

Vinovest Quarterly Report

# January – March 2022





# Wine Investing for Everyone

At Vinovest, our mission is to make wine investing friendly and approachable to everyone through world-class technology and wine experts.

It's time to have your profits and drink them too.



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*In March, head portfolio manager Elaine Lau visited Château Cheval Blanc just to make sure it was up to Vinovest standards.*



## 5.59%

The average return on investment for wines in Vinovest portfolios in the first quarter.

## -4.6%

The return on investment of the Dow Jones in the first quarter. That doesn't sound great until you realize that the NASDAQ and S&P 500 returned -9.1% and -4.9%, respectively.

## 6

The number of collections launched on the Vinovest Marketplace, including two encore collections released to meet extraordinary demand.

## 8.5%

The US inflation rate in March, the highest mark in 41 years.

## 15

The time in minutes that it took for our Napa Valley collection to sell out.

## 1975

The vintage of Château Talbot that our community member Jay Venkateswaran christened the [Bottle Share](#) space with in early February.

# Fine Wine Performance in Q1

*Our winery relations manager, Fabrice Georges, in his  
happy place at Château Cheval Blanc.*



Here's the good news. Wine investors enjoyed a banner year in 2021, with the average Vinovest wine appreciating 19.3%.

Here's the better news: 2022 is exceeding expectations. The **average Vinovest wine had a 5.59% return on investment in the first quarter**. If that pace continues, expect a 22.36% annual return.

This performance are remarkable considering the current state of affairs. Gas prices and inflation are soaring. The stock market looks pedestrian. Plus, there's a land war in Ukraine. So, who is leading this surge in wine prices? Two answers: **Burgundy** and **Champagne**.

Let's start with Burgundy. The Liv-ex region appreciated 14.6% in the first quarter, following a robust 2020 *en primeur* campaign. At times, Burgundy even overtook Bordeaux as the [most traded wine region](#); something once considered unthinkable.

## Returns on Investment by Region in Q1

Burgundy 150 .....	14.6%
Champagne 50 .....	9.6%
California 50 .....	8.3%
Rest of the World 60 .....	6.8%
Rhône 100 .....	5.1%
Italy 100 .....	4.7%
Bordeaux 500 .....	2.7%
Bordeaux Legends 40 .....	2.2%

Source: Liv-ex

Champagne flexed its muscles with a 9.6% return in the first quarter. It accounted for 11.4% of fine wine's total market share, the third-largest of any region behind Burgundy and Bordeaux. Champagne also dominated the **top traded wines by value**, nabbing four of the top six spots in the first quarter:

1. 2008 Louis Roederer Cristal, Champagne
2. 2012 Dom Pérignon, Champagne
3. 2018 Screaming Eagle Sauvignon Blanc, Napa Valley
4. 2014 Louis Roederer Cristal, Champagne
5. 2013 Louis Roederer Cristal, Champagne
6. 2000 Petrus, Bordeaux

While Burgundy and Champagne were the headliners, they weren't the only regions making noise. California notched an impressive 8.3% return, thanks to strong demand and price-performance from Screaming Eagle.

Meanwhile, the Rest of the World had the fourth highest return at 6.8%, in part, because of Chile's Seña 2009 and China's Ao Yun 2018 making their debuts at La Place de Bordeaux.

## 10 Best Performing Wines of Q1, 2022

Rank	Wine	Return
1	2012 Domaine Leflaive Bâtard-Montrachet Grand Cru	76.3%
2	2014 Domaine Bonneau du Martray Corton-Charlemagne Grand Cru	55.2%
3	2008 Domaine de la Romanée-Conti Grands Échézeaux Grand Cru	52.1%
4	2013 Domaine Armand Rousseau Chambertin Grand Cru	48.0%
5	2014 Domaine Georges Roumier Bonnes Mares Grand Cru	41.5%
6	2012 Joseph Drouhin Montrachet Grand Cru Marquis de Laguiche	40.4%
7	2017 Bouchard Peres et Fils Montrachet Grand Cru	39.4%
8	2014 Domaine Comte Georges de Vogue Musigny Grand Cru Cuvée Vieilles Vignes	38.6%
9	2011 Domaine Jean Louis Chave	38.5%
10	2015 Clos de Tart Grand Cru	38%

Source: Liv-ex

# The Financial Markets in Q1

*Our reaction watching the economy in the first quarter*



In March, the US inflation rate hit 8.5%. If you're under 41, you've never experienced inflation this high. Put another way, your dollar is losing value faster than ever.

High inflation isn't new, though. It has been at least 5% since May 2021 and at least 7% since December. What is new is how inflation has moved to the forefront of the public consciousness.

According to a Gallup poll, nearly **one in five Americans** cited inflation and the high cost of living as **the most significant economic problem**. Two months prior, only 8% of respondents said the same thing.

Economic Problems	January 2022	February 2022	March 2022
High cost of living/inflation	8%	10%	17%
Economy in general	6%	11%	11%
Oil and fuel prices	2%	1%	4%
Gap between rich and poor	1%	2%	2%
Unemployment	2%	2%	1%
Lack of money	2%	1%	1%
Federal budget deficit/federal debt	2%	2%	1%



### Fine wine has a low correlation with market forces



Inflation is so red-hot that economists estimate that the average American household will need [an extra \\$5,200](#) to maintain its current lifestyle. (Note to self: ask for a raise ASAP.)

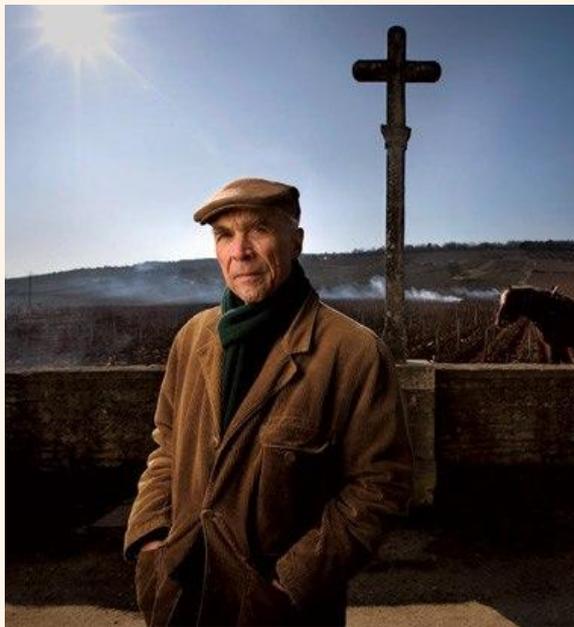
So, what does this mean for wine investors? It's your time to shine!

In its simplest form, fine wine is a commodity. It's an item that people buy or sell, just like gold, grain, or gas. Research indicates that **commodities have the highest inflation sensitivities of any asset class**. That means when inflation rises, so too does the price of commodities. If something were inflation insensitive, inflation would rise and the asset's value would barely budge.

Of course, inflation hasn't been the only stumbling block for investors. The **Dow Jones, NASDAQ, and S&P 500 were all in the red** in the first quarter. Anyone with significant exposure to the stock market has certainly done the following at some point – closed their eyes, pinched the bridge of their nose, and let out an exasperated sigh.

However, wine investors can breathe easy. Fine wine has a [0.12 correlation](#) with the S&P 500. That means when the stock market goes haywire, fine wine will march on to the beat of its own drum.





Aubert de Villaine oversaw DRC from 1974 to 2022.

## #1 - Domaine de la Romanée-Conti Loses Its Leader

After nearly 50 years, **Aubert de Villaine has stepped down from Domaine de la Romanée-Conti (DRC)**. De Villaine played a pivotal role in the estate's rise to prominence by implementing organic viticulture and later biodynamics. He has earned numerous accolades, including *Decanter's* 2010 Man of the Year, and successfully campaigned for his vineyards to become UNESCO World Heritage sites. At 82, de Villaine will move to the estate's supervisory board while his nephew, Bertrand de Villaine, takes the helm at DRC.

## #2 - Château Angéus Exits Saint-Émilion Classification

Châteaux Cheval Blanc and Ausone leaving the Saint-Émilion classification was one of the biggest stories of 2021. A week into the new year, **Château Angéus joined them**. That leaves Château Pavie as the only *premier grand cru classé 'A'* winery in the region.

In its press release, Château Angéus noted, "Once a source of progress, the Saint-Émilion classification has become a vehicle for antagonism and instability. While regretting this deleterious context, Angelus takes note of it and exits the system in withdrawing from the 2022 classification."



*According to Liv-ex, the Champagne 50 is up more than 50% in the last year.*

### #3 - Champagne Announces Record Exports

For the first time since 2018, Champagne exports **exceeded 300 million bottles**. According to Jean-Marie Barillère, the president of Union des Maisons de Champagne, “Globally it’s a big surprise, clearly people were fed up with Covid and wanted to share good moments together again.” The uptick bodes well for Champagne investors. Not only has the region steadily grown in market share, but the Liv-ex Champagne 50 has also returned a scorching 70.3% on investment over the last two years.

### #4 - Heidi Peterson Barrett Walks Away from Kenzo Estate

Heidi Peterson Barrett ranks among the most powerful figures in the wine industry. She’s best known for her time at Screaming Eagle, but has also been instrumental at Dalle Valle Vineyards and Grace Family vineyards, among others. That’s why it was a surprise to see that **Barrett walked away from Napa Valley’s Kenzo Estate after 20 years**. The split stemmed from a disagreement with the owners about the 2020 reds, which had possible smoke taint. Barrett later told [Wine-Searcher](#), “I would like it to be public knowledge that I did not make the 2020 reds.”

Date	Collection	Unique Wines	Sold out
Tuesday, February 8	Champagne	10	Yes
Tuesday, February 2	Burgundy	9	Yes
Thursday, February 24	Burgundy Encore	4	Yes
Tuesday, March 8	Napa	9	Yes
Friday, March 11	Napa Encore	6	Yes
Tuesday, March 2	Bordeaux	14	Yes

## #5 - Vinovest Debuts Marketplace

On January 30, **we launched the [Vinovest Marketplace](#)**. For newcomers, think of it like eToro or Robinhood, except you buy and sell fine wine instead of stocks. (More on the selling part in a moment.) In the first quarter, we had four collection releases, plus two encore collections to meet the extraordinary demand.

Here's a recap of our collections so far:



## #6 - You Get Instant Credit, and You Get Instant Credit

We've all been there. Our collection goes live. You find your wine. You make a deposit. *Then* you remember that your funds will clear in a few days. Never again! In the first quarter, Vinovest launched **instant credit for credit cards** on the trading and managed platforms.

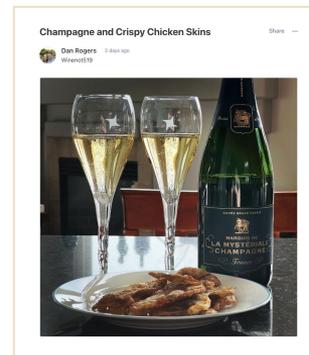
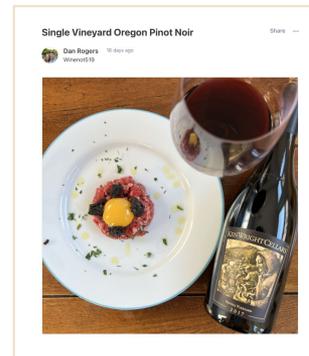
Now you can make a last-minute deposit and not worry about your funds landing in time. Vinovest will automatically credit your account with up to \$50,000. That way, you can buy the wines you want when you want.

## #7 - Vinovest Community Opens Its Doors

On January 30, **we also launched the Vinovest Community**. It's a space for Vinovestors to connect with others, share helpful tips, ask questions, and build better portfolios through wine investing.

The community is our way of providing clients more value during their Vinovest experience. Members are the first to know about upcoming collections and get access to community-only Q&As, webinars, and giveaways.

If you haven't already, create a [free account](#) and join hundreds of community members today.



One of our favorite parts of the Vinovest community? Dan Rogers' posts in Bottle Share.

## Investor Profile



Politoni  
Kioa

**Location:** Sydney, Australia 🇦🇺

**Investor Since:** February 2020

**Favorite Wine:** Château La Borie Côtes-du-Rhône

Villages 2019

**Bucket List Wine:** 1945 Domaine de la

Romanée-Conti Romanée-Conti

**Vinovest:** What got you started in wine investing?

**Politoni:** I'm a big crypto investor and I follow Hashoshi. He dropped [an episode](#) on Vinovest...Hashoshi cemented it because it was hard finding content on YouTube.

**V:** What wines are in your portfolio?

**P:** I have 3 bottles from the Bordeaux drop, 1 from the Champagne drop, 3 from Rhône, and 1 case in my managed portfolio.

**V:** What do friends say when you tell them that you invest in fine wine?

**P:** It turns into a fascinating response with so much curiosity.

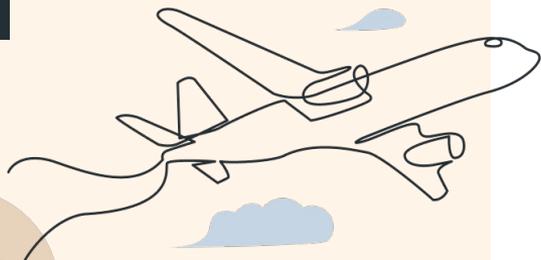
**V:** What do you hope to achieve with wine investing?

**P:** Just holding my wealth. If you been in crypto, these steady gains are a godsend. I would love to eventually buy a couple bottles of DRC wines as well.



## Tour de France with Fabrice Georges

*Fabrice is our winery relations manager. He works with acclaimed estates to provide clients access to rare wines at unbeatable prices. In March, Fabrice visited more than a dozen wineries in Bordeaux. Here are some names you may soon see on the marketplace and why he thinks they're special.*

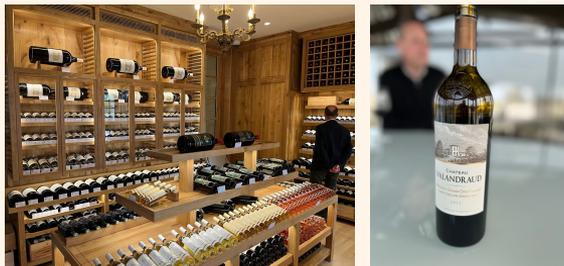


### Château d'Yquem

The Sauternes region is incredibly technical. It takes specific climatic conditions to promote *botrytis cinerea*, a fungus responsible for a complex chemical reaction that still keeps its secret. Château d'Yquem, the mythical *premier cru supérieur* of the appellation, is one of the few to unlock that secret.

The estate has 140 regular pickers who hand-select the finest grapes at each stage of production to ensure extraordinary wine. Additionally, the estate does not release a vintage in down years, such as 1992 and 2012. As a result, Château d'Yquem's white wines are among the most expensive and rarest in the world. The estate itself isn't too shabby either.





A peek inside the estates of Châteaux Valandraud, Haut-Brion, and La Mission.

## Château Valandraud

Jean-Luc Thunevin is known for kickstarting the *vins de garages* trend defined by rich cuvées and even richer price tags. Thunevin has grown his estate from less than one hectare in 1989 to ten hectares today, with *grand cru* vineyards largely in Saint-Etienne-de-Lisse. On my visit, I found that the current style remains faithful to what made Valandraud successful: elegance, generosity, and originality, all in the image of its founder.

## Château Haut Brion and Château La Mission Haut Brion

In 1755, Marshal of Richelieu visited Bordeaux. One evening, he tried a local wine and found it remarkable. He asked the servant what the magical elixir was. The servant answered, “La Mission Haut-Brion.” Marshal of Richelieu’s response, “If God forbade drinking, would he have made this wine so good?” Despite this sweeping endorsement, La Mission was omitted from the 1855 Bordeaux classification. (Wine critics have since labeled it an unofficial first growth.)

Despite La Mission’s legendary status, it’s not even the most iconic wine on its own block. That distinction belongs to its neighbor, Château Haut-Brion. Notably, Haut-Brion is the only estate ranked in the 1855 Bordeaux classification and 1959 Graves classification. Today, the two are intrinsically linked with oversight by Prince Robert of Luxembourg. His managing company, Domaines Clarence Dillon, has welcomed Vinovest warmly.



A trip into the cellar with the barrels and bottles of Château Pontet Canet

## Château Pontet Canet

The Tesserons are the third family to own Château Pontet-Canet since its foundation three centuries ago. Their mission: to capture the purest expression of its *grand cru* terroir. That means certified biodynamic vineyards, working the soil on horseback, and partial aging in concrete amphorae. Located opposite Château Mouton-Rothschild, owner Alfred Tesseron says this proximity gives him the energy to improve a little more every day. Currently, it is his daughter Justine who perpetuates the family heritage and who opens her doors to us.

## Château Canon-la-Gaffeliere

The Von Neipperg family transformed Château Canon-la-Gaffeliere from nothing into something. Their castle sits at the gates of Saint-Émilion surrounded by 19 hectares of rolling vineyards with beautiful exposure. The *grand cru* merlot and cabernet franc shine with density and complexity, a testament to the Von Neippergs' winemaking pedigree that dates back nearly a century.

## Château Clinet

Château Clinet is one of the most famous crus of Pomerol. In 1980, then-owner Jean-Michel Arcaute and oenologist Michel Rolland revolutionized the estate. They implemented modern techniques like biodynamic treatments and overripe harvests. The duo also replaced part of its cabernet sauvignon with merlot. Today, Ronan Laborde manages Château Clinet. He is the youngest-ever president of Union des Grands Crus de Bordeaux and a powerful ally for Vinovest.



*There is no shortage of beautiful estates in Bordeaux, though Château Gruaud Larose would have to be toward the top of my list of favorites.*

## The Thienpont Domaines

Originally Belgian wine merchants, the Thienponts settled on the right bank of Bordeaux in the 1920s. Two generations and many vintages later, the Thienponts have proliferated. The eldest cousin, Jacques, owns Château Le Pin, home to one of the most famous *vins de garages*. Alexandre oversees Vieux Château Certan, and Nicolas manages multiple estates, including Château Pavie Macquin. Meanwhile, Guillaume serves as a consultant alongside his uncle, François, who founded the Wings trading company in the mid-1990s.

The Thienponts rank among the most powerful landowning families in the region. They are also quite reserved and private. Fortunately, they opened their doors to Vinovest and agreed to communicate directly through our platform to customers.

## Château Gruaud Larose

Château Gruaud Larose serves as an archetype of Saint Julien, making it one of the most recognizable domaines in the appellation. Its wines are the complete package; full of power, elegance, precision, and harmony. Château Gruaud Larose's continued improvement makes it of great interest to our clients.

## Château La Mondotte

Looking for an up-and-coming estate? Look no further than Château La Mondotte, which earned *premier cru* classification in 2012. Its 4.5-hectare vineyard on the eastern Saint-Émilion plateau contains 75% merlot and 25% cabernet franc. The outstanding terroir has vaulted La Mondotte to flagship status among Von Neipperg wines.

# Investing Outlook for Q2

*If gold is the historical hedge against inflation,  
then Champagne must be liquid gold, right?*



## #1 - 2021 Bordeaux En Primeur

The 2021 Bordeaux *en primeur* is the tentpole event of Q2. This year, it will look a little different than normal. Ronan Laborde, the Union des Grands Crus de Bordeaux president, expects festivities to include a blend of virtual and in-person events.

But what about the wine? Is it any good? That's the million-dollar question. Here are some things we know going into this year's campaign.

- There was no frost damage.
- June was wet, and July was sunless.
- August, September, and October were more hospitable.
- There were low yields, normal ripeness, and heterogeneous quality.
- Expect more acidity in 2021 than in recent vintages.

In June, Vinovest is hosting a **Bordeaux en primeur celebration for Vinovestors**. Make your voice heard and tell us what events we should host by completing our brief survey.

[COMPLETE SURVEY](#)

## #2 - Selling Comes to the Vinovest Marketplace

When we launched the Vinovest Marketplace, we had one question: "Is anyone going to use this?" The answer was a resounding, "YES!" A small army of clients have already created accounts, purchased bottles, and [shared their hauls on social media](#).

Now it's time to upgrade the marketplace. That includes giving clients the ability to sell their wine. This new feature, scheduled to debut in late-April, will let people sell wine in their trading portfolio to other marketplace users.

After listing a wine, you can sell it in one of two ways:



**Fulfill a Bid** - Let's say you have a bottle of 2012 Salon. You notice that another client placed an unbeatable bid for a bottle of 2012 Salon. All you have to do is fulfill that bid. Cha-ching!



**Place a Bid** - Same scenario. This time, you don't see an unbeatable bid for your 2012 Salon. Instead, you can set a price that you're willing to accept. When another client agrees to your bid, you'll earn a handsome return.



## #3 - What Happened to Whiskeyvest?

In late 2019, Anthony Zhang and Brent Akamine co-founded Vinovest. That's not all. They had another business idea - Whiskeyvest.

Whiskeyvest is designed to democratize the world of fine whiskey investing. Clients can diversify their portfolios with investment-grade spirits that offer strong returns and a low correlation with traditional markets. (Sound familiar?)

There's just one problem: Whiskeyvest has sat on the back burner for two years. **Until now.**

At the end of March, we launched the exclusive Whiskeyvest pilot program. Select clients will determine whether the platform is a viable idea. If all goes well, the thousands of potential clients on our waiting list will get a taste of Whiskeyvest in the second quarter.

Learn more at [whiskeyvest.co](https://whiskeyvest.co) or follow us:

**Instagram:**  
@Whiskeyvest

**Facebook:**  
@Whiskeyvest

**Twitter:**  
@Whiskeyvest

### The Rare Whiskey Icon 100 Index



	3/28/2022	CHANGE
Total Performance	484.91	▲ +384.91%
Year to Date Performance	484.91	▲ +11.47%
12 month Performance	484.91	▲ +29.93%
6 month Performance	484.91	▲ +19.62%
3 month Performance	484.91	▲ +11.47%

# It's a Cellar's Market

Vinovest clients have more than 250,000 bottles stored in their cellars.

Get your bottles at [vinovest.co](https://vinovest.co).

