

VINOVEST QUARTERLY REPORT

# Q4 2020



# Simple, Modern Wine Investing for Everyone

Vinovest's mission is to make wine investing friendly and approachable through world-class wine experts and technology.

Welcome to a place where you can have your profits and drink them too.

156% ↑  
SINCE RELEASE



# The TLDR

Quarterly reports are long, so let's keep this short. Here's the 30-second version of our quarterly report.

01. The Vinovest 100 returned 1.3% in Q4 and 8.8% for the year.
02. Vinovest clients had 17.83% annualized median returns in 2020
03. Champagne had 3% growth in Q4, which led all regions followed by Tuscany at 2.3%
04. Tuscany had a 16.9% annual return in 2020, the highest among all regions.
05. 2005 DRC La Tâche had 151% returns, making it the top performer in 2020

# Vinovest performance in Q4

# The Vinovest 100 index

The Vinovest 100 is our proprietary index that tracks 12 different fine wine markets around the world.

We did it. We survived 2020. In the process, the Vinovest 100 grew 1.3% in the fourth quarter, completing a year with four positive quarters.

The big winners of 2020 were online merchants. According to Silicon Valley Bank Wine Division founder Rob McMillan, small wine producers had a [153% growth in online sales](#).

# Vinovest 100 vs. stock markets

While the Vinovest 100 was consistent performance month over month, the Dow Jones closed strong with a 10.03% return in Q4. The Vinovest 100 returned 8.8% in 2020, while the Dow Jones returned 9.7%.

The fine wine market was able to resist the coronavirus that marred economies around the world. We had four consecutive quarters of positive returns, something that stock markets did not have.

That's because **fine wine is recession-resistant**. It moves independently of the economy. It's one reason why the Dow Jones saw negative returns in 2018 and 2015 and the Vinovest 100 did not.

# Vinovest News in Q4

The Q4 report is a significant milestone for several reasons. First, it means we can say good riddance to 2020. It's also an opportunity to look back at how far we've come. In a year with so much uncertainty, we're honored to have had passionate supporters with us every step of the way.

# Press Coverage

In 2019, we started Vinovest because we saw a fantastic opportunity in the market. Now, people are taking notice.

(Don't worry, we won't forget about you, the loyal patrons that noticed us first.)

Our co-founder and CEO, Anthony Zhang, earned a feature in the [Los Angeles Business Journal](#).

Wine Enthusiast picked his brain about [the future of wine investments](#).

Other notable news highlights include [Bloomberg News](#), [The Investor's Podcast Network](#), and the [Millennial Money](#) podcast.

# Rewarding Patience

We can't stress this enough: good things come to those who wait.

Time and again, our patient clients are the ones that earn the greatest return on investment. Sure, you could try to time the market, and heck, you might even win. Our data suggests that in the long run those odds are slim to none.

Just consider the returns for our most patient investors.

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**5.32%**

The quarterly return for clients that held their portfolio constant for all three months of Q4

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**17.81%**

The median annualized 2020 return for Vinovest clients

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Here's the bottom line: when it comes to your portfolio, set it and forget it.

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# Best Performing Wines of Q4

In some ways, Q4's performance was indicative of wine's performance for 2020. The Champagne and Tuscany placed first and second for quarterly returns. They also placed fourth and first respectively for the entire year.



Champagne, France

## The Champagne and Tuscany placed first and second for quarterly returns.

The strength of Champagne and Italian wine was nothing new. It's why we've been bullish on these two regions from the start of the year. In March, we wrote that Champagne has "rising demand and attractive entry prices [that] make it one of the best investment options." Meanwhile, Tuscany and Piedmont were the top two performing regions of 2019.



Tuscany, Italy

**Champagne and Italian wines have continued their upward trajectory with some unexpected help from U.S. tariffs. In October 2019, The U.S. placed a 25% trade tariff on still wines from Germany, Spain, France, and the U.K.**

The duty caused a shift in investor preferences. People that once snapped up pricey Bordeaux and Burgundy are now looking at Super Tuscans and Blanc de Blancs. Demand for Champagne has surged 40% post-tariff, while Italian wines surged 35%.

# Global Markets in Q4

# Release of Brunello di Montalcino

The sale of 2016 Brunello di Montalcino kicks off at the start of the new year. If there was ever a vintage to invest in, this is it.

Wine critic James Suckling heralded as the greatest vintage, saying on his website, “if you ever wanted a Brunello di Montalcino for your cellar to age for decades, then buy the 2016 vintage.”

The Brunello compares favorably to the 2015 vintage despite their differences. The 2015 Brunello is more palatable at a young age, while the 2016 wines are more acidic at this stage. Either way, they've each earned strong critical praise, and look to have favorable price increases in the coming years.



Alvina Pernot tasting her spectacular 2019s

## 2019 Burgundy En Primeur

The 2019 Burgundy en primeur was tough for several reasons. In addition to the coronavirus pandemic, the harvest overcame various ecological issues to earn critical praise.

For instance, frost struck earlier in February and April, killing some vines and reducing grape yields. Many producers have yields that are 20% down, but some as low as 50%. For a region that already traditionally has a lot of scarcity, this year presents an even more intriguing investment opportunity.

# Here are some wines to keep your eye on



Clos Des Lambrays, Grand Cru,  
Domaine Des Lambrays



Chambertin Clos-de-Beze, Grand Cru,  
Olivier Bernstein



Vosne-Romanee, Premier Cru, Les Suchots,  
Domaine Francois Lamarche



Clos De La Roche, Grand Cru,  
Domaine Georges Lignier

# Investment Outlook for 2021

The future of wine is bright. Since 2010, the number of wine merchants has doubled, the number of wines has doubled, and the number of transactions has quadrupled. As technology improves people's access to fine wine, there's no reason to think this growth won't continue.

# Here are some other things to look out for in 2021

BORDEAUX

A favorable 2020 EP campaign could help the region rebound after a sluggish 2020

BURGUNDY

Second-tier producers like Comte Liger Belair and Meo Camuzet should lead a regional rebound

CHAMPAGN

The region overperformed in 2020, and conditions make it unlikely that Champagne repeats itself

RHÔNE

The combination of value and selection give Rhône the room it needs to grow next year

ITALY

While Super Tuscans don't match Bordeaux First Growths yet in price, they remain the next best thing

CHILE AND ARGENTINA

The countries earned world-class scores in 2020 and should have high-quality vintages to come

THE UNITED STATES

Wildfires and COVID-19 meant short-term sales suffered in 2020 and could force prices down in the future due to excess stockpiles

# Start with a Bang

At Vinovest, we are incredibly excited about 2021. Experts are predicting a breakout year for fine wine.

First, the coronavirus pandemic should dissipate. There are currently three vaccines on the market, with a second wave on its way. The coronavirus irrevocably altered the world last year, but hopefully, we can return to the new normal in 2021.

Second, all signs indicate that President-elect Joe Biden is unlikely to re-impose the Trump tariffs. Eliminating the 25% duty would enable a boom in demand and imports in the U.S.

# A Bigger and Better Vinovest

The New Year presents people with an opportunity to evaluate where they are and where they want to go. Vinovest, as a company, is no different. We want to figure out what we're doing well and hear from you on where we can improve.

In 2021, we have two major goals. First, we want to be the most prominent wine investment company in the U.S. This requires consistently delivering on our mission statement so that people can invest with ease.

Second, we want to be the foremost place to learn about wine investing. Whether people need strategies, insights, or advice, we'll be there when they need help.

# Start investing today

Questions? Contact [ir@vinovest.co](mailto:ir@vinovest.co)

