

VITICULT

Whisky Cask Ownership



Scotch Whisky, a drink made only in Scotland, but enjoyed around the world



Brochure Highlights

PERFORMANCE

Tormore

122%

The Tomore brand has performed extremely well due to a combination of rising global demand, increase in reputation, scarcity of casks and broader trends in the whisky industry. The pandemic and the growing interest in premium spirits have all contributed to this dramatic price increase.

OUR REVIEWS



May 2023: Transparent, helpful and patient as English is not my first language.

July 2024: Thank you to Viticult for selling our whisky cask. A great price and monies received quickly.

AN INTRODUCTION TO VITICULT WHISKY

Viticult is one of the longest established whisky cask brokers in London. Our clients draw on our experience and contacts, enabling access to premium whisky casks at highly competitive prices and storage & insurance in regulated warehouses. Investors have the reassurance that we guarantee to assist in the resale process and that to date, we've overseen the combined purchase and resale of hundreds of thousands of transactions on behalf of private investors.

Table of Contents

- 03 About Viticult
- 05 Viticult 5 Year Recommendation Performance (2019-2024)
- 07 Step-by-Step Cask Ownership Process
- 13 Market Performance
- 15 Scotch Whisky Economic Figures
- 17 The difference between a Single Malt and Blended Whisky
- 21 Rum Reborn: Caribbean Spirit, Scottish Maturation
- 23 Client Reviews
- 25 FAQ



"Our client's have the added assurance that to date, we have handled over half a million transactions,"

Nicholas Gibbs
Sale Director

About Viticult

An Introduction to Viticult Whisky

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Why Viticult Whisky

Our Whisky Experts offer personalised strategies based on factors such as budgets or timescales, and are on hand to offer guidance throughout the entire ownership process. We pride ourselves on building lasting relationships with our customers, which we achieve by offering honest advice and delivering an exceptional customer experience.

Proud Sponsors of AFC Wimbledon

We have been the proud sponsors of AFC Wimbledon since 2017, who compete in the Sky Bet League Two. AFC Wimbledon's Commercial Director Ivor Heller said: *"Viticult have been valuable sponsors of ours for several years and they came to Plough Lane with us. They wanted a change this season and we are really pleased that they have become our training kit partners. We welcomed our friends from Viticult to Plough Lane recently and seeing how much they enjoyed the first-team training session was really pleasing. They know a thing or two about Whisky, which is also a plus point!"*



Viticult 5 Year Recommendation Performance (2019-2024)

DISTILLERY: GLENALLACHIE

Client purchase year: 2020

Date of Valuation: 2024 • **Increase:** 245% • **Annual Increase:** 61%

The catalyst for GlenAllachie's sharp rise in values began in 2017 with the acquisition of the distillery by the highly respected industry figure, Billy Walker, who immediately started revitalizing the distillery. Under his leadership, GlenAllachie has transitioned from a relatively obscure distillery to one known for producing high-quality, premium Scotch whiskies.

DISTILLERY: GLENTAUCHERS

Client purchase year: 2019

Date of Valuation: 2024 • **Increase:** 259% • **Annual Increase:** 51.8%

Established in 1897, Glentauchers has a long history of whisky production. Originally established to be used in blended whiskies from major brands such as Johnnie Walker, their success in the blending industry contributed to a rise in interest for their single malt. Glentauchers is renowned for producing a very high-quality, well-balanced spirit that has a good reputation for maturation and aging.

DISTILLERY: BEN NEVIS

Client purchase year: 2020

Date of Valuation: 2024 • **Increase:** 211% • **Annual Increase:** 42%

Ben Nevis is one of Scotland's oldest distilleries and is renowned for producing quality whiskies that are highly regarded among connoisseurs. Older casks are becoming harder to find. In addition, some of the distillery's whisky has historically been sold to blenders rather than bottled as single malt, meaning that there are fewer casks available. As a result, the price of Ben Nevis casks, especially those from older vintages, has surged.

DISTILLERY: TORMORE

Client purchase year: 2021

Date of Valuation: 2024 • **Increase:** 122% • **Annual Increase:** 30.5%

The Tormore brand has performed extremely well due to a combination of rising global demand, increase in reputation, scarcity of casks and broader trends in the whisky industry. The pandemic and the growing interest in premium spirits have all contributed to this dramatic price increase.

DISTILLERY: BENRIACH

Client purchase year: 2019

Date of Valuation: 2024 • **Increase:** 146% • **Annual Increase:** 29%

BenRiach has historically been an independent distillery (though it has changed ownership several times). This independence allows it more creative freedom in its whisky-making process, and under the stewardship of the current owners (the Brown-Forman group, who also own Jack Daniel's and Woodford Reserve), BenRiach continues to produce innovative and high-quality whiskies.

DISTILLERY: TULLIBARDINE

Client purchase year: 2020

Date of Valuation: 2024 • **Increase:** 112% • **Annual Increase:** 28%

Tullibardine whiskies have garnered several awards over the years at prestigious whisky competitions. This recognition from industry experts has boosted the distillery's reputation, which as it grows, makes older and rarer Tullibardine variations even more rare and desirable.

DISTILLERY: DAILUAIN

Client purchase year: 2020

Date of Valuation: 2024 • **Increase:** 92% • **Annual Increase:** 23%

Dailuaine Distillery is considered one of the hidden gems of the Scotch whisky world. It has been producing whisky for over 170 years and is known for producing exceptional spirit in both single malt and blended form, with it being a key component of the Johnnie Walker range.

DISTILLERY: CRAIGCALLACHIE

Client purchase year: 2022

Date of Valuation: 2024 • **Increase:** 67% • **Annual Increase:** 22%

Craigellachie's whiskies are often described as having a bold, rich, and slightly "rough around the edges" character compared to other Speyside whiskies, which tend to be light, floral and fruity, making it something different from the usual Speyside offerings. As a member of the Dewar's family (owned by Bacardi), Craigellachie benefits from their global distribution and marketing resource whilst maintaining its individuality.

DISTILLERY: GLENROTHES

Client purchase year: 2020

Date of Valuation: 2024 • **Increase:** 74% • **Annual Increase:** 18.5%

Cask selection is as important as the distillation process at Glenrothes. Owners, The Edrington Group, whose portfolio also includes Macallan and Highland Park, know a thing or two about whisky. This connection brings a certain level of prestige and resources, allowing Glenrothes to maintain high standards in production and maturation.

DISTILLERY: TEANINICH

Client purchase year: 2021

Date of Valuation: 2024 • **Increase:** 42% • **Annual Increase:** 14%

Due to the fact Diageo owned Teaninich is an important component to blends such as Johnny Walker and Chivas Regal, only a small proportion of the distillery's output is bottled as single malt, driving rarity. Because it is not widely distributed, scarcity has led to heightened demand.

This data was captured in 2024 and records the estimated value increase of casks from the named distilleries based on the lowest price paid by a Viticult customer between 2019/22, compared to the current market value based on supplier information in 2024. "Client Purchase Year" refers to the date of the most recent sale of that brand. The percentage increase may be made up of an average, based on the same brand with varying AYS (age of youngest spirit), cask size or finish. The AYS of the analysed whiskies is up to 18 years.

Step-by-Step Cask Ownership Process

Whisky Cask Ownership can be broken down into three simple steps; Purchase, Maturation & Storage and Resale.

1 Step One - Purchasing casks

Whisky begins life as a clear, highly alcoholic spirit referred to in the industry as 'new-make', and must be matured in Scotland for at least 3 years and 1 day before legally being classed a Scotch Whisky. New make casks are highly desirable because they enable the purchase at the lowest price point but require greater lengths of maturity to reach the higher, more rewarding age statements.

Purchasing casks with prior maturity presents the opportunity to reach higher age statements sooner. Over 80% of casks are bottled between 3 and 12 years old. This supply and demand dynamic is the reason prices of aged whisky are so high, lack of availability.

Our Whisky Experts are on hand to assist in identifying the best casks and strategies to compliment your budget and timescales.

Age statement explained: All single Malt whisky bottles carry an Age Statement, which represents how long the spirit was matured for before being bottled. It also represents how long the distiller waited until profiting from the process. Due to the length of time it takes to produce whisky, distilleries find themselves asset rich and cash poor, maturing vast amounts of casks which won't be bottled for years, or even decades to come. Brokers assist in generating capital from maturing casks, helping distilleries with cash-flow.

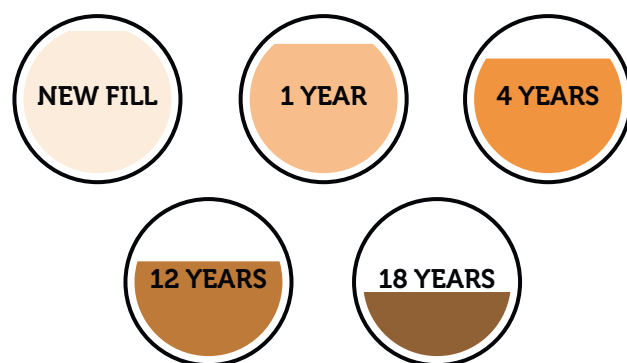
2 Step Two - Maturation & Storage Process

Over time the clear spirit begins to absorb the colours and characteristics from the oak cask it is stored in, completely changing its appearance and flavour profile. The spirit is now consumable and is subsequently worth more. Casks can be matured for decades and rise in value due to a combination of maturity and rarity.

Given the length of time it takes to produce super mature whiskies, and the length of time distilleries must wait until they see a profit themselves, naturally there are significantly fewer mature casks in circulation, presenting a unique investment opportunity.

Casks mature in climate controlled Government Regulated Bonded Warehouses, which are overseen by experts. Certification of Ownership is provided outlining information such as the storage location, the unique cask number, the alcohol levels and the corresponding owner's details.

Did you know that around 2% of spirit may be lost to evaporation each year? Put simply, mature whiskies command higher prices due to a combination of enhanced quality and scarcity through the natural evaporation and limited supply.



A close-up photograph of a wooden whisky cask. A glass hydrometer is inserted into a hole in the cask, and a cork stopper lies next to it. The background is blurred, showing more casks in a cellar.

3 Step Three - Guaranteed Assistance with the future sale of cask

As well as offering expert advice, Viticult guarantees to assist in the resale of casks at any time. When the time comes to realise capital casks will be marketed to potential buyers including Distilleries, Independent Bottlers and other private clients through our established whisky network. We also have future plans to bottle casks ourselves. Ultimately, the longer a cask is matured for, the more rewarding the outcome.

Exit options explained:

- Sell casks to other private owner via our inhouse brokering service
- Trade casks to distilleries for bottling
- Trade casks to Independent Bottlers for bottling
- Sell casks through auction services

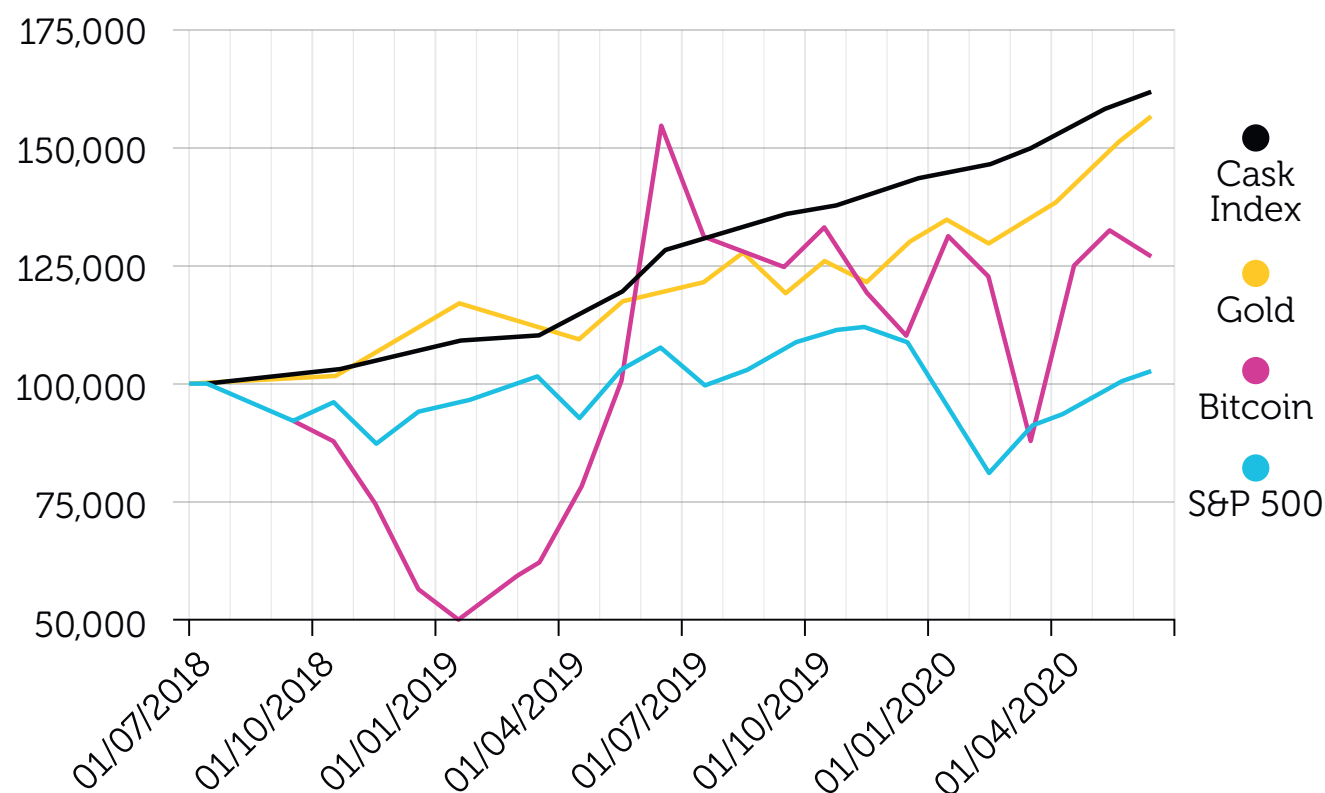
Market Performance

Since our establishment in 2014 the Whisky Market has gained popularity amongst investors due to its exceptional performance, combined with the underperformance of mainstream investment products. For the last 10 years, data shows the market has produced annual returns of 10% or more.

Knight Frank's Luxury Investment Index helped to propel Whisky Cask Ownership into the mainstream by comparing its performance against other investment classes, reporting that Whisky Investment has increased by 540% during the last decade, outperforming the FTSE and London Property.

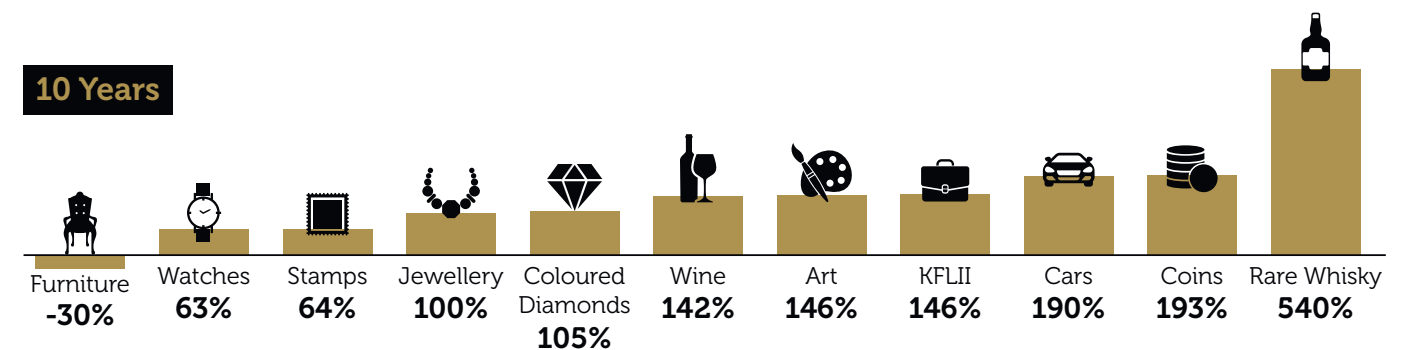
The market's performance isn't just measurable by the decade. The below graph shows that \$100,000 invested into Cask Whisky out performed Gold, Bitcoin and S&P 500 during the last 5 years.

PROJECTED RETURN FOR \$100,000 PORTFOLIO

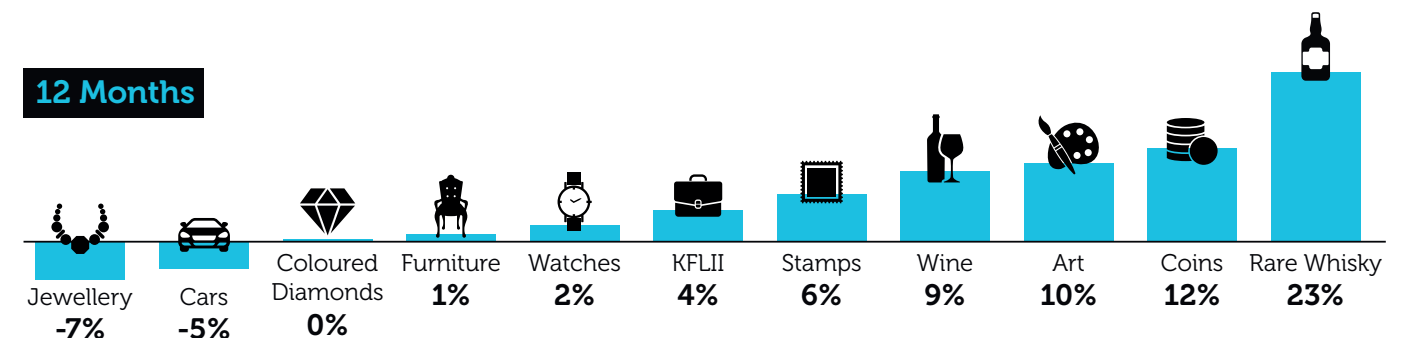


THE KNIGHT FRANK LUXURY INVESTMENT INDEX PERFORMANCE

10 Years



12 Months



Source: Compiled by Knight Frank Research using data provided by Art Market Research (art, coins, furniture, jewellery, stamps and watches) Fancy Color Research Foundation (coloured diamonds), HAGI (cars), Rare Whisky 101 and Wine Owners.

Post Pandemic Whisky Market

The Scotch Whisky Association (SWA) reported that 87% of production sites were either operating at reduced capacity or closed entirely throughout the pandemic. As such, the 7 amount of spirit produced has been significantly reduced, making it the smallest production year in the history of whisky. The decline in production is expected to make to come drive up prices in the years to come

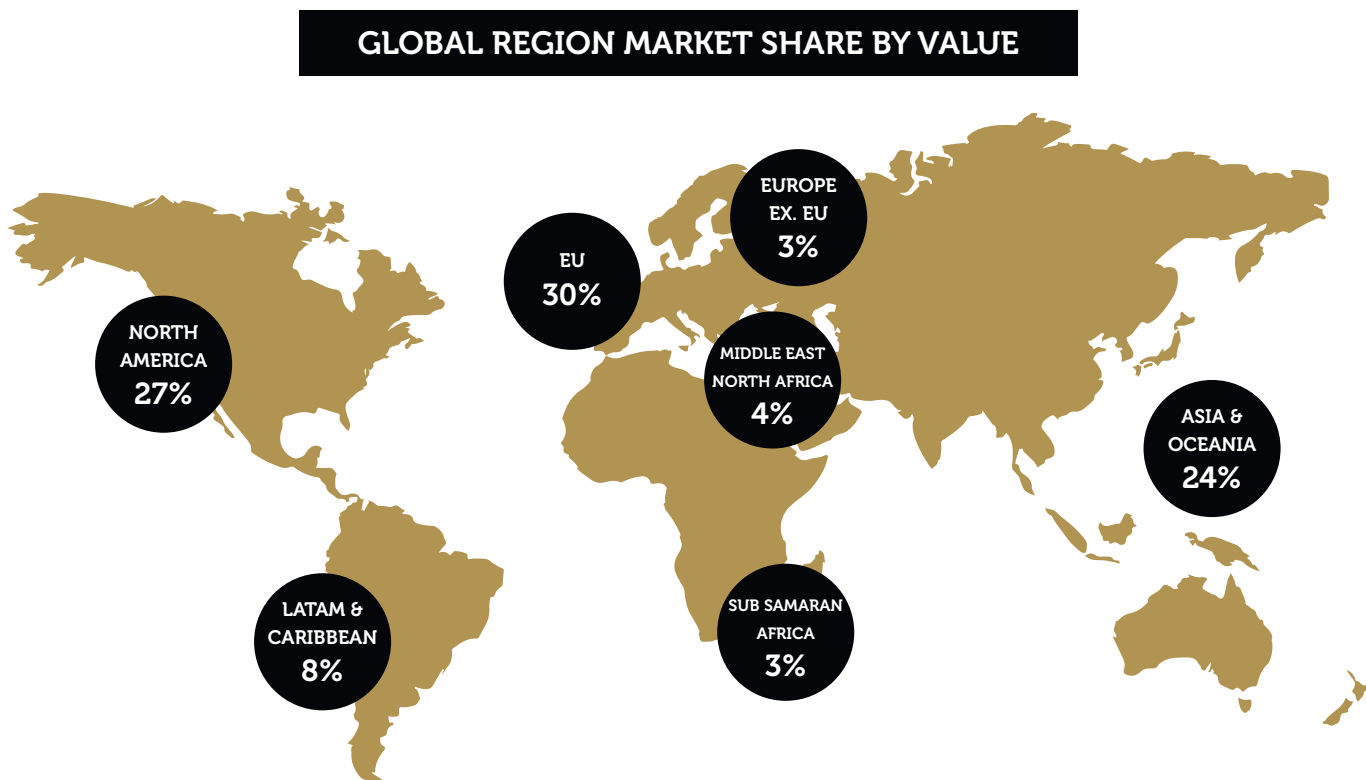
Bloomberg stated in their article, 'The Hot Alternative Investments to Watch in 2021' that the whisky market was due significant growth fuelled by "low interest rates, underperforming stock markets, surging demand and low supply caused by the Covid-19 Pandemic".

In The Daily Record's article, 'Single Malt Prices Expected to Triple Due to Supply Crisis', Dawn Davies, Head Buyer at whisky retailer The Whisky Exchange explained, "During lockdown distilleries weren't able to get liquid into casks. It's going to be very interesting what happens in the next 10 or 15 years because there is going to be a massive shortfall. Sales have gone up, people haven't forecasted correctly and there are huge issues trying to get glass, caps, cork – things you wouldn't even think about". Experts have warned Brexit, the pandemic and soaring demand have resulted in a "perfect storm" hitting Scotland's prized £5billion dram export market.

Scotch Whisky Economic Figures

Scotch Whisky is the most traded spirit internationally. It is worth £5 Billion to the British economy and makes up 21% of all UK food and drink exports. In value Scotch Whisky is bigger than the UK's iron/steel, textiles, shipbuilding, or computer industries. It is around half the size of the UK's pharmaceuticals or aerospace industries and is one third the size of the entire UK car industry. It is big business!

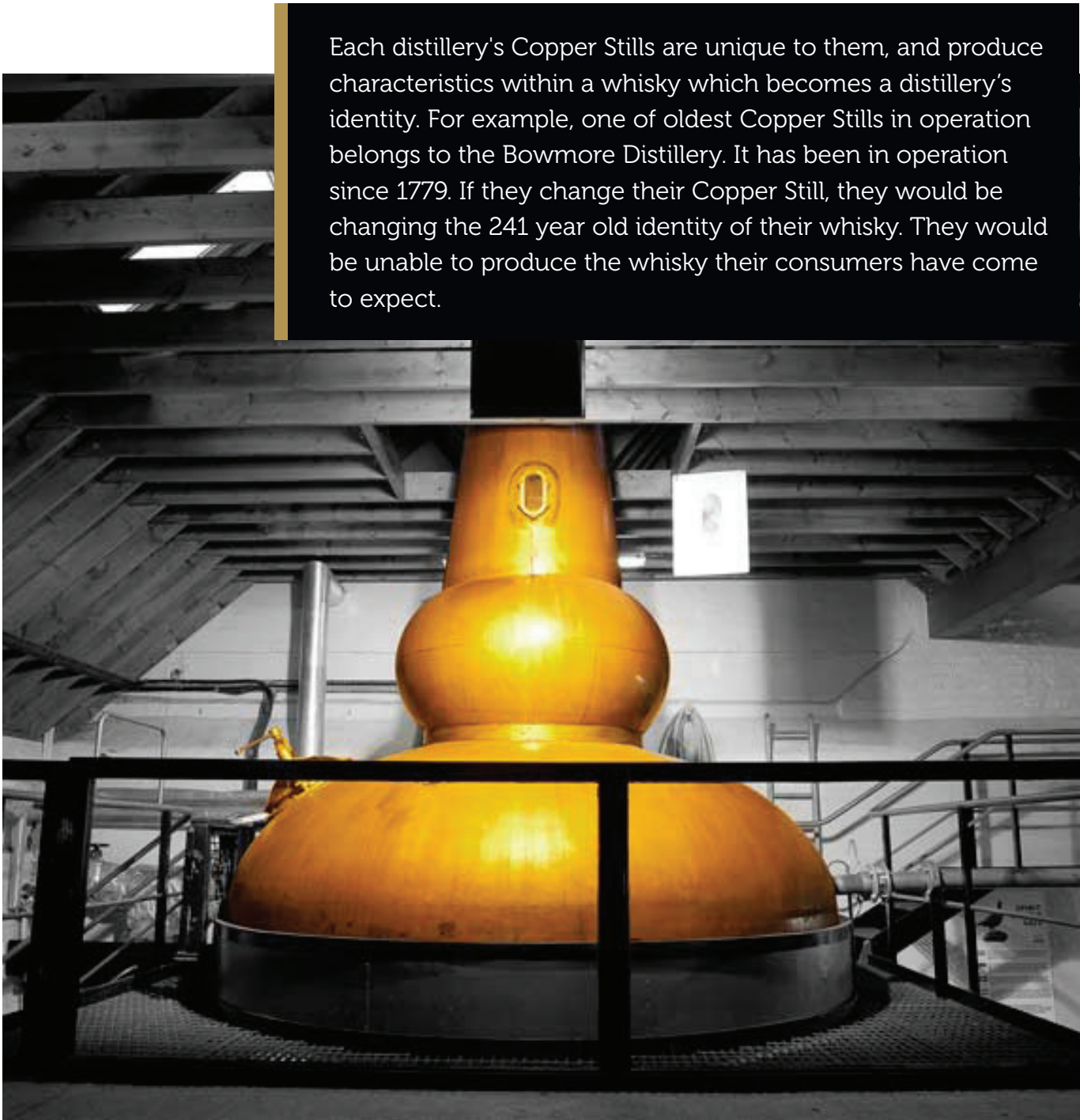
Supply and Demand



41
BOTTLES OF
SCOTCH
WHISKY
ARE EXPORTED
EVERY SECOND



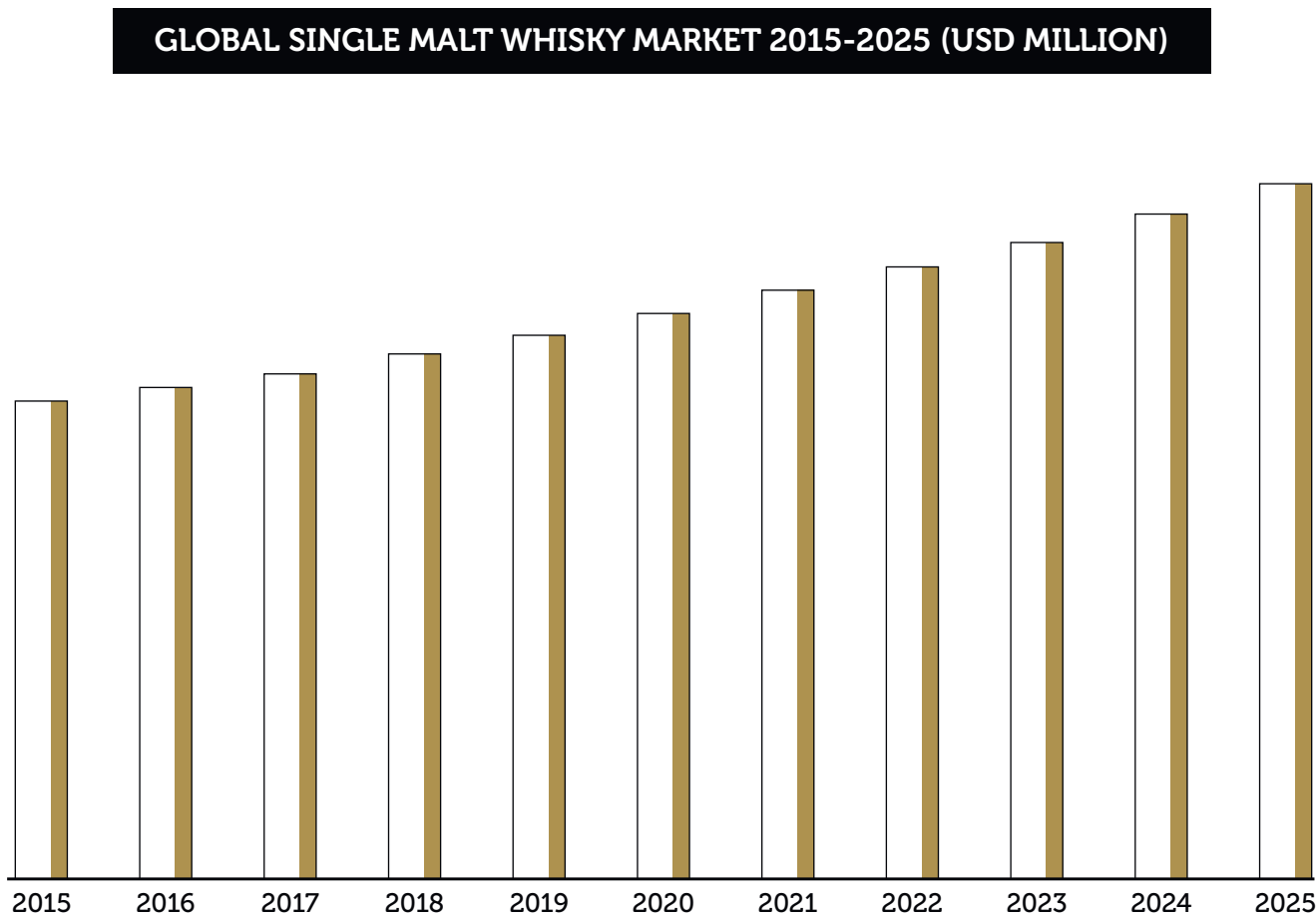
97% of all the whisky Scotland produces is exported abroad. This equates to 1.2 billion bottles, and demand is constantly rising. But Scotland's output is already running at full capacity. This is because the amount of whisky a distillery is able to produce is tied directly to how many Copper Stills it has in operation.



The science of why different Copper Stills produce identifiable characteristics is not fully understood. Although it is widely accepted that shape and size play a significant role.

The Future of the Scotch Whisky Market

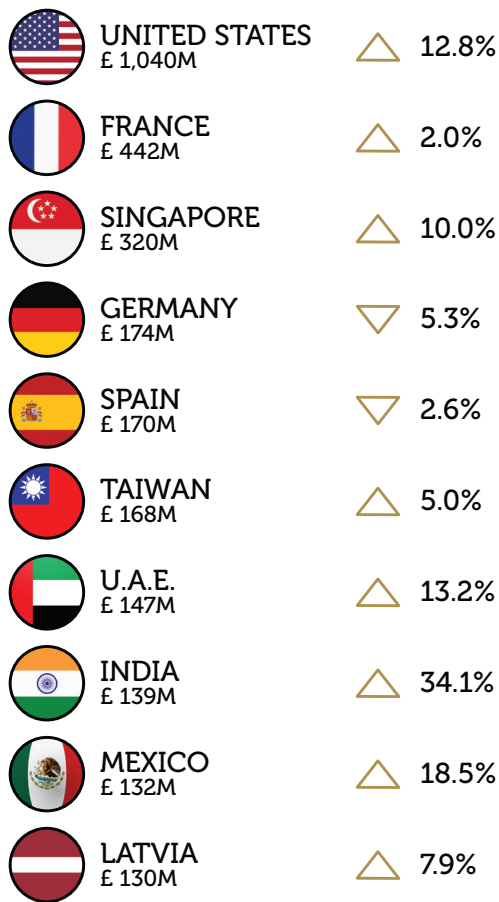
The future of the Scotch Whisky Market looks very promising. The market is predicted to continue to rise over the next 5 years, as it has done historically. This growth is fuelled by changing lifestyles, high disposable incomes and an increasingly global demand for premium Scotch Whisky. The chart below summarises the growth of the Single Malt Whisky Market in the United States between 2015 and the present day, as well as providing a prediction into the market's future.



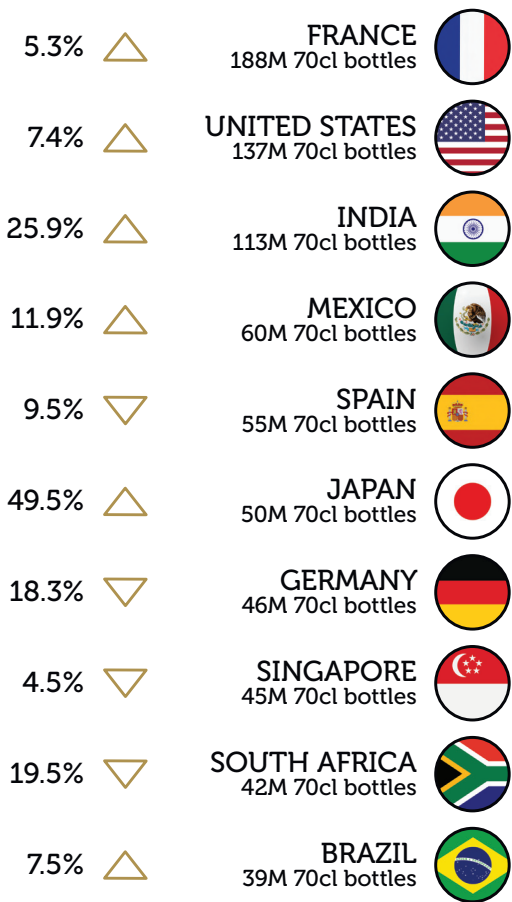
Source: Adroit Market Research Analysis, © 2019

Analysis by the UK government in 2019 concluded that Scotch Whisky exports to the US was the most valuable single market, generating over £1 Billion in revenue, a 12% increase on the previous year. Europe is the largest consumer of Scotch Whisky, generating £1.4 Billion in revenue.

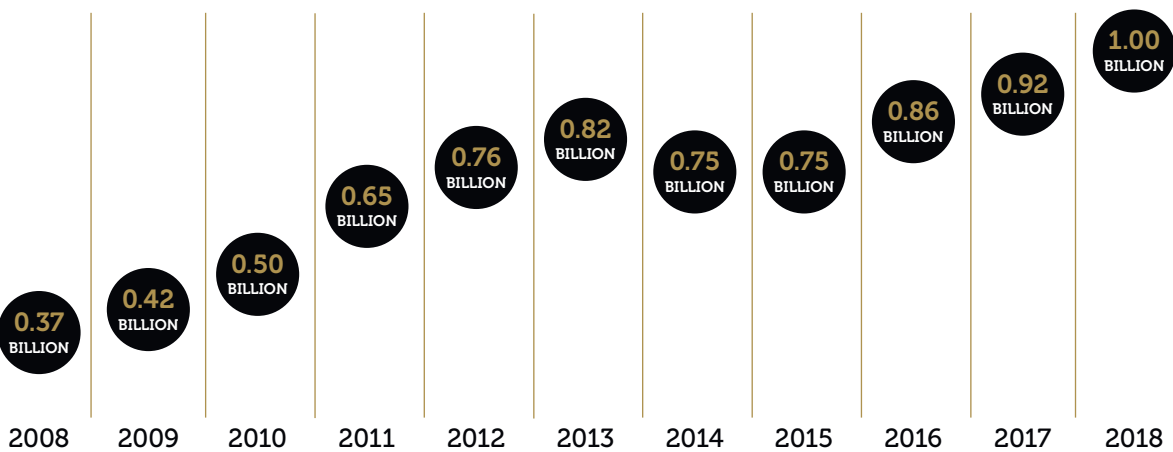
TOP 10 MARKETS BY VALUE



TOP 10 MARKETS BY VOLUME



BILLION POUND MARKET: SCOTCH WHISKY EXPORTS TO THE USA



The FTSE 100 listed company Diageo, the world's largest producer of spirits who owns brands such as Johnny Walker, have seen sales of Scotch Whisky jump by over 50% in the past five years.

The difference between a Single Malt and Blended Whisky

What is a Single Malt Whisky?

Put simply, “Single” means it is the product of one distillery, and “Malt” is the malted barley which is used to produce a Single Malt Whisky. By law, a distillery can only produce a single malt whisky by producing it entirely on their grounds using 100% malted barley.

Single Malt Whisky is more expensive than Blended Whisky. This is due to two factors: the cost of production and the amount of time it takes to mature. Barley is more expensive than the grains which are used to produce Blended Whiskies. Age is another factor. It is not uncommon to see bottles of Single Malt Whiskies which are 12, 15 or 18 years old.

The age statement represents the amount of time a whisky has matured in a cask. The more mature a Single Malt Cask is the more expensive it becomes, as it has significantly improved in quality. There are fewer aged casks available for bottling which makes them more expensive. Older casks have experienced more evaporation meaning there is less whisky available in a cask for bottling, creating a supply and demand dynamic.



What is a Blended Whisky?

A Blended Whisky is a combination of Single Malt and Grain Whiskies. By Law, all blended Whisky must contain at least 15% Single Malt. The grains which are used to produce blended whiskies are cheaper than barley which is used to produce Single Malts.



Blended whiskies are not aged for as long as Single Malts. Scotch Whisky must be aged for a minimum of 3 years to be legally classed as a Scotch. Because blends are not aged for as long as Single Malts there are more casks readily available for bottling making them cheaper to produce and purchase.

For example, Johnny Walker Blue Label (pictured) is a blend of over 40 different whiskies.

We only advise on the ownership of Single Malt Whisky Casks. This is because they're more desirable for bottling and command far higher prices. Their role in the Blended market is also integral. This allows the resale of casks to both the Single Malt and Blended market.

Rum Reborn: Caribbean Spirit, Scottish Maturation

Caribbean rum is as diverse as the islands which influence it. From the English, French and Spanish-speaking territories, each island imparts its unique stamp on production, making the Caribbean the epicenter of global rum production.

Rum's roots in the Caribbean can be traced back to the 17th century when the cultivation of sugarcane by European colonial powers led to the discovery of molasses, a fermentable by product of sugar production, giving birth to one of the world's most loved spirits.

Rum is interwoven in the tapestry of Caribbean history, reflecting a past of colonial expansion, trade, piracy, and the transatlantic slave trade. Rum is the region's most profitable export and has played a significant role in international trade and economics.

Caribbean rum has a global demand, testament to its adaptability and appeal, as well as a profound influence on the overall spirits market.

The global rum market reached a value of nearly \$13.7 billion in 2023, having grown by 4.7% annually since 2017. The market is on track to grow to \$17.7 billion by 2027 at a rate of 5.2% annually, and is predicted to be valued at \$21.9 billion by 2032.

Sales of rum in Great Britain's on-trade reached £1.1 billion (US\$1.4bn) in value in the 12 months to December 2023, overtaking whisky and enjoying a 14% share of UK spirits sales.

In 2023 12.1% of British adults consumed rum weekly. According to the IWSR (Drinks Market Analysis) a third of UK alcohol drinkers would rather treat themselves to a better-quality drink at home than go out, fuelling demand for premium spirits.

Combining Scotland's ideal maturation climate with the growing demand for premium spirits, specifically rum, has led to the importation of Caribbean rums into Scotland for long term maturation for the first time.



**Caribbean
Rum Map**

What our clients say about us



"I feel Viticult go the extra mile for their customers, you aren't just a number. They know their stuff and have access to some really interesting casks. They have found the fine balance in communication between being annoying and disappearing into the ether. Don't just take my word for it, do your research so you feel comfortable and confident in the company your investing with. But I would recommend Viticult to be your whisky chaps."

ROBIN H



"Gary was amazing! Made sure I understood what type of investment I was best suited for and came back to me with a couple of options for casks. I could email him anytime with any questions or queries I had. You can certainly see why Viticult is ranked amongst the highest!"

STUART



"Viticult stood out from the crowd. I did lots of reading, research and talked to many different whisky investment companies. Viticult and Jamie stood out. He answered all my questions and more, he didn't talk at a million miles an hour, and is passionate and knowledgeable about whisky and whisky investments."

JULIAN H



"Excellent personal service and quick to meet face to face. Looking forward to my next purchase with them."

SCOTT



"Been with them 2 years now, Jamie is my go-to man, so far so good!"

LAURENCE H



"Great advice from a very experienced team. If you're looking to get into the whiskey market then look no further."

SAM E



"Very happy to be with Viticult. They made the whole process very easy and gave me all the time and advice I needed to make my mind up."

GREG J



"From the first call right up until becoming a client of viticult they offered and still continue to offer great service."

CUSTOMER

FAQ

HOW DO I ARRANGE STORAGE AND INSURANCE?

Casks are insured from the moment the transaction is complete and will remain insured until you decide to sell or move your cask. Insurance fees are included in the storage costs and the first 5 years are free. After the 5th year, storage and insurance costs are usually £50-£100 per cask, per annum.

WHAT ARE BONDED WAREHOUSES?

Bonded warehouses are government regulated facilities which enable goods to be stored in their duty-free state.

WHAT FEES DOES VITICULT CHARGE?

Viticult charges a 5% brokerage fee on the profits when you sell.

WHAT ARE THE TYPICAL INVESTMENT SIZES?

The minimum amount starts at £5,000 and there is no maximum level. We cater to all budgets.

HOW LONG SHOULD I HOLD?

We recommend a minimum term of 5 - 10 years, which is an adequate time for a whisky to mature.

CAN I SELL AT ANY TIME?

We understand that circumstances may change. We guarantee to assist in the sale of casks at any stage, although we advise clients to hold for at least 5 years.

HOW DO I EXIT WHEN I WANT TO SELL OUT?

You simply contact us with your request and we will get to work for you. The most popular methods of selling are listed below:

- Sell casks to other private owners via our brokering service
- Trade casks to distilleries for bottling
- Trade casks to Independent Bottlers for bottling
- Sell casks through auction services

CAN I SELL OUT THROUGH ANOTHER COMPANY/BROKER?

As the rightful owner of a cask you are entitled to transfer your cask to whomever you wish to. You simply give us your instructions. That said, it is highly unlikely this will occur as we pride ourselves on offering a full service, from purchase to resale.

I OWN A CASK ALREADY, CAN YOU HELP ME SELL?

Yes. We charge 15% resale commission on casks which were not purchased through Viticult. If you are already a customer, this fee can be negotiated.

CAN I MEET THE TEAM?

It is something we encourage. For our first meeting you will be invited to our offices where you will get the chance to get know your account manager, and sample a dram or two. We also hold events throughout the year such as whisky tastings, offering the opportunity to mingle with our existing clients.

HOW CAN I BE SURE THAT YOU ARE THE RIGHT COMPANY TO WORK WITH?

Choosing the right company to work with is vitally important. Our customers take comfort in the fact that we have been established since 2014, that we are official sponsors of AFC Wimbledon Football Club and that we are constantly trying to improve the services we offer. On top of this our clients have the added assurance that to date, we have handled over half a million transactions.

IS WHISKY OWNERSHIP TAX FREE?

The only way to incur taxation on your whisky casks is by bottling the whisky yourself. Another attractive point of cask ownership are the inheritance tax benefits. Many clients purchase casks with no intention of selling it themselves, but with the intention of passing it onto loved ones, a popular tradition in Scotland. *Always seek advice from a tax adviser.

WHAT IS A WOWGR?

WOWGR stands for Warehousekeepers and Owners of Warehoused Goods Regulations. It is a government certificate issued to companies by the HMRC enabling the storage of casks in their duty suspended state, on behalf of private owners.

OTHER BROKERS DO NOT OFFER ANY GUARANTEED ASSISTANCE IN THE SALE OF CASKS, HOW ARE VITICULT ABLE TO?

When the time comes to sell, our dedicated Trade Department will market casks for sale through our vast network of buyers. We only charge a commission when selling, making it in our interests to ensure the best resale prices are achieved.

ARE YOU ABLE TO PROVIDE A DELIVERY ORDER?

If you have an account with a warehouse, we will happily deliver the cask to your desired location.

Contact Details:

 0203 595 3910  admin@viticult.co.uk

35 Artillery Lane, London, E1 7LP

VITICULT



The whisky market in the UK is not subject to regulation of the Financial Conduct Authority.

We advise all clients to seek tax advice from an authorised tax advisor. The value of Whisky Casks can go up as well as down.