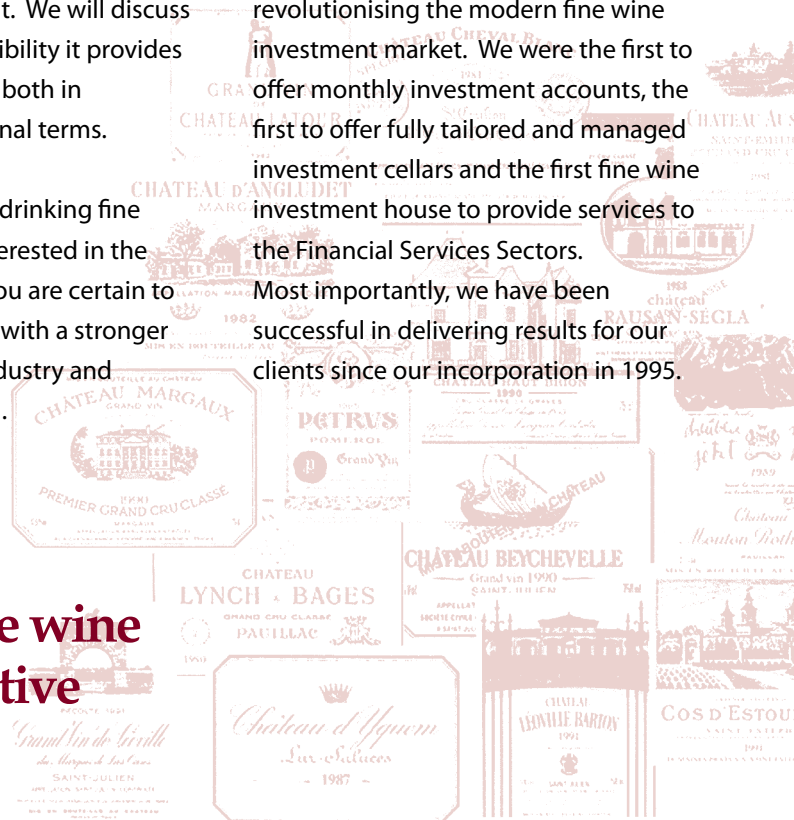


**“The fine wine market has the unique advantage of creating both the old and rare and the new and exciting”**

In this brochure we will walk you through the compelling fine wine investment market. We will explain how we capitalise on the opportunities it presents for a structured and profitable investment. We will discuss the unparalleled flexibility it provides many of our clients - both in financial and emotional terms.

Whether one enjoys drinking fine wine, or is simply interested in the performance data, you are certain to put down this guide with a stronger knowledge of the industry and investment potential.

By choosing Premier Cru Fine Wine Investments you are choosing one of the world's most experienced specialist investment companies and we are proud to have led the way in revolutionising the modern fine wine investment market. We were the first to offer monthly investment accounts, the first to offer fully tailored and managed investment cellars and the first fine wine investment house to provide services to the Financial Services Sectors. Most importantly, we have been successful in delivering results for our clients since our incorporation in 1995.



**“Emotionally and financially fine wine is a highly pleasurable and lucrative investment experience”**

1985  
**PETRVS**  
POMEROL  
*Grand Vin*  
M<sup>me</sup> L.P. LACOSTE-LOUBAT  
PROPRIÉTAIRE À POMEROL (GIRONDE) FRANCE  
MIS EN BOUTEILLES AU CHATEAU  
POMEROL CONTRÔLÉ

BOUTEILLE  
NEAU

1982  
**PETRVS**  
POMEROL  
*Grand Vin*  
M<sup>me</sup> L.P. LACOSTE LOUBAT  
PROPRIÉTAIRE À POMEROL (GIRONDE) FRANCE  
MIS EN BOUTEILLES AU CHATEAU  
APPELLATION POMEROL CONTRÔLÉE

1982  
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# A WHOLLY COMPELLING INVESTMENT OPPORTUNITY

**“Most people only think of single lump sum investments and do not realise that an investment cellar can be tailored to achieve specific goals such as provide an income, repay a mortgage, supplement a retirement or pay school fees.”**

Records that go back over hundreds of years document how fine wine has remained the steadiest form of investment in the world, generally unaffected by recession in an individual country, interest rate changes, general elections and stock market fluctuations.

Emotionally and financially fine wine is a highly pleasurable and lucrative investment experience. With our unique knowledge of the wine market we are

able to structure individually tailored portfolios. By refining the specific selection and structure of a cellar we can offer products which suit your personal needs and risk attitude. Most people only think of single lump sum investments and do not realise that an investment cellar can be tailored to achieve specific goals such as provide an income, repay a mortgage, supplement a retirement or pay school fees.

Of course you can also simply invest to diversify your investment portfolio and take advantage of the tax free profits.

Fine wine will be amongst the most enjoyable and interesting parts of your investment portfolio and, as an investment, has many advantages over other structured investments:

- Tax Free\*
- Easily Realisable
- Increasing Rarity
- Decreasing Availability
- Increasing Demand
- No Charges for Early Encashment
- World-Wide Portability
- Stable Investment Base
- Consumable
- Comparatively Low Risk
- Diversification from the Stock Markets



**“Fine wine has consistently outperformed all other forms of recognised investments”**



\* No Capital Gains or Income Taxes based on current UK tax laws as at 31 December 2009.

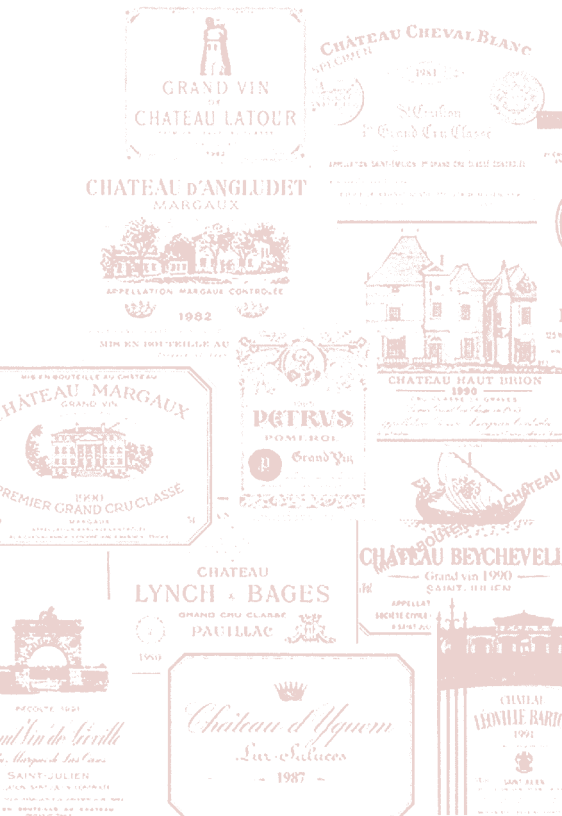
# LIQUID ASSETS: INVESTING IN FINE WINES



**All investments demand knowledge and expertise. We at Premier Cru Fine Wine Investments pride ourselves on our knowledge of market conditions, forces and the intricate rules of supply and demand.**

Our Investment Cellars contain both established, physical vintages and En Primeur. It is important to stress that En Primeur wines have been physically harvested and although some people refer to this type of purchase as Wine Futures it is not actual Futures, we buy actual physical wine and not future crops.

**“When investing in fine wines the quality, purchase price, Château and vintage are of primary importance”**



# A BRIEF HISTORY OF FINE WINE

**The drinking and worshipping of wine dates back longer than written history; emerging with civilisation itself from the Middle East.**



The Romans brought the first vines to France circa 500 BC, but didn't plant in Bordeaux until circa 50 AD. Records show that there has been much speculation about the quality of Roman wine, it apparently had extraordinary powers of keeping, which suggests that even then it was good enough to have the ability to mature. The great vintages were discussed and even drunk for longer than seems possible; extraordinarily there are records of a wine made in 121 BC being drunk when it was 125 years old.

The most consequential move in wine making history was the Romans taking their vines to Gaul, by the time they withdrew in the fifth century from what is now France they had laid the foundations for almost all the greatest vineyards of the modern world. Unlike the Greeks, the Romans were not limited to earthenware and amphorae to store their wines, they had barrels and bottles not dissimilar to modern barrels and bottles.

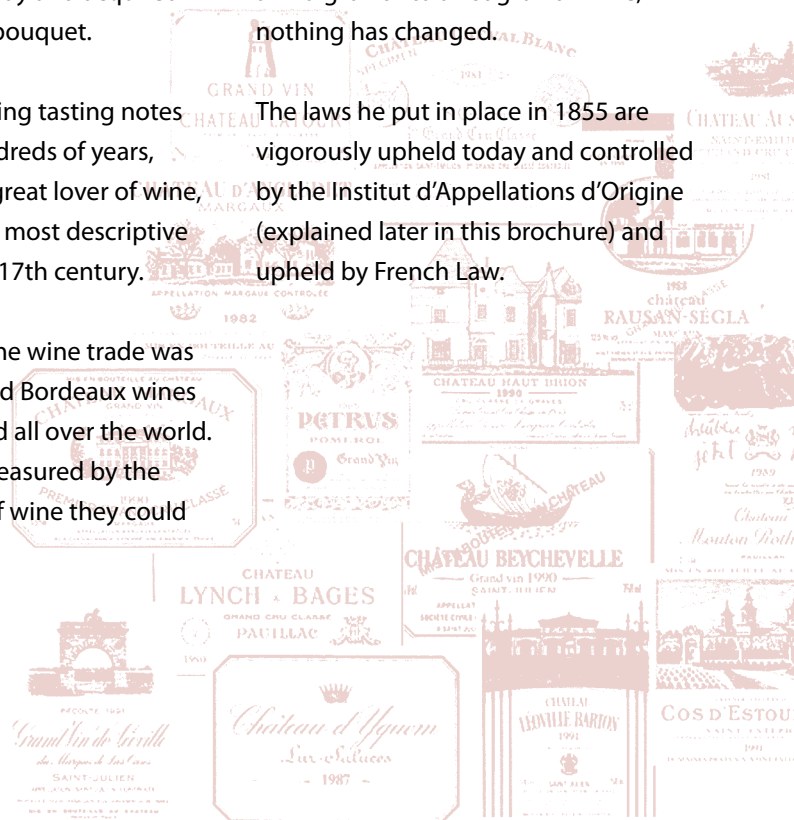
The cork was discovered in the late 17th century and bit by bit it became clear that wine kept in a tightly corked bottle lasted much longer than wine kept in a barrel as before, which was likely to "go off" any time after the barrel was breached. It was also discovered that wines kept in different sized bottles also aged in a different way and acquired what is known as a bouquet.

The tradition of writing tasting notes also dates back hundreds of years, Shakespeare was a great lover of wine, and left some of the most descriptive tasting notes of the 17th century.

During this period the wine trade was already booming and Bordeaux wines were being exported all over the world. In fact ships were measured by the number of tonnes of wine they could carry.

In 1855 Napoleon III effectively started the "Fine Wine Index" when he classified the wines in Bordeaux from 1 to 5. He based his decisions on the quality and prices realised of each Châteaux over the previous 100 years or so. Apart from one change in 1973 when Château Mouton-Rothschild was promoted from a 2nd growth to a 1st growth wine, nothing has changed.

The laws he put in place in 1855 are vigorously upheld today and controlled by the Institut d'Appellations d'Origine (explained later in this brochure) and upheld by French Law.





# COMPANY PROFILE

Premier Cru Fine Wine Investments was formed with the specific intention of offering structured investments to people with little or no knowledge of fine wines.

The idea of creating a pure investment company of this kind came in 1992 when one of the founder members of Premier Cru Fine Wine Investments was introduced to a National Insurance Contributions discount scheme utilising fine wine. Due to the stability of the wine markets, it was possible to offer prospective clients a guarantee that they would receive 100% of quoted

values. Other companies had been using Gold and Diamonds. However, fluctuations in those markets often caused clients to sell at a loss making the whole scheme pointless. Although we were not interested in an NIC discount scheme, a Tax Free Stable Market seemed the perfect basis for an investment.

Research started mid 1992 and in mid 1994 we launched our first "Investment Portfolio". Our development team, which has over 160 years combined experience in the Financial Services and Fine Wine Industries, has designed

our plans by taking the best features and benefits from standard Financial Industry Investment products whilst removing the common drawbacks of those schemes. In doing so, we have created what is now generally considered to be the most tax efficient and fully flexible range of investment plans available on the open market today. We do not charge exit fees or early redemption penalties (although we recommend a minimum 3 year term) and your profits are free from Capital Gains and Income Taxes.

# CELLAR TYPES

Minimum investment term for all cellars is 3 years, although we recommend investing for 5 years or longer. There is no maximum investment period.

A sizeable cellar of fine wine can be managed and 'turned' for hundreds of years without further capital expenditure. All wines can be placed in trust.

### Monthly Investment Cellar

3 years or longer - standing orders can be stopped and re-started at any time without penalty; holiday period can be as long as required. Amount can be changed at any time.

### Capital Investment Plan

3 years or longer.

### Annual Investment Plan

3 years or longer.

### Income Plan

5 years or longer.

### School Fees Plan

Must start at least 5 years before school fees are payable.

### Wedding Plan

3 years or longer - as there is no way of knowing when this may be this plan is ideal for wedding costs as the cellar can be cashed in at any time. The marriage date is therefore undetermined by the investment's maturity date.

### Pension Plan

Minimum term 5 years.

Additional investments may be made into any plan at any time.

### Life Starter Cellar

Buying wine for children or grandchildren with the aim of realising the cellar when they turn 18 or 21 to give them a good start in their adult life. Please note the wine will have to be held in an adult's name until the children turn 18.

# PORTFOLIO MANAGEMENT AND CLIENT SERVICE

As we all know, an increasing demand (due to increasing quality and rarity) together with a decreasing supply (due to consumption) creates the basis for a very successful and stable market.

With our panel of experts we are able to predict when specific top class wines will mature and when they will reach the end of their prime drinking life. We are able to offer structured investments, with varying degrees of risk, to mature at specific times.

We view the Clarets in a very different way to the traditional wine merchant

that offers an investment service – as we have said this is not a new concept. Our decisions are based on a more dispassionate but not clinical assessment and we have found that this makes a huge difference in the way we structure the cellar.

We also offer fully managed cellars, which has traditionally been the domain of Funds and not an option for the private investor. Under our active management system we will trade wines when we deem appropriate and in accordance to its age and performance in the market. We may

also trade if we feel that a new vintage En Primeur is worth investing in and trading the old for the new. As the wines belong to you at all times we will need your written permission to carry out the trade unless you would like to take advantage of our discretionary management service. We recommend utilising this service, as we will be able to take advantage of active bids and offers. All trades will be recorded and sent to you for your records.

## “A fully protected investment”

**We also provide a Special Offer Priority Listing whereby you can be amongst the first to receive the few exclusive and very limited special offers that feature occasionally as part of our service.**

**We pride ourselves for our level of client care, offering regular market updates and newsletters along with special offers and annual valuations.**



**“We at Premier Cru Fine Wine Investments pride ourselves on our knowledge of market conditions, forces and the intricate rules of supply and demand”**

# A FULLY PROTECTED INVESTMENT



## You physically own the wines, not shares or units of investment.

There have been some high profile court cases in the past where wine stockists who offer storage facilities have gone into liquidation and clients' wines - not

stored in individual accounts - were deemed the assets of the company and sold by the receivers.

We overcome this risk by giving each client an individual account within our chosen warehouse. The wine belongs to you at all times, and can only be removed from bond with your and the company's signature or that of a beneficiary in the event of death.

**The conditions of storage must be perfect so the wines can mature properly and realise their maximum potential thus protecting your valuable investment against deterioration.**

We will store your wines in optimum conditions and will be fully insured at their replacement value.

NB. If you decide to store your wines personally, please be aware that the conditions in which your bottles are kept will be reflected in its value.

Like any consumable rare product they must be stored in the correct conditions and carry full provenance.

## The overall benefits of our system are

- Insured at full replacement value
- Wine maintained in optimum conditions
- Recorded personal ownership
- Wines cannot be removed from Bond without owner's written consent
- No VAT / No duty
- Discretionary Management is optional



# WHAT ARE THE CHARGES?

**“Fully managed cellars have traditionally been the domain of Funds and not an option for the private investor - until now”**

We only have two charges for our investment cellars\* , storage and annual management fee.

The annual management fee is just 1.75% of the cellar value.

- **No Early Encashment Charges**
- **No Investment Top-up Charges**
- **No Partial Encashments Charges**
- **No Dealing Charges on sale - unless sold at auction**



# WHEN AND HOW DO YOU SELL YOUR WINES?

You are free to choose the right time to liquidate your investments as all portfolios are open ended and have no limitations – our management service will ensure you do not keep your wines too long. We do not charge broking fees or commission to sell your wines as this is part of our management service.

We have a global network of individuals and companies that buy wine from Premier Cru Fine Wine Investments. We also take advantage of the various outlets available to us on the internet. You will have the choice of two prices.

1. A spot price will be given if you need to sell your wines at short notice, and you would usually receive payment within 48 hours.
2. The best price can be achieved by broking your wines throughout the wine world through our network of stockists and private buyers. This type of sale will usually take 12-16 weeks.

### By Auction

If you wish to sell through an auction house, we will prepare the necessary paperwork and attend to the technicalities.

### Private Sale

There are many private cellar owners who regularly advertise for fine wines to purchase. If you wish to sell your wine privately we will provide all the necessary documentation.

\* This refers to our annual charges and purchase of established vintages and does not include En Primeur purchases. Please see charges detailed on our website.

# SIGN OFF FROM THE EXPERTS

Almost all fine wines will be drunk, as eventually they “go off” and turn to a worthless liquid, so to keep them would be pointless! The value is in the quality of the wine, and not the bottle that holds it.

Therefore, over the ensuing years, as the world's top fine wines are consumed, the rarity and exclusivity of the fine wines remaining will naturally increase in value.

This brochure is based on Premier Cru Fine Wine Investments' understanding of current Industry practice and of the Law and Inland Revenue practice as at 31st December 2009.

Whilst every care has been taken to ensure the accuracy of this booklet, neither Premier Cru Fine Wine Investments nor their representatives can accept responsibility for errors and omissions.

Individual Illustrations are available on request.

As with all investments the value of fine wine can go down as well as up.

*Premier Cru*  
FINE WINE INVESTMENTS LIMITED