



HONG KONG WHISKY LTD

INVESTING IN WHISKY

Table of Contents

1. IMPORTANT NOTICE
2. WHO ARE WE?
3. WHISKY INVESTMENT
4. STRATEGIES
5. RETURNS
6. RECORD SALES
7. CONTACT US



1. IMPORTANT NOTICE

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2 WHO ARE WE?

Hong Kong Whisky is a private company created by a group of whisky enthusiasts to cater for likeminded clients. Our founders have over 60 years combined industry experience, building extensive relationships across the whole vertical spectrum of whisky services including distilleries, brokers, auction houses, samplers and storage facilitators.

WHO ARE OUR CLIENTS

Our clients include collectors of rare luxury or investors of alternative assets, to simple whisky drinkers. If you love whisky, cask investing is a market full of opportunities and we would be happy to sit down to find the cask that suits you.



3. WHISKY INVESTMENT

Smart investors have always been looking for alternative assets that offset concentration risk and protect portfolios from cyclical volatility in traditional investment instruments. Wine & whisky investment has seen a growing base for portfolio diversification for years and is steadily attracting mainstream media attention.

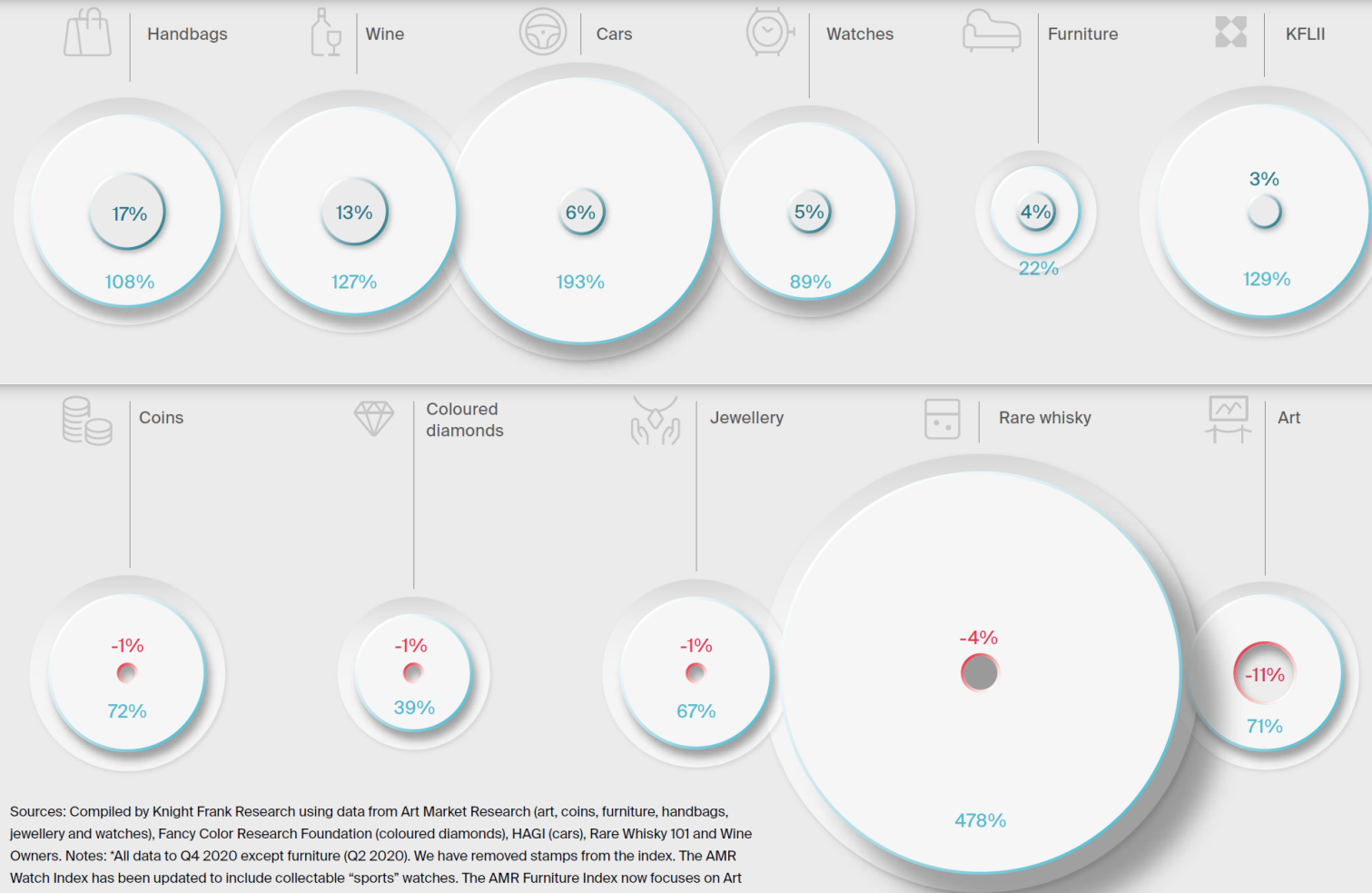
It is undeniable the global pandemic has caused ripples to every facet of our daily lives. Perhaps defying common logic, some rare and iconic assets have actually seen an uptick in demand as people are forced to stay at home and governments provide stimulus to keep economies afloat.



Objects of desire

The Knight Frank Luxury Investment Index Q4 2020*

12 months  10 years



Sources: Compiled by Knight Frank Research using data from Art Market Research (art, coins, furniture, handbags, jewellery and watches), Fancy Color Research Foundation (coloured diamonds), HAGI (cars), Rare Whisky 101 and Wine Owners. Notes: *All data to Q4 2020 except furniture (Q2 2020). We have removed stamps from the index. The AMR Watch Index has been updated to include collectable "sports" watches. The AMR Furniture Index now focuses on Art Nouveau to mid-20th century furniture. KFLII is the weighted average of the change in value of each asset class over a given period.



Notable Recent Auctions for Single Bottles:

Japanese Whisky Karuizawa 52 Year Old Zodiac Rat Cask 51.8 abv 1960

US\$435,273



The Dalmore 62 Year Old The Mackenzie and The Cromarty 40.0 abv NV

US\$324,445



4. STRATEGIES

WHAT FITS YOU?

As any good investor knows, having a clear strategy is the key to increase your chances of making good profits. There are many options out there and we can help to find the correct casks to meet your goals.

1. RISK APPETITE

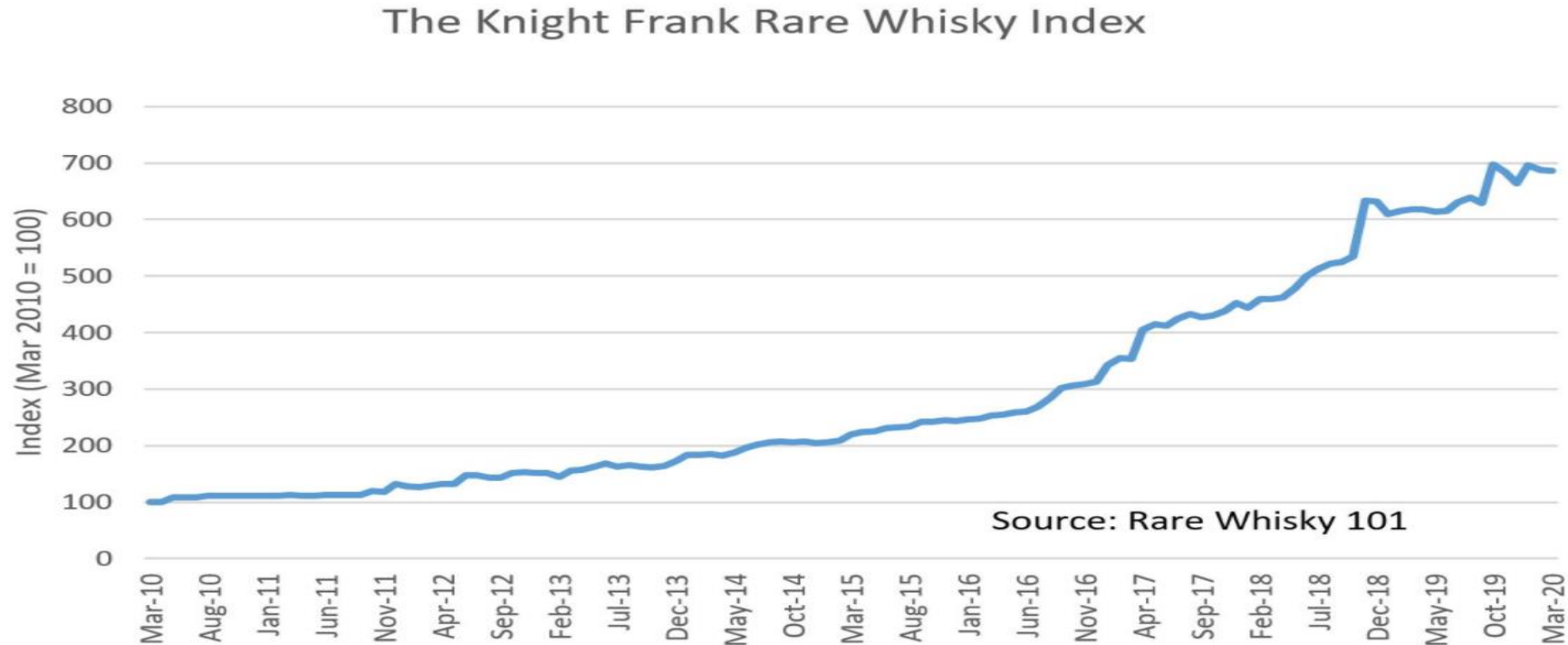
Cask investments can start as little as thousands of Pounds to the millions. It is generally established that well known distilleries will make better liquid and have more brand recognition when it is time to take profit on your investments, but they will begin at a higher hurdle. Newer liquid and distillers can offer more potential percentage gains and will even have a lower entry price point.

2. TIME

Begin with an expected holding period for your investment will help to identify the right cask to meet your goals. Remember, maturation is a natural friend to both your liquid and P&L. We can provide guidance on holding strategies, including re-racking and bottling potential of your whisky with the help from professional samplers. Setting clear goals will also allow us to plan ahead for exit strategies.



5. RETURNS



Strong Investment Returns

According to Knight Frank's Rare Whisky Index, ROI has almost seen a seven-fold in the past 10 years. This translates to **23% per annum gains compounded over 10 years**, a figure that virtually no traditional assets can match over an extended period.



Time Equals Value

One of the unique aspects of whisky cask investing is that the liquid continues to mature and evolve over time. By our estimates, the right investment grade cask will double in value every 5 years.

Tangible Asset

In stark contrast to stocks, bonds, mutual funds and other paper instructions, tangible assets provide owners with complete control. Whisky contained inside casks always have intrinsic value can be bottled and/or sold.

Provenance

Due to restrictions in place by the Scottish government, every cask of Scotch must be held in a government bonded warehouse and carefully tracked from the time it is distilled. These regulations were established to ensure that every bottle that is labelled as Scotch Whisky can be verified as authentic and adhere to the strict standards adopted by the industry.



Single Bottle Macallan auction results shows strong returns is still achievable in the current environment

Macallan 18 Years Single Malt 1987
Sold for HK\$ 17,360 21-May-2021 (Bonhams HK)
Sold for HK\$ 10,540 22-Feb-2020 (Bonhams HK)



The Macallan 25 Year Old Anniversary Malt 1970
Sold for HK\$ 43,400 16-Jan-2020 (Sotehby's HK)
Sold for HK\$ 29,760 5-Jul-2019 (Sotheby's HK)



6. RECORD SALES

Top brands such as Macallan continues to attract major interest despite the economic slowdown brought on by the global pandemic.



Macallan-1991 Cask Achieves World Record Price at Bonhams

HK\$4,464,000 20 Aug 2021 Hong Kong

The highest per-bottle price (HK\$22,099) for any whisky cask at auction

“One of the ways we did that was to create what we called objets d’art. I believe in art as a core differentiator here.”

- Ken Grier, who guided the rise of the Macallan brand for nearly two decades

“In 2019, we set a world record when we sold a Macallan 1989 cask for a per-bottle price of HK\$17,103. The cask in this sale has achieved a per-bottle price of HK\$22,099 – and a new world record – a very strong increase in **just two years**”

- Daniel Lam, Bonhams Director of Wine and Spirits, Asia,

Source: ARTnews.com



7. CONTACT US

To find out more about the exciting journey of whisky cask investing
contact us at info@thehongkongwhisky.com





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