

# *Scotch Whisky* as an investment



**BRAEBURN WHISKY**

# Our *mission*



**Braeburn is expanding access to maturing barrels of Scotch Whisky to high net worth investors around the world.**

We offer a way to participate in their significant appreciation in value over time as the Whisky ages in the cask.

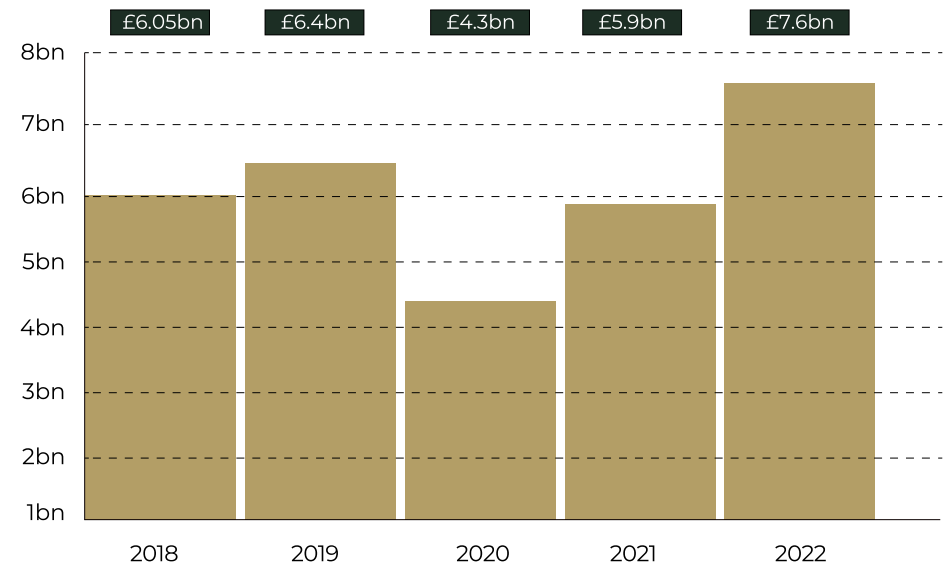
In the United States, investors have the unique opportunity to purchase this asset class via our Regulation D (Rule 506c) Offering.



# Markets *and data*

**The Scotch whisky market exceeded exports of \$7.5B in 2022, demonstrating the surge in global demand for Scotch whisky.** We believe the current shortage of matured Scotch Whisky stock is forecasted to be exacerbated over the coming decades as distilleries and bottlers are forced to bottle most of their stock just to keep up with growing demand. This supply/demand imbalance and inventory shortfall may lead to significantly higher prices for bottles and barrels of mature Scotch Whisky - it is our opinion that this may be bad news for Whisky collectors and connoisseurs, but excellent news for owners of barrels of mature Single Malt.

SCOTCH EXPORTS



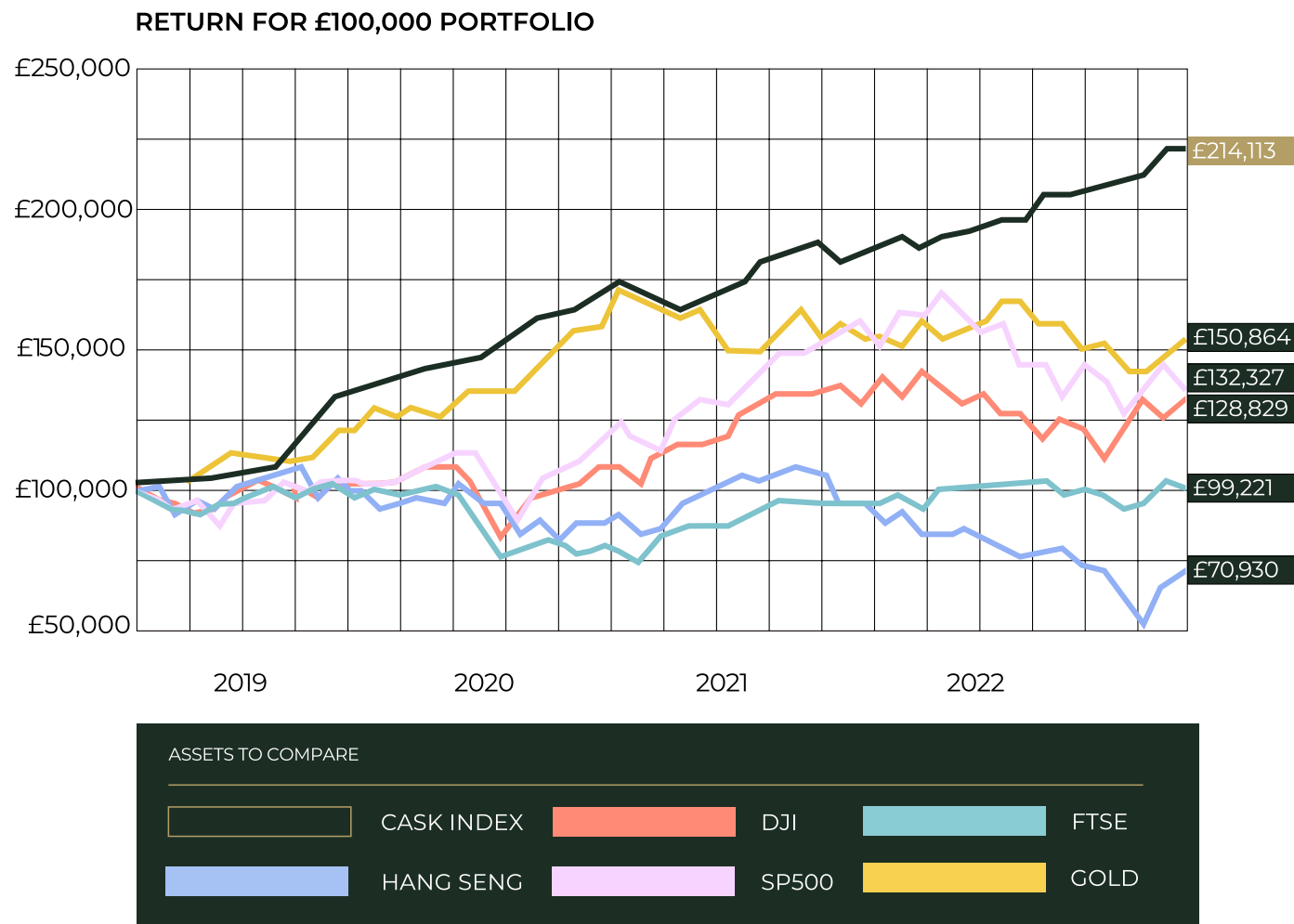
*\*<https://www.scotch-whisky.org.uk/insights/facts-figures/>*

The BC20 Whisky Cask Index measures a representative portfolio of 20 diverse casks, and grew by 15.86% in 2022 over 2021 year end.

Since inception of the index in 2018, we have compared its performance here to other traditional asset classes over the 5 year period.

The index has returned 121.4% and outperformed every other major asset class we have compared it to since inception.

The BC20 Whisky Cask Index has been created by Braeburn Whisky and represents transactions by Braeburn Whisky affiliated companies in Europe and Asia.



**Source:**  
Braeburn Whisky Cask Market Report 2022

*The above chart is based on an index of 20 varieties of whisky casks chosen by Braeburn as a representative sample of the cask market as a whole. The price performance of the index is based on actual prices achieved on sale of casks by Braeburn customers of the whisky casks in the index or prices implied by actual sales of Braeburn customers of comparable casks to those in the index (e.g., a 2016 cask implied price might be based on the sale price of a 2017 cask after adjusting for the different year). The value used for stock indices is the index value and does not include re-investment of dividends.*

# Braeburn *by the numbers*\*

**3000**

number of barrels  
under management  
(approximately)

**275**

Client exits

**\$1.53M**

Most expensive cask sold

**2000+**

Investors

**\$63.5M**

Value of casks under  
management

\*Based on sales by Braeburn Whisky  
affiliates in Europe and Asia market

# Recent *client exits*



06.06.2023  
Dalmore 2005

*IRR*  
12.5%

*Investment term*  
2.4 years



05.18.2023  
Highland Park

*IRR*  
24.3%

*Investment term*  
2.4 years



09.05.2023  
Benrinnes 2011

*IRR*  
14.3%

*Investment term*  
2 years

Overall realized rate of return net of commissions | Median - 12.5%, Average - 31.6%

*\*Braeburn Whisky internal data sources*



# The Braeburn *Whisky service*

## 1 *Regulation*

We provide our investors with a secure investment environment through multiple layers of oversight: His Majesty's Revenue & Customs (HMRC) government Bonded warehousing and storage with custodial protocols in place, US regulated offering structure (Rule 506c Private Placement), registered Broker-Dealer distribution, and comprehensive private insurance policies.

## 2 *Data driven*

We were founded in 2016 and have a presence in the UK, Europe, Asia and the USA which allows us to service investors globally. We started tracking whisky cask sales data in 2018 and since then our Europe and Asia affiliates have bought and sold over 6,000 Scotch whisky casks, which provides investors the potential for a diverse investment.



A woman with long brown hair, wearing a black long-sleeved shirt and white gloves, is leaning over and moving a large, heavy wooden whisky cask. The cask is made of dark wood with metal bands. In the background, there are many other similar casks stacked in rows, creating a sense of a large warehouse or distillery. The lighting is warm and focused on the woman and the cask she is moving.

### 3 *Expertise*

We have a cask management team on the ground in Scotland that harnesses decades of whisky and investment experience when vetting Scotland's whisky distilleries. Our team then chooses distilleries to partner with based on their potential for outpacing the broader whisky market in the coming years. Less than 10% of all analyzed distilleries are selected for our portfolio.

### 4 *Distilleries*

We use our leverage to establish direct relationships with a select group of Scotland's whisky distilleries to buy and sell their whisky casks. We store our investors' whisky casks in insured, HMRC government bonded warehouses on site at the distillery we buy the cask from. Only the client can authorize the movement or sale of cask once it has been purchased.

### 5 *Portfolio management*

Clients are assigned a portfolio manager and will be able to monitor your cask values on the Braeburn Whisky Client Platform. We utilize a global network of cask buyers for you to sell your whisky casks. Our goal is to match you with 3 types of cask buyer: Investors, independent bottlers or distillery (buybacks). Annual appraisals should provide insight into the appreciation of your cask portfolio.



**We facilitate investments starting at \$50,000 and there is no dollar cap on how much can be invested.**

The next three pages will outline a hypothetical \$250,000 portfolio with a 5-15 year investment horizon.

This investment portfolio consists of whisky casks from 3 different distilleries and a range of ages and different cask types.

All casks in this portfolio will be sold strategically in 5 year intervals starting at year 5 and ending at year 15.



# Short term *portfolio*

## *10 casks of Annandale 4 year old whisky*

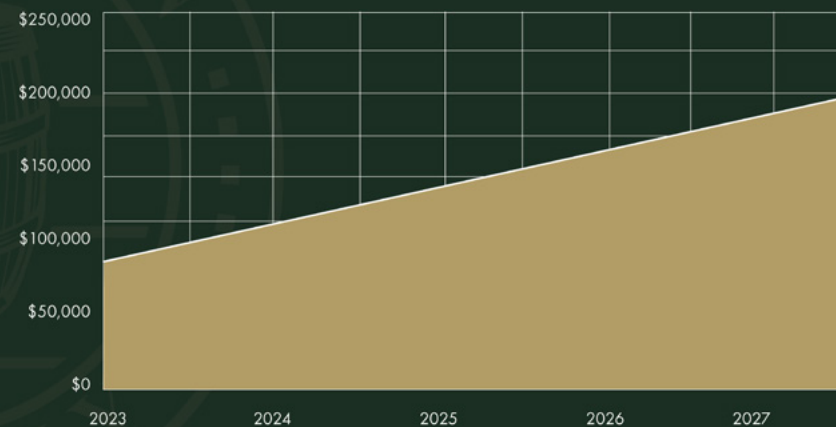
Investing in Annandale allows for a shorter investment term as bottles of single malt are already being sold on the market at a premium price point, demonstrating the consumer demand and appreciation already priced into their bottles. Investors will pay a \$35.85 per bottle price when buying an Annandale 4 year old whisky cask.

This graph projects the per bottle price of the Annandale casks to be \$85.33 at 9 years of age. This is a conservative projection when considering that Annandale's 9 year old bottling is selling for a minimum of \$334.50 on the market today.

*\* We use bottle prices as a price measure as they drive the price of whisky casks*



SHORT TERM HOLD PROJECTION  
PROJECTED VALUATION OF 10 ANNANDALE CASKS



PROJECTED ROI 17.18%

Projected valuation of 10 Annandale casks bought at \$90,000, and divested after 5 years at \$198,826.

# Medium term *portfolio*

## *5 casks of Falkirk new make whisky (0 year old)*

Falkirk started production in 2018 and their first 10 year old single malt release is expected in 2028, setting an initial reference point for their market.

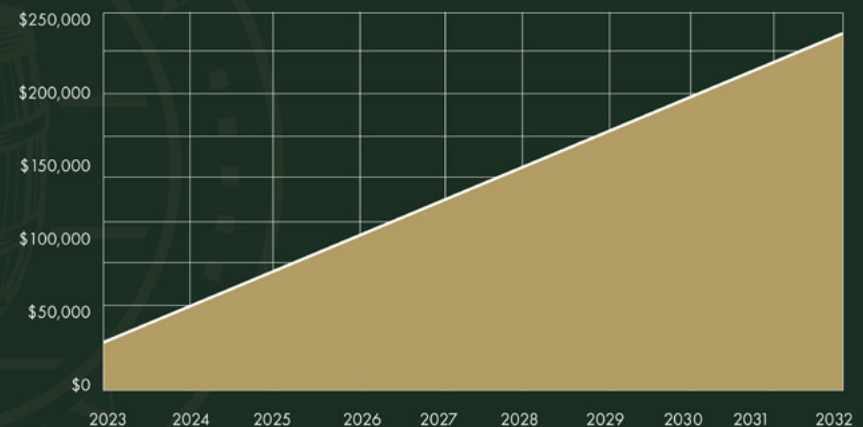
We advise at least a 5 year period of the distilleries' bottles being on the market before an investor brings casks back to market. This allows time for the distillery's brand reputation and consumer demand to grow.

Investors will pay a \$23 per bottle price when buying a Falkirk new make whisky cask.

We are projecting the Falkirk casks' per bottle price at 10 years old to be \$180.



MEDIUM TERM HOLD PROJECTION  
PROJECTED VALUATION OF 5 FALKIRK CASKS



PROJECTED ROI 21.70%

Projected valuation of 5 Falkirk casks bought at \$32,994, and divested after 10 years at \$235,208.



# Long term *portfolio*

*5 casks of Burn O' Bennie new make whisky +  
\*10 Annandale 4 year old whisky casks*

Burn O' Bennie started production in 2023.

They are targeting a certain niche of the whisky market, similar to distilleries like Mortlach have historically with their unique distillation method.

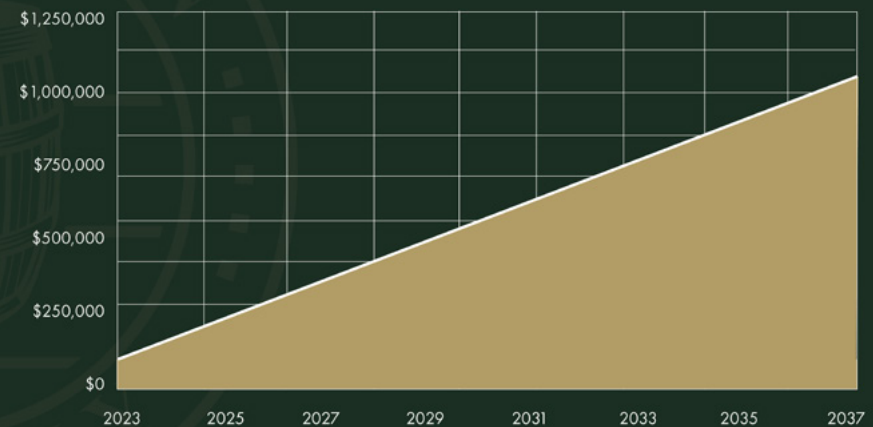
Investors will pay a \$15.70 per bottle price when buying a Burn O' Bennie new make whisky cask.

We are projecting the Burn O' Bennie casks per bottle price to be \$264 at 15 years old.

*\*The whisky inside the Annandale casks will be sold at 19 years old.*



LONG TERM HOLD PROJECTION  
PROJECTED VALUATION OF 5 BURN O' BENNIE & 10 ANNANDALE CASKS



PROJECTED ROI 15.96%

Projected valuation of 5 casks of Burn O' Bennie, and 10 casks of Annandale bought at \$118,075, and divested after 15 years at \$1,087,829.

# Long term *market opportunities*

- 1 Demand from emerging economies has driven significant growth in exports: Scotch Whisky makes up only 2% of the spirits consumed in India today, but as India's middle and upper classes create ever greater wealth, this percentage is estimated to double or triple in the next 5-10 years.\*
- 2 India's demand for Scotch Whisky is booming in spite of massive 150% tariffs. Should these tariffs be reduced as expected (currently under negotiations with the UK government), exports to the most populous country on Earth should accelerate rapidly.\*\*
- 3 Inflation and supply chain difficulties have led to 2-3x rises in costs for whisky production versus pre-Pandemic levels. These costs are projected to continue to increase significantly in the next five years. Costs have been passed on to consumers, who continue to fuel demand and expect high prices on the shelf for this premium spirit.

\* <https://economictimes.indiatimes.com/news/economy/policy/focus-on-middle-class-to-drive-growth-amitabh-kant/articleshow/101524042.cms?from=mdr#>

\*\* <https://www.india-briefing.com/news/india-uk-fta-scotch-whisky-imports-tariffs-29123.html/>

# Investor relationship *management team*



**Taylor Costa van Putten**  
*President*

Licensed and registered securities representative with INTE Securities LLC. Former broker and Registered Investment Advisor for E\*TRADE/Morgan Stanley, and Arete Wealth/Masterworks.

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## REGULATORY NOTICE AND RISK FACTORS

Under U.S. law, Braeburn's whisky cask investment offerings are considered "securities" because of the nature of Braeburn's support for the investor, the way the investments are marketed and other factors.

Accordingly, Braeburn offers the whisky cask investments under the exemption provided by Rule 506(c) of Regulation D under the US Securities Act of 1933, as amended. Under this offering exemption, each U.S. purchaser must meet "accredited investor" requirements as defined by the SEC, and Braeburn is required to independently verify that status through corroborative documentation or other means.

To ensure certain other securities laws requirements are met, Braeburn has engaged INTE Securities LLC, a registered broker-dealer in the U.S., to act as Braeburn's agent for the sale of Braeburn's whisky cask investments. Braeburn has also arranged that its warehouses will follow established custody procedures to ensure the investor that the cask will be maintained as the property of the investor, and that only the investor may authorize actions with respect to the cask such as transfer of ownership or physical transfer of the cask.

This complete framework further ensures that regulatory requirements are met to support a secure investment opportunity for U.S. investors. However, this does not ensure that the purchase of Braeburn's whisky casks is free of risk. There are several risk factors, including that the purchase of Braeburn's whisky casks is a speculative investment, that past performance of price appreciation may not continue, and that there is no established resale market. These risks are outlined in investor subscription documents that are the only means for investors to acquire from Braeburn whisky cask investments in the U.S.

