Wine Portfolio from Tuscany

Tenuta San Guido Sassicaia Bolgheri 2018 &
Ornellaia Bolgheri Superiore 2017

Content

1 Introduction

This asset provides a unique investment opportunity in two of the best red wines from the Tuscany region: Tenuta San Guido Sassicaia Bolgheri 2018 and Ornellaia Bolgheri Superiore 2017.

On the one hand, this asset allows investors to get exposure to Tuscany luxury wines. On the other hand, investors can diversify between two prestigious and at the same time neighbouring vineyards.

The vintage years 2017 and 2018 were not picked randomly: 2017 offered a combination of frost, drought and heat, which led to a smaller harvest with high levels of concentration. It was important to pick the rigth wine bottles due to the described weather conditions.

The following year was warmer, but Tuscany did not experience excessive heat unlike many other wine regions. This allowed the volumes to rebound and led to great satisfaction of the Tuscan producers with the 2018 vintage.

By investing in a portfolio such as this one, it is possible to achieve a strong balance between risks and rewards presented by two different vintage years and vineyards.

There are wine investors all over the world who have been in this business for a very long time. Investing in high-end alcohol is a very appealing endeavour due to high historical returns. Those investors have historically been the wealthy who are not deterred by high barriers to entry.

That is because not everyone has the capital, contacts, nor the time needed to afford such an investment on their own. Until recently, it has not been possible for private investors to participate in such opportunities without committing a substantial amount of capital.

2 Factsheet

Tenuta San Guido Sassicaia Bolgheri 2018

Origin	Italy
Region	Bolgheri, Tuscany
Type	Red wine
Grape	Cabarnet Franc - Cabarnet Sauvignon
Bottle Size	750ml
Quantity	4 cases (24 bottles)
Rating	WA 97+ / VI 93-96
Price	€5,700
Number of Splints	114
Investment Horizon	9 - 11 years

Ornellaia Bolgheri Superiore 2017

Origin	Italy
Region	Bolgheri, Tuscany
Type	Red wine
Grape	Bordeaux Blend Red
Bottle Size	1500ml
Quantity	2 cases (12 bottles)
Rating	WA 96 / VI 97 / JS 97
Price	€4,600
Number of Splints	92
Investment Horizon	9 - 11 years

3 Investment Decision

Tuscany is the most famous Italian wine region and at the same time one of the most notable wine regions within Europe. The region has a favourable climate and was beating Bordeax for investment in the last few years.

The 2015 and 2016 vintages look stellar and therefore are expected to have the greatest appreciation potential. As the vintages from 2017 and 2018 showed lower scores on average it is important to pick the right individual wines. For us this was the 50th anniversary of Tenuta San Guido Sassicaia 2018 with a 97+ point score from Wine Advocate and the other one the Ornellaia Bolgheri Superiore 2017 from the neighbouring producer with a point score of 96.

The key investment factors are:
- US Tariffs
- Quality
- Domaine
- Region
- Historical Performance

We elaborate on the key factors on the next page.

US Tariffs

Back in 2019 the US government imposed a heavy 25% import tariff on several types of European wines. This action was part of a larger trade dispute between the European Union and the Unites States. The import tariff was suspended in March 2021 however impacted the sourcing for European wine by the US significantly.

The interesting aspect of the imposed import tariff is that the Italian producers were exempted. As a consequence, the US consumer and investor market shifted their attention to the great wine of Italy.

Quality

Only 0.1% of global wine production is considered to be of investment grade. From the Italian vintages it is important to select the right individual bottles which offer excellent quality. One of them is the 50th anniversary of the Tenuta San Guido Sassicaia 2018 which scored an excellent 97+ points from the Wine Advocate. And the other one is the Ornellaia Bolgheri Superiore who reached a score of 96 points from the Wine Advocate. Those two single picks are considered to be of great quality and are expected to increase in price.

The wines are greatly respected and have received the following rating:

Tenuta San Guido Sassicaia Bolgheri 2018:
WA 97+
VI 93-96

Ornellaia Bolgheri Superiore 2017:
WA 96
VI 97
JS 97

As a result, we are confident that the quality of the wine will not be questioned.

Domaine

Tenuta San Guido
The house is best known for its most famous wine, namely the Sassicaia. Located in the Tuscan region of Maremma, it has its own single-estate DOC appellation (Bolgheri Sassicaia) applied to its flagship label.
Marchese Mario Incisa della Rocchetta dreamed of making a wine to rival great Bordeaux. In the 1940s he therefore created great Sassicaia („stony field“ in English) as an experimental wine.

Ornellaia
This is one of the foremost producers in the Bolgheri appellation on the coast of Tuscany. Founded in 1981 by Marchese Lodovico Antinori, the producer released its first vintage in 1985. The wine which shares the same name as its producer is considered to be one of Italy‘s most expensive and famous one.
The unique location at Tuscany‘s coastal Maremma region, ensures gentle sea breezes, which mitigate the summer heat. At the same time the neighbouring hills are sheltering the vine yard from cold winter winds.

Region

The trade of Italian fine wine has increased steadily in the last couple of years and the region which was contributing most to that success is Tuscany with its long-lasting history of producing great wines. The history of wine making goes back as far as the Greek settlers were planting vineyards as early as 800BC.

In the past two years Tuscan wines significantly contributed to Italy's growth. Despite this impressive growth Tuscan wines still form an attractive investment. Did you know that most Tuscan labels use the same grapes as their counterparts in Bordeaux? And even more interesting the relative price values indicate that the Tuscan values are despite recent gains lower to the ones of Bordeaux. This shows the potential which is sitting within this region.

There are several factors which are making a positive impact on the wine market of Tuscany. One being the increase in prices produced in that region and the other one being the increasing scores of fine wine critics.

The Super Tuscans, as the Italian investment-grade wines are called, show exciting potential compared to many other fine wine regions.

Historical Performance

If one compares the historical performance of the largest wine indices, it is clear that bottles from Italy have outperformed the ones from other regions over the past five years. However, the regions lag behind the change in value of the S&P500 index for this period. Historical values are no guarantee for future value increases.

Index	Change prior month	Change year to date	1 year	5 years
Liv-ex Bordeaux 500	0.29%	8.25%	8.94%	20.05%
Liv-ex Fine Wine 1000	2.14%	13.73%	15.02%	38.08%
Italy 100	2.16%	9.91%	14.73%	43.45%
S&P 500	-0.23%	23.70%	26.87%	108.96%

4 Rating

9/10

Return
We have rated the upside potential of this investment opportunity as high. According to a Knight Frank report, Wine as a category has increased by over 120% during the last decade. This is an average increase for investment wines. As the Super Tuscans are relatively still behind the prices of Bordeaux wines we see a great potential for an above average price increase.

8/10

Stability
We have rated the stability of this investment opportunity as high. When stored correctly, wine does not become obsolete and tends to hold its value very well. Since the US import tariffs the demand for Italian fine wine increased significanyl and therefore makes us confident about being able to sell it at the right price.

8/10

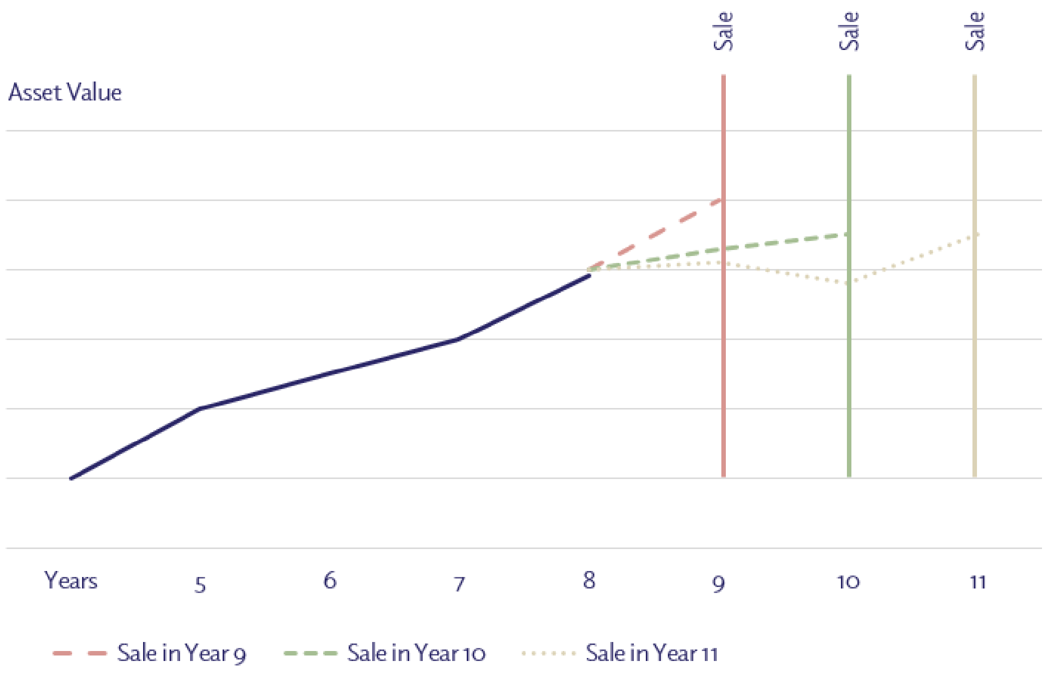
Track Record
We have rated the track record of this investment opportunity as high. We are dealing with decades of history and a region which is considered to be in rivalry with the one of Bordeaux.

5 Additional Information

The investment horizon for this opportunity has been set to 9 to 11 years.

The reason for that is the fact that the wine continues to mature after it is bottled. If we wait long enough, we will not only enjoy the return from wine prices going up but also from the fact that the very intrinsic value of the wine (its maturity/age) has increased so much.

At the same time, the production of this wine is very limited considering the global demand. This implies that after 10 years, we would expect most of this wine to be consumed already, either in restaurants or private households/events.



Cost Analysis

Asset Value	9,500	€
Service Cost	800	€
Price	**10,300**	**€**
Number of Splints	206	
Price per Splint	**50**	**€**

The price of €238 per bottle of Tenuta San Guido Sassicaia Bolgheri includes shipping, handling, 10 years of storage and insurance.

The price of €383 per bottle of Ornellaia Bolgheri Superiore includes shipping, handling, 10 years of storage and insurance.

At the end of the investment period, a sale can be organised privately or via an auction house. In case of wine, the first preference for Splint Invest is the private sale, as long as we get a satisfactory offer. This is because at an auction house, the fees tend to be high.

Splint Invest will charge an exit fee of 2% applied to the proceeds from the sale of the asset.

Each Splint Holder bears a proportional part of the costs.

Forecast assuming the investment horizon of 9 to 11 years

Wine as a category has increased by 120% in the past decade, or 8.2% annually. As a result, we would expect this release to be at least in line with the industry average, possibly a little bit higher.

We therefore esti ate that a €50 invest ent can increase in value to anything from €100 to €150.