

A MESSAGE FROM THE CEO

Upon arriving in Bordeaux for the Capital Vintners 2014 visit, I couldn't help but notice how much quieter it was compared to previous years. Was it because the futures were about to begin, or was it just that the Bordeaux market in general seems quieter than usual these days? As we did the rounds this year, the faces of the chateau owners were filled with hope (and a little anxiety), and we got the impression this was because the difficult weather they had had to endure during the harvest in September was still taking its toll on them. Everyone explained that it was a very complicated vintage but good nonetheless. Just like every time we visit the centre of the wine world, we were still very excited to be there and we still had some great tastings from both the Left and Right bank which has led us to believe the regions to look out for are most definitely Pauillac, Pomerol and Margaux.

This year's vintage is going to be successful as an investment vintage as it is down on production (by 50% in some areas) which will inevitably be good for all our customers. We will be placing our orders first and then offering what small allocations we have left after the release prices are out.

On the final day of our visit, we were welcomed at Chateau Angelus for the first time since the 2012 St Emilion re-classification. We were greeted by the new bells that the famous Angelus had to offer. As Julien, our good friend at Angelus, punched in our UK dialling code into his portable device, the bells rang out the National Anthem of our great land (indeed we asked him to play others as we got carried away with different area codes!

The whole chateau has just been revamped to cater for the mass visits for 'en primeur'. The main part of the chateau has been set up in the style of an old oak barn, it really was quite amazing. It really has to keep up with the times, now it is in the same bracket as the renowned Cheval Blanc and Ausone estates. The vertical tasting of the last 10 vintages was quite simply outstanding with incomparable finesse and structure to each vintage. Angelus 2013 may well be a wine to look out for in the near future, look out for it from your Capital Vintners broker!

INTERVIEW WITH CHARLES CURTIS MW

1. Regarding the current state of the Asian fine wine market, we are seeing a real diversification in our requests from clients. Is it the case that Asian buyers have become as sophisticated as 'Western' consumers when it comes to high-end wine?

In my experience many Asian clients begin collecting at what they perceive to be the top of the market, and diversify from there as their knowledge and experience increases. This is a process that has already been occurring for some time, and I do believe that collections are much more diverse today than they have been in the past. Each market has its own likes and dislikes, and each will develop in its own way. Again, to give an example, Port is fairly strong in the U.K., but it struggles as a category in the U.S., while here in New York top Italian wines generate an interest that doesn't exist in England. Asia will no doubt develop in its own way.



2. The Bordeaux First Growths are struggling to reach the heights of a few years ago. In your opinion, is this just a minor downturn and one that will be rectified by the market in the coming years?

The market for young first growths has taken a 25% - 30% correction in recent years as collectors realize the value of rarity in the market. I think that the days of people paying irrationally high prices for young wines in plentiful supply is definitely over. I do feel, however, that these wines will not only increase in value but will surpass their former heights as they become rarer – Bordeaux is far from moribund. The market for rare wines has stayed fairly strong and continues to generate new record prices.

3. Do wine critics have the same influence in Asia as they do in Europe and America?

I think that the influence of critics varies with the particular critic, and some that have great respect in their local markets, such as Eric Asimov in New York or Jancis Robinson in London are not as widely followed outside of these areas. For someone new to exert the same global domination as Mr. Parker will require a strong personality and a new way of looking at wine, I imagine.

4. As the former Head of Wine for Christie's in Asia, you have a vast amount of experience in trends in the market. In your opinion, which producers will be the most sought-after in the next five years? And will prices continue to be driven up as demand increases and supply decreases?

I think that increasing diversity will drive trends for the Asian market in years to come. I feel that in Burgundy this will probably mean that Domaine Armand Rousseau will move to take its rightful place alongside the current triumvirate of DRC—Jayer—Leroy, and in Bordeaux it should mean that Lafleur and Le Pin will compete at the top level with Pétrus, while on the Left Bank, Latour might well pull even and even ahead of Lafite. Other categories will also begin to flourish. I think it is a grave error to miss out on top producers in any of the best regions such as Guigal or Rayas in the Rhône or Giacomo Conterno in Piemonte and Masseto in Tuscany. I think top white wines such as those produced by Egon Müller in the Saar and Domaine Leflaive in Puligny will take on more and more importance, along with top champagnes from Krug and Dom Pérignon.

5. Provenance is very important for us. We are careful where we source our stock. Reports of fake bottles in Asia have spooked the market in the past. Is this a genuine concern within the Asian wine industry, or have stories been over-exaggerated in the press?

I think that Asian collectors have begun several years ago to realize the importance of provenance, and that this is a trend that will begin to gain strength in the years ahead.

Charles Curtis MW is the former Head of Wine for Christie's in Asia and the Americas. He is also the founder of the wine tasting website, www.CurtisMW.com.

RECENT TESTIMONIAL

We were very pleased with the service, which we received from Capital Vintners during the sale process.

We now look forward to you handling the sale of more of our wine portfolio. We trust that you will then repeat the high level of service we experienced on our recent transaction. Thank you again for your efficient and professional assistance in this matter.

P.B, London

Turn over to read the full story of Capital Vintners in Bordeaux 2014.

CAPITAL VINTNERS

2013: AN 'UNDERDOG VINTAGE'

Everyone knows that 2013 was a nightmare for most producers in Bordeaux, especially the Right Bank. Production rates are down as much as 50 per cent on 2012 levels, which means that wine will be scarce and it is likely that many producers will have struggled to hit the heights of recent great vintages.

The Capital Vintners Buying Team headed out to taste some of the most recent Bordeaux vintages this week. The focus was very much on the First Growths and St Emilion, the main aim being to source the best wines for our clients for the coming months. We were welcomed at Mouton Rothschild and Margaux for vertical tastings (the Margaux 2006 was a standout of the tastings, as it was just coming into its drinking window). The renowned Rauzan Segla chateau in Margaux, owned by the Chanel group, invited us to taste the 2011 newly-bottled vintage in their 'tasting tower'. Here's the story in full.

LEFT BANK

MOUTON ROTHSCHILD

The newest addition to the First Growth club, Mouton Rothschild has the reputation for being the most extroverted of the leading Medoc growths. The Mouton brand is now associated with wines from all over the world, including the USA and Chile.



Mouton's cellar. Note the ceiling's incredible non-pillared architecture.

To take a tour of Mouton is to take a history lesson into more than just how the wine is produced at the Pauillac estate. Under the guidance of Baron Philippe de Rothschild, Mouton associated itself with art and adorned each vintage with artwork from a renowned artist or sculptor. This elevated the reputation (and price) of the wine, giving the chateau a uniqueness and a 'brand identity' to set itself apart from its peers.

We tasted the Mouton 2011, 2012 and 2013, with 2012 being the standout wine. Labelled by Parker as "possibly the wine of the Medoc", it was a gargantuan effort, with a richness that defied its youth. The Capital Vintners team gave the vintage the high score of 95pts!



Mouton 2012 vintage - part of a vertical tasting.

MARGAUX

Paul Pontallier, the Managing Director of Margaux, gave us his personal thoughts:

"2013 Chateau Margaux is lucky to be born in the 21st century, when all the efforts and almost all the sacrifices can be achieved. Our great terroirs of cabernet have been able to take advantage of a superb Summer that compensates with a difficult month of September."

Margaux's vast estate is simply a joy to behold, and on a sunny afternoon, there is no place better in the Medoc. With its imperial chateau, large woodland area, and quaint Orangery, Margaux is the true definition of French bourgeois luxury.



Chateau Margaux close-up and personal.

We were fortunate enough to witness the racking process ('soutirage') in Margaux's barrel room. Wine is moved from one barrel to another for the purpose of clarification – the wine benefits from having a new, clean home for a few months. The process softens the tannins and is a good way to get rid of any sediment in the barrels.



Racking in the Margaux barrel room.

Due to the renovations going on at Margaux, we were welcomed in the Orangery to taste a few of the estate's First Wine, as well as the Second Wine, Pavillon Rouge. The 2006 vintage is just coming into its drinking window, and was the first wine we tasted.

Margaux 2006 Tasting Notes: "A truly majestic wine, rich in flavour and with a lasting finish. A typically earthy Margaux, with hints of vanilla, blackcurrants and liquorice. A highlight of the trip!" - 96pts

Pavillon Rouge 2006 Tasting Notes: "The little sister of the First Growth, Pavillon Rouge 2006 is a stunning effort, more approachable right now than the Grand Vin, but not quite as rounded or full-bodied. - 90pts

RAUZAN SEGLA

A brief stop at Rauzan Segla was a welcome respite after the huge estates of Mouton and Margaux. Rauzan, situated in the Margaux appellation, is a Second Growth chateau and consistently scores 90+ Parker points. The estate is now owned by the Chanel Group. A tour of the impressive vat room was followed by a tasting in the 'Rauzan Tasting Tower' where the 2011 vintage was the standout wine.



Stainless steel fermentation vats at Rauzan-Segla.

RIGHT BANK - POMEROL

We were able to spend more time than usual on the Right Bank this year. This was mainly because early reports indicated St Emilion and Pomerol had taken the brunt of the abysmal weather in 2013 and would struggle to produce a vintage of any quantity. Therefore it was vital for us to ensure that the region wasn't actually as ravaged as some reports indicated.

As an example, Jacques Thienpont's Chateau Le Pin has only produced 3 barrels of its premier wine for the 2013 vintage.

CLINET

We spent some time at Chateau Clinet in Pomerol, a quaint little estate that has been producing some of the finest Bordeaux for decades.

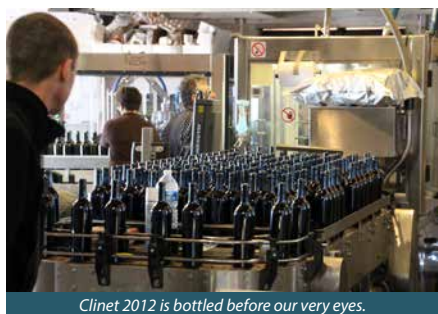
IN BORDEAUX 2014

Clinet 2011 Tasting Notes:

"notes of chocolate, dark berries and liquorice. It has the elegant silkiness associated with high-percentage Merlot wines. At 14% alcohol it is a powerhouse of oak, blackberries and lasts well over a minute on the palette." - 94pts

Clinet has a 26-year old Italian winemaker called Leonardo Izzo, who took over in 2010 (after Clinet's victorious 2009 vintage, which achieved a perfect 100 score from Parker, the first vintage to do so since 1989.

We were fortunate enough to see the 2012 Clinet vintage bottled on-site. Bearing in mind the whole process only takes two days, we were incredibly lucky to get the chance to see the wine going from barrel to bottle. Izzo's assistant, Pietro Pastore, talked us through the process as we watched the bottling machine whir away. He told us that due to the hot weather, he would have to ensure that the bottles were all shaded until they get led away for correct storage. Any direct sunlight at this stage could spoil the wine.



Clinet 2012 is bottled before our very eyes.

With a production of just 45,000 bottles for the Premier Cru Classe A label, Clinet will undoubtedly struggle to meet demand with the 2013 vintage.

Ronan Laborde, Manager of Clinet:

"Clinet 2013 displays a bright dark-crimson colour. Production is 45,000 bottles, with 90% Merlot, 9% Cabernet Sauvignon and 1% Cabernet Franc. The grapes were harvested later and faster than usual, and the average yield was around 33 hectolitres/hectare, resulting from strict selection."

EVANGILE

A relatively new member of the Lafite Rothschild family, Chateau Evangile has now been in the possession of the wine world's most famous brand name for 24 years. Situated in the heart of Pomerol, Evangile is an investor's dream: low production, adored by the critics, owned by the Rothschilds, and a beautifully balanced wine to boot.

One of the standout tasting rooms of the tour was Evangile's. Having tasted some of the recent vintages (including the sensational 2009 - already drinking well) we got straight on the phone to one of our negociants and ordered some cases for clients!

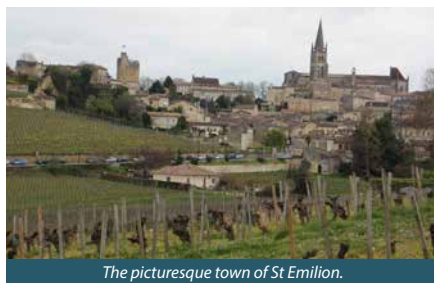


Evangile's impressive tasting room.

Evangile experienced its first ever 100 point score from Parker in 2009, with the great man waxing lyrical about the "astounding effort from the Rothschild family."

ST EMILION

St Emilion, the picturesque town that typifies the quiet and pastoral Right Bank of Bordeaux, is a delight to visit, with its cobbled streets, old wine shops and medieval battlements.



The picturesque town of St Emilion.

ANGELUS

After Angelus' re-classification to Premier Grand Cru Classé A in 2012, the St Emilion estate has been one of our best-sellers, seeing double-digit growth across multiple vintages. It was mainly for this reason that we wanted to spend some time at the chateau this year.



The Capital Vintners team enjoying the Angelus tastings.

The new bell at Angelus has just been completed, which belts out the national anthem of the visitor, in our case, 'God Save The Queen' of course. Angelus have renovated large portions of the chateau, with the focus on visitor facilities and the ability to hold trade tastings. Now that Angelus is a leading Bordeaux estate, the feeling is that it has more responsibilities to uphold.

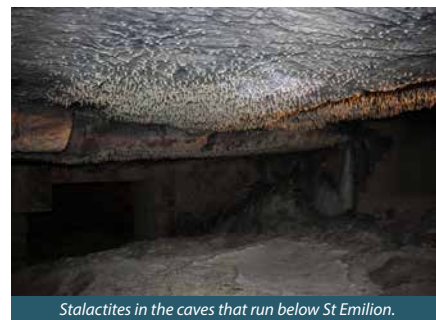


A couple of bottles from our Angelus and Bellevue vertical tasting.

CANON

Our final stop of the tour was also the most interesting. Our first visit to Chateau Canon proved to be an eye-opening experience for the whole team. After a comprehensive tour of the estate by Andreane, we were allowed to descend to the cave system that runs through the limestone buried 10 metres below St Emilion.

The network of caves is a real Bordeaux treasure and it was a privilege to finally be able to walk through a small section of them. You can see some of the old Merlot vines breaking through the ceiling in some parts.



Stalactites in the caves that run below St Emilion.

A vertical tasting of Canon from 2006 onwards followed.

RECENT TESTIMONIAL

Capital Vintners provide a good selection of wines for which they arrange good storage facilities. Having to sell at short notice for health reasons, I received courteous attention and quickly received the agreed payment. I will be looking forward to renewing my association with the company.

D.B, Vienna

STORING AT VINE

From April 2014 we are pleased to announce that we will be using London City Bond (LCB) 'Vine' as one of our bonded warehouses

We have exhausted our passages at EHD Locke-King so we have had to find additional storage space for our growing client stock. LCB Vine is a fantastic warehouse that is part of the London International Vintners Exchange (Liv-ex), of which we are of course an affiliated member.

Storing at Vine will revolutionise the way we store and transfer wine. The UID number will replace the Rotation Number, This means every single case has a unique code number.



Most of the stock that we purchase directly from French négociants and courtiers arrive in the UK at Vine. Therefore it makes perfect sense to utilise this warehouse to minimise the transportation of your stock.

CELLAR VIEW

A new system called Cellar View will shortly be integrated into our website. This state-of-the-art online wine system will give clients the opportunity to view their portfolios directly from www.capitalvintners.com at the click of a button. We will keep all clients posted on this service as soon as it is available.

James Miles and Justin Gibbs, the founders of Liv-ex, are trying to build a 'Fort Knox' for wine. Their master plan is to have a series of warehouses across the globe, where cases are entered into the system, then bought and sold between businesses or private clients without the cases ever having to be moved until the case reaches its end consumer.



LATEST MARKET NEWS

CHEVAL BLANC LEADS THE BORDEAUX CHARGE

In the Chinese Year of the Horse it would seem inevitable that Cheval Blanc would be a hit, and indeed the St Emilion estate was the most traded (by value) Bordeaux wine in March on Liv-ex, taking 9.7 per cent of the region's trade. This was followed by Petrus (5.6 per cent), which has seen an upsurge in demand in the last six months.



The stunning new winery at Cheval Blanc, designed by Christian de Portzamparc

Cheval Blanc 2009 was the most traded vintage by value. A stunning 99pt-ranked vintage, the Cheval Blanc 2009 was called "one of this estate's greatest wines" by Robert Parker, high regard indeed from the godfather of wine criticism. Bloomberg also reported that the Cheval Blanc 2004 reached a 6 month high earlier this month.

AUCTION NEWS

As we head back into auction season, let's take a look at the first major weekend, with four of the largest houses auctioning off the world's finest wines.

There is no surprise that Bordeaux and Burgundy once again topped the lists. A case of Petrus 1982 sold for £28,500 and a case of Lafite Rothschild 1982 sold for £26,500.

Once again DRC made some headlines, with a 6-bottle lot of Romanee-Conti 1990 selling for £76,300. 6 bottles of the 1995 vintage sold for £65,800, well above the price estimate.

John Kapon, CEO of Acker, Merrall and Condit said: "There remains renewed interest in older Bordeaux, and Burgundy remains as strong as ever."

Simon Tam, the Head of Wine at Christie's in China, commented that Champagne and Italian wines "were all sold well above estimates."

LAFITE'S HOLD ON THE ASIAN MARKET

Earlier this month the South China Morning Post included a piece on collectible assets. The image the editor used was of a bottle of Chateau Lafite Rothschild.

Lafite Rothschild is the only drink in the top 10 luxury brands in China. The reason for this is down to Lafite's massive brand appeal throughout Asia, in particular as a gift for government officials, who view the wine as the archetypal Bordeaux.

TOP 5 LIV-EX RISERS MAR 13-14

1.	Taittinger Comtes 2002: +28%
2.	Cristal 2004: +25%
3.	Petrus 2001: +14%
4.	Cristal 2002: +12%
5.	Sassicaia 2006: +9%

WINE ADVOCATE TO EXPAND TO NEW SECTORS

Robert Parker's Wine Advocate has announced it will release a new publication aimed at the luxury goods sector, called '100 Points'. Parker will launch the magazine himself in London in June at Hedonism Wines. Capital Vintners will be there at the launch and will report back to clients.