

Venulum sees strong interest in wine investment despite fall in Liv-ex 100 Index



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Industry: [Financial](#)

Press Release Summary: Venulum is seeing strong interest in its wine investment portfolio from those looking to weather the financial storm.



Press Release Body: **Venulum**, the private wealth management firm based in the British Virgin Islands, is seeing increasing interest in wine investment from those looking to avoid the pitfalls of the current economic climate.

Venulum recognised that investors commonly turn to hard assets in market downturns, with the idea that by investing in something real, it won't disappear although its value may decline modestly, hence the increased interest in the company's [wine investment portfolio](#).

The **Liv-ex 100 Fine Wine Index** was flat in August and fell 3.7% in September but compared with the battering the world stocks and bonds markets are experiencing, this drop could be termed relatively insignificant, since it still shows a year to date increase of 5.5% compared to the loss of 24.1% for the FTSE 100 for example.

Much of the downturn in the **Liv-ex 100** in September was down to profit taking on top wines of the recently landed 2005 Bordeaux vintage, many of which have fallen from their peak prices of late spring this year by as much as 25%.

Dennis Winson, a periodontist from Maryland has been a **Venulum** client since 2003 and has invested in Forward Purchase Agreements.

"My annual returns to date have consistently been between 15-20%, but I expect they will be affected by the current market turmoil," Mr Winson said. *"I take a long term approach however, and as long as I don't need to redeem early I expect the market to see an improvement in the next year or two."*

Stephen Kern, a general dentist from Washington State, has been investing with Venulum since 2004 and has a large investment portfolio in wine. *"I began investing in wine because I am interested in it and enjoy drinking it,"* he says. *"My returns of 15-20% per annum didn't look that exceptional in a bull market but compared to some of my other investments, they are now looking great."*

Mr Kern invested in Forward Purchase Agreements at a modest leverage ratio of approximately three to one and feels comfortable with the level of risk.

He said; *"A leverage ratio of three to one compared to property investment at up to ten to one is relatively safe but margin calls could be worrying for me so my strategy going forward is to physicalise my portfolio through Venulum's new Wine Portfolio Strategy."*

Fears of a sustained major correction continue to appear to be relatively unfounded, with strong demand coming from the Far East in particular.

Giles Cadman chairman of Venulum, noted: *"The market remains firm, with demand for the top wines from sought after back vintages especially strong. The emerging markets continue on as if the summer*

crunch hardly happened and we are quietly confident that fine wine will continue to outperform the majority of other asset classes through these turbulent times."

About

The Venulum Group is a multinational private wealth management firm headquartered in the British Virgin Islands. The Group manages the wealth of high net worth individuals, and specialises in alternative investments often not available to the general public. Venulum helps high net worth individuals balance their portfolios.

Venulum:

The Venulum Group was formed in 2002 and has expanded to include offices in five countries with service offices in a further two. Since 2002 Venulum's client base has expanded rapidly, and they now have a substantial number of United States based clients.

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