



Brands of
BORDEAUX

WEALTH BY WINE

Introduction

In these times of economic downturn and instability, everyone is searching for the perfect investment opportunity, and what the wise investor is searching for above all is security. Here at Brands of Bordeaux that is exactly what we do. We specialise in consistently seeking out the best alternative investment classes that give security and high returns; two things our investors strive for.

It was acknowledged a number of years ago that fine wine, in particular the Top Classé Bordeaux fine wines, was one of the fastest growing alternative investments, boasting extremely robust substantial returns. More and more investors were keen to hedge their risks by diversifying their portfolio, and it appeared that the “blue chip of Bordeaux” are the preferred choice.

Having founded Brands of Bordeaux in early 2010, we found that the fine wine market was incredibly attractive to both personal and institutional investors, but we found that the sector was too stuffy; too clouded by tradition. And although we respect good tradition, standing here now is a testament to that; we didn't want to feel that we were bound by it.



We wanted to be different, we wanted to be the alternative to the alternative investment industry.

As an alternative asset class, certain fine wines have done so well that a recent study from February 2010, by two Swiss economists on behalf of the American Association of Wine Economists clearly demonstrated that over the last 13 years, Top Classé Bordeaux outperformed US share prices. The study demonstrated that fine wine prices withstood two recessions as well as two Bear Markets.

Not all fine wines are considered to be of Investment Grade Wine quality, and here at Brands of Bordeaux we ensure that on a daily basis the only caliber of wines we buy are the Best of Bordeaux, and the wine that historically and presently give the strongest capital growth.

One of the most appealing attractions to investing in fine wine is that it is completely tax free. Fine wine that is held in ‘bond’ is totally exempt from Income and Capital Gains Tax, as well as VAT. Investing in fine wine is an intelligent investment purely down to basic supply and demand. Investing in a rare commodity with finite supply that has a huge global demand that is far greater than the production is how we can ensure huge returns.

Wine remains less volatile than stocks and shares, making it a less risky investment - Robert Parker

Advantages of Investment Grade Wine

The golden question one would ask before investing thousands of pounds in the fine wine market is “What’s in it for me”?

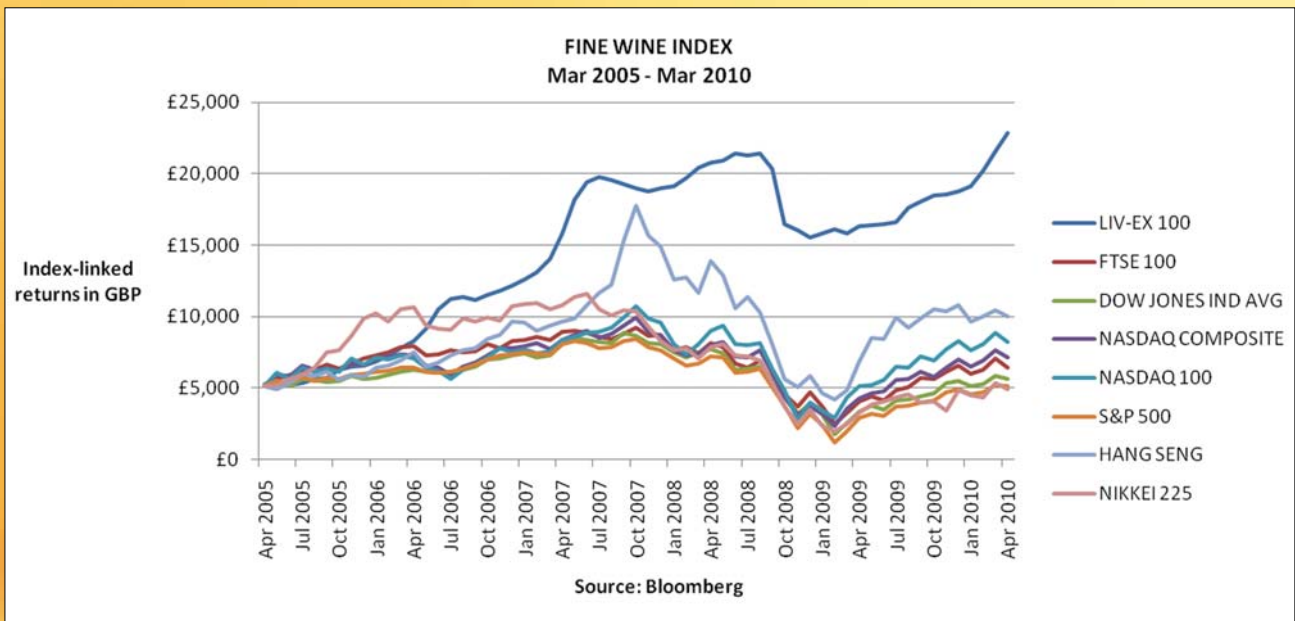
The obvious benefits of incorporating wine as part of your portfolio are as follows:

- You can consume your investment;
- It’s a prestigious investment;
- Globally popular;
- Wine matures in taste and value over time;
- Demand for wine has increased dramatically year on year;
- Tangible Assett.



The benefits you may not have heard of are as follows:

- When your wine is stored it is completely insured;
- Due to restrictions, fine wines are becoming rarer and rarer;
- Fine wine increases in value around 15-20% per annum;
- You can invest from £2,500;
- The Far East is one of the biggest buyers of Bordeaux wine in the world;
- **Tax Free;**
- As fine wine is an alternative investment it is not generally affected by recession, as the graph below shows.



“Liquid assets out perform Russell 3000 Index” - Reuters 2010



Robert Parker

Wine Critic

Robert Parker is, without a doubt, the most reputed and recognised wine critic of his time. After a decade of practicing law, he realised that his true passion and talents lay in writing about wines, and in



1978 launched *The Wine Advocate*. This publication went out only to a few hundred subscribers, and was an “independent consumers’ guide” informing the public of his notes on a certain selection of fine wines. Many years on, *The Wine Advocate* is read by tens of thousands of subscribers internationally, as are all 14 of his books, with Robert Parker further cementing his reputation as the leading authority in the field.

His dedication and commitment to the field has earned him international accolades, most notably by two French presidents and an Italian president.

Additionally, Robert Parker’s wine rating system has proven to be invaluable within the wine and investment community. Each of the wines he tries receives a score of between 50-100.

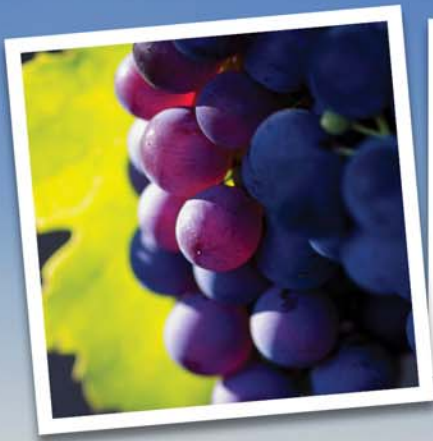
The numerical ratings are utilized only to enhance and compliment the thorough tasting notes, which are my primary means of communicating my judgments to you

- Robert Parker

Fine wine has seen some astonishing returns

- Robert Parker





Bordeaux

Bordeaux has produced the world's finest most valuable wine for over a millennium, due to the huge amount of "vine friendly" land and the perfect conditions in which the rare commodity grows and produces its crop.

Bordeaux wine regions are split into three main areas. The first two areas are divided by the Gironde River, which includes the left bank (Medoc, St Estephe, Pauillac, St Julien and Margaux) and the right bank (St Emilion, Pomerol, Bourg and Blaye). The third is the in the South East and is called the Graves and can boast such fine wines as Château Haut Brion. With all these fantastic areas of Bordeaux and such sublime wines, the question of, "How does this affect me as an investor?" will come to the lips of every successful business person.

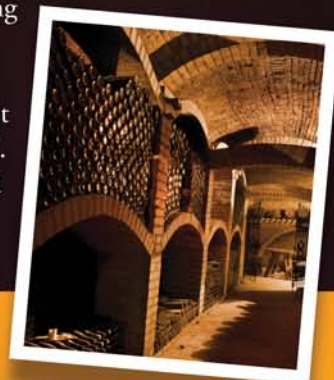
There are strict regulations in place in Bordeaux known as "The Appellation Laws". The purpose of these laws is to restrict the increase in the size of the land used to grow and produce the rare asset that is Investment Grade Wine. This has ensured that the value in wine will constantly be seeing an exponential growth due to diminishing supply and extraordinary high demand, confirming the investors' large capital growth.

Top Bordeaux wines are 10 times better an investment than US shares - *The Times* 2010

Wine Storage Services

At Brands of Bordeaux we fully manage your portfolio. This includes ensuring your investment is safe and insured as to enhance the value of your portfolio.

Your investment is stored in a compound (bond) for one of two reasons. The first is for tax reasons so one does not have to pay any tax whilst wine is in the bond. The second is that wine matures the best when kept in perfect temperature and humidity conditions. The bond offers the following services to clients:



- **Official UK customs regulated bonded warehouse;**
- **Controlled temperature and humidity environment;**
- **Fully covered insurance for every case;**
- **Request a digital photograph of your wine in bond at any time;**
- **Condition reports on labels, capsules and levels.**

Brands of Bordeaux pay in full for your first year of storage at the bond, thereafter cases range from £6-15 per case per annum (excluding VAT).

Fine wines; a **TAX FREE** investment

Investments in fine wines are generally considered 'tax-free' in the UK, due to various underlying factors. Any wine, which is imported directly from the Chateaux in France after production and bottling, is initially stored in the Government bonded warehouses. As these bonded storage facilities are licensed by the H.M. Customs & Excise to store wines, these facilities are allowed to hold the wines without paying the UK Excise Duty or VAT. Therefore, for owning the wines which are stored 'in bond' or for transporting the wines in-between these warehouses, the UK Excise Duty or VAT is not payable for investors, unless they want the wines to be delivered to a private address.

Further, as the HM Revenue and Customs considers wines as a 'wasting asset' (with the useful life of the asset predicted to be 50 years or less, at the time of being bought or acquired), consequently, wine investments are also exempt from Capital Gains Tax in the UK.



Supply and Demand

The simplest of economic factors dictates the price of fine wines: supply and demand. Châteaux have found themselves bound by the 1855 French law which restricts them from expanding their own vineyards. This in the simplest terms means that each year production is finite.

With supply being limited and global demand ever growing particularly from Hong Kong, the Far East and Russia, fine wine prices have and will continue to soar. In addition to this there exists a market for investors to actually consume the wine. This means that every bottle opened is one less available on the world's market, therefore further driving-up the prices. There is a rarity of such a commodity that will guarantee its robust returns annually.

Exit Strategies

When it comes time for our clients to reap the rewards of their wise investments, at Brands of Bordeaux we pride ourselves on the number of international clients we have. We do not take any seller's commission, and given that each case of wine is individually in each client's name, our clients are more than welcome to sell their own wine.

Should we be asked to handle the sale, we have a number of avenues to explore to help you get the best possible robust returns.

1) End Users


We have relationships with some of the world's largest hotel chains, night clubs, bars, casinos and resorts.

2) Auction Houses

We have established relationships with the UK's largest auction houses, as well as those in Hong Kong, where demand currently is at its highest.

3) Private Collectors / High Net Worth Individuals

In addition to investing in fine wine, there are certain individuals who simply like to drink the wines when it hits an age of maturation. These people are very well known to us and are regularly and constantly seeking out Bordeaux's fine wines.



Huge demand, short supplies; fine wine investors and suppliers have never had it so good - John Stumkig



Brands of **BORDEAUX**

A message from Brands of Bordeaux

There are investments.

There are alternative investments.

And then there's investing in Bordeaux.

That's where we show you wealth by wine. We ensure your investment is effortless for you. As a one stop shop, Brands of Bordeaux consults a range of clients of the most profitable wines to invest in within their budget. We handle purchasing at the best possible price, and we manage transport logistics as well as storing your wines in storage units with optimum conditions.

Our attitude is one of professionalism and simplicity. We believe in making our clients impressive returns, and our experts excel in identifying the most lucrative wine investments. Keeping this ethos at heart, we refuse to charge a seller's fee. Selling your wine is extremely straightforward for Brands of Bordeaux, considering our market grasp, and it would be our pleasure to aide you in releasing your profits.



Contact us

We encourage all comments that you may have and welcome any questions. You may book an appointment to speak or meet with one of our senior analysts or brokers, and will be accompanied by your own dedicated portfolio manager who will be on hand at all times.

Call: **020 7692 7040**

Email: **info@brandsofbordeaux.com**

Visit: **www.brandsofbordeaux.com**

Brands of Bordeaux a proud partner of World Wide Wine Investments Ltd (7191700).
404 Albany House, 324-326 Regent Street, London WB1 3BJ