



FAMILY OFFICE INSIGHTS

facilitated by The Bavelas Group

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R E P O R T

Q&A with Jacob Ner-David of VINO Ventures Managing Partner

Principle Series:

Vino Ventures (VV) is a multi-strategy investment vehicle designed to generate returns from the inefficiencies in the USD 300 BN global wine market. The fund will target an unlevered total return of around 15% p.a. inclusive of a quarterly cash distribution. Typically, other wine funds focus only on a long-term buy-and-hold strategy. The primary differentiation in VV's strategy is consistent cash yield generation through short-term tactical trading in combination with long-term capital appreciation.

Wine as an alternative investment has delivered attractive, uncorrelated returns with a lower risk profile compared to other asset classes. Wine is a physical and consumable asset and investment returns depend on efficient and selective sourcing, sophisticated distribution and a strong executing team.

The investment fund is structured as a traditional LP that has the optionality to convert into a digital security vehicle that offers the fund operating efficiency and provides investors access to secondary market liquidity.



Join Family Office Insights & VINO Ventures for a Webinar on Tuesday June 9th 2020 at 2:15 PM Eastern [RSVP HERE](#) or [MORE INFORMATION AND RSVP HERE](#)



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Why is now a good time to invest in the wine market?

The Covid19 pandemic has resulted in widespread dislocation in the wine market. Distressed wineries require inventory financing, supply chain disruption has caused an inventory build up along the value chain, which along with weakening currencies, has depressed prices of wine. This has created select opportunities for attractive entry purchase prices.

How has wine as an asset class performed over the long-term and especially during severe market drawdowns like the 2008-2009 financial crisis and now the covid-19 pandemic?

Wine has both long-term appreciation potential as well as defensive, capital preservation characteristics which provide downside protection during market draw-downs.

Over the long run, returns on fine wine have averaged in the low teens which is similar to equities, real estate, and commodities. However, these returns were generated with lower volatility of around 4% p.a., thus producing superior risk-adjusted returns.

During periods of major market draw-downs, wine as measured by broad based indices such as Liv-ex 1,000 index and Top500 index (from Wine Market Journal) has delivered defensive, uncorrelated returns.

Why is now the right time to invest in a total return wine fund? Why shouldn't I just buy publicly traded equities with exposure to wine or build my own portfolio of wine assets?

Investing in wine is complicated. Individuals seeking to build a portfolio of wine assets will require advisers, logistical support, and sales channels that greatly complicate the process and limit profits. Publicly traded equities with exposure to wine are largely distribution companies and/or large brands which largely track the overall markets.

How do you differ from other wine funds and what is your edge?

Most existing wine funds are restricted to a classic "buy and hold" strategy of a select group of wines, which are well followed. The result is an efficient market that limits returns. Buy and hold strategies take several years to realize profits. VV focuses on short term trading strategies that exploit the inefficiencies in the fine wine marketplace and complements a long term strategy when we see great opportunities. VV also has direct access to a select network of fine wine producers

through wineries, traders, distributors, collectors and end buyers in major regions of the world.

How is your team differentiated and why is it built to succeed?

VV's team is made up of wine industry veterans, winery owners, financial market professionals, and technology entrepreneurs -- this combination has allowed VV to create proprietary buying and selling tools that result in higher returns.



Jacob Ner-David of Vino Ventures

Jacob Ner-David is a 20+ year technology & innovation entrepreneur with connectivity in the Israeli and American venture scene. Jacob is the co-founder and CEO of Vinsent, a venture formed to positively disrupt the global wine industry. In 2015 Jacob served as a Senior Advisor to McKinsey & Company, helping to build a new service line focused on early stage companies. He is the Chairman of the award winning Jezreel Valley Winery, which he co-founded in 2011.

Jacob has served as an advisor to Harmony Labs, a NY based incubator focused on big data and media influence. For the past 20 years Jacob has focused on the early stage tech sector, serving as CEO at Ambient (NASDAQ IPO), Delta Three (NASDAQ IPO), NomadIQ (Acquired by NASDAQ listed company), 2bAnywhere, DoubleFusion, and most recently Zula, Inc — along the way creating over \$1 Billion in shareholder value.

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Alert & disclosure: *The Coronavirus (COVID-19) has now been identified in New York City. During the outbreak of the virus, in order to protect the health of our friends members and staff. Family Office Insights, BavelasGroup LLC and all affiliates is following the*

recommendations of the CDC and suggest you do the same. Affected individuals should limit their exposure to everyone including fellow members and staff.

Affected individuals include members, non-members, guests, general population and staff who exhibit Coronavirus symptoms (including but not limited to fever, cough and shortness of breath), may have been exposed to the Coronavirus, or who have recently traveled to countries affected by the Coronavirus. Limiting exposure may include self-quarantining, avoiding common areas, and limiting close contact with others as much as possible.

All are also encouraged to continue to engage in everyday preventative actions, including covering coughs and sneezes with a tissue, washing their hands often with soap and water for at least 20 seconds (or using hand sanitizer), and cleaning frequently touched surfaces and objects daily using a regular household detergent and water. We DO NOT assume or accept any responsibility for the negligence or any action or inaction of anyone. As is our standard policy, we will reschedule any service with best efforts issuing FOI services credit. There is an only services credit policy. Please note it is your choice to participate or interact in any way with anyone and is your choice alone and you assume the responsibility thereof. Family Office Insights, BavelasGroup and/or an affiliates or assigns does not offer or give medical, financial or investment advice, or offer or suggest or recommend securities or any other invest for sale or otherwise, and is not a broker dealer. Anyone considering deployment of capital will likely be well served by seeking advice from a qualified professional. I love you.

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