



Buy Vega Sicilia Unico 2006 Ahead of Robert Parker and Vinous Scores

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|--------------------------------------|-----------------------|
| Price (3x75cl) | SG\$1,095 |
| Cru Investment Rating | "AAA" |
| James Suckling Score | 100 |
| Price per Point | SG\$10.88 |
| Average Price per Point | SG\$11.51 |
| Drinking Window | "Forever" (JS) |
| Price Target (3x75cl) over 2-4 years | SG\$1,432 |
| Implied Price performance | +32% |

- **Vega Sicilia** is Spain's most prestigious and recognised fine wine producer.
- **Unico** averages 6.7% CAGR for the previous 15 releases, rising to an average 8.4% after 10 years.
- **Unico 2006** is a hotly anticipated release, scoring its joint highest ever score of **100 points** (James Suckling)
- **Demand for Unico 2006 will surge** if, as expected, it receives a Wine Advocate score similar to James Suckling.

Vega Sicilia is widely regarded as Spain's "First Growth". It is the highest Spanish wine on Liv-ex.com's 'Power 100' list. The winery was founded in 1864 by Don Eloy Lecanda y Chaves, who arrived from Bordeaux with cuttings of Cabernet Sauvignon, Merlot and Malbec. These were planted amongst the local Tinto Fino, a clone of Tempranillo. **'Unico' (unique) is the flagship wine** of the estate and is typically released after 10 years of ageing. Vega Sicilia also makes a Reserva Especial in some years, which is a blend of top vintages. Unico can age beautifully for decades. The 100 point 1962 vintage will be drinking until at least 2020, according to Wine Advocate. Unico can also reach very high prices. The 1962 was selling for around SG\$214 per bottle 20 years ago. It will cost you over SG\$1870 per bottle today. The performance of older Vegas has earned it the right to be taken seriously as an investment wine, especially in flagship years

Potential Surge in Demand on Imminent Wine Advocate Score

Vega Sicilia Unico is typically released after 10 years. However, the 2006 was not released in 2016 and has been held back for an additional two years of ageing at the winery. Instead, both the lighter 2007 and 2008 vintages have been released ahead of the 2006. This is because the 2006 is expected to be a more powerful and longer ageing wine. Will it even rival the monumental 1962? Critic James Suckling certainly thinks so, giving it a perfect 100 points. (The only other Unico to receive 100 points was the 1962). Our Cru Investment Rating algorithm assigns Unico 2006 a "AAA" rating.

So the market is waiting with baited breath for Robert Parker's *Wine Advocate* and Antonio Galloni's *Vinous* to release their scores. Clearly some of Suckling's 100 Points is already in the price, but we believe that if Robert Parker's score comes out in the same region as Suckling's that there will be a short-term bounce in the price.

But even if Wine Advocate and Vinous are not quite as effusive as Suckling, it is clear that Unico 2006 is a long-term investment wine. The 1962 shows the potential of great Vega Sicilia's vintages to perform financially.

Long-Term Excellent Returns from Unico ...

Vega Sicilia Unico typically lasts for at least 20+ years, with stronger vintages living even longer. The 56-year old 100-point 1962 vintage is still drinking well now. The table highlights how Vega Sicilia Unico provides consistently good Compound Annual Growth Rates (CAGRs) when held from release for an extended period.

| Vintage | WA Score | Drink Date | Price (12x75cl) | CAGR (Price today versus release Price) | % diff to 2006 |
|---------|--------------|--------------|-----------------|---|----------------|
| 2006 | Not released | Not released | \$ 4,380.00 | - | - |
| 2008 | 96 | 2015-2030 | \$ 3,794.40 | 7.4% | -8.9% |
| 2005 | 96 | 2017-2030 | \$ 3,906.00 | 8.6% | -6.3% |
| 2007 | 95 | 2015-2025 | \$ 3,887.40 | 2.2% | -6.7% |
| 2004 | 97 | 2016-2029 | \$ 4,278.00 | 4.7% | 2.7% |
| 2003 | 94 | 2013-2023 | \$ 4,278.00 | 4.2% | 2.7% |
| 2002 | 95 | 2020-2040 | \$ 4,650.00 | 6.5% | 11.6% |
| 2000 | 93 | 2018-2030 | \$ 4,836.00 | 4.7% | 16.1% |
| 1999 | 92 | 2016-2030 | \$ 5,394.00 | 4.1% | 29.5% |
| 1998 | 98 | 2013-2040 | \$ 6,249.60 | 8.0% | 50.0% |
| 1996 | 96 | 2020-2040 | \$ 6,956.40 | 9.5% | 66.9% |
| 1995 | 97 | 2007-2047 | \$ 7,224.24 | 9.6% | 73.4% |
| 1994 | 96 | 2019-2040 | \$ 6,681.12 | 6.6% | 60.4% |
| 1991 | 95 | 2007-2029 | \$ 7,006.62 | 9.1% | 68.2% |
| 1990 | 96 | 2012-2030 | \$ 6,696.00 | 6.3% | 60.7% |
| 1989 | 93 | 2012-2035 | \$ 8,699.22 | 9.5% | 108.8% |
| 1962 | 100 | 2012-2020 | \$ 22,320.00 | n/a | 435.7% |
| | | | | Average | 6.7% |
| | | | | 95+ pts Average | 7.1% |
| | | | | Average after 10+ years | 8.4% |

... Driven Partly by Limited Supply

Part of Unico's success as an investment wine lies in its relatively low production levels (generally only 5,500 – 6,500 cases). Hugh Johnson compared Vega Sicilia to Château Latour in his *Vintage: The Story of Wine*. But Latour will make 20,000 cases of Grand Vin in a great year, which underlines why Unico gets quite scarce quite quickly.

We recommend Vega Sicilia Unico 2006 for a short-term play on Robert Parker / Vinous scores but especially as a long-term core holding with fantastic aging (and hence price appreciation) potential.

A little Spanish exposure assists with portfolio diversification and lessens reliance on Bordeaux / Burgundy / Champagne.

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