CELLAR ADVISOR

FINE WINE INVESTMENT & ADVISORY · LONDON & DUBAI

A Better Model for Fine Wine Investment

Independent advice. Direct ownership. Lower lifetime costs.

INDEPENDENT · SECURE · ACTIVELY ADVISED · COST EFFICIENT

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Cellar Advisor sits between the traditional wine merchant and the fully managed investment model, combining the strongest elements of both while removing many of the conflicts, costs and structural compromises investors typically face. We do not hold wine inventory that we need to sell, and we are not tied to particular producers, vintages, regions or positions. Our role is simple: to advise our clients on where we believe the best opportunities exist, and to execute those strategies with complete independence.

THREE MODELS · VERY DIFFERENT STRUCTURES

Traditional Wine Merchant

Retail and merchant-led

WINE SELECTION

Often influenced by merchant inventory and available stock

PORTFOLIO MANAGEMENT

Typically transactional, and often passive once wines have been purchased

CUSTODY

Usually held within the merchant's wider storage structure

ANNUAL MANAGEMENT FEE

Typically none

TYPICAL STORAGE COST

Commonly around £15 per 12-bottle case per annum

TYPICAL SELLING FEE

Commonly 8% to 15%

Fully Managed Investment Company

Managed investment

WINE SELECTION

Selected and managed by the investment company

PORTFOLIO MANAGEMENT

Actively managed

CUSTODY

Typically held within the company's wider storage structure

ANNUAL MANAGEMENT FEE

Typically 1% to 2% of Assets Under Management

STORAGE & SELLING FEES

Typically incorporated within the annual management charge

OUR MODEL

Cellar Advisor

Independent investment advisory

WINE SELECTION

Market-wide and independently selected

INVENTORY CONFLICT

None. We hold no stock that we need to sell

PORTFOLIO MANAGEMENT

Actively advised, with annual portfolio reviews and monthly market reports

CUSTODY

Clients hold their wines within their own direct account at London City Bond

ANNUAL MANAGEMENT FEE

None

STORAGE COST

From £12 per 12-bottle case per annum, passed through at cost

SELLING FEE

2% on wines we source, whether you reinvest or exit. 7% on externally transferred wine sold to exit

NO STOCK TO CLEAR · NO TIED ALLOCATIONS · NO ANNUAL AUM FEE

ADVICE FOCUSED SOLELY ON THE PORTFOLIO

OUR DIFFERENCE

We don't own the wine we recommend.

Traditional merchants fundamentally operate by buying and selling wine. Cellar Advisor operates differently. We carry no inventory and have no commercial requirement to favour one producer, region, vintage or position over another. Our starting point is the investor: we analyse the market and allocate capital according to where we believe the strongest opportunities exist at that point in the cycle.

YOUR WINE. YOUR ACCOUNT. YOUR OWNERSHIP.

At Cellar Advisor, the advisory relationship and custody of assets are deliberately separated. Every client holds their wines within their own direct account at London City Bond. Cellar Advisor advises on the portfolio and executes the agreed strategy, but does not take custody of the assets. This provides:

- Direct ownership and storage records
- A clear, independent audit trail
- Separation between client assets and Cellar Advisor
- Greater transparency over underlying holdings
- No reliance on Cellar Advisor as custodian of the wine

We advise your portfolio. You retain direct ownership of the assets.

The fee is not the number that matters. What you keep is.

Fine wine is typically a long-term investment: even relatively small differences in annual charges, storage costs and exit fees can significantly affect the capital an investor ultimately retains. Consider an illustrative £100,000 portfolio held for 10 years, at an assumed gross rate of 7% per annum. That rate is chosen only to make the comparison possible and is not a forecast. The relationship between the three models holds at any rate of growth, because the difference is driven by the fee structure rather than by performance.

£100,000	7%	10 Years	£196,715
INITIAL INVESTMENT	ASSUMED GROSS RATE	INVESTMENT PERIOD	GROSS PORTFOLIO VALUE BEFORE COSTS

WHAT COULD THE INVESTOR ACTUALLY RETAIN?

OUR MODEL

Cellar Advisor

£12 storage · 2% on sale

GROSS PORTFOLIO VALUE
£196,715

ILLUSTRATIVE 10-YEAR COSTS
£6,334

APPROX. NET VALUE
£190,381

Traditional Merchant

Illustrative 10% exit fee

GROSS PORTFOLIO VALUE
£196,715

ILLUSTRATIVE 10-YEAR COSTS
£22,672

APPROX. NET VALUE
£174,044

Fully Managed Model

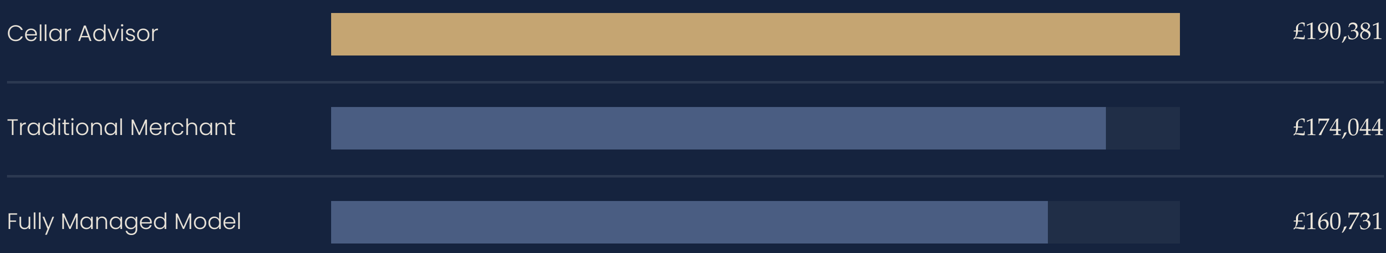
Illustrative 2% annual AUM fee

GROSS VALUE BEFORE FEES
£196,715

IMPACT OF FEES & LOST COMPOUNDING
£35,985

APPROX. NET VALUE
£160,731

THE 10-YEAR VALUE ILLUSTRATION



Under these illustrative assumptions, a £100,000 portfolio could leave the investor with approximately £190,381 with Cellar Advisor, compared with £174,044 through the illustrative merchant model, and £160,731 through the illustrative fully managed model. That is approximately £16,337 more retained versus the illustrative merchant model, and approximately £29,650 more retained versus the illustrative 2% annual AUM model. An annual percentage fee can appear modest, but over a long horizon its impact is far greater, because the fee is charged every year on a growing balance and steadily reduces the capital available to compound.

OUR MODEL IS BUILT AROUND FOUR PRINCIPLES

Independent

No inventory. No tied allocations. Advice based on where we believe the strongest opportunities exist across the market.

Secure

Your wines are held within your own direct account at London City Bond. Your assets remain separated from Cellar Advisor.

Actively Advised

Portfolio construction, ongoing market oversight, annual strategic reviews and monthly market reports. The objective is not simply to buy great wine, but to build and manage a disciplined investment portfolio.

Cost Efficient

No annual Assets Under Management fee. Direct storage costs from £12 per 12-bottle case per annum, passed through at cost. 2% on wines we source. 7% on externally transferred wine sold to exit.

More of your return stays yours.

IMPORTANT ASSUMPTIONS

Illustrative example based on an initial portfolio value of £100,000, an assumed gross appreciation rate of 7% per annum, a 10-year holding period and a portfolio comprising 20 x 12-bottle cases. The assumed rate is used only to allow the three models to be compared on a like-for-like basis and is not a forecast or an expectation of return; the relative outcome is driven by the fee structures rather than by the rate assumed. The traditional merchant illustration assumes storage of £15 per 12-bottle case per annum and a 10% selling fee on exit. The Cellar Advisor illustration assumes storage of £12 per 12-bottle case per annum, billed directly by London City Bond, and a 2% fee on the sale of wines sourced by Cellar Advisor, which applies whether the proceeds are reinvested or taken as a full exit. Wine transferred in from elsewhere and sold to exit is subject to a 7% fee. Both illustrations assume a single selling event at the end of the period, on the same basis. The fully managed illustration assumes an annual fee of 2% of Assets Under Management, with the figures reflecting both the annual charge and the reduced compounding over the investment period. All figures are illustrative only. Actual charges, portfolio composition and investment performance will vary. Past performance is not a reliable indicator of future performance. The value of fine wine can fall as well as rise and investors may not recover the amount originally invested. Fine wine is a physical asset and investment in it is not regulated by the Financial Conduct Authority. Cellar Advisor does not provide financial, investment or tax advice.

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