



## Buy Louis Roederer Cristal 2009 ahead of release of new vintage

Price (6x75cl)	<b>HK\$ 5,850</b>
Cru Investment Rating	<b>"A"</b>
Average Critic Score	<b>95</b>
Price per Point (Cristal 2009)	<b>HK\$ 61.60</b>
Average Price per Point (Cristal 1999-2009)	<b>HK\$ 125.20</b>
Price Target (6x75cl) over 12-15 months	<b>HK\$ 8,500</b>
Implied Price performance	<b>+45.3%</b>

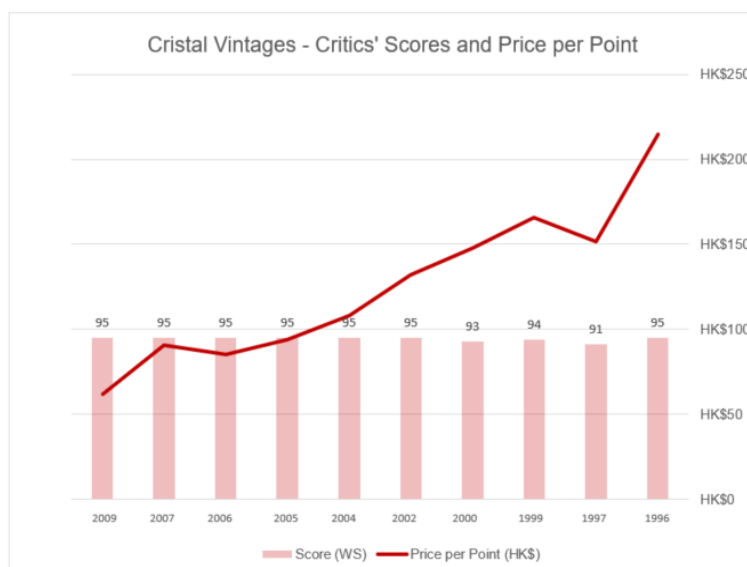
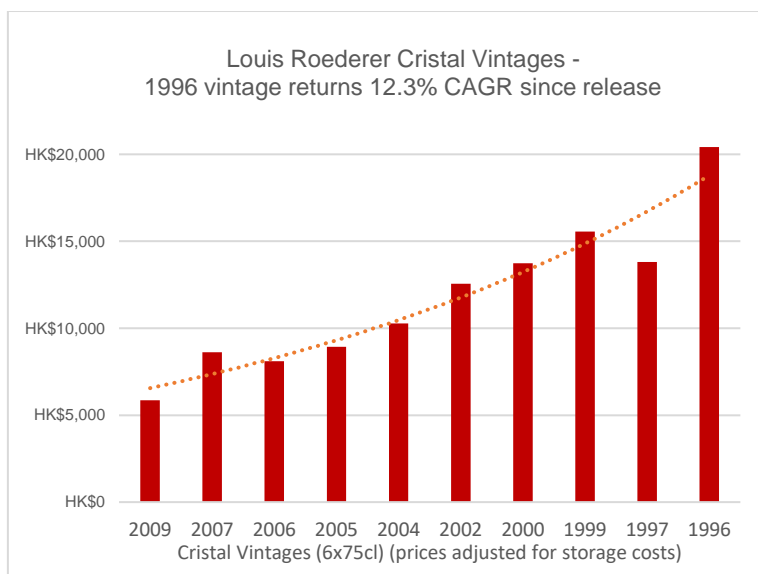
- **Cristal** is one of the world's most prestigious Champagnes. Historic price performance is excellent.
- **Cristal 2009** is significantly undervalued versus all other Cristal vintages.
- When the next vintage (**2008**) is released in 2018 we expect 2009 to revalue upwards in price (significantly).
- Our 12-18 month price target is **HK\$ 8,500**. Upside is **+45%**.

**Louis Roederer**, founded in 1776, is one of the world's most collectable Champagne producers. Since 1876 Roederer has produced 'Cristal', a special cuvee made from the estate's Grand Cru vineyards. The **Cristal 1996** was released in July 2002 at around HK\$3,600 for 6 (also scoring 95 points) now trades at HK\$ 20,415 (6x75cl). This is compound annual growth rate (CAGR) of 12.3% over a decade and a half. This shows how Cristal outperforms from an investment perspective.

**Cristal 2009** was released in July 2016. Only 300-400,000 bottles were made, and substantially all have been released (we believe). Since release Cristal 2009 has flatlined in price, but this is usual for the 'current' Cristal vintage. When a new vintage is released the preceding one becomes 'historic' and usually jumps in price.

Cristal 2009 is currently significantly undervalued versus all historic vintages. Its **Price per Point** (price / critic score) ratio is only **HK\$ 61.6** - versus an average for the last 10 vintages of **HK\$125.2**. Over the next 3-6 months we expect Cristal 2009 to trade up significantly in anticipation of the release of the **2008** vintage in late summer 2018. By the end of 2018 we expect the Cristal 2009 to be trading close to the where the 2007 vintage is today, or around **HK\$8,500** (6x75cl).

A rise from the current offer price of HK\$5,850 to HK\$8,500 implies a price return of +45% over the next 12-15 months. **Medium to long-term investors should be adding Cristal 2009 to their portfolio at this time.**



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