



BUY Château Brane-Cantenac 2016 – Still Playing ‘Catch Up’

Price (12x75cl)	\$1,190
Cru Investment Rating	“AA”
Wine Advocate Score	96-98
Price per Point (Brane-Cantenac 2016)	\$12.27
Price Target (12x75cl) over 24 months	\$1,560
Implied price performance	+31%

- **Château Brane-Cantenac** is a historic ‘**Second Growth**’ château which is now playing ‘catch up’ with much higher priced Bordeaux producers.

- Brane-Cantenac 2016 is **one of the top 30 scored wines** from 2016, and yet is **the cheapest of them all**.
- Brane-Cantenac has been **performing extremely well in the secondary market** in the last two years as quality has improved at the château.
- We expect its price to converge with other similarly scored Second Growth wines like **Cos d’Estournel, Leoville las Cases, and the Pichons**.

Château Brane-Cantenac was acquired by Baron Hector de Branne in 1833, who named the château after himself. He financed the purchase via the sale of his previous estate Château Brane-Mouton, (now Mouton-Rothschild). It is one of only 14 ‘Deuxieme Crus’ (“second growths”) from the famous classification of 1855, making this one of the most prestigious and historic names in Bordeaux. It is currently owned by **Henri Lurton** whose family are hugely influential in Bordeaux.

Château Brane-Cantenac 2016 is Undervalued Compared to other 96-98 Plus Bordeaux 2016s

	Wine	Market Price	WA Score		Wine	Market Price	WA Score
1	Petrus 2016	\$ 62,177.00	96-98	16	La Conseillante 2016	\$ 3,157.00	96-98
2	Le Pin 2016	\$ 54,062.00	96-98	17	Figeac 2016	\$ 3,061.00	98-100
3	Ausone 2016	\$ 14,263.00	98-100	18	Le Tertre Rotebouef 2016	\$ 2,917.00	96-98
4	Lafleur 2016	\$ 13,543.00	96-98	19	Ducru Beaucaillou 2016	\$ 2,663.00	96-98
5	Cheval Blanc 2016	\$ 10,460.00	97-99	20	Montrose 2016	\$ 2,629.00	97-100
6	Lafite-Rothschild 2016	\$ 10,247.00	96-98	21	Cos d’Estournel 2016	\$ 2,610.00	98-100
7	Chateau Margaux 2016	\$ 8,922.00	97-99	22	Pichon Lalande 2016	\$ 2,535.00	96-98
8	Mouton-Rothschild 2016	\$ 8,860.00	98-100	23	Pichon Baron 2016	\$ 2,188.00	96-98
9	Haut Brion 2016	\$ 8,428.00	97-100	24	Canon 2016	\$ 2,107.00	97-99
10	La Mission Haut Brion 2016	\$ 6,380.00	98-100	25	Lynch Bages 2016	\$ 2,053.00	97-100
11	Pavie 2016	\$ 5,588.00	98-100	26	Haut Bailly 2016	\$ 1,735.00	96-98
12	Angelus 2016	\$ 5,588.00	96-98	27	Clinet 2016	\$ 1,527.00	96-98
13	L’Eglise Clinet	\$ 4,284.00	97-100	28	Smith Haut Lafitte 2016	\$ 1,485.00	96-98
14	Trotanoy 2016	\$ 4,181.00	96-98	29	Beychevelle 2016	\$ 1,295.00	96-98
15	Leoville Las Cases 2016	\$ 3,747.00	98-100	30	Brane Cantenac 2016	\$ 1,190.00	96-98

- Château Brane-Cantenac 2016 is one of **the Top 30** scored wines by *Wine Advocate* (Robert Parker) in 2016.
- Château Brane-Cantenac 2016 had the **lowest release price** of all the top 30 rated wines, and is still the cheapest. We think the window is closing to buy this wine around its low release price.

- The price of Château Brane-Cantenac 2016 is **\$1,190** (12x75cl). The average price amongst the other 27 wines that scored 96-98 points (or above) is \$4,916 – excluding the legendary Petrus and Le Pin. This is **over 313% higher** than Château Brane-Cantenac 2016.

Chateau Brane-Cantenac has Great Price Momentum

- Château Brane-Cantenac is a property with **genuine momentum, in quality improvement and price appreciation**. The last four vintages (2016, 2015, 2014 and 2013) have been four of the scored best vintages for this estate in the last 28 years.
- The last 8 vintages of Château Brane-Cantenac have almost always continuously **outperformed the Liv-Ex Bordeaux 500 and Liv-Ex Fine Wine Investables indices**.
- **Château Brane-Cantenac is a 'Second Growth'** from the 1855 Classification. As such, it still has huge scope for further price appreciation versus other Second Growths: **Leoville Las Cases** (2016 price = \$3,747.00), **Ducru Beaucaillou** (2016 price = \$2,663.00), **Montrose** (2016 price = \$2,629.00), **Cos d'Estournel** (2016 price = \$2,610.00), **Pichon Lalande** (2016 price = \$2,535.00 and **Pichon Baron** (2016 price = \$2,188.00).

Very Strong Price Performance over Past Two Years – Brane-Cantenac is 'Catching Up'

	6 months	12 months	2 years
Brane Cantenac 2014	21%	28%	59%
Brane Cantenac 2012	16%	24%	42%
Brane Cantenac 2013	12%	41%	83%
Brane Cantenac 2016	11%	-	-
Brane Cantenac 2010	9%	7%	38%
Brane Cantenac 2011	8%	23%	53%
Brane Cantenac 2009	4%	10%	54%
Brane Cantenac 2015	1%	8%	-
Liv-ex Bordeaux 500	4%	8%	33%
Liv-ex Bordeaux Investables	3%	6%	32%

Recent conversations with our contacts in Bordeaux have revealed that Château Brane-Cantenac **has taken a few hectares out of production**. This should help protect the quality of the wine but will also **decrease the available supply in coming vintages**.

IMPORTANT NOTICE

This report has been issued or approved for issue by an entity forming part of Cru (as defined below) and has been forwarded to you solely for your information and should not be considered as an offer or solicitation of an offer to sell, buy or subscribe to any securities or any derivative instrument or any other rights pertaining thereto ("financial instruments"). This report is intended for use by professional or business investors only. This report may not be reproduced without the consent of Cru.

The information and opinions expressed in this report have been compiled from sources believed to be reliable, but, neither Cru, nor any of its directors, officers, or employees accepts liability from any loss arising from the use hereof or makes any representations as to its accuracy and completeness. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied is made regarding future performance. This information is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the product or products mentioned. Cru is not agreeing to nor is it required to update the opinions, forecasts or estimates contained herein.

The value of any products mentioned in this report can fall as well as rise. Foreign currency denominated products are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such products.

This report does not have regard to the specific instrument objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any products or investment strategies discussed in this report.

Cru (or its directors, officers or employees) may, to the extent permitted by law, own or have a position in the products of any company or related company or products referred to herein, and may add to or dispose of any such position or may make a market or act as a principal in any transaction in such products. Directors of Cru may also be directors of any of the companies mentioned in this report. Cru (or its directors, officers or employees) may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based prior to the material being published. Cru may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

For the purposes of this disclaimer, "Cru" shall mean: (i) Cru London Limited; (ii) Cru Asia Limited and (iii) from time to time, in relation to Cru London Limited and/or Cru Asia Limited, the ultimate holding company of that entity, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of an entity within Cru. Products referred to in this research report may not be eligible for sale in those jurisdictions where an entity within Cru is not authorised or permitted by local law to do so. In particular, Cru does not allow the redistribution of this report to non-professional investors or persons outside the jurisdictions referred to above and Cru cannot be held responsible in any way for third parties who effect such redistribution or recipients thereof. © 2017.