

Why people are collecting wine and spirits

Some are buying wine and spirits as an investment.

How investing in fine wine fares against stocks and gold

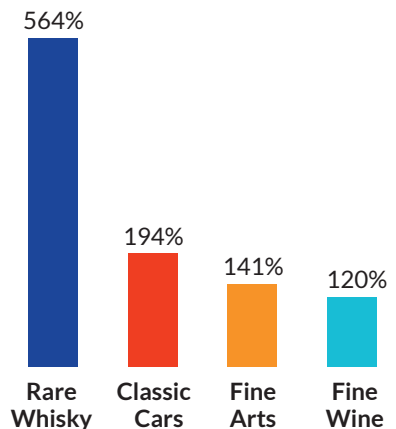
Liquid asset

How investing in fine wine fares against stocks, gold



Data accessed April 27, 2020.
Chart shows percentage change in prices with December 2003 as base year, with the starting value of 100.
Liv-ex Fine Wine 1000 represents the 1000 most traded wines.
Prices are January prices for each year.
Source: Liv-ex

How much the price of whisky has increased vs other collectibles over the last 10 years



Source: <https://www.thespiritsbusiness.com/2020/03/rare-whisky-value-grows-faster-than-cars-art-and-wine/>

But, most are buying for the enjoyment of drinking.

According to Sotheby's, out of \$64 million in wine sales:

80%

Went to private collectors who plan to drink it

20%

Went to investors

Source: <https://www.bloomberg.com/news/articles/2018-07-19/why-the-best-investment-vehicle-is-one-you-can-drink>

What are people buying?

Wine

For red Bordeaux, there is no greater wine than the five châteaux, referred to as the “first growths”:

- Château Lafite-Rothschild
- Château Latour
- Château Margaux
- Château Haut-Brion
- Château Mouton Rothschild

For top burgundy, wine collectors look for:

- Domaine de la Romanée-Conti

Sources: https://www.christies.com/features/Why-collectors-love-Lafite-7755-1.aspx?sc_lang=en#FID-7755, and https://www.christies.com/features/Wine-Top-Burgundy-producers-9732-1.aspx?sc_lang=en#FID-9732

Top sale went to:

1945 Domaine de la Romanée-Conti bottle sold at auction for \$558,000 (Sotheby's in New York on October 13, 2018)

Source: <https://www.guinnessworldrecords.com/world-records/544299-most-expensive-wine-sold-at-auction>

Spirits

While challenger brands are emerging in the secondary market and there is growing interest in sherried Scotch, collectors are looking for the oldest, rarest examples of iconic distilleries such as:

- Dalmore
- Springbank
- Ardbeg
- Lagavulin
- Bowmore
- Brora

Source: <https://www.knightfrank.com/wealthreport/article/2020-03-03-the-luxury-investment-index-2020-discover-the-worlds-mostcoveted-items>

Top sales went to:

The Macallan Fine and Rare 60-Year-Old 1926 bottle of whisky which sold for \$1.9 million (Sotheby's on October 24, 2019)

Source: <https://www.cnn.com/travel/article/whisky-auction-record-trnd/index.html>

It's important to protect your wine and spirits - either way.

What should you look for in an insurance policy? Insurance companies that specialize in protecting fine wine and spirits will have a strong network of service providers that can help you avoid or minimize loss and recover financially following loss. That can help you ensure that your wine and spirits are protected in your home or in a storage location and can make you whole again if your wine and spirits are damaged, spoiled, lost, or stolen from a covered cause of loss.

Want to learn more?

Contact your agent or broker or visit www.chubb.com/us-wine-spirits



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