Fine Wine Parcel Trading

CLUB VINICON

Contents


PULIGNY · MONTRACHET
DOMAINE
LEFLAIVE
(COTE D'OR)

Introduction

The Fine Wine market is often branded as a solid and stable source of alternative investment, and even with the recent Global economic and political upheaval it has continued to be a stable and profitable asset.

Existing within the fine wine market there are more opportunistic and commercial way of achieving higher rates of short term returns though trading “parcels of wine.” With over 20 years of experience Club Vinicon aims to be an enthusiastic and enjoyable environment that can add private purchasing scale to a young business whilst the members enjoy a memorable “club experience” as well as commercial returns.

Stephen Lane

Managing Director


1998
1997

What's a parcel?

Wine that can be purchased at or below market value and sold as one lot for a significant return

En Primeur

Q1 - Burgundy and Italy En Primeur
Q2 - Bordeaux En Primeur
Q3 - Super-Tuscan/California releases

Vinicon has allocations of the most investable En Primeur wines.

Year End Stock Clearance

Each major UK importer has different year-end and opportunities exist when businesses seek to reduce their stock holding at year-end.

Direct from Wineries

Wineries have established supply chains which they work to protect, but a 'Club' has the opportunity to bypass them.

Vinicon has established logistics to bring wines to the UK.

The Club proposition in summary

A personal ‘club’

- Like-minded people who enjoy drinking and discussing wine
- Exclusive wine tastings, chateau visits and other related events
- All enabled by the trading of wine parcels

Parcels of wine

- Exclusive one-off opportunities to buy finite quantities of a wine at below market prices and sell them on at the right time
- The wine is traded as with any other asset (it’s not about building a cellar or long-term investment)

Commercials

- High returns (37-48%), over a short term (24-36 months)
- A ‘pledge’, individual £25K aliquots, £250K total
- ‘Personal’ – no tax liability

Individual’s capital & profits

- 40% of the pledge paid on agreement, then 40% and 20% as required
- 3 year commitment, reviewed after 18 months (extend option)
- At cycle-end, fund renewed:
    - Exit option for capital/profits; or continue
    - Either/both can be taken as cash or drinking wine to the value (at Vinicon preferential rates)

About us

Sourcing, importing the world's finest wines:

- Agency, bringing some exceptional producers to the UK market
- Private clients, investment and drinking wines

Stephen Lane

Over 15 years' experience in the UK wine trade, including roles with Matthew Clark, Enotria and Waddesdon Wine Ltd.

As Commercial Director at Waddesdon Wine Ltd, Stephen transformed this Rothschild owned business from a small private client operation to a mid-sized national agency house, engaging with producers that are best in class from around the world.

Martin Guntrip

Director of the All England
Lawn Tennis Club
Club Vinicon club secretary

David Collingbourne

Club Vinicon commercial lead

The trading process

Members pledge
- Club funds, up to £250K
- Aliquots of £25K
- 40% paid on pledge; 40% then 20% drawn as parcels identified and purchased

Vinicon buys on behalf of the club
- Wines held in bond, with a paper trail (this protects investment outside Vinicon)
- Wines remain the property of the club until sold
- Vinicon decides parcels to sell from time to time

Wines sold
- Vinicon sells parcels
- Purchasers are International brokers; UK merchants; B2C
- The club receives capital and profits, less agreed fees/commissions

Individual's capital & profits
- 3 year cycle, review at 18 months, members agree end to term or extend, wine buying adjusted accordingly
- Open book, quarterly reporting of cash/ market value of stocks held
- At cycle-end, capital/profits reinvested, or taken as cash or drinking wine* to the value

*For drinking wine, preferential Vinicon rates available to club members (IBD catalogue price + duty/VAT) RSP – c. 35%

Portfolio buying strategy

Larger parcels

The right wines, commercial advantage identified

- Bordeaux Cru Classé and mature investable parcels as and when available
- Burgundy- as above, desirable Domaines in good quantities
- Vintage Champagne
- Super Premium Italian wines
- Like-minded people who enjoy drinking and discussing wine
- Exclusive wine tastings, chateau visits and other related events
- All enabled by the trading of wine parcels

En Primeur

Larger quantities, realised back into profit once physical

- Bordeaux First Growths and second wines - wines that quickly accrue value following release and can be liquidated once they are physically available
- Burgundy
- Italy- Super Tuscans/Top Piedmont Wines
- Super Premium Spanish and Napa

Example returns

Returns vary by channel and opportunity. There is a realistic opportunity to manage 37-48% returns over a 24-36 month period (buying strategy review at 18 months).

Recent examples						
	£Buy	**Date**	**£Trading (Mar '22)**	**£**	**%**	**Period**
Parcels						
Domaine Leflaive Puligny Montrachet 2018 (case)	550	Jan 21	750	200	36.4%	13 mths
Tignanello 2018 (case)	395	Mar 21	600	205	51.9%	11 mths
En Primeur						
Carruades de Lafite 2020 (case)	960	Jun 21	1,300	340	35.4%	8 mths
Sassicaia 2019 (case)	995	Feb 22	1,400	405	40.7%	1 mth

What’s in it for each party?

Investors

- Club membership facilitated by a ‘personal’ investment
- Short term capital appreciation
- Profits – payable in cash and/or wine at preferential rates
- Target RoC 37-48%, 24-36 months (buying strategy review at 18 months)
- Investments and the income from them may go down as well as up

Club Management

- Martin Guntrip and David Collingbourne both club members, same terms and benefits
- Club receives a one-off flat fee (3% on all wine at point of purchase) to cover club overheads
- Plus a one-off, per parcel commission on GP (for each parcel, 7.5% of sales less purchase cost, once parcel sold)

Vinicon

- Business growth and scale with key suppliers - enhances future allocations
- Protects the sale of allocations - at release prices
- Delays the sale of allocations - an understanding with producers
- Stephen Lane is a club member, same terms and benefits
- Plus a one-off, per parcel commission on GP (for each parcel, 15% of sales less purchase cost, once parcel sold)

2022 Club calendar

Club Vinicon members will have access to our calendar of events which includes:

- Summer Dinner
- Autumn Trip to Bordeaux
- Winter Dinner

Summer dinner

Hosted by Les Parcellaires de Saulx, Burgundy (www.de-saulx.com)

30 appellations produced on the most prestigious terroirs of Burgundy, from Côte de Beaune to Côte de Nuits

Charged at cost
£150 per head, including cost of wine

Autumn trip to Bordeaux

Arrive in Bordeaux

- Lunch, Tour and Tasting at Chateau Pichon Baron, Pauillac- Château Pichon Baron - Second Grand Cru Classé in 1855
- Dinner and overnight stay - exclusive use La Table de Château Beychevelle
- Morning tour and tasting at Cos d'Estournel - classified growth of Saint-Estèphe
- Tour and long lunch at Chateau Lafite
- Afternoon casual dinner and overnight in Bordeaux
- Final day - visit St. Emilion or Pomerol

Charged at cost
£2,250 per head, including cost of wine

Winter dinner

Hosted by a Californian or Italian winemaker – details tbc

Charged at cost
£150 per head, including cost of wine

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