



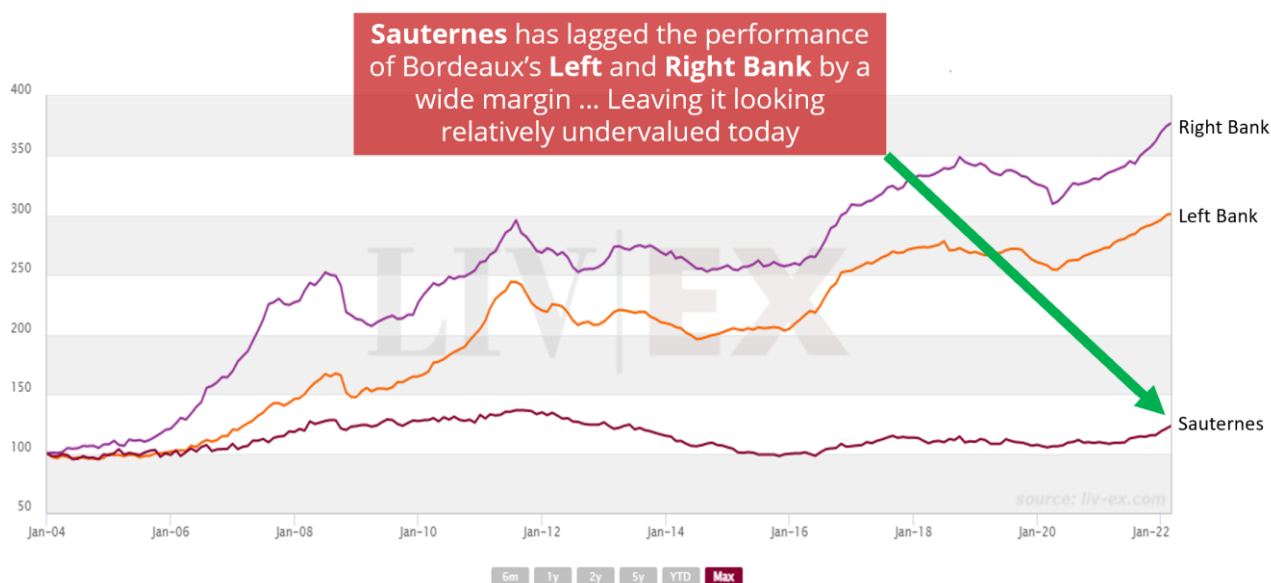
Château D'Yquem 2018 Momentum is Building in Sauternes!

- After two decades of underperformance, **momentum** is finally building behind the **Sauternes** region, underlined by the recent sell out release of **Château D'Yquem 2019**.
- Sauternes has actually **outperformed** other Bordeaux regions over the last 12 months as collectors start to recognise its relative cheapness.
- But **Château D'Yquem** is still **dramatically under-priced** versus the 'flagship' wines of other iconic regions.
- **Château D'Yquem 2018** is our **top Sauternes recommendation**, providing the best combination of **high score** and **low price**.
- Every portfolio should have an allocation to the **most iconic producers** in each region, and in Sauternes this is undoubtedly **Château D'Yquem**.

Sauternes has been Left Behind over Two Decades

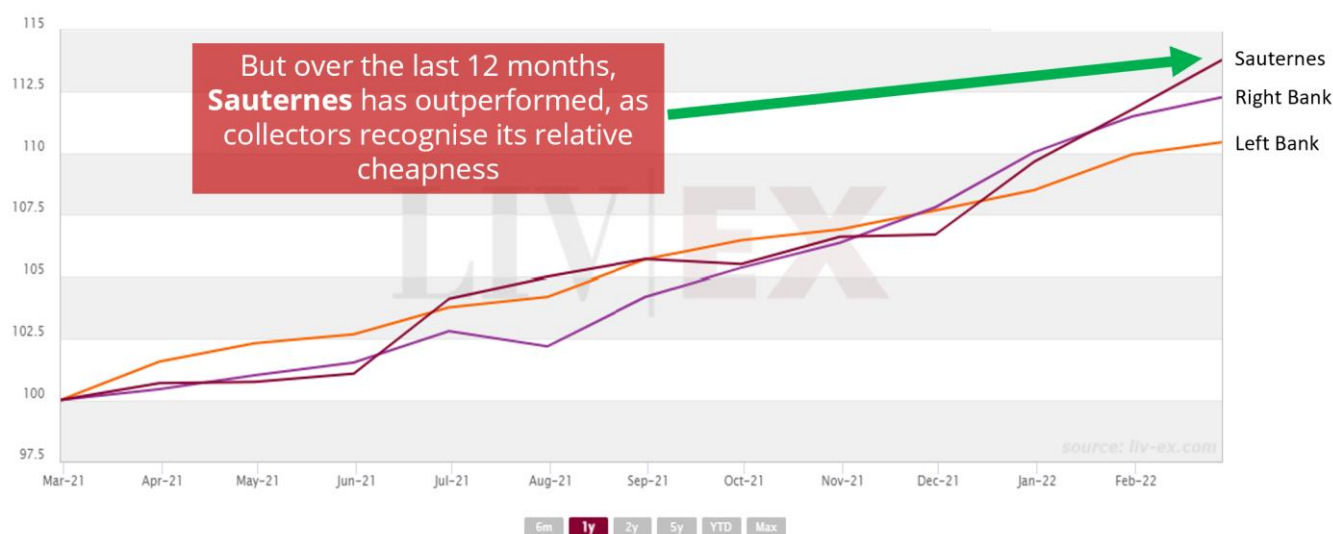
Since 2000, **Sauternes** (Bordeaux's sweet white wine region) has underperformed the rest of Bordeaux by a wide margin.

This has left Sauternes looking significantly undervalued (on a relative basis). Investors and collectors are finally waking up to this undervaluation - and are starting to acquire the best Sauternes (led by **Château D'Yquem** more aggressively). But there is still a lot of potential upside.



Short-Term Momentum is Building for Sauternes

Collectors and investors are now (finally!) waking up to how far Sauternes has fallen behind - and starting to bid it up. In the last 12 months, Sauternes has actually *outperformed* the Left and Right Bank wines of Bordeaux:



The gathering momentum behind Sauternes was confirmed recently by the enthusiastic market reaction to the latest *en primeur* release of the **Château D'Yquem 2019**, which sold out across the market in just a couple of days.

But there is a long way to go. Because of the many years of underperformance, **Château D'Yquem** has slipped far below the price of 'flagship' wines of the other major regions:

The 'Flagship' Wine of Iconic Regions		
Wine (2018 or latest)	Region	Price (6x75cl)
DRC Le Romanée-Conti 2018	Red Burgundy	HK\$1,480,500
Domane Leflaive Le Montrachet 2017	White Burgundy	HK\$366,713
Pétrus 2018	Right Bank Bordeaux	HK\$137,025
Screaming Eagle 2018	Napa Valley	HK\$102,060
Lafite Rothschild 2018	Left Bank Bordeaux	HK\$43,575
Salon 2012	Champagne	HK\$33,600
Penfolds Grange 2017	South Australia	HK\$21,683
Château d'Yquem 2018	Sauternes	HK\$14,700

Château D'Yquem 2018: Best Way to Play Renewed Interest in Sauternes

Although Sauternes has not performed well since 2000 as a region, Château D'Yquem does show very strong price appreciation over the very long-term. For that reason, our recommendation for playing the renewed interest in Sauternes is the **Château D'Yquem 2018**. This has the best combination of:

- **High Score** - 98 points from Wine Advocate.
- **Lowest Price** - for a top scoring D'Yquem.
- **Long Drinking Window** - out to 2055.
- **Best in Class** – nothing rivals D'Yquem in this region for reputation and prestige.
- **Small Production** – Only 65,000 bottles a year (and in many years no wine made at all, if conditions are not favourable – the latest example being 2012). Compare this with the 240,000 bottles of Lafite Rothschild produced each year. You need one vine to produce one bottle of red wine, whereas one vine only produces one *glass* of Sauternes.

Château d'Yquem - 98WA and above		
Vintage	Score WA	Price (6x37.5cl)
2019	N/A	HK\$7,800
2018	98	HK\$7,200
2017	97-99	HK\$7,400
2016	98+	HK\$8,400
2015	100	HK\$8,150
2010	98	HK\$8,400
2009	100	HK\$9,845
2001	98	HK\$13,860
1990	98	HK\$8,695
1986	98	HK\$15,645
1975	99	HK\$22,085
1945	100	HK\$88,830
1928	98	HK\$151,830

Don't Forget the Visuals!

We live in an age of visual imagery. An underappreciated attraction of **Château D'Yquem** (and most botrytised wines) is their magnificent **colour evolution** over time. We feel that this gives a certain magic to older Sauternes which red, white, and Champagne wines can't match.

In fact, the aging potential of Sauternes is technically unlimited due to its high sugar content. The oldest bottle of D'Yquem currently on the market is the **1831** (yours for HK\$ 431,750 per bottle).

Colour Evolution of Château D'Yquem with Time



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