



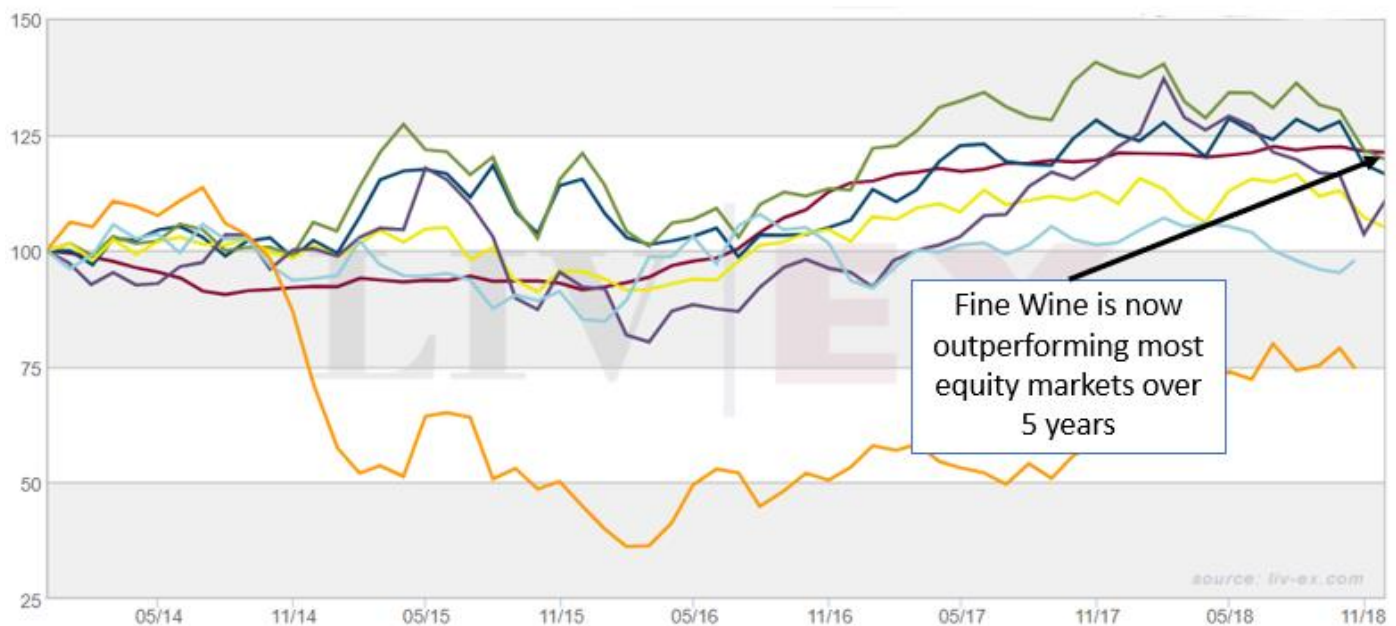
Equities are Sinking ...

... but Fine Wine provides a Safe Haven








- Global equity markets are entering **bear market** territory. But Fine Wine continues to **rise in value**.
- Fine Wine has now **outperformed major European and Asian equity markets over the past 5 years** (+21%). And it has been far less volatile.
- The structural reasons for Fine Wine's excellent performance remain unchanged.
- As the long equity bull market comes to an end, we recommend that sophisticated investors **increase their weighting in Fine Wines**.
- We recommend that investors new to the asset class buy a replicating basket of the **Liv-ex 100 Index** of the highest quality wines.

Fine Wine outperforms most equity markets over 5 years

Global equity markets are wobbling. Many are now in bear market territory. But as equities (and commodities such as oil) wilt under the pressure of stretched valuations and global monetary tightening, one asset class remains rock solid: **Fine Wine**.



Fine wine has now **outperformed** the following markets over the past 5 years: FTSE 100, DAX, CAC 40, Hang Seng, Crude Oil and Gold¹.

Series	Current value	6m	12m	2y	5y
FTSE 100 	6,702	-12%	-9%	-2%	5%
DAX 	10,741	-15%	-17%	-5%	20%
CAC 40 	4,754	-12%	-9%	0%	17%
Hang Seng 	25,855	-13%	-10%	18%	11%
Crude Oil 	69	6%	21%	33%	-25%
Gold 	1,225	-4%	-2%	8%	-2%
Liv-ex Fine Wine 100 	313	0%	0%	6%	21%

We recommend that HNW and UHNW investors allocate a small (2-5%) amount of their portfolio to Fine Wine for the following reasons:

- Fine Wine is not levered (no unwinding as interest rates rise).
- Fine Wine is relatively uncorrelated with mainstream assets.
- Fine Wine is produced in strictly fixed quantities.
- Fine Wine improves physically with age.
- Demand for Fine Wine continues to rise as the world gets wealthier.
- Fine Wine is an extraordinarily long-lived asset (50-60 years or more for the best vintages).
- Cost of storing Fine Wine has fallen dramatically in percentage terms.

Buy the Liv-ex 100 Index

We recommend that new investors buy the Liv-ex 100 index. This basket is chosen by the world's leading Fine Wine exchange (Liv-ex.com) for **quality, diversification** and **liquidity**.

Cru can provide all the wines in the Liv-ex 100 together with secure and insured storage, with a real time screen view of your portfolio. And there are no charges other than the low monthly storage cost.

¹ Source: Liv-ex.com.

Liv-ex 100 Index Constituents

Region	Wine	Vintage	Pack Size	Market Price
Bordeaux (Red)	Angelus	2009	6x75cl	£ 1,625
Bordeaux (Red)	Angelus	2010	6x75cl	£ 1,670
Burgundy (Red)	Armand Rousseau, Chambertin	2015	1x75cl	£ 3,167
Rhone	Beaucastel, Chateauneuf Du Pape	2015	12x75cl	£ 470
Rhone	Beaucastel, Chateauneuf Du Pape Hommage J Perrin	2012	12x75cl	£ 2,600
Bordeaux (Red)	Cheval Blanc	2000	6x75cl	£ 3,725
Bordeaux (Red)	Cheval Blanc	2005	6x75cl	£ 3,375
Bordeaux (Red)	Cheval Blanc	2006	6x75cl	£ 2,075
Bordeaux (Red)	Cheval Blanc	2009	6x75cl	£ 3,400
Bordeaux (Red)	Cheval Blanc	2014	6x75cl	£ 1,825
Rhone	Clos Papes, Chateauneuf Du Pape	2015	12x75cl	£ 670
Burgundy (Red)	Comte Vogue, Musigny Vv	2014	6x75cl	£ 2,250
Bordeaux (Red)	Cos d'Estournel	2003	6x75cl	£ 796
Bordeaux (Red)	Cos d'Estournel	2005	6x75cl	£ 810
Bordeaux (Red)	Cos d'Estournel	2009	6x75cl	£ 1,175
Rhone	Domaine Jean-Louis Chave, Hermitage	2015	6x75cl	£ 1,950
Burgundy (White)	Domaine Leflaive, Chevalier Montrachet	2015	6x75cl	£ 3,560
Burgundy (White)	Domaine Leflaive, Puligny Montrachet Clavoillon	2015	12x75cl	£ 1,160
Burgundy (Red)	Domaine Ponsot, Clos Roche Vv	2015	6x75cl	£ 2,678
United States	Dominus	2014	12x75cl	£ 1,800
Burgundy (Red)	DRC, Richebourg	2014	3x75cl	£ 5,133
Burgundy (Red)	DRC, Romanee Conti	2014	1x75cl	£ 13,785
Burgundy (Red)	DRC, Tache	2014	3x75cl	£ 8,664
Bordeaux (Red)	Ducru Beaucaillou	2009	6x75cl	£ 1,140
Italy	Giacomo Conterno, Barolo Riserva Monfortino	2010	3x75cl	£ 2,950
Rhone	Guigal, Cote Rotie (av price, production combined)	2014	6x75cl	£ 1,000
Bordeaux (Red)	Haut Bailly	2009	6x75cl	£ 890
Bordeaux (Red)	Haut Brion	1998	6x75cl	£ 2,275
Bordeaux (Red)	Haut Brion	2000	6x75cl	£ 3,540
Bordeaux (Red)	Haut Brion	2005	6x75cl	£ 3,300
Bordeaux (Red)	Haut Brion	2015	6x75cl	£ 2,550
Bordeaux (Red)	Haut Brion	2009	6x75cl	£ 3,200
Bordeaux (Red)	Haut Brion	2010	6x75cl	£ 3,325
Bordeaux (Red)	Haut Brion	2012	6x75cl	£ 1,675
Champagne	Krug, Vintage Brut	2004	6x75cl	£ 960
Bordeaux (Red)	Lafite Rothschild	2015	6x75cl	£ 2,728
Bordeaux (Red)	Lafite Rothschild	2000	12x75cl	£ 13,400
Bordeaux (Red)	Lafite Rothschild	2003	6x75cl	£ 4,500
Bordeaux (Red)	Lafite Rothschild	2005	6x75cl	£ 3,800
Bordeaux (Red)	Lafite Rothschild	2006	12x75cl	£ 6,300
Bordeaux (Red)	Lafite Rothschild	2009	6x75cl	£ 3,600
Bordeaux (Red)	Lafite Rothschild	2010	6x75cl	£ 3,525
Bordeaux (Red)	Latour	2000	6x75cl	£ 4,240
Bordeaux (Red)	Latour	2003	6x75cl	£ 3,800
Bordeaux (Red)	Latour	2005	6x75cl	£ 3,375
Bordeaux (Red)	Latour	2009	6x75cl	£ 4,900
Bordeaux (Red)	Latour	2010	6x75cl	£ 5,576
Bordeaux (Red)	Leoville Las Cases	2005	6x75cl	£ 1,075
Bordeaux (Red)	Leoville Poyferre	2009	6x75cl	£ 863
Bordeaux (Red)	Leoville Poyferre	2010	6x75cl	£ 525
Champagne	Louis Roederer, Cristal	2008	6x75cl	£ 975
Champagne	Louis Roederer, Cristal	2007	6x75cl	£ 695
Champagne	Louis Roederer, Cristal	2009	6x75cl	£ 746
Bordeaux (Red)	Lynch Bages	2000	6x75cl	£ 2,100
Bordeaux (Red)	Lynch Bages	2009	6x75cl	£ 675
Bordeaux (Red)	Margaux	2000	6x75cl	£ 4,023
Bordeaux (Red)	Margaux	2003	6x75cl	£ 2,450
Bordeaux (Red)	Margaux	2005	6x75cl	£ 3,050
Bordeaux (Red)	Margaux	2009	6x75cl	£ 3,200
Bordeaux (Red)	Margaux	2010	6x75cl	£ 3,250
Bordeaux (Red)	Margaux	2015	6x75cl	£ 5,750
Italy	Masseto	2014	3x75cl	£ 1,180
Bordeaux (Red)	Mission Haut Brion	2000	12x75cl	£ 5,600
Bordeaux (Red)	Mission Haut Brion	2005	6x75cl	£ 2,313
Bordeaux (Red)	Mission Haut Brion	2009	6x75cl	£ 2,375
Champagne	Moet & Chandon, Dom Perignon	2009	6x75cl	£ 550
Champagne	Moet & Chandon, Dom Perignon	2006	6x75cl	£ 500
Bordeaux (Red)	Montrose	2000	6x75cl	£ 750
Bordeaux (Red)	Montrose	2003	6x75cl	£ 850
Bordeaux (Red)	Montrose	2009	6x75cl	£ 1,060
Bordeaux (Red)	Montrose	2010	6x75cl	£ 950
Bordeaux (Red)	Mouton Rothschild	2015	6x75cl	£ 2,375
Bordeaux (Red)	Mouton Rothschild	2000	6x75cl	£ 9,670
Bordeaux (Red)	Mouton Rothschild	2005	6x75cl	£ 2,650
Bordeaux (Red)	Mouton Rothschild	2006	6x75cl	£ 2,200
Bordeaux (Red)	Mouton Rothschild	2009	6x75cl	£ 2,800
Bordeaux (Red)	Mouton Rothschild	2010	6x75cl	£ 2,900
United States	Opus One	2014	6x75cl	£ 1,395
Italy	Ornellaia	2013	6x75cl	£ 610
Italy	Ornellaia	2015	6x75cl	£ 761
Bordeaux (Red)	Palmer	2009	6x75cl	£ 1,195
Rhone	Paul Jaboulet Aine, Hermitage Chapelle	2015	6x75cl	£ 892
Bordeaux (Red)	Pavie	2005	12x75cl	£ 3,460
Bordeaux (Red)	Pavie	2009	6x75cl	£ 1,498
Bordeaux (Red)	Pavie	2010	6x75cl	£ 1,575
Australia	Penfolds, Grange	2008	6x75cl	£ 2,250
Bordeaux (Red)	Petrus	2009	6x75cl	£ 17,000
Bordeaux (Red)	Petrus	2010	3x75cl	£ 8,990
Bordeaux (Red)	Pichon Baron	2010	6x75cl	£ 670
Bordeaux (Red)	Pontet Canet	2009	6x75cl	£ 750
Bordeaux (Red)	Pontet Canet	2010	6x75cl	£ 738
Italy	Sassicaia	2015	6x75cl	£ 870
Italy	Sassicaia	2014	6x75cl	£ 600
United States	Screaming Eagle	2015	3x75cl	£ 7,200
Bordeaux (Red)	Smith Haut Lafitte	2009	6x75cl	£ 995
Champagne	Taittinger, Comtes Champagne	2006	6x75cl	£ 400
Italy	Tignanello	2015	6x75cl	£ 395
Spain	Vega Sicilia, Unico	2006	6x75cl	£ 1,230
Bordeaux (White)	Yquem	2001	6x75cl	£ 2,100
Bordeaux (White)	Yquem	2007	6x75cl	£ 1,040

IMPORTANT NOTICE

This report has been issued or approved for issue by an entity forming part of Cru (as defined below) and has been forwarded to you solely for your information and should not be considered as an offer or solicitation of an offer to sell, buy or subscribe to any securities or any derivative instrument or any other rights pertaining thereto ("financial instruments"). This report is intended for use by professional or business investors only. This report may not be reproduced without the consent of Cru.

The information and opinions expressed in this report have been compiled from sources believed to be reliable, but, neither Cru, nor any of its directors, officers, or employees accepts liability from any loss arising from the use hereof or makes any representations as to its accuracy and completeness. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied is made regarding future performance. This information is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the product or products mentioned. Cru is not agreeing to nor is it required to update the opinions, forecasts or estimates contained herein.

The value of any products mentioned in this report can fall as well as rise. Foreign currency denominated products are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such products.

This report does not have regard to the specific instrument objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any products or investment strategies discussed in this report.

Cru (or its directors, officers or employees) may, to the extent permitted by law, own or have a position in the products of any company or related company or products referred to herein, and may add to or dispose of any such position or may make a market or act as a principal in any transaction in such products. Directors of Cru may also be directors of any of the companies mentioned in this report. Cru (or its directors, officers or employees) may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based prior to the material being published. Cru may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

For the purposes of this disclaimer, "Cru" shall mean: (i) Cru London Limited; (ii) Cru Asia Limited and (iii) from time to time, in relation to Cru London Limited and/or Cru Asia Limited, the ultimate holding company of that entity, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of an entity within Cru. Products referred to in this research report may not be eligible for sale in those jurisdictions where an entity within Cru is not authorised or permitted by local law to do so. In particular, Cru does not allow the redistribution of this report to non-professional investors or persons outside the jurisdictions referred to above and Cru cannot be held responsible in any way for third parties who effect such redistribution or recipients thereof. © 2018.