Elite
WINE & WHISKY

THE BALMENACH DISTILLERY

FACT SHEET

UNIT 2 SQUARE RIGGER ROW,
PLANTATION WHARF,
BATTERSEA SW11 3TZ

ENQUIRIES@ELITEWINEANDWHISKY.COM

+44 20 3475 2553

THE BALMENACH STORY

This is an old distillery. James MacGregor took out his licence in 1824 on what was a farm after a period of illicit production. According to Robert Bruce Lockhart, this took place soon after MacGregor had received a visit from a local gauger. When asked what a specific farm building contained, he said it was simply a peat shed. "Well, I suggest you take out a licence for it," replied the gauger.

Bruce Lockhart was related to the MacGregors and his highly recommended book, Scotch, contains many fascinating details about old-style distillation as practised in Cromdale. The distillery eventually passed into the hands of Scotch Malt Distillers, DCL's malt production arm, which expanded the plant to include a Saladin maltings.

It was briefly mothballed between 1993 and 1997, when it was sold to current owner, Inver House, which also produces Caorunn Gin here.

"Under valued but not under loved. We see a lot of potential in this distillery due to it's low entry price. Great potential is always important to achieve exceptional returns."
Elite Wine & Whisky

Situated a mile inland from the village of Cromdale, Balmenach is one of Speyside's most traditional distilleries and makes what could be classed as an 'old-style' whisky.

The fermentation is long, the stills relatively small and run quickly, and the vapour runs into worm tubs, rather than shell and tube condensers. This helps to produce a slow-maturing new make character which is rich and meaty, ideal for adding weight and grunt to blends, and also to be a good match with ex-Sherry casks.

Inver House has no plans to release this highly distinctive whisky as a single malt. The reason for this is that the make – whose style is unusual these days – is too highly-prized as fillings for blends, both by Inver House and other firms.

BALMENACH FACTS

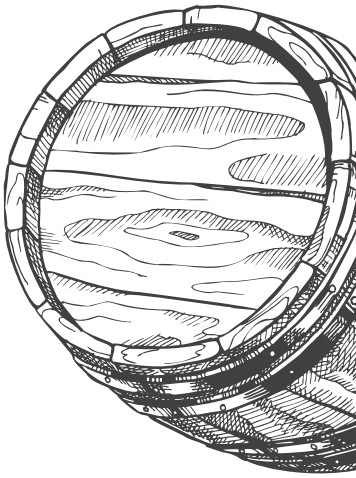
- Capacity - 2.8 Million Litres Per Annum
- Mash Tun - Copper domed stainless steel
- Stills - 3 wash stills, 3 spirit stills
- Condenser Type - Worm tubs
- Heat Source - Ground source pumps
- Washbacks - Six washbacks made of Douglas fir
- Mash Tun Type - Semi-lauther
- Water Source - Spring on the Cromdale Hills

THE STORY

Elite
WINE & WHISKY

CASK STORAGE

- 100% INDIVIDUAL OWNERSHIP
- STORED IN SECURE, HMRC APPROVED BONDED WAREHOUSES
- FULLY INSURED FOR FIRE, THEFT AND DAMAGE
- EXEMPT FROM CGT (CAPITAL GAINS TAX



RATE OF RETURN

A 1966 vintage, Balmenach 'Miltonhaugh' Whisky Connoisseur 28 Year Old, sold in February 2021 for £5,000 at auction

For the liquid they produce about 2.8 million litres per year with a 52 hour fermentation time. This expression is dependent on the maturation of the cask but generally has a nose of nutty biscuits, a touch of lychee, and apricot. The palate consists of oaky vanilla alongside summer berries and a smidge of almond. The finish is usually considerably bright and citrusy.

The excellent news for investors is that having access to such an old distillery provides the potential to purchase a piece of Scottish heritage.

A bottle of 14 year old Balmenach 2006 retails at £67.95.

Based on the above, if you were to hold your cask for 14 years, rather than 10 or 12, the return will be considerably more.

£210

BALMENACH 1974
BOTTLED 2001
CONNOISSEURS CHOICE -
70CL / 40%

£45.95

BALMENACH 12 YO 2007
BOTTLING NOTE -
70CL / 46%

£5,000

BALMENACH 'MILTONHAUGH'
1966 WHISKY CONNOISSEUR 28
YEAR OLD -
70CL / 63.5%

REGION
Speyside

PRODUCTION TYPE
Single malt

DISTILLERY STATUS
Working

TYPES OF CASKS

THERE ARE NUMEROUS TYPES OF CASKS THAT WHISKY CAN BE MATURED IN,

BOURBON

Bourbon barrel go through toasting and charring prior to Bourbon being added, they are made of American White Oak. Bourbon barrels are the most common cask used for Scotch whisky due to supply and demand. By law bourbon must be aged in new casks, meaning that after their first use they are generally surplus to requirements.

SHERRY

Sherry casks are a speciality and are very popular yet very expensive (up to 10 times the cost of a bourbon barrel usually). The sherry industry avoids using new oak, and most of the casks used in Solera are at least ten years old. Sherry casks are flavoured with wine prior to being used for Sherry. Sherry gets its flavour through an array of ageing methods. For example, oloroso has contact with air, which contributes to the fruity and nutty flavours, while fino is protected from the air by a layer of yeast, also known as flor, and this keeps the sherry light and crisp.

HOGSHEAD

Hogsheads are typically also made from American white oak, and indeed are often built from staves originally taken from bourbon barrels. What makes Hogsheads different is the large size meaning that there is less interaction with the wood than in smaller casks, allowing a slightly longer period for maturation.

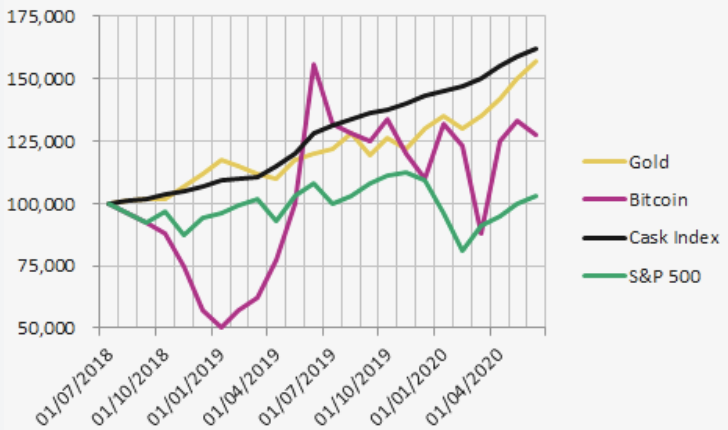
DOUBLE OAK

Two different types of oak barrel are used for Double Oak casks. The first is a regular Bourbon barrel that's toasted and charred in the normal manner. The second barrel is more heavily toasted and lightly charred more than the first. This allows more of the cask wood sugars to caramelise, giving the Whisky hints of vanilla and sweet notes.

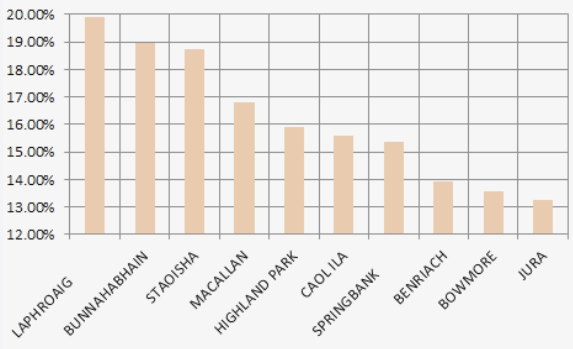
WHISKY MARKET OVERVIEW

Whisky is now produced the world over and demand is significantly out-stripping supply. It has become a £4.2 billion in Scotland and worth multiple billions globally. There is no doubt the whisky revolution is here to stay and for that reason is an excellent opportunity to invest in.

Although there are around 20 million casks of whisky aging in warehouses in Scotland alone most of these will go towards blended whisky, which is why owning a cask of single malt is a great investment now.



TOP TEN DISTILLERIES AVERAGE ANNUAL CAPITAL GROWTH



Scotch Whisky accounts for 79% of all spirits exported from the UK. In 2017, UK companies added £449 million to the value of the spirits export from the UK. Almost 80% of this growth was the result of an additional £359 million of Scotch Whisky.

Average annual growth of distilleries in 2020 were noted to all be positive; thus demonstrating vast potential of the asset.

MARKET OVERVIEW