



Reiterate Strong Buy on Cristal 2012 Roll to 2013 Vintage Imminent – Time Running Out

- We upgraded **Louis Roederer Cristal 2012** to our **Global Recommended Portfolio** on 11th November 2020.
- We have now heard from our market sources that the 'roll' to the **new Cristal 2013** vintage will occur **early in 2021**. This means that the 2012 will **no longer be available** on the primary market (i.e. direct from producer at a discount) sometime in Q1 2021.
- Once the primary market dries up, we expect the **price of Cristal 2012 to jump upwards**, as happened with Cristal 2008 recently.
- Cristal 2012 **outscores** the legendary 2002, 1996 and 1990, yet is significantly cheaper (*for now*).
- The 2012 has a **30 year drinking window** ahead of it, and we believe it will trace the price growth trajectory of 2002, 1996 and 1990.
- We re-iterate our Strong Buy on **Cristal 2012** and urge investors to **act quickly** before it is too late.

News Flash: Roll to 2013 Cristal Vintage in Q1 2021

We have just learned from our market sources that the 'roll' from Cristal 2012 to Cristal 2013 by producer Louis Roederer will occur sooner than we expected. Full details are still not available, but our sources are telling us that Cristal 2013 is likely to be available in Hong Kong in March 2021.

We expect to get full details in January 2021, but it is clear that the primary market for Cristal 2012 is now closing, and this has serious implications for the price. At present, Cristal 2012 is still being supplied to the market direct by Louis Roederer as a significant discount to theoretical market value, but as we saw with the 2008, as soon as that stops (likely sometime between January and March 2021), the market will be supplied only by secondary trading platforms like Cru. As with Cristal 2008 recently, this will mean a jump upwards in price as Cristal 2012 rises to its true market value.

Louis Roederer Cristal 2012: Outscores 2002, 1996 and 1990

As well as a good short-term trade, Cristal 2012 has **great investment potential** over the long-term too. This is clearly illustrated below. Cristal 2012 outscores other 'great' Cristal vintages like 2002, 1996 and 1990, but it is *significantly less expensive*. We have no doubt that Cristal 2012 will be priced in line, or above, these three older vintages in the coming years, implying very strong price performance over the next decade.

Cristal 2012 Outscores Other Great Vintages				
Vintage	Vinous	Wine Advocate	Drinking Years Left	Price
Cristal 2012	98	97+	30 years	HK\$7,950
Cristal 2002	97	96	19 years	HK\$15,500
Cristal 1996	97	95	8 years	HK\$29,500
Cristal 1990	94	97	10 years	HK\$35,000

Long Drinking Window / High Consumption Curve

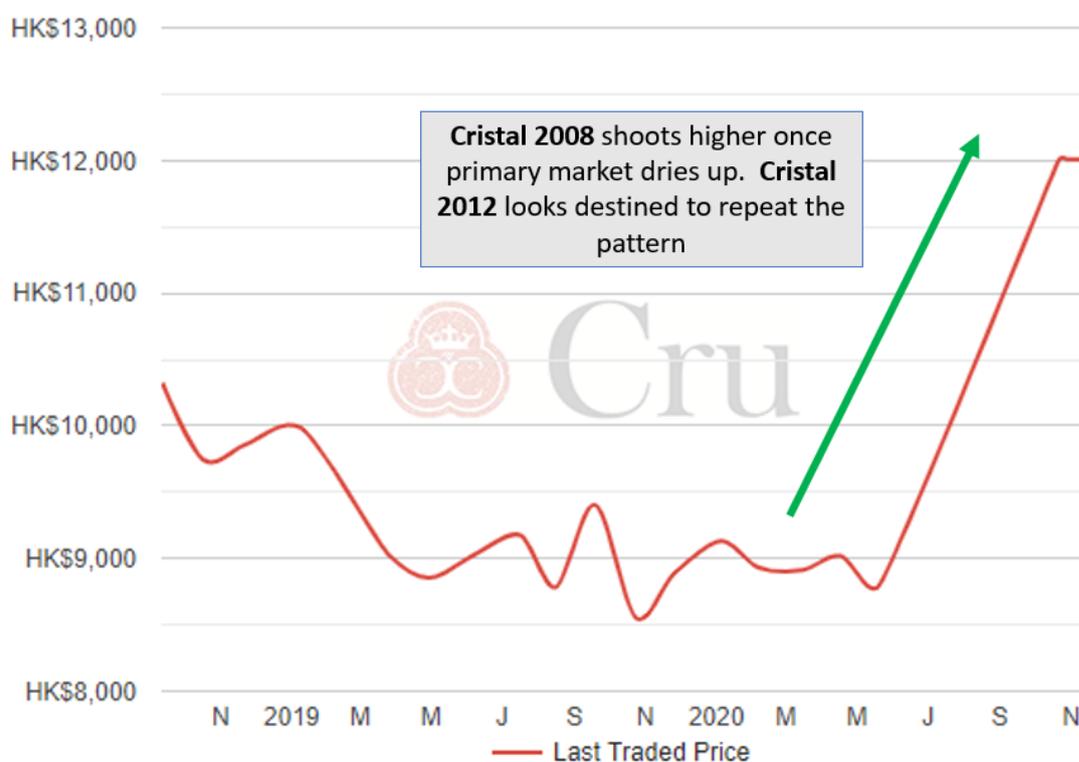
Cristal 2012 has a **much longer drinking window** than either 2002, 1996 or 1990 (see above). It will last for at least another 30 years; which means that in ten years' time it will be: a) top quality, b) still very young, and 3) properly scarce - all at the same time! In fine wine terms, this is a recipe for **significant price appreciation**.

Cristal 2012 is already nearly a decade old. And today it is already **being consumed** daily around the world at a **significant rate**. History shows us that this consumption will not slow down until the 2012 becomes almost impossible to buy - like the 1996 and 1990 are now. The 1990 is **+340%** more expensive than the 2012, with lower scores and only 10 years of drinking window left.

The performance of 1990 and 1996, we believe, show the **future for Cristal 2012**.

Once Cristal 2008 Primary Market Ends – Price Leapt Higher

Cristal 2008 was first released in May 2018. All the time Louis Roederer were supplying the primary market with new stock, the price flat-lined. But as soon as Louis Roederer sold out of their production (they don't, we believe, hold any significant quantity of stock back) the price immediately jumped upwards. We believe the **same pricing dynamic will play out with Cristal 2012**.



Investors who took our advice and purchased Cristal 2008 in 2019 and early 2020 are now selling on the Cru platform at **gains of +30-40%**.

We have a number of new clients looking to buy Cristal 2008 now, and it is **simply impossible**. The only offers are private client sellers who are (sensibly) just offering a case at a time as the price moves higher.

We therefore *cannot stress enough* how important it is to **buy Cristal when Louis Roederer are still supplying the primary market** - as they are currently doing with the 2012 vintage. This is the only opportunity investors will ever have to buy a reasonable quantity at a **discount to market**.

Why Cristal will remain a Globally Sought Champagne

Louis Roederer's famous 'Cristal' Champagne wine was created in 1876 to satisfy the demanding tastes of Russian **Tsar Alexander II**. The emperor asked Louis Roederer to reserve the house's best cuvée for him every year. To distinguish this cuvée, this exceptional champagne came in a flat-bottomed, transparent lead-crystal bottle. The new bottling was named after this precious material, which is particularly transparent and luminous.

Produced only in the best years, when the Chardonnay (around 40%) and Pinot Noir (around 60%) grapes have attained perfect maturity, Cristal is aged for around 6 years in Louis Roederer's cellars and left for a further 8 months after dégorgement. Cristal is composed of Grand Crus from the Montagne de Reims, the Marne Valley and the Côte des Blancs

Cristal is arguably the **most famous** super premium Champagne in the world. It is a **heritage brand** of huge appeal in the emerging new economies that will increasingly determine fine wine pricing over the coming decades. For that reason Cristal remains our **number one top Champagne recommendation** for long-term investment.

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