



www.allthingsnice.in

FINE WINE INVESTMENT SERVICE

am·pho·ra

n. pl. am·pho·rae or am·pho·ras

A two-handled jar with a narrow neck used by the ancient Greeks and Romans to carry wine.



WELCOME TO THE ALL THINGS NICE FINE WINE INVESTMENT SERVICE

Wine investment has come of age in recent years, and following several stellar bull-runs is very much at the forefront of the shrewd investor's thinking. But we appreciate that selecting the right partner can be a confusing process.

You'll already be aware that we at All Things Nice know a thing or two about wine, but within this highly specialised niche, and so as to offer the best service possible, we have partnered with London experts Amphora Portfolio Management.

Why? Well, for one thing APM is **not** a wine merchant! And this is actually very important: a merchant's business and a fine wine investment advisor's business are very different beasts, and the needs of their respective clients are often in disharmony.

A merchant's work is done once the customer has bought and the wine delivered – the needs of the business/customer relationship are fulfilled. Conversely, an investment advisor's work is only just beginning at that moment, and whilst it is the merchant's ambition to leave the customer with a pile of wine – the bigger the better – the investment advisor intends to leave the customer with *no* wine at the end of the process, but rather a *profit*.

Now this may sound straightforward enough, but all too often the putative wine investor turns instinctively to the traditional merchants, not realising that this is very much against their interests. Due to their historic dominance in the market place, these businesses control the bid/offer spread, and due to the fact that this in turn dictates their profit, it's often crippling for the investor. Additionally, their advice tends to be almost entirely qualitative, meaning that profit potential is further compromised.

This simply won't do. And that's why All Things Nice and APM are changing the way investors engage with their portfolios. APM has pioneered market leading quantitative stock selection processes, most notably by way of their proprietary algorithm, and has implemented groundbreaking stock market-esque trading processes which enable our clients to trade well within the merchant spread.

We understand that your drinking portfolio is your drinking portfolio, and your investment portfolio is precisely that; an *investment*. We will never blur the boundaries and we will take your financial affairs every bit as seriously as your stockbroker does. Most importantly, we will stay focused on *your* profit. And that's why it's important that our partner is not a merchant.

I hope you find our brochure informative, and look forward to the opportunity of welcoming you as a new and valued wine investor.



NIKHIL AGARWAL
ALL THINGS NICE

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WHO WE ARE

All Things Nice is a platform to introduce and educate Indian consumers on all things nice namely wines, cognacs, single malts and beer as well as cheese, charcuterie and gourmet food.

We work with corporates in the financial and luxury sector in their client engagement and client acquisition activities by putting together innovative events. We also offer consultancy services to some of the very best restaurants, hotels, retail chains, airlines and Indian and international brands in the

luxury food and drink sector. Additionally, we work with producers and importers of wine and spirit companies and promote international wine & spirit brands available in India through curated events put together for our network of consumers and marketing expertise.

Conceptualized by Sommelier Nikhil Agarwal, the aim has always been to bring together the right consumers and brands that deserve recognition through luxury experiential and educational events.

All Things Nice has pioneered The Indian Wine Consumer's Choice Awards as well as Wine Week – two of the largest event properties that propel wine culture in India to new heights.

As part of our progression, we have now expanded to offer Fine Wine Investment services to the discerning Indian consumer. To facilitate and amplify this arm of our portfolio, we have partnered with London based experts Amphora Portfolio Management; the leading fine wine investment analysis and management firm.

MEET THE INVESTMENT TEAM

NIKHIL AGARWAL, MANAGING DIRECTOR



Nikhil is a trained sommelier who acquired his degree in wine and spirits in London.

He was the only Indian who won the WSET Wine Australia Scholarship 2012 encompassing an extensive experience in all of Australia's best vineyards. He regularly lends his written expertise on wine and spirits for major publications across India.

Age 35, Favourite wine: Château Margaux
Nikhil@allthingsnice.in

JAMES FLETCHER, INVESTMENT MANAGER



James has fine wine in his blood, growing up with family connections into arguably the greatest dynasty in Bordeaux.

A founding member of the APM team, these days James divides his time between London and China overseeing the day-to-day operations in both offices. He is attempting to learn Mandarin, and to date, failing miserably.

Age: 34, Favourite wine: Château Latour
james@apmwineinvestment.co.uk

DAVID JACKSON, INVESTMENT MANAGER



David brings an eclectic mix of skills to the fold, as a trained Chartered Surveyor, qualified Stockbroker, and now qualified in wine to advanced WSET level. APM was the brainchild of David, who accurately identified an unprecedented opportunity for wine investors in late 2008 following a credit-crunch driven market correction. The rest, as they say, is history. David is currently studying for his WSET diploma.

Age: 43, Favourite wine: La Mission Haut Brion
david@apmwineinvestment.co.uk

JAMES SOWDEN, HEAD ANALYST



With a 2:1 in psychology, James is very much the thinking man's oenophile. Entering the wine trade straight from university, today he is a veritable treasure trove of wine knowledge. He recently returned to wine following a period developing performance and risk training systems for the City institutions. James is qualified to advanced WSET level and is studying towards his diploma.

Age: 36, Favourite wine: Côte Rôtie
james@apfinewines.co.uk

PHILIP STAVELEY, INVESTMENT MANAGER



Phil graduated from St Andrew's University in 1980 and joined Jardine Matheson in Hong Kong.

On returning to the UK in 1985 he became an Asian equities broker. In 2001 he joined Deutsche Bank where he built the first ever composite Global Emerging Markets distribution platform, before retiring from the industry in 2008. Since that time he has been a freelance journalist, active private investor, and property developer. His first investment in Fine Wine was in 1998

Age: 56, Favourite Wine: Leffe Blonde
philip@apmwineinvestment.co.uk

PAUL REGAN, HEAD OF SALES | EUROPE



Paul is a qualified FCA Representative and former financial futures trader on the LIFFE floor where, following many a 'liquid' client lunch, he developed his love affair with fine wine. Paul entered the wine trade in 2000 and is qualified to advanced WSET level.

Age: 49, Favourite wine: Masseto
paul@apmwineinvestment.co.uk

MIKE STEUART, FINANCIAL MODELLER



Mike is a Chartered Accountant with 30 years experience in the equity finance area of investment banking, with specific roles in Prime Brokerage client management and product management at Merrill Lynch, West LB, and Dresdner Bank. In recent years Mike has managed his own property portfolio and held several FD roles in small and medium sized enterprises.

Age 54, Favourite wine: Dom Perignon
mike@apmwineinvestment.co.uk

CHRISTY FENG, HEAD OF SALES | GREATER CHINA



Christy is a widely-travelled investment specialist, with an MBA from the UK and WSET certification. She has a proven track record in the Chinese wine industry, having been employed as a regional head of marketing at ASC, the leading wine distributor in China. Her passion is for fine wine investment, with its excellent potential for growth in the current market environment.

Favourite wine: Penfolds Grange
christy@apmwineinvestment.co.uk

WHAT WE DO

Simple: we build bespoke portfolios of carefully selected investment grade wines for private investors. We store the wines in a government bonded warehouse on their behalf, and keep them up to speed with in depth market reports and innovative data reporting.

Ultimately, we assist our customers to sell their holdings, achieving the best price possible on their behalf.

There is no minimum investment (other than the practical limitations of the product: suitable cases rarely cost less than £1000 or so), no minimum investment term and accordingly there are no early redemption penalties.

As we said: simple.



"I have recommended APM to many of my friends and that is testimony in itself as I do not do that lightly. I will continue to highly recommend them as I found them to be honest and hard working with a cutting professional edge sadly lacking elsewhere in the industry"

K OLIVIER

HOW WE DO IT

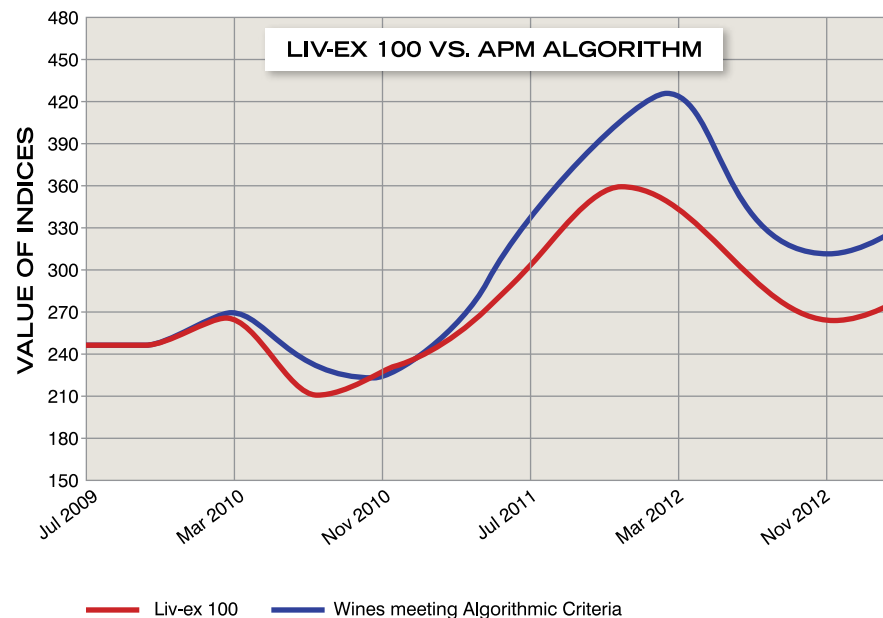
APM together with Joe Roseman – former head economist with Moore Capital Management and author of SWAG, Alternative Investments for the Coming Decade – have developed a unique algorithm which allows us to compare the relative value, risk and financial potential of fine wines.

The algorithm processes market data (critics' scores, price history and volatility, brand power, production levels, regional vintage quality, optimum drinking age etc.) and calculates two outputs, which when combined help us assess the potential risk and reward for a given wine.

If a wine falls below the relevant benchmark figure we rule it out of our stock selection, allowing us to focus on a reduced universe of wines, and thereby reducing the risk of our recommendations depreciating in value.

The chart right demonstrates the effectiveness of the algorithm. As at Aug 2013 we retrospectively applied the model to the wines that constituted the Liv-ex 100 Index (the industry benchmark) four years prior. We think the results are striking.

Potential recommendations are be subjected to vigorous qualitative selection processes which is where our experience and expert knowledge of the market comes to play



MARKET REPORTING

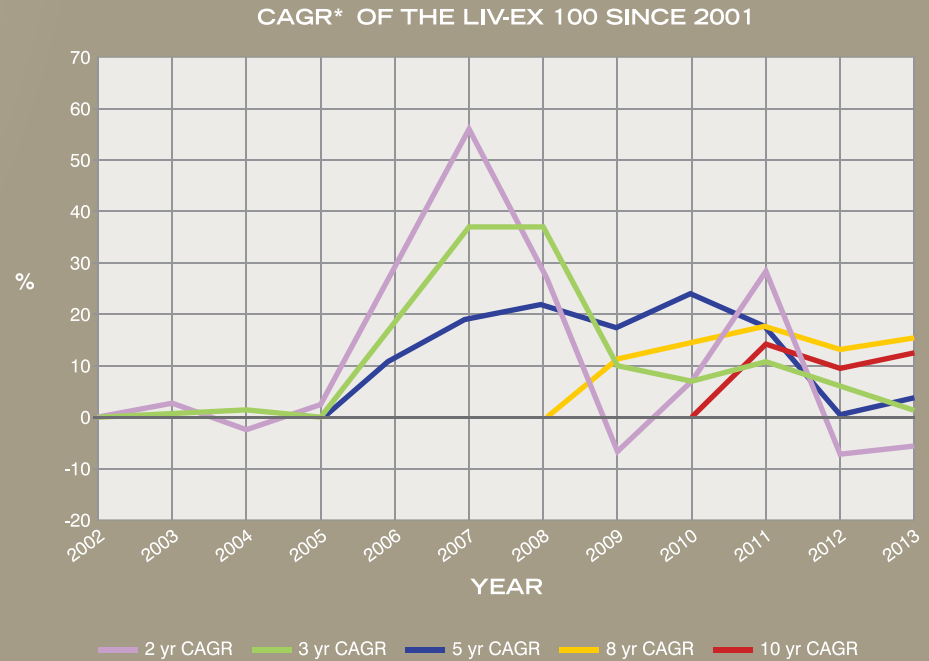
The APM Fine Wine Index© tracks the price movements of the fifty most important wines in the investment market from the 10 most recent *physical* vintages plus any *en primeur* (in barrel) vintages where relevant, appropriately weighted to reflect the significance of the wine.

We believe that the index is the most robust measure of the true overall performance of the market as experienced by the private investor, as the data is drawn from *real* live offers as posted on price comparison website wine-searcher by over 20,000 merchants and vintners.

WHY INVEST IN WINE?

The underlying principles of wine investment boil down to the iron law of supply and demand. The handful of top Bordeaux & Burgundy estates in which we specialises are produced in preciously small quantities, so there is painfully limited - and ultimately diminishing - supply. Demand nearly always outstrips supply through the traditional markets of Europe and North America, but the extraordinary performance of recent years may be largely attributed to the unprecedented demand created by the influx of new buyers in China, and to a lesser extent Russia, India, Brazil & South America. Put simply, there's no longer enough of the top red stuff to go round.

You can also add into the fold that Fine Wines, by definition, improve with age. As they reach maturity and approach their optimum drinking age, they become more desirable and therefore more valuable. As the wines begin to be consumed they become even rarer, which in turn adds yet more upward pressure on prices. As an asset class, Fine Wine is a finite resource - the top châteaux cannot readily increase supply -



so this seemingly insatiable demand from China coupled with a perfect inverted supply curve (found in no other asset class) is set to drive prices ever higher.

Consequently, each of the key Liv-ex indices have produced double digit annualised compound growth over the last ten years, and analysis of these compound annual growth rates evidence

wine to be a very solid investment for the medium term, producing a profit where wine is held for longer than 3 years even if subject to a bear market in the interim. When the CAGR is considered over a five year horizon, then an investment in fine wine is shown to deliver a profit over every period since detailed records began.

* Compound Annual Growth Rate

POWERHOUSE ASIA

The major trend of recent years has been the emergence of Asia as a significant and now dominant force in Wine. In fact, China is now the largest consumer of red wine in the world, with consumption continuing to increase at a staggering rate, and India is all set to follow suit.

The amount of imported wine being drunk in China and India, the world's most populous nations, is increasing at a dramatic rate, and their impact on the international market is all the more remarkable when you consider that just fifteen years ago the total amount of wine (fine or otherwise) imported into either country was virtually zero.

IF PER CAPITA CONSUMPTION IN CHINA ALONE INCREASES TO JUST 10% OF THAT IN THE UK, IT WILL TAKE THE ENTIRE WORLD PRODUCTION TO MEET DEMAND

The scope for the future as China and India's economies and their taste for wine continues to grow is mind boggling: Current consumption – whilst enormous on an international scale (just over 15% of the international market in fact) – is miniscule on a per capita basis. India's current one teaspoon per person is calculated over a billion plus people and does not reflect the true consumption of a smaller percentage of people correctly. This small but quickly growing number of wine consumers with increasing disposable incomes in China, India and the rest of Asia means that over a period of time in the not so distant future it would take the *entire world production* to meet demand.

And whilst the growth curve in India is currently behind that of China, the future will almost certainly see the gap narrow. According to a recent market report compiled by Vinexpo, consumption is expected to increase by some 73% by 2017.



"I have been impressed by the advice received from my advisers in APM who combine a "gently gently" approach with professional fine wine expertise which has been very much appreciated. I would recommend them to other wine investors"

A FISHLEIGH

THE QUESTION OF REGULATION

APM is a founder member of the Wine Investment Association – a new initiative created as an industry response to growing public demand for higher professional standards in the promotion of fine wine as an investment asset class – and APM's David Jackson currently sits on the board of directors.

THE CORE AIMS OF THE WIA ARE

- to seek to safeguard the general public against fraud, malpractice and misrepresentation
- to provide a framework of self regulation, safeguarded against restrictive or anti-competitive practices
- to establish educational courses and recognised academic qualifications to precipitate higher levels of professional knowledge and conduct
- to encourage high ethical standards of competitive practice amongst wine investment businesses
- to do such things as are necessary or expedient to sustain or raise the status of wine investment and the Members of the Association.



Château Lafite-Rothschild

FREQUENTLY ASKED QUESTIONS

WHICH WINES SHOULD I BUY?

Cru Classé Bordeaux and Grand Cru Burgundy represent in excess of 90% of the investment market, and we advise that novices stick to these regions. That said, the so called Super-Tuscans of Italy are also making very loud noises in China of late, as well as the occasional New World or Champagne, so now feature more commonly in our portfolios.

We concentrate on the best wines from those vintages that we believe represent the greatest pockets of value, whilst paying attention to their grades; all wines are graded on a system devised by Robert Parker Jr, by far the world's most influential taster, and his scores are universally accepted as the benchmark for the quality of the wine. A score of 90+/100 is a good rule of thumb to identify an 'investment grade' wine.

But these days, simply buying top scoring wines isn't sufficient, and all our selections are run through our sophisticated quantitative analysis tools before being given a final qualitative health check by the team.

DO I NEED TO BE AN EXPERT?

Absolutely not. Our experience and expertise is in identifying and sourcing wines which, in our opinion, have strong investment potential. We will gladly provide you with some suggestions based on your requirements.

WHAT ARE THE RISKS?

Like any traded commodity, wine can go down in value as well as up. The investment wine market is not regulated in India.

WHERE WILL MY WINE BE STORED?

We will store your wine for you in a professional temperature and humidity controlled United Kingdom government bonded warehouse. Your wine will be identified via a unique 'rotation' number. Whilst held in professional storage, your wines are insured at full replacement value.

CAN I TAKE DELIVERY OF MY WINE?

Of course, although you will incur import duty and sales tax which cannot be reclaimed upon resale. We would nonetheless recommend keeping the wine in bond, as it will demonstrate to future buyers that the wine has been stored in optimum conditions, and so ensure its appeal to the widest possible market. London is the principal hub for fine wine, and those wines stored in bond benefit from guaranteed provenance. It is tricky to sell wine that has been imported into India back on the international market. Also, there is always the danger you will drink it if you take it home! Home cellaring has a nasty habit of leading to 'itchy corkscrew syndrome'.

HOW MUCH DO I NEED TO INVEST?

There is no minimum investment, but it is crucial to invest in a top Château from a great vintage, and these wines don't come cheap. In practical terms investment begins from around £5000.

HOW QUICKLY CAN I SELL?

You can sell whenever you like, as investment grade wines enjoy a ready secondary market. Whilst in modern market conditions it is common to realise impressive short term gains, as a general rule of thumb though we would recommend a hold of three to five years.

IS MY INVESTMENT SECURE?

You will hold full title to your wine, so the fortunes of APM have no bearing on your investment. Annual stock reports will be provided and each of your cases will be marked with your name and account number.

CAN I VIEW MY WINE?

Of course. We would be delighted to arrange for a representative from APM accompany you on a visit to the bonded warehouse during your visit to the UK.

"It is always a pleasure dealing with APM. All its staff are very helpful, polite and knowledgeable and offer advice in a balanced manner. It is easy to trade (selling as well as buying!) and James and David are always happy to chat about my portfolio. Customer care is excellent. The latest and best wines are usually available with reasoned advice about why and when to purchase and at competitive prices. Thank you and well done APM!"

P ALEY



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Disclosure: We believe that investing in wine should be both enjoyable and profitable, but like any traded commodity there are risks and wine can go down in value as well as up. Neither APM nor the wine market in general is regulated by the FCA.

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