

WINE AND SPIRITS

British wealthy are target of world's first regulated single malt whisky fund

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Whisky: liquid gold to some. Image credit: Single Malt Fund

By STAFF REPORTS

The world's first regulated and publicly listed whisky fund is now targeting professional investors via British wealth managers and family offices.

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Seeking a minimum investment of 100,000 pounds per investor, the fund has been operational for six months collecting capital from Swedish retail investors. The Single Malt fund, as it is named, seeks to raise 25 million pounds from investors.

"The Single Malt Fund is unique in that we are not only creating a vehicle for whisky enthusiasts to invest in whisky, we are also allowing them to indulge in their passion by providing first access to bottles of rare and collectable whisky once the fund decides to sell," said Christian Svantesson, CEO of the Single Malt Fund, in a statement.

The **Single Malt Fund** is supervised by the Swedish Financial Supervisory Authority and listed on the Nordic Growth Market (NGM) exchange in Stockholm, Sweden.

High spirits

Launched earlier this year in Dublin, Ireland, the fund is run by Ed Forrest, a veteran spirits executive with more than 25 years' experience at LVMH and Diageo. Mr. Forrest handles operations for the fund, with responsibility for buying and selling whisky.

Claiming to be the only regulated and listed "passion pursuit" on the market, the Single Malt Fund wants to tap into a growing demand among affluent consumers for investing in alternative assets as part of a balanced portfolio approach.

Besides wealthy British investors, the fund is also targeting a similar audience in Luxembourg, Cyprus and Ireland.

The fund said over the period from December 2014 to June 2019, Rare Whisky 101's leading index for rare whisky, the Apex 1000 Index which tracks the best performing 1,000 bottles of rare whisky rose by 162.22 percent, outperforming the Liv-Ex Fine Wine 1000 (39.58 percent), FTSE 100 (13.09 percent), Brent Crude (11.09 percent) and Gold (19.16 percent).

Among three of the fund's most notable investments so far are a cask of 1977 Littlemill, which is some of the oldest available single malt whisky from the oldest distillery in Scotland; Port Ellen 37 YO, a once-in-a-generation cask whisky, with only 174 bottles released globally; and a full collection of the Midleton Very Rare releases, which is considered some of the most prized collection of Irish whiskey available.

Time to pour

Unlike other whisky-focused funds, the Single Malt Fund's whisky under management will also be made available for sale as and when it realizes its investments, the fund said.

The fund's current investment strategy is focused on turning over 60 percent of its stock per year, it said.

Sales of its rare and collectible whisky will be managed through an online store that launches early January, when the fund plans to start turning over its investments.

THE FUND said it will buy from the primary market, including producers, distillers and distributors, below the market price, using the margin to hedge against secondary-market-price fluctuations.

"By launching this fund, we are tapping into a growing demand among high-net-worth individuals for investing in alternative assets such as art, wine, cars and watches," Mr. Svantesson stated.

"However, unlike any other passion pursuit, the Single Malt Fund is regulated and listed on a public exchange, making our investment process fully transparent," he said.

"We believe that this strong corporate governance, aligned to whisky's strong performance in the secondary market, will appeal to the clients of wealth managers and family offices, offering a truly unique investment proposition."

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