

The Single Malt Fund Trading Company

## Monthly Report - July 2019

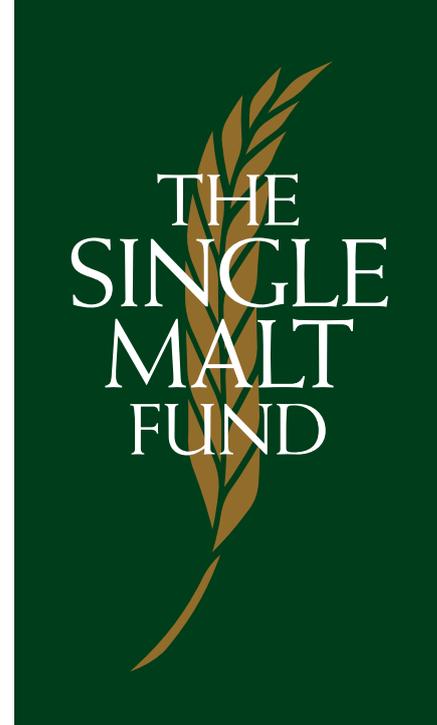
**This time of year marks the publication of annual and half-year reports from some of the whisky industry's leading players, and we are very encouraged by what we see.**

From the Edrington and Diageo yearly reports, we can see that consumers are continuing to trade up and opt for malt whisky over blends, in increasing numbers. Diageo's malt whisky revenues grew by 12% in year 2018/19, largely thanks to the success of the Game of Thrones collection. This compares to total Scotch revenue growth of 6%. Edrington's revenues grew at a much faster rate (9%) than case volumes (2%) reflecting a shift away from blends and toward malts, as well as successful price increases. What is also notable from the Edrington report is that "The results .....have resulted in strong growth for The Macallan with global demand once again outweighing supply". Market-wise, it is Asia and the US which are driving the growth of malt whisky. Interesting to note also that American whisky is growing faster than all other types of whisk(e)y in the US. Is this a reflection of "America first" or is there something else going on?

Elsewhere, we are eagerly waiting for the half-year report on the UK auction market from our friends at Rare Whisky 101. More on this next month, but we are led to believe that sales of malt whisky at auction continued to rise at a very healthy pace in the first six months of the year. What is becoming apparent is that consumers are changing their behaviour when it comes to the brands they are buying. We have seen

some radical price adjustments on some high valued bottles. We see this as a natural local correction. The art of "cherry-picking" is becoming more and more critical for those looking to invest in whisk(e)y. The Irish eyes continue to smile, with the news that Redbreast 12 YO Single Pot Still Whisky, won the Worldwide Whisky Award for 2019, at the most recent and highly reputed International Wine and Spirit Competition.

July has been another good month for The Single Malt Fund, in terms of sourcing direct from the whisk(e)y industry. Our sourcing manager Glen made a trip over to Scotland and met with; Brown Forman (The Glendronach, The BenRiach, and Glenglassaugh); Glenallachie, owned by the serial Scotch entrepreneur and influential master distiller, Billie Walker; Douglas Laing and Hunter Laing, famous independent bottlers; all of whom agreed to supply us. Closer to home, we also opened an account with the Walsh Whisky company, owners of The Irishman and Writer's Tears. These additions make us confident that we have now secured direct supply from c 50% of the Scotch whisky trade and over 80% of the Irish. This is an important factor for the fund, as the fund relies both on the market's development, and also sourcing, investing, directly from the producers. We continue to work on growing these numbers.



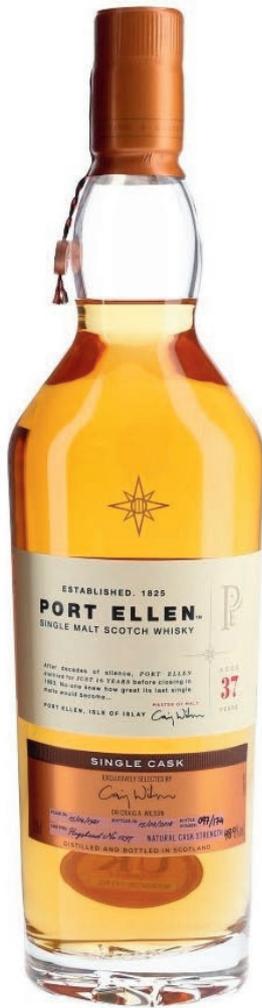
Up to the end of June, we have secured; a cask of 1977 Littlemill, the oldest liquid from the oldest distillery in Scotland; some stunning bottles of Brora and Port Ellen from recent Diageo releases. From Ireland; a full collection of the Midleton Very Rare from 1984 to 2017; the first three releases from the new Athru distillery, as well as the delicious range of Spot whiskys. In July, the buying has continued, and we are delighted to announce the purchases, among others, of the following rare gems;

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## Port Ellen 37-Year-old

**“A once in a generation cask whisky.” We are delighted to have secured some bottles of only the limited release of 174 bottles worldwide, from our friends at Diageo.**

From one of the genuinely collectible closed Scottish distilleries, we have secured a supply of the exceptional single cask bottling of a 37-year-old Port Ellen.

Described by Diageo as “One of the oldest single cask bottlings to have come directly from Islay’s revered and highly coveted ghost distillery Port Ellen. These casks are truly ‘once in a generation whiskies,’ reflecting the craft, passion, and expertise of whisky’s greatest custodians.”

As one of the casualties of the distillery closures in the 1980s, Islay’s Port Ellen has gone on to become sought after by collectors throughout the world. The announcement by Diageo to invest £35 million in the reopening of Port Ellen and their Brora distilleries shows their long term commitment to these legends of whisky. With production due to start again on Islay in 2021, it could be in the 2030s before we see any new Port Ellen’s on the market.

## Glenfiddich Rare Collection Cask 20050

**A 30 YO single cask commemorative bottling, celebrating 50 years of The Glenfiddich Distillery Visitor Centre.**

We have acquired some bottles of this limited release of just 200 exceptional bottles.

The very rare Glenfiddich single cask no. 20050 was laid down on Christmas Day in the centenary year of the brand, 1987. Matured for over 30 years in American Oak Hogsheads this is a sublime, genuinely sophisticated malt. Considering the limited amount ever released of this exceptional malt, we are enthusiastic about this investment.



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## Dalmore 35 Year Old and Dalmore 40 Year Old

**Thanks to our friends at Whyte & Mackay, we have taken up their offer of a few of these rare bottlings of this iconic distillery.**

Released in 2016 and bottled at 40% abv, Dalmore 35 has aged in a Bourbon barrel, a Matusalem Sherry butt, and a colheita Port pipe.

Dalmore 40, released in 2017 from the Highland distillery has matured in American white oak ex-bourbon barrels, before aging further in 30-year-old Gonzalez Byass Matusalem Oloroso Sherry butts. The whisky was then finished in first-fill Bourbon barrels.

French crystal house Baccarat was enlisted to design the hand-blown decanters, each decorated with The Dalmore's 12-point stag emblem, which was created by Royal Warrant holders Hamilton & Inches.

These bottles are highly sought after by collectors world-wide.



## Midleton Very Rare

**We have secured the last remaining bottles from Irish Distillers, of the following Midleton releases:**

### Midleton 20th Anniversary Bottling

This is a commemorative edition issued on the 20th anniversary of the launch of the flagship Midleton Very Rare whisky. It is bottled at cask strength. The bottle comes with two crystal glasses with which to enjoy your whisky. Only 400 bottles were produced.

### Midleton Very Rare 1973 30 Year Old

Released in 2003 as a limited edition aged in three types of barrels- American oak, oloroso sherry butts, and port pipes. This special edition was carefully assembled by former master distiller Barry Crockett from some of the last remaining pot still whiskeys from the Old Midleton Distillery. Only 800 bottles were made available.

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**All these new acquisitions are highly recognized brands among whisk(e)y collectors, and, given the rarity of these bottles, we are confident that their value will appreciate nicely in the coming months and years.**

As well as procuring these examples of liquid gold, we continue to work on our webshop and are planning to visit several e-commerce fulfillment partners in August. We are also starting to look East, home of amazing whiskies from Japan and Taiwan, as well as some very substantial collections. We are in the process of building contacts and finding potential partners, who could help us procure and sell rare and limited edition bottlings. More on this next month.

Slainte!

**Ed Forrest**

MD, The Single Malt Fund