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WHY INCLUDING “LIQUID SUNSHINE” IN YOUR INVESTMENT PORTFOLIO IS A GOOD IDEA

THE GROWTH IN VALUE of whisky is outperforming precious metals, rare coins and art in the non-traditional investment market. It’s a movement that’s been gaining momentum steadily, with sales of rare whiskies reaching new heights in the last 10 to 15 years. Scotch whisky leader Macallan sold a 1946 single malt at auction in 2010 for \$460 000. Five years earlier, a bottle of 1926 in its Fine and Rare collection was sold to a Korean businessman for \$75 000.

And the appetite for rare whisky is not abating, as *Forbes Lifestyle* reported in March this year: “[In 2016] the value of collectable bottles of single-malt Scotch whisky sold at auction in the UK rose by an incredible 49% to a record £14.21 million.”

To the uninitiated this may seem extreme; to the whisky aficionado, not at all. Making whisky is an art, after all, with each stage imbuing the end product with unique qualities – from the type of peat used in the grain-drying process, the shape of the copper stills and the strain of yeast selected to the character of the oak used in maturation.

Naturally, the intuition, experience and reputation of the distilleries (often family-owned and boasting a century or two of whisky-making) influence desirability.

“Limited releases and distillery closures also drive up value,” says WhiskyBrother co-owner Neil Paterson. Drinks conglomerate Diageo released 2 950 bottles of Port Ellen whisky in 2013 for £1 500 a bottle (the Islay distillery closed its doors in 1983). Scarcity also explains why Japanese whisky has soared in value. “...The sector was unprepared for the ferocious growth in consumer interest over the past five years,” reports *TheSpiritsBusiness.com*. Avid imbibers have simply depleted the stock. Japan is the third largest whisky producer in the world, with Nikka and Suntory dominating the market. Jim Murray,



one of the website’s writers, declared Suntory’s Yamazaki sherry-aged single malt 2013 the best in the world in his Whisky Bible, describing it as “near incredible genius”.

WhiskyBrother’s Neil Paterson and Marc Pendlebury are always willing to share their knowledge and passion for whisky – whether it’s for collecting and investing or enjoying with friends. Pop in to see them. ▼