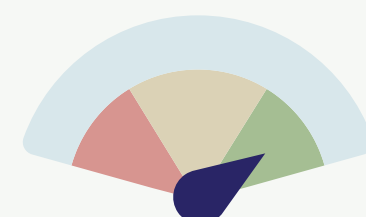


Investing in Cognac Casks

with

 Splint Invest



Risk Category
Low-moderate



Average Return
8%



Investment Horizon
4-11 years



Vintage Cognac Casks as Investment

The Cognac cask market is characterized by significant barriers to entry, including the need for a substantial initial investment, exclusivity, and a relatively closed-off community.

In recent years, whisky prices have soared to unprecedented heights. Collectors and enthusiasts are increasingly faced with sky-high prices for coveted bottles of single-malt Scotch and bourbon. With some whiskies fetching tens of thousands of dollars, many are turning to alternatives that offer similar sophistication and depth at more accessible prices. Enter Cognac—a French brandy that not only provides a comparable taste experience but also represents a compelling investment opportunity due to its unique characteristics and rising popularity.

Cognac, France's most prestigious brandy, offers a flavor profile that rivals the best whiskies. While Scotch and Bourbon are often seen as symbols of luxury, Cognac presents exceptional complexity at a more affordable price. These fine spirits are crafted in the Charente region of France and are subject to strict production regulations ensuring quality and authenticity. Hand-selected grapes and traditional distillation techniques contribute to their unique aromas and rich character.



Historical performance

The Cognac casks have generated an average return of over 10% per annum.¹



Highly Limited supply

Cognac produces about 400 million bottles annually, while the whisky industry, in 2023, exported approximately 1.35 billion bottles.



Provenance

Originally hailing from a unique terroir and produced in accordance with strict regulations, the geographical indication Cognac (GI) is celebrated for its exceptional quality and authenticity.

¹ Distilia

Market Overview

Market Size

The Cognac market was estimated at approximately USD 4.3 billion in 2023 and is expected to reach around USD 5.7 billion by 2030.¹

Key Markets

USA, China, Europe, with France accounting for only 5%.

Production Regions

Cognac is produced exclusively in the Cognac region of France, which is divided into six Crus.

Capital Growth Rate for Casks

In 2023, the market for Cognac casks recorded an estimated annual growth rate of 4% until 2030.¹

Controlled process

The production of Cognac is controlled by strict legal regulations that define quality standards and production processes.

Grapes Used

For Cognac, the main grape varieties used are Ugni Blanc, Folle Blanche, and Colombard, known for their high acidity.

Risk Considerations



Damaged cask

Properly managing and storing casks is essential for preserving their inherent worth. However, unforeseen circumstances like human mistakes, fires, or natural calamities can lead to damage or destruction of these barrels.

Aging

The barrel must be consistently observed during the aging period. The objective is to manage alcohol evaporation (ABV levels) and determine the appropriate moment for bottling. Risks involved include low ABV, insufficient or excessive maturation periods.

Market conditions

After conducting thorough due diligence and market research, it becomes possible to identify investment-grade assets. However, the challenge lies in paying the appropriate price for these assets, as there is a risk of acquiring them at a premium.

Investment case

Just like physical assets, there are fees and taxes associated. The greater the value of the asset, the greater these expenses become. Therefore, when making a purchase, the potential income must outweigh these costs for the investment to be worthwhile.

Investing with Splint Invest

Diversification

With Splint Invest, you can easily diversify your portfolio, therefore reducing your risk by investing in the 20 already available asset categories with numerous exciting assets on the platform.

Verified Investment Case

Every potential investment case goes through an extensive due diligence process and is validated by our experienced team.

Proven Track Record

The Cognac casks are sourced from our trusted partners with high market expertise and a proven track record for Cognac cask investments.

Security

The assets are securely stored and insured in freeports and vaults.



Collaborators



Mario von Bergen
Co-Founder
Head of Investments

The forecasted estimates are based on past performance data. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, or product made reference to directly or indirectly in this factsheet, will be profitable, equal any corresponding indicated performance level, or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions.

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