



LE CLARENCE DE HAUT-BRION 2015 – Undervalued versus other 2015 First Growth Second Wines

Current Price (6x75cl)	£550.00
Wine Advocate	93+
Price per Point	£5.91
Drinking Window	2020-2039
Price Target in 2039	£1,745

- **Le Clarence de Haut-Brion 2015** is the 2nd wine of Haut-Brion. It is the highest ever scoring Clarence (93+).
- We are recommending it because it is undervalued versus the other 2015 First Growth 'second wines', and should appreciate with the 100-point Haut-Brion 2015. We are also seeing renewed Asian interest in Bordeaux second wines from top estates as first wine prices increase.
- Le Clarence 2015 is **50% cheaper than the other First Growth second wines from 2015**, despite having a *higher score* and a *much better scored* first wine.
- **Drinking window** for Le Clarence de Haut-Brion 2015 is to **2039**, making it a long-dated investment wine.
- We believe it can appreciate for 20 years at almost 6%, to reach **£1,745** at the end of its drinking window in 2039.

Le Clarence de Haut-Brion is the 'second wine' of Bordeaux First Growth estate Château Haut-Brion. The grapes for this wine come from the same vineyard, harvested at the same time, and the wine is vinified in the same way as the 100-point **Haut-Brion 2015**.

Why are you recommending Le Clarence de Haut-Brion 2015?

1. 2015 was an **investment grade vintage** in Bordeaux. It should provide excellent long-term investment potential.
2. Le Clarence de Haut-Brion 2015 is the **highest scoring** 2015 First Growth second wine – beating Carruades de Lafite, Pavillon Rouge and Petit Mouton with 93+ points from Robert Parker.
3. Le Clarence de Haut-Brion 2015 has the **highest scoring first wine** of all the released second wines¹ from 2015 (100 points for Haut-Brion 2015 from Robert Parker).
4. Le Clarence de Haut-Brion is **by far the cheapest** of the First Growth second wines from this vintage.
5. In its own right, Le Clarence de Haut-Brion is a **20-year investment wine**, with a drinking window to 2039 (Wine Advocate).
6. We expect it to trade around 16% of the value of the Haut-Brion 2015 first wine in 20 years' time, which implies a value of £1,745 (6x75cl), or a compound annual growth rate from today of **6.0%**.
7. We are seeing renewed **interest from our Asian trading desks in top Bordeaux 'second wines'** as first wine prices rise. In the market frenzy of 2010-11 a lot of second wines increased very rapidly in value.

¹ Chateau Latour has not yet released its 2015 first wine.

What will make Le Clarence de Haut-Brion 2015 go up in price?

1. *Collectors Spotting the Relative Undervaluation of Le Clarence 2015* - It makes no sense for Le Clarence de Haut-Brion 2015 to have the best score, the highest scored first wine and by far the lowest price of the First Growth 'second wines' from 2015:

2015 First Growth Second Wine Analysis				
	Carruades de Lafite	Pavillon Rouge	Petit Mouton	Clarence de Haut-Brion
Second Wine Score	91	92	93	93+
Price	£1,335	£900	£1,050	£550
First Wine Score	96+	99	98	100

The average price of **Carruades**, **Pavillon Rouge** and **Petit Mouton** 2015 is around £1,100. Le Clarence de Haut-Brion trades at a 50% discount to this average price, despite it being a better wine with a 'legend in the making' 100-point first wine. This looks like a market anomaly.

2. *Le Clarence 2015 will appreciate with Haut-Brion 2015.* We have written elsewhere that we expect Haut-Brion 2015 to appreciate at inflation + 5.0% for at least 30 years (7.2% in total based on current inflation expectations). Even if we assume that Le Clarence falls from 19.6% of the price of Haut-Brion to 15.7% (the ratios of the 1989 wines' relative prices today), that still implies a price of £1,745 for Le Clarence 2015 in 20 years, or a CAGR of 6.0%.

Current Market Prices for Le Clarence and Haut-Brion

Vintage	Haut-Brion	Haut-Brion Score	Le Clarence de Haut-Brion	Le Clarence Score	Le Clarence % of Haut-Brion
2015	£ 2,800.00	100	£ 550.00	93+	19.6%
2010	£ 3,350.00	100	£ 620.00	93	18.5%
1989	£ 9,250.00	100	£ 1,450.00	90	15.7%

Verified stock only. Le Clarence 1989 price interpolated from single bottle pricing in market.

3. *Trading Opportunity based on Asian Demand.* As top Bordeaux first wine prices have increased in value, our Asian trading desks in Hong Kong and Singapore are reporting more interest in second wines once again. Back in the market frenzy of 2009-11 second wines performed dramatically well. **Bahans Haut Brion 2005** (as Le Clarence was called then) almost *tripled* in price in less than two years between mid-2009 and mid-2011:



In this sense, second wines are geared plays on first wine appreciation, and these will certainly perform exceptionally well in another strong upwards market.

We therefore recommend Le Clarence de Haut-Brion 2015 as both a short-term play on its relative undervaluation versus the other First Growth second wines, and as a cheap way in to a 100-point First Growth wine.

But we also believe that this wine will produce steady long-term returns on the back of the anticipated appreciation in the First Wine.

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