

About Liv-ex – The Fine Wine Exchange

Established in 1999, Liv-ex – The Fine Wine Exchange, has quickly established itself as the world's leading on-line marketplace for fine wine. Liv-ex provides an integrated and fully comprehensive trading platform, bringing new standards of efficiency and transparency to a traditionally opaque market. Liv-ex is a global business, with members in 29 countries spread across five continents. It is estimated that the Liv-ex membership accounts for 80% of global fine wine turnover.

In its eleven years of operation, Liv-ex has built the world's largest database of standardised fine wine prices and is now the leading source of independent market data.

Its subsidiary, Vine, provides a specialist consolidation, stock verification, storage and freight-forwarding service for importers, exporters and investment funds trading fine wine.

Liv-ex Exchange

Liv-ex runs an internet and phone-based trading and settlement platform for fine wine merchants and professionals. All trades are conducted anonymously and settled under Liv-ex standardised contracts. The exchange is regulated by the membership committee, which is made up of elected members of the trade and Liv-ex management.

Liv-ex Data

Liv-ex is the leading source of independent fine wine price information and research, including the industry benchmark Liv-ex 100 Fine Wine Index. With access to an ever-expanding database of fine wine prices – currently totalling more than seven million lines of data – Liv-ex can supply a wide range of products. From quick valuations to in-depth research projects, all Liv-ex data is delivered with efficiency and discretion. Liv-ex also acts as the official valuer for many leading wine funds.

Vine

Vine provides a specialist warehouse and freight-forwarding service for international merchants, wine funds and other professionals trading fine wines. These services include: condition checks and verification, stock consolidation and escrow, labelling and export documentation, and various storage and transport options. Vine has an online information system to track orders, create reports and view photos.

For more information on Liv-ex or Vine please visit www.liv-ex.com or email info@liv-ex.co.uk.

Join the exchange

To join Liv-ex as a trading member you must be a wine merchant or a professional wine trader.

Please [apply online](#) and then return our application form by email, fax or post. Please ensure that you also provide two trade references. References must be members of the wine trade, preferably based in the UK. The form must be signed by a director or authorised signatory of the company.

Membership Fees:

Starting at £750 per annum, the membership fee is based on the number of users who wish to access the Liv-ex trading platform at each company. Each licence allows that user to take advantage of our price data and other information for the purposes of their day-to-day trading requirements.

A small commission is charged (to both buyer and seller) on the trades that take place on the Liv-ex Fine Wine Exchange. The rate of commission is dependent on the value of trade that company has performed on Liv-ex in a calendar year. There is also a fixed £3.50 (€4.20) per unit charge to cover the warehouse, insurance and transport-related costs that support trade on the exchange.

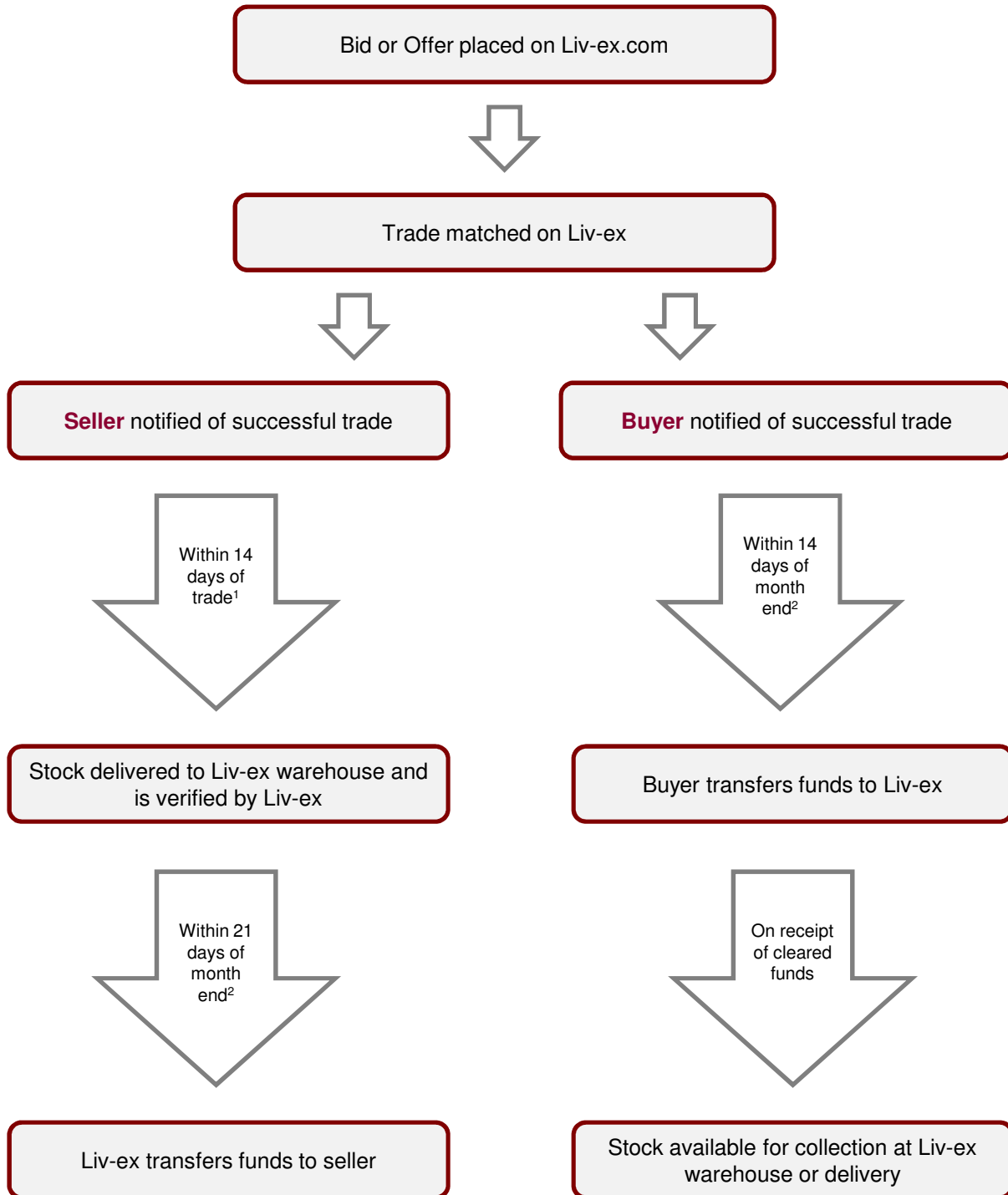
Liv-ex Fees from January 2011:

Annual Membership Fee²	GBP	EUR
1 User Licence	750	900
2-3 Users Licence	1,500	1,800
4-5 Users Licence	2,000	2,400
6-10 Users Licence	3,000	3,600
11-15 Users Licence	4,000	4,800
16+ Users Licence	5,000	6,000
Commission Payable³	%	
From 0-£150k	2.5	
From £151k - £500k	2	
From £501k - £1M	1.75	
From £1M - £3M	1.5	
From £3M - £5M	1.25	
From £5M+	1	
Settlement Fee⁴	GBP	EUR
Per Unit Traded	3.5	4.2

Notes:

1. For existing members, new fees take effect at renewal.
2. User fees are payable annually in advance.
3. Calculated over 12-month period.
4. Payable per unit of trade regardless of pack size.

Liv-ex Trading and Settlement



¹ For en primeur trades delivery is due at the end of May two years following the initial en primeur offering by the property producing the wine, or failing that within 60 days of the bottled wine being ready for collection at the property.

² Netting off also available. Physical trades are invoiced once stock is receipted. En primeur trades are invoiced on day of trade.

Liv-ex Data Products

Liv-ex is the leading source of independent fine wine price information and research, including the industry benchmark Liv-ex 100 Fine Wine Index. With access to an ever-expanding database of fine wine prices – currently more than seven million lines of data – Liv-ex can supply a wide range of data products. The data collected includes trade-to-trade transactions, merchant list prices and auction hammer prices.

From quick valuations to in-depth research projects, all Liv-ex Data Products are delivered with efficiency and discretion.

Products available:

- **Liv-ex Data Feeds – instant market information**
Liv-ex can provide various Data Feeds covering a wide range of price data and market information. The data provided ranges from today's Liv-ex Bids & Offers to historical merchant list prices. Liv-ex Data feeds are made available electronically, enabling swift automatic transfer of data as often as needed. Data on any number of wines can be provided as long as they have a secondary market price.
- **Liv-ex as Valuer – official Liv-ex valuations with “mark-to-market” pricing**
Liv-ex acts as the official valuer for many leading wine funds. All wine values are calculated using the Liv-ex Mid Price – a robust and transparent methodology.
- **Liv-ex Indices – track an index or create your own**
Liv-ex indices are widely acknowledged as the fine wine industry's pricing benchmarks. You can subscribe to an existing Liv-ex index or create a bespoke index in conjunction with us. Component price data is also available for any of the indices, with historical prices going back to January 2004 (further on request).
- **Liv-ex Research – bespoke market analysis**
Liv-ex can produce a range of bespoke research products for wine producers, merchants or investors.

For more information on Liv-ex Data Products and a price list please email jack@liv-ex.com.

The Liv-ex Data Feed

The **Liv-ex Data Feed** provides on-demand access to wine price data from Liv-ex.com.

Liv-ex's user-friendly interface allows you to:

- Download Liv-ex Bid and Offer data, including quantities and full market depth.
- Subscribe to a bespoke list of wines and access comprehensive price data.
- Obtain accurate, up-to date market data on demand.
- Integrate Liv-ex data with internal systems or export in Excel.

All Liv-ex members get access to a free Bid & Offer Feed of more than 1,000 pre-selected wines. Liv-ex codes can be matched to your own for a small fee.

The Feed can be integrated (via an API) with internal systems to increase trading efficiency; value large amounts of stock quickly and efficiently; and facilitate in-depth market research.

Bid & Offer Feed:

Allowing the quick retrieval and integration of Liv-ex Bids & Offers.

Data: All Bids, Offers and quantities.

30 Day Price Feed:

The ultimate fine wine market analysis tool, giving full access to comprehensive price information.

Data: Best List Price, Average List Price, Total Listed Volume, Last Liv-ex Transaction (in month), Average Auction Price.

Can't decide which wines to track?

Liv-ex has a number of pre-prepared selections based around the components of our various benchmark indices. Please ask us for details.

For more information on Liv-ex Data Feeds please contact Jack Hibberd, Research Manager, at jack@liv-ex.co.uk or +44 (0) 20 7062 8778.

Liv-ex as Valuer

Liv-ex acts as the official valuer for many leading wine funds. All wine values are calculated using the Liv-ex Mid Price – a robust and transparent methodology.

“It is high time that a standard, independent and transparent valuation methodology was adopted wherever possible. Currently, the one that best meets these needs is provided by Liv-ex.” John Stimpfig, Decanter, May 2009

- Liv-ex utilises proprietary data as well as general market information to give each wine a real market value – as opposed to a merchant list price or a general estimate.
- For greater accuracy, all wines are valued as a 12x75cl case and exclude duty and sales tax.
- Any number of wines can be valued as long as they are actively traded in the secondary market.
- The valuation will be returned (in Microsoft Excel format) no later than the close of business on the second working day of each month.
- The Liv-ex as Valuer package includes a license to use the Liv-ex name – **“Valued by Liv-ex.com”** – and logo in all marketing materials and other documents.

The Liv-ex Mid Price is calculated by finding the mid point between the current highest bid price and lowest offer price on the Liv-ex trading platform. If there has been a transaction on Liv-ex within the last 30-days and the transaction price sits within the bid-offer spread, then it is used as the Mid Price. Each price is verified by our valuation committee to ensure that the number is robust after taking into account all data at our disposal, including merchant offer prices and historical Liv-ex transaction prices.

Fees:

- 7.5 basis points of the Net Asset Value (NAV) of the fund per annum (0.075% of the fund's value per year, or 0.00625% per month).
- Minimum charge of £6,000 per annum.

Please contact Jack Hibberd, Research Manager at jack@liv-ex.co.uk or +44 (0) 20 7062 8778 for more information.

Liv-ex Indices

Due to our unrivalled access to fine wine price data, Liv-ex indices are widely acknowledged to be the fine wine industry's benchmarks. You can subscribe to an existing Liv-ex index or create a bespoke index in conjunction with us. Component price data is also available for any of the indices, with historical prices going back to January 2004 (further on request).

- Choose from a wide range of existing indices or create your own.
- Updated monthly.
- Liv-ex Mid Price or Best List Price.
- Full component price data supplied if required.
- Licensing deals available – including the Liv-ex 100 Fine Wine Index.
- Historical price data available.
- Delivered in Excel format.

The Liv-ex Fine Wine 100 Index – *priced by the Liv-ex Mid Price (production & scarcity weighted)*

The Liv-ex Fine Wine 100 Index is the fine wine industry's leading benchmark. It represents the price movement of 100 of the most sought-after fine wines for which there is a strong secondary market and is calculated monthly.

The Liv-ex Fine Wine 500 Index – *Liv-ex Best List Price (price weighted)*

The Liv-ex Fine Wine 500 Index has the broadest base of all the Liv-ex indices and is designed to reflect price trends in the wider fine wine market. The majority of the index consists of Bordeaux wines, although it also includes wines from Burgundy, the Rhone, Champagne, Port, Italy and the New World.

The Liv-ex Claret Chip – *Liv-ex Mid Price (price weighted)*

The Liv-ex Claret Chip tracks the top-scoring Bordeaux First Growths. Valued with Liv-ex Mid Prices, it includes all the First Growths from the last 15 years that have scored 95 points and above from Robert Parker (final bottle scores only).

The Liv-ex Fine Wine Investables Index – *Liv-ex Mid Price (price & scarcity weighted)*

The Liv-ex Fine Wine Investables Index tracks the most 'investable' wines in the market – around 200 wines from 24 top Bordeaux chateaux. In essence, it aims to mirror the performance of a typical wine investment portfolio.

Bespoke Indices – Liv-ex Mid Price or Best List Price

Create your own index in conjunction with Liv-ex and have it updated monthly. You can track the performance of your portfolio, watch the ups and downs of a particular vintage or focus on a sector of the market with particular importance to you.

Liv-ex Prices

With more than five million lines of data, Liv-ex possesses the world's largest standardised database of fine wine prices. By collecting thousands of prices from its member merchants and the wider wine world on a daily basis, we ensure that our prices are the most current in the market. As the world's leading fine wine exchange, we also have access to the prices achieved in actual trade-to-trade transactions. All Liv-ex prices, unless otherwise stated, exclude duty, local sales tax and delivery and are for wines in good condition packed in their original cases. Prices can be displayed in any major currency, with all conversions made using the historical spot rate.

Liv-ex Mid Price

The **Liv-ex Mid Price** is the most robust pricing measure available anywhere in the fine wine market. The Liv-ex Mid Price is calculated by finding the mid point between the current highest bid price and lowest offer price on the Liv-ex trading platform. If there has been a transaction on Liv-ex within the last 30 days and the transaction price sits within the bid-offer spread, then it is used as the Mid Price. Each price is then verified by our valuation committee to ensure that the number is robust. The full logic is available on request.

Best List Prices

The **Liv-ex Best List Price** is the cheapest price for any wine offered on a merchant's price list in the past 30 days. It is designed to show the lowest price a purchaser could expect to pay for in-bond stock in perfect condition that month. If no price has been received during the 30-day period the previous best list price will be used. The **Current Best List Price** includes only those prices still available in the market. Only merchants' most recent lists are considered and no prices from previous lists carry forward. The **Average List Price** is the mean price for that wine and unit size from all the lists received in a calendar month (or other stated period).

Transaction Prices

Liv-ex Transaction Prices are actual trades that have taken place on the Liv-ex Fine Wine Exchange. These prices will be dated on the day that the transaction took place.

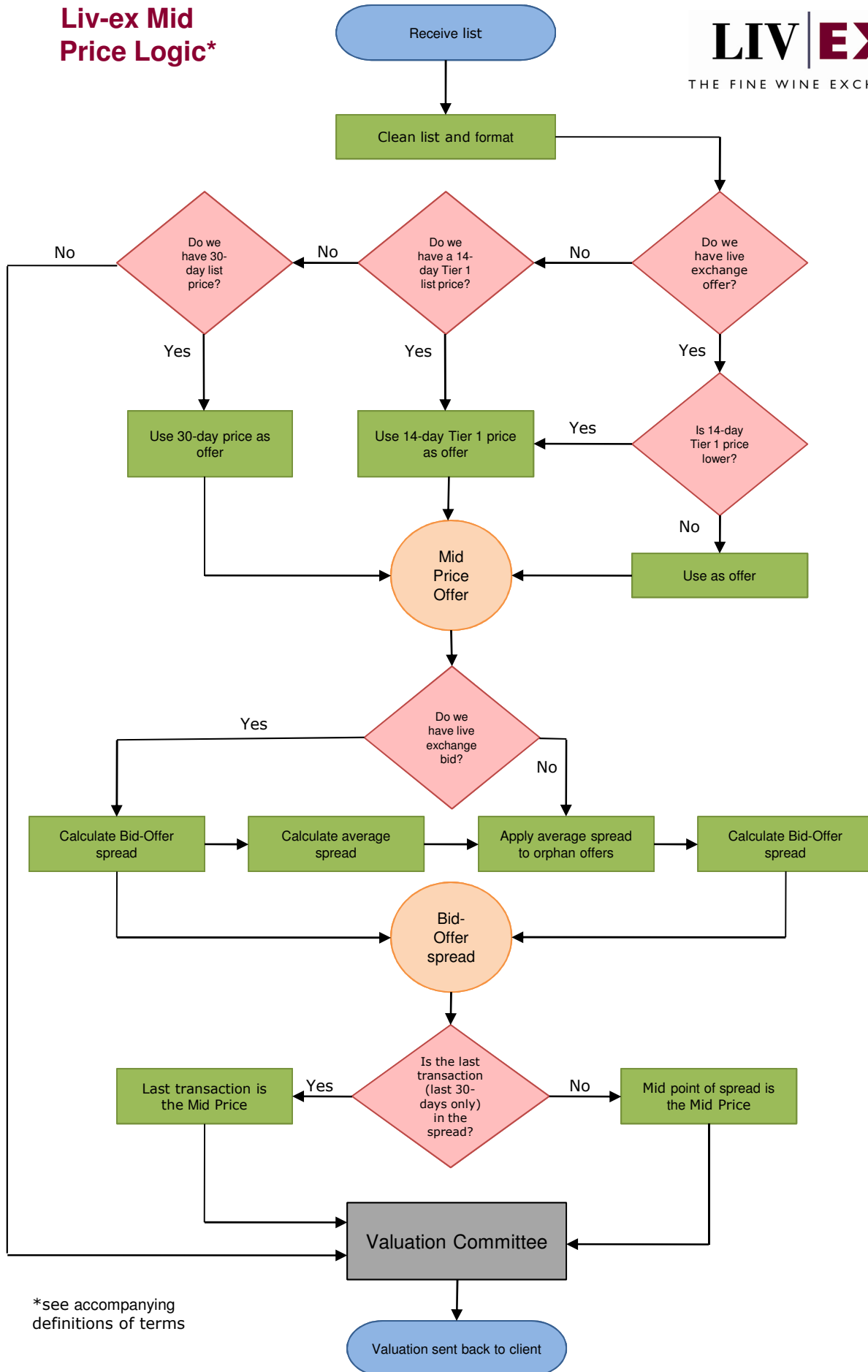
Auction Prices

Liv-ex collects **Auction Prices** from seven major houses, covering auctions held in the US, Europe and Asia. Either actual hammer prices or monthly averages can be provided. All prices include the buyer's premium but exclude sales tax and duty.

Off-exchange Prices

Liv-ex also collects data from transactions that take place off the Liv-ex fine wine exchange. Please contact us for further details.

Liv-ex Mid Price Logic*



*see accompanying definitions of terms



Liv-ex Mid Price Logic

Notes:

- **Live exchange offer:** a *bona fide* offer to sell made on the Liv-ex Fine Wine Exchange by a Liv-ex member for a minimum of one (12x75cl) 9-litre case. Live exchange offers are executable and are not indicative.
- **Live exchange bid:** a *bona fide* bid to buy made on the Liv-ex Fine Wine Exchange by a Liv-ex member for a minimum of one (12x75cl) 9-litre case. Live exchange bids are executable and are not indicative.
- **14-day tier 1 list price:** Tier 1 merchants are merchants that Liv-ex has identified as the major stockholders of wine. Liv-ex collects prices from Tier 1 merchants on a more regular basis (fortnightly or weekly) and therefore their prices are more current. As stockholders, their prices are given greater emphasis than broking or indicative prices. A 14-day tier 1 price is the lowest price received from any tier 1 merchant in the last 14 days. For merchants where we have received more than one price in the last 14 days, only the merchants' most recent list price is included in the calculation.
- **30-day list price:** the lowest price that we have received from any merchant in the last 30 days. If no price was received in that period, then the lowest list price from the first preceding calendar month where the wine is listed is used.
- **Bid-offer spread:** the difference between the highest bid and the lowest offer, expressed as a percentage of the mid point.
- **Average spread:** the average of all the spreads for wines where we have both a bid and an offer.
- **Orphan offers:** an offer price where we have no corresponding bid. Orphans can be both live exchange offers or merchant list prices.
- **Last transaction price:** the most recent transaction to have taken place on the Liv-ex fine wine exchange. A transaction is a confirmed trade that has taken place between two members. The price excludes the Liv-ex commission.
- **Valuation committee:** the Valuation Committee verifies all Liv-ex Mid Prices to ensure accuracy. This includes the checking of all live bids and offers to ensure that they are current. Other market data used to verify prices includes off-market bids and offers, historical list prices and transaction data.



Vine – specialist storage, validation and transport for fine wine

Vine is a specialist storage and transport solution for the fine wine trade. Our innovative website provides access to stock records, movement details and photos, enabling customers to efficiently track orders online. Vine is also the only storage provider that is fully integrated with Liv-ex, making trading on the platform convenient and efficient.

We operate from our own dedicated and secure CCTV-controlled area within London City Bond's warehouse in Tilbury Docks, Essex. Vine also has a warehouse in partnership with Grand Cru Storage in Bordeaux and can organise long-term storage at LCB Vinothèque in Burton-upon-Trent.

Why Vine?

- **Fine Wine Specialist** – Unlike most logistics businesses, Vine only handles fine wine and our service is tailored to the requirements of fine wine traders.
- **Innovative and Integrated** – Vine's state-of-the-art website makes it easy to track purchases, view pictures and manage stocks online – right down to the individual case or bottle. Our bespoke IT system is tailored to the needs of fine wine traders and is fully integrated with Liv-ex's trading platform.
- **Transparent** – Vine's services are priced at a simple flat per case rate with no hidden costs, making our fees transparent and competitive.
- **Secure and Convenient** – Vine operates from secure and dedicated areas at the heart of the international fine wine trade in London and Bordeaux.
- **Independent** – Vine is run as a separate entity within Liv-ex. We are happy to fulfil business that originates on or off the exchange.

Vine Services

Validation & Storage

Vine provides a full validation service to fine wine traders and investors before stocks are paid for or transferred to storage.

- **Validation** – Every case and bottle can be individually checked.
- **High resolution photos** – View the condition of each bottle direct from your online account.
- **The Vine Seal** – All stocks can be checked and banded to assure that they are compliant with Liv-ex standards.
- **Long-term storage** – In secure warehouses and ideal conditions.
- **Online access** – View stock records and your archive of photos using Vine's bespoke software.

Consolidation & Transport

Vine can consolidate stocks ahead of delivery or export. All logistics – from organising collections to preparing export paperwork and transport – can be efficiently handled by the Vine team.

- **Consolidation** – Bring all of your stock together until you are ready to ship.
- **Transport** – By road, sea or air at competitive rates worldwide.
- **Export paperwork** – Efficiently handled, including US strip-labelling.
- **Insurance** – At full replacement value (as required, limits apply).