

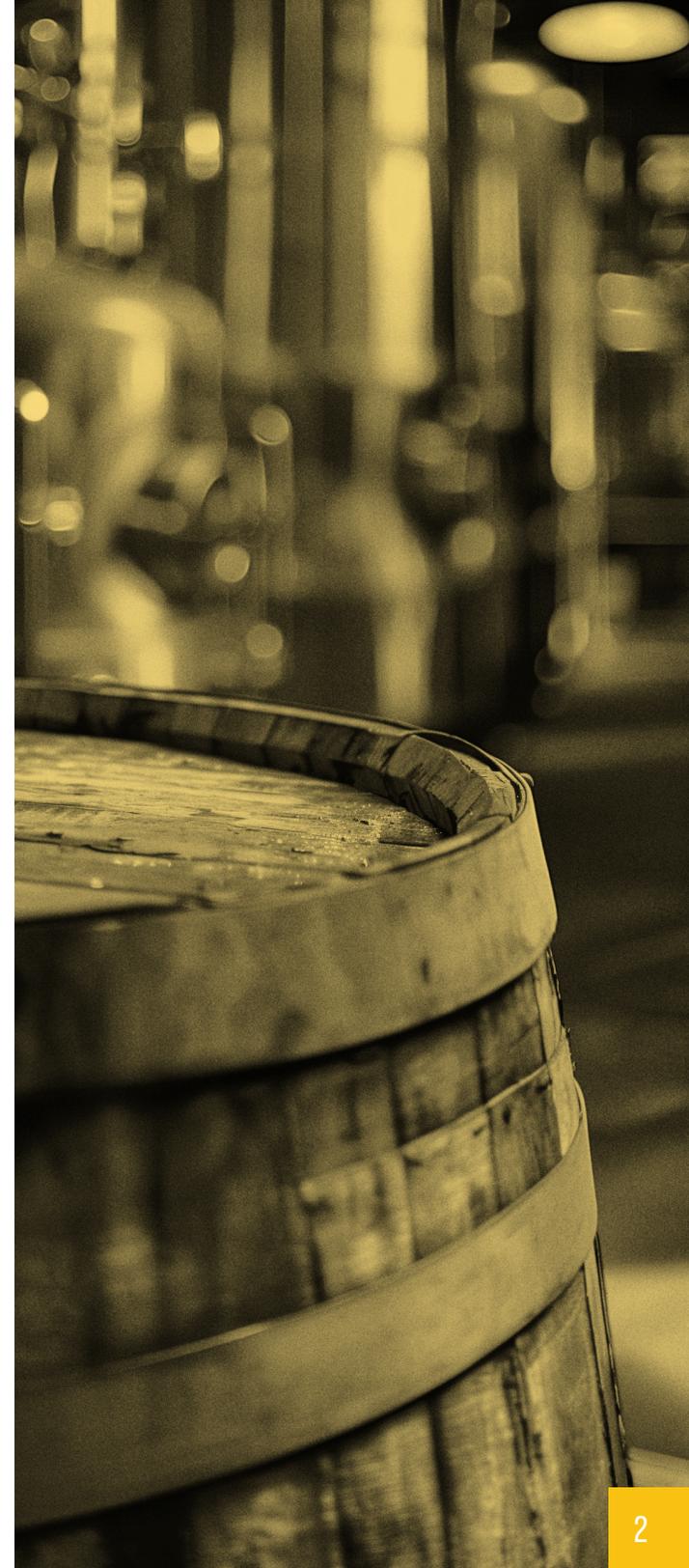


State of
the Bourbon
Market
2026

CASKX
WHISKEY INVESTMENT SPECIALISTS

SAFE HARBOR STATEMENT

Certain statements in this State Of Bourbon Market Report and on our website www.caskx.com represent forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual profits or financial results you may receive from your investment in a whiskey cask to be materially different from the future profits or financial results as expressed or implied by such forward-looking statements. CaskX has attempted to identify these forwarding looking statements with the words "believe," "estimate," "continue," "seek," "plan," "expect," "intend," "anticipate," "may," "will," "could" and other similar expressions. Although these forward looking statements reflect our expectations related to your potential profits and financial results in connection with the investment in a whiskey cask, such forward looking statements are based on information now available to us, which is subject to change, and they are inherently subject to certain risks and uncertainties. These risks and uncertainties include, but are not limited to the following: the highly regulated nature of the whiskey industry and the requirements that may be imposed on you due to changes in law after you acquire your whiskey cask; changes in consumer and commercial demand for whiskey; loss of whiskey due to evaporation or failure to appropriately monitor the cask as it is maturing; loss of whiskey due to leakage, damage or theft, competition for the sale of whiskey with other investors or distilleries having greater resources than you; negative perception for the distillery who manufactured the whiskey in your cask or lack of brand loyalty; and lack of public market for whiskey casks and the requirement to hold your investment for quite some time due to the long maturation of whiskey and applicable United States securities laws. Please review our Notice to Investors and related Risk Factors for a further description of these and other factors you should consider before making an investment in whiskey casks. CaskX is under no obligation to update any of the forward looking statements after the date of this State Of Bourbon Market Report, including on our website, to conform such statements to new information.





A LETTER FROM THE CEO

The global bourbon landscape is entering a transformative period defined by rising international demand, generational shifts in consumer behavior, and structural supply constraints that cannot be accelerated or artificially expanded. While overall alcohol consumption patterns continue to evolve, data from the NIAAA and the Distilled Spirits Council shows that spirits – and American whiskey in particular – are gaining share, both in the United States and abroad. At the same time, bourbon’s long maturation cycles and the recent contraction in U.S. whiskey production have created an emerging supply-demand gap that reinforces scarcity at the premium end of the market.

This report examines these intersecting forces and presents a comprehensive analysis of why American bourbon is positioned for sustained strength heading into 2026 and beyond. Drawing from federal datasets, international trade reports, industry economic briefings, and proprietary CaskX inventory analysis, the findings show a category expanding globally while operating within tight production realities. From the rapid growth of markets like India, China, South Korea, Taiwan, and the European Union, to the demographic shift toward younger, premium-oriented whiskey consumers, bourbon has entered a powerful new phase of global relevance. At the same time, Kentucky distilleries are investing billions to expand bottling, packaging, and export capabilities – a clear signal of confidence in future demand.

Jeremy Kasler

Jeremy Kasler
Founder, CEO

EXECUTIVE SUMMARY

Production Has Contracted Sharply

- U.S. whiskey output has fallen by more than 20 percent year-over-year, setting the stage for a future supply gap as today's barrels mature.

Strong Future Outlook for the Global Whiskey Market

- Forecasts show global whiskey value expected to grow steadily through 2033, underscoring long-term demand across both emerging and established markets.

Spirits Consumption Surpasses Beer in the U.S.

- For the first time in modern history, spirits have overtaken beer in market share, reflecting shifting consumer preferences toward premium distilled products including bourbon.

Demographics Are Turning in Bourbon's Favor

- Consumers ages 21-44 now represent the fastest-growing segment of whiskey drinkers, with disproportionately strong interest in premium American spirits.

Export Markets Are Rebounding Strongly

- With EU and UK tariffs suspended, American whiskey exports have surged, reopening access to some of the world's most lucrative spirits markets.

International Growth Is Accelerating in Asia

- India, China, South Korea and Taiwan are rapidly expanding bourbon consumption as middle-class populations grow and American whiskey gains cultural relevance.

Premium and Super-Premium Whiskey Demand Is Surging

- High-end American whiskey has grown more than 190 percent over the past decade, tightening availability of mature inventory.

Inventory of Older Barrels Remains Near Historic Lows

- Analysis of aging stocks shows only a small fraction of barrels over eight years old, underscoring the scarcity advantage for long-term investors.



STRONG FUTURE OUTLOOK FOR GLOBAL WHISKEY MARKET

Global whiskey demand continues to expand, with long-term forecasts projecting substantial growth through 2033. Independent data shows the global whiskey market rising from approximately \$289.9 billion in 2024 to more than \$837 billion by 2033, reflecting an estimated 12.7 percent compound annual growth rate over the next eight years.^{1,2} This sustained trajectory highlights the increasing worldwide appetite for premium whiskey and reinforces the strong long-term fundamentals supporting continued investment in aging bourbon and American whiskey.

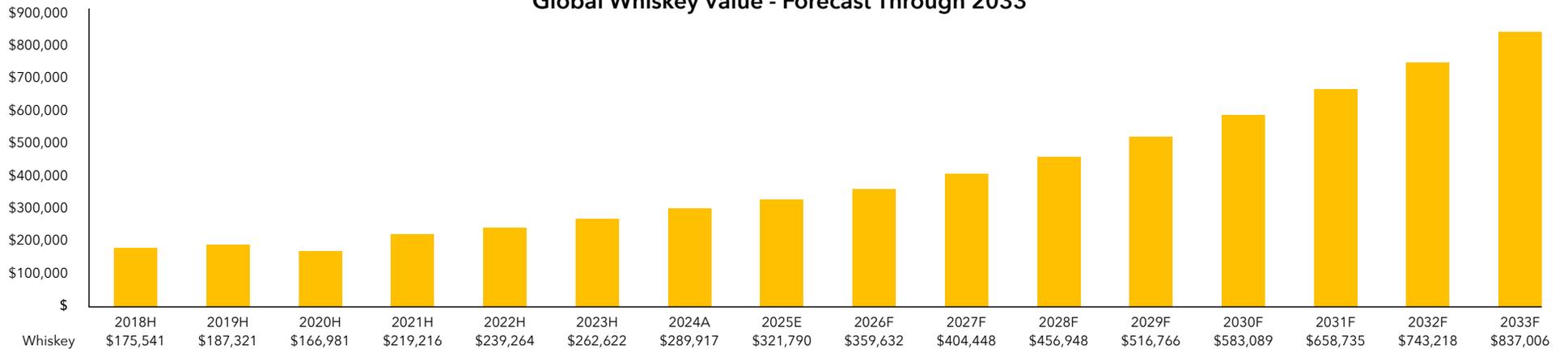
125.9%
Increase in 9-Litre Cases Since 2003

5.2B
Revenue Generated for Distillers

30M
9-Litre Cases Sold in 2024

12.7%
Projected Compound Annual Growth Rate (2024-2033)

Global Whiskey Value - Forecast Through 2033



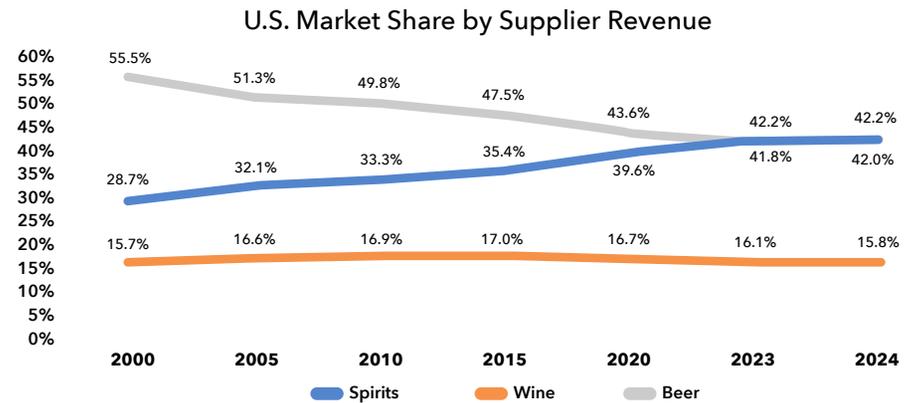
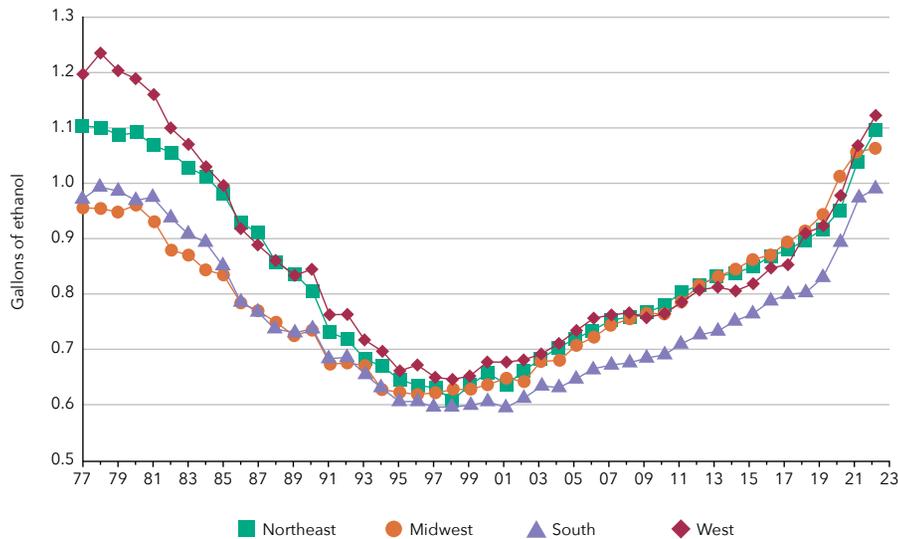
Source

1. The Drinks Business, Global Whiskey Market Value Analysis.
2. Coherent Market Insights, Whiskey Market Report (2018–2024 Actuals; 2025–2033 Forecast).

SPIRITS CONSUMPTION SURPASSES BEER IN THE U.S.

While many reports show that overall alcohol consumption is moderating, this trend is driven primarily by declines in beer and wine rather than spirits. Newly released 2024 data from the NIAAA confirms that per-capita spirits consumption (measured in proof gallons) surpassed beer for the first time in 2022, signaling a long-term shift in consumer preference.¹ At the same time, the Distilled Spirits Council’s 2025 Annual Economic Briefing shows that spirits have expanded from 28.7% to 42.2% U.S. market share since 2000, gaining 13 points while beer steadily contracted.²

This sustained rise in spirits – especially premium categories like bourbon – reflects consumers trading up to higher-quality products, strengthening the long-term fundamentals that underpin bourbon barrel investment.



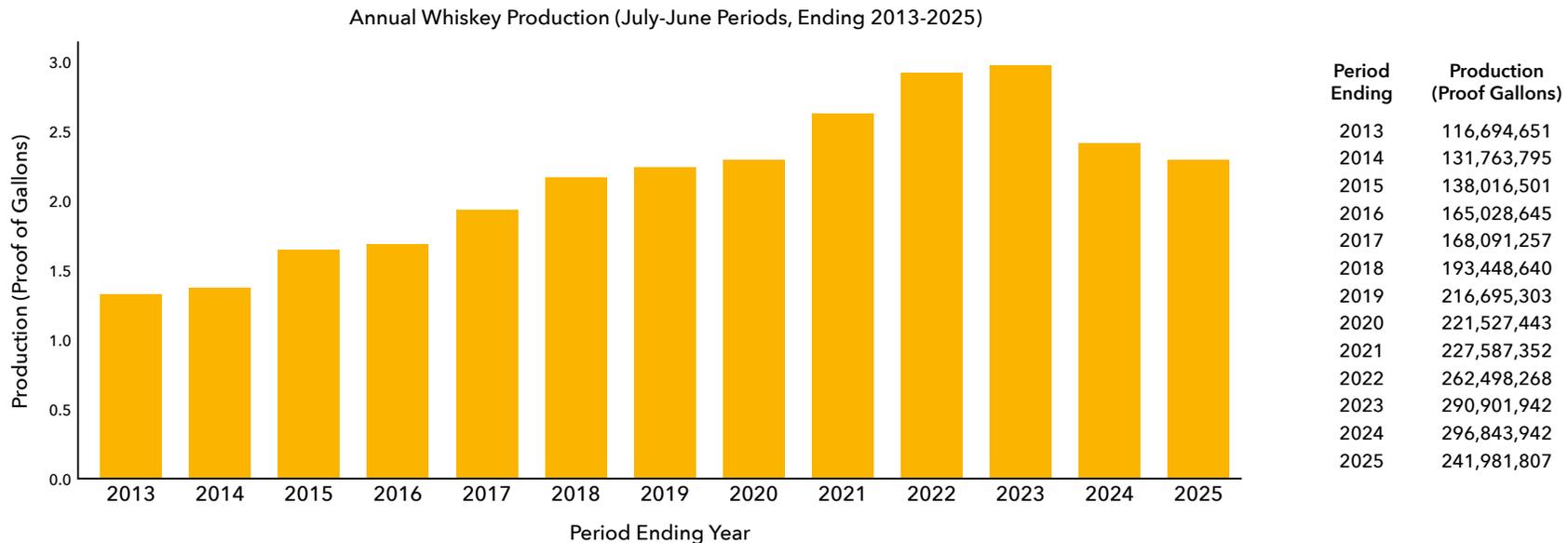
Source

1. National Institute on Alcohol Abuse and Alcoholism, Surveillance Report #121, released April 2024. [screenshot-niaaa-nih-gov-pub](#)
2. Distilled Spirits Council of the United States, Annual Economic Briefing, February 11, 2025, Slide: "Spirits Maintain U.S. Market Share Lead."

THE EMERGING SUPPLY-DEMAND GAP PRESENTS UNPRECEDENTED OPPORTUNITY

Federal production data shows that U.S. whiskey output fell 23% year-over-year in the most recent July-June cycle – one of the largest annual declines in more than a decade. This sharp reduction in new-fill volume significantly tightens the future supply pipeline at the same time that long-range demand projections for bourbon remain strong.

For investors, this creates a powerful structural advantage. Barrels filled today will mature into a market with fewer competing barrels and increasing global demand, particularly as American whiskey continues its rapid international expansion. The combination of reduced production and rising future consumption strengthens scarcity, enhances pricing power, and positions current barrel investments for outsized appreciation in the years ahead.



Source

1. Distilled Spirits Council of the United States, 2024 American Whiskey Fact Sheet.
2. IWSR Drinks Market Analysis, Global Premium Spirits Report (premiumization and aged-spirit consumption trends).
3. NielsenIQ, Premium Whiskey Category Performance Report (growth in premium and ultra-premium bourbon at retail).

“

“Bourbon continues to drive Kentucky’s economy as our homegrown industry is generating more jobs, more payroll, more tax revenue, more tourists and more distilleries in more counties than ever before.”

- Eric Gregory, President of the Kentucky Distillers’ Association (2025)

”



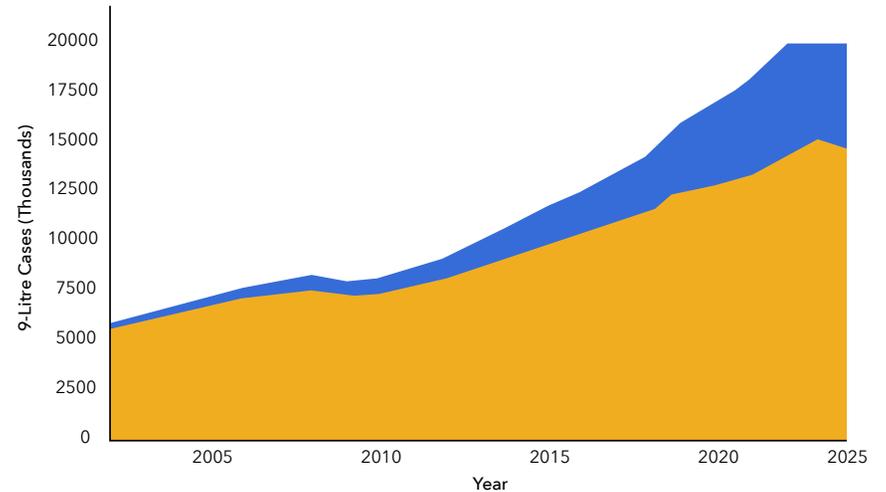
AGE STATEMENT BOURBON RISING IN POPULARITY

Demand for older and higher-quality bourbon continues to accelerate as consumers increasingly associate age statements with craftsmanship, scarcity and authenticity. Industry data from the Distilled Spirits Council shows that the upper tiers of American whiskey have expanded significantly over the past two decades, with High-End Premium growing more than 150 percent and Super Premium growing more than 1,500 percent since 2003.¹ Reports from IWSR also highlight a global shift toward premium aged spirits, noting that consumers are trading up to older and more mature expressions across all major whiskey-producing regions.² NielsenIQ retail data further confirms rising interest in longer-aged bourbon, showing sustained year-over-year growth in the premium and ultra-premium bourbon categories by both volume and value.³ Together these sources demonstrate a clear consumer movement toward age-stated bourbon and premium mature whiskey, strengthening the long-term market outlook for barrels that will reach these higher-value age ranges.

Growth of High-End & Super Premium American Whiskey (DISCUS Data)



Stacked Growth of High-End & Super Premium American Whiskey (DISCUS Data)



Source

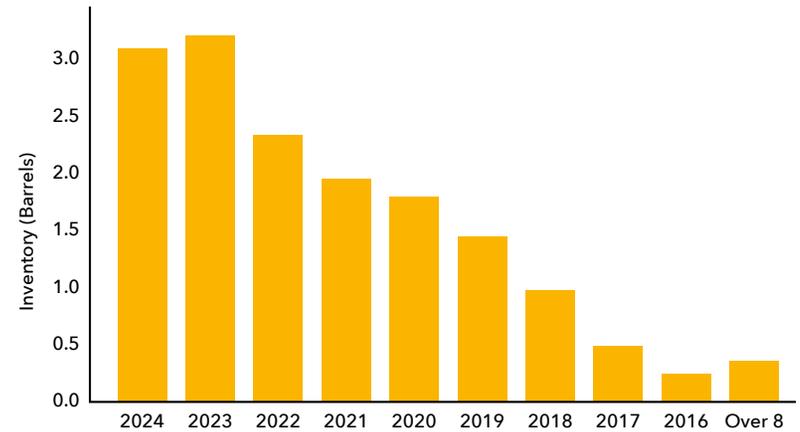
1. Distilled Spirits Council of the United States, 2024 American Whiskey Fact Sheet.
2. IWSR Drinks Market Analysis, Global Premium Spirits Report (premiumization and aged-spirit consumption trends).
3. NielsenIQ, Premium Whiskey Category Performance Report (growth in premium and ultra-premium bourbon at retail)

LONGER AGING CYCLES CREATE BUILT-IN SCARCITY

Bourbon's aging requirements naturally limit annual supply, and as average age statements rise across the super-premium and ultra-premium categories, scarcity becomes a structural feature of the market. Even as global demand accelerates, particularly in high-growth markets such as India, China, South Korea and Europe, distillers cannot simply "make more" mature bourbon. Unlike many consumer goods categories, bourbon supply is constrained by time. A barrel filled today will not meaningfully enter premium inventory for six, eight, twelve, or even more years. This creates a persistent lag between rising demand and available aged stock, leading to predictable shortages of older expressions.¹

Recent inventory estimates illustrate how limited this older stock truly is. While more than three million barrels were produced in 2023 and 2024, the number of barrels over eight years old remains extremely small in comparison – just a fraction of total inventory. This reflects a market in which demand for well-aged bourbon is rising fast and with production decreases combined with the natural evaporation that occurs, it will be impossible for supply of well-aged barrels to catch up.² At the same time, the Distilled Spirits Council reports that high-end premium and super-premium American whiskey volumes have grown more than 190 percent over the past decade, tightening pressure on already thin supplies of long-aged bourbon.³ With global consumers increasingly seeking premium, age-statement expressions, older barrels are becoming exceptionally scarce. For barrel investors, this creates a powerful advantage: as bourbon ages, its quality improves, its value rises and its rarity compounds in a way that cannot be accelerated or replicated.⁴

Estimated Bourbon Barrel Inventory by Year Produced



Source: CaskX Inventory Estimates Derived From Kentucky Distillers Association Reports

Source

1. Distilled Spirits Council of the United States (DISCUS), Economic Briefing and American Whiskey Market Analysis, 2024.
2. Kentucky Distillers' Association (KDA), Kentucky Department of Revenue Barrel Inventory Reports (property tax assessment data), historical releases through 2023; CaskX analysis of estimated 2024 inventory.
3. Distilled Spirits Council of the United States (DISCUS), High-End & Super-Premium American Whiskey Growth Report, 2024.
4. IWSR Drinks Market Analysis, Premium-and-Above Whiskey Consumption Trends, Global Report 2023-202

2025 AGE STATEMENT RELEASES



Knob Creek
21 Year Old
\$349



King Of Kentucky
17 Year Old
\$3,499

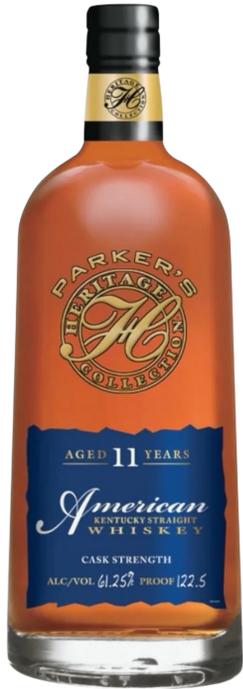


Eagle Rare
17 Year Old
\$1,499



Wild Turkey
17 Year Old
\$366

2025 AGE STATEMENT RELEASES



Parkers Heritage
11 Year Old
\$399



Old Grand Dad
16 Year
\$299



Pappy Van Winkle
25 Year Old
\$49,999



Heaven Hill
19 Year Old
\$499

2025 AGE STATEMENT RELEASES



Old Fitzgerald
9 Year Old
\$399



Weller
12 Year
\$199



Bakers
13 Year Old
\$149



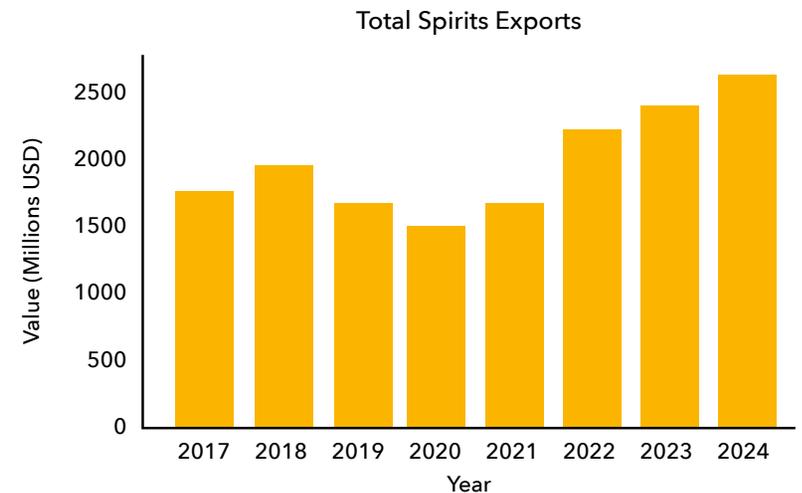
Old Forester
10 Year Old
\$199

INTERNATIONAL GROWTH: OPENING GLOBAL MARKETS FOR AMERICAN WHISKEY

American whiskey is entering a new phase of global expansion as major markets reduce trade barriers and consumer demand accelerates worldwide. After the European Union imposed a 25 percent retaliatory tariff on American whiskey in 2018, exports fell sharply, but the EU suspended the tariff beginning January 1, 2022, and extended the suspension through at least March 31, 2025¹. The United Kingdom followed by fully removing its 25 percent tariff in June 2022¹. These changes have had an immediate impact, with American whiskey exports to the EU rebounding nearly 60 percent, rising from roughly 439 million dollars in 2021 to about 699 million dollars in 2024². As a result, U.S. spirits exports reached an all-time high of 2.4 billion dollars in 2024, driven largely by renewed access to Europe³.

Trade data reinforces this momentum. American whiskey accounted for 63 percent of all U.S. spirits export value in 2023, representing about 1.4 billion dollars. Japan imported more than 106 million dollars of American whiskey in 2023, and Australia imported roughly 121 million dollars, making it one of the strongest bourbon markets in the world¹. Together these trends illustrate a rapidly expanding global demand base for American whiskey, creating a favorable long-term environment for bourbon barrels that will mature into the premium and super-premium categories sought by international consumers.

- **\$2.4 billion Value Of US Spirits Exports In 2024**
- **63% American Whiskey Proportion Of US Spirits Exports**



Source

1. Distilled Spirits Council of the United States (DISCUS), U.S.-EU-UK tariff statements.
2. Reuters; DISCUS export data on EU rebound.
3. DISCUS, U.S. Spirits Export Report 2024.
4. U.S.-India tariff reduction announcements; DISCUS statements.
5. IWSR & industry reporting on India whiskey market size and growth.
6. Livemint, Economic Times, Spiritz Magazine reports on Sazerac/John Distilleries.
7. PRNewswire & Indian market launch announcements for Weller Bourbon.
8. European market expansion reports for Buffalo Trace.
9. DISCUS export value analysis for American whiskey.
10. The Whiskey Wash; DISCUS country-level export data.

INTERNATIONAL MARKETS ON THE MOVE IN 2025

YOY GROWTH JANUARY-JUNE 2025

1. Belgium +2,050%
2. Chile +382%
3. Taiwan +364%
4. United Kingdom +56.2%
5. Spain +53%
6. China +31.2%
7. New Zealand +25%
8. Australia +23.9%
9. South Korea +19.5%
10. India +18.9%



Source

Alcohol and Tobacco Tax and Trade Bureau (TTB), "Exporting Alcohol Beverages from the United States," U.S. Department of the Treasury. Available at: <https://www.ttb.gov/import-export/itd/exporting-alcohol-beverages>

TOP EXPORT MARKETS, 2024

Market	Total Value (USD)
European Union	\$1.23 Billion
Canada	\$237.65 Million
United Kingdom	\$135.23 Million
Australia	\$130.52 Million
Mexico	\$124.12 Million
Japan	\$124.12 Million
Brazil	\$62.32 Million
United Arab Emirates	\$47.35 Million
Dominican Republic	\$32.12 Million
South Korea	\$30.82 Million

Source

Alcohol and Tobacco Tax and Trade Bureau (TTB), "Exporting Alcohol Beverages from the United States," U.S. Department of the Treasury. Available at: <https://www.ttb.gov/import-export/itd/exporting-alcohol-beverages>

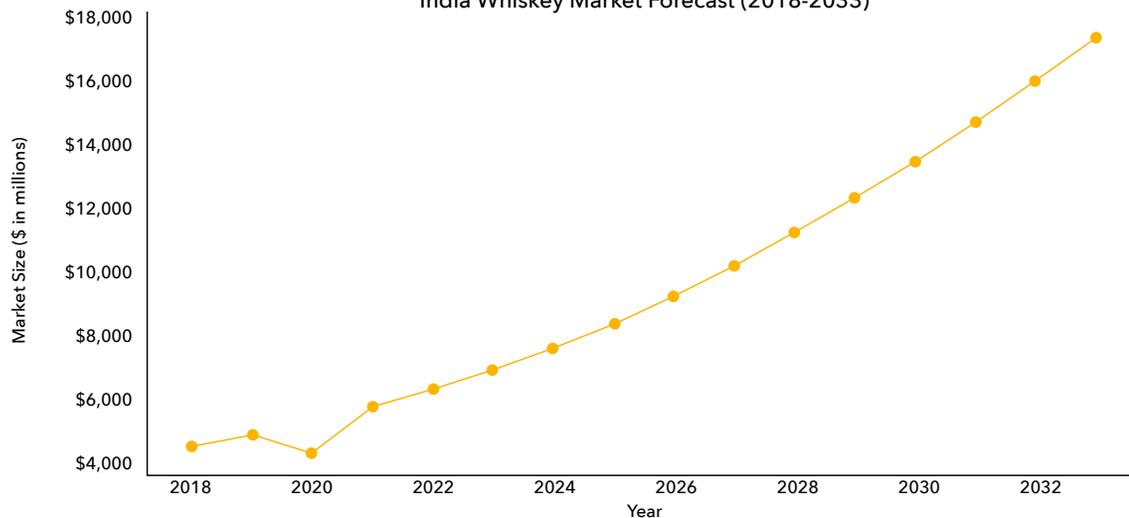


INDIA MARKET PRIMED FOR UNPRECEDENTED DEMAND

India, the world’s largest whiskey-consuming nation, is also beginning to open. In early 2025, the United States and India reached an agreement to reduce India’s import duty on bourbon and other American whiskeys from 150 percent to 100 percent, marking the first meaningful tariff improvement in decades⁴. Although duties remain high, the reduction significantly improves the economics of American whiskey in a market that consumes hundreds of millions of cases annually and continues to grow⁵. U.S. trade groups are actively pursuing follow-on tariff reductions in other high-duty regions, including Vietnam and South Africa³.

Leading distillers are capitalizing on these policy shifts with strategic global investments. Sazerac, the parent company of Buffalo Trace, has identified India as a key long-term growth market and is using its stake in Goa-based John Distilleries to expand distribution, run bartender education programs, and build bourbon awareness⁶. In late 2024, Buffalo Trace launched Weller Kentucky Straight Bourbon Whiskey in Mumbai, with a planned rollout across major Indian states supported by masterclasses, luxury venue activations, and consumer education⁷.

India Whiskey Market Forecast (2018-2033)



50%
Reduction In India Tariffs, 2025

19.16 Billion
Size Of India Whiskey Market

1st
India Ranking In Worldwide Whiskey Consumption

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
\$4,066.4	\$4,333.7	\$4,117.4	\$4,996.6	\$5,378.7	\$5,779.3	\$6,269.9	\$6,792.7	\$7,377.2	\$8,003.4	\$8,660.6	\$9,335.6	\$10,025.7	\$10,763.9	\$11,533.7	\$12,319.4

* Values in millions

Source

1. Distilled Spirits Council of the United States (DISCUS), U.S.-EU-UK tariff statements.
2. Reuters; DISCUS export data on EU rebound.
3. DISCUS, U.S. Spirits Export Report 2024.
4. U.S.-India tariff reduction announcements; DISCUS statements.
5. IWSR & industry reporting on India whiskey market size and growth.
6. Livemint, Economic Times, Spiritz Magazine reports on Sazerac/John Distilleries.
7. PRNewswire & Indian market launch announcements for Weller Bourbon.
8. European market expansion reports for Buffalo Trace.
9. DISCUS export value analysis for American whiskey.
10. The Whiskey Wash; DISCUS country-level export data.

BOURBON DEMAND IN CHINA, HONG KONG AND TAIWAN: EXPANDING CONSUMER INTEREST ACROSS GREATER CHINA

China has become one of the world's most influential whiskey markets, with revenues reaching an estimated 5.5 billion yuan in 2023 (about 756 million dollars) after more than a decade of rapid expansion.¹ Imported whiskey continues to drive this growth as younger and more affluent consumers seek global brands associated with craftsmanship, authenticity and modern drinking culture.² Bourbon benefits directly from this trend. Whiskey is projected to outpace most major alcohol categories in China over the next several years,³ and the rise of premium cocktail bars and highball-focused venues has strengthened demand for American whiskey. Imported Western spirits now hold the fastest-growing position in China's dark spirits market and are increasingly seen as symbols of sophistication and international taste.²

Momentum is also building in Taiwan, one of Asia's most enthusiastic whiskey markets. Interest in American whiskey has accelerated alongside Taiwan's expanding connoisseur culture, highlighted by the Taiwan Bourbon Festival, now in its second year and drawing larger audiences and wider brand participation.⁴ Meanwhile, Hong Kong's 2024 decision to reduce liquor duties from 100 percent to 10 percent above HK\$200 boosted spirits volume by 60 percent and reinforced the city's role as a regional re-export hub.⁵ Together, China's rising whiskey culture, Taiwan's growing bourbon community and Hong Kong's improved trade environment form a powerful demand landscape that supports the long-term growth outlook for American bourbon across Greater China.



Source

1. China Daily, "Whisky Market Reaches 5.5 Billion Yuan in 2023."
2. Daxue Consulting, "Spirits Market in China: Imported Whiskey Growth Trends."
3. China-Britain Business Council (CBBC), "The Rise of Whisky in China" Market Outlook.
4. Taiwan Bourbon Festival, 2024-2025 reports.
5. USDA Foreign Agricultural Service, "Hong Kong Lowers Liquor Tax in Boost to Distilled Spirits Trade," October 22, 2024.

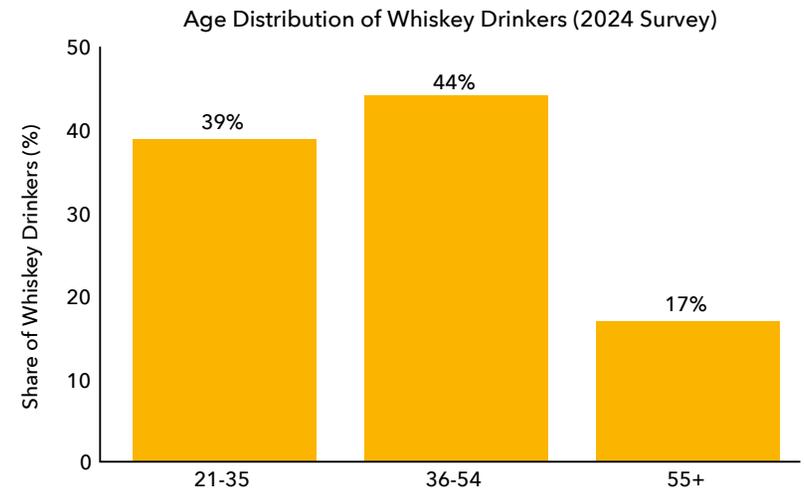
DEMOGRAPHICS ARE TURNING IN BOURBON'S FAVOR

Bourbon is benefiting from a demographic realignment that is reshaping the entire spirits landscape. Younger legal-age consumers are increasingly driving whiskey growth, with new drinkers adopting bourbon earlier and in more diverse ways than previous generations. A 2024 study from the Yale Center for Consumer Insights found that American whiskey is gaining disproportionate traction among adults ages 21 to 44, with younger multicultural consumers reporting significantly higher experimentation with bourbon than in prior decades¹. This aligns with the broader shift toward premiumization in the spirits industry, where consumers under 40 are more likely to purchase premium and super-premium products than any other age group². IWSR data further shows that global whiskey's fastest-growing consumer segment is ages 21-35, driven by cocktail culture, curiosity about American spirits and increased exposure through international travel and social media³.

U.S. demographic data further supports this rise. Survey results summarized in Alcoholic Beverage Consumption and Purchasing Trends 2024 show that approximately 39 percent of whiskey drinkers are ages 21-35, while only 17 percent are over age 55, indicating a meaningful youth skew in whiskey adoption⁴. This is paired with growing multicultural participation: industry analysis highlights steady growth in bourbon consumption among Asian-American and African-American consumers over the past decade as whiskey enters broader cultural mainstreams⁵. Internationally, expanding middle-class populations in India, China, South Korea and Taiwan – markets with rapidly increasing legal-drinking-age populations – are adopting bourbon as both an aspirational and mixology-driven spirit³. Combined with stable overall alcohol-participation rates among younger adults reported in federal surveys⁶, these demographic shifts indicate that bourbon is positioned to benefit from a larger, younger and more globally diverse consumer base entering its prime spending and discovery years.

Source

1. Yale Center for Consumer Insights (YCCI), Introducing American Whiskey to New Younger Demographics, 2024.
2. Distilled Spirits Council of the United States (DISCUS), Consumer Demographics & Premiumization Briefing, 2024.
3. IWSR Drinks Market Analysis, Global Whiskey Strategic Insights, 2023-2024.
4. Alcoholic Beverage Consumption and Purchasing Trends 2024, Extension Data, 2024.
5. Libbey Foodservice, Bourbon Trends and Consumer Diversity Report, 2023.
6. National Institute on Alcohol Abuse and Alcoholism (NIAAA), Alcohol Use in the United States: Age Groups and Demographic Characteristics, 2024



Survey data from Alcoholic Beverage Consumption and Purchasing Trends 2024 show that nearly four in ten whiskey drinkers are 21-35, while fewer than two in ten are over 55, underscoring that whiskey - and particularly bourbon - is anchored in younger, growing consumer cohorts.

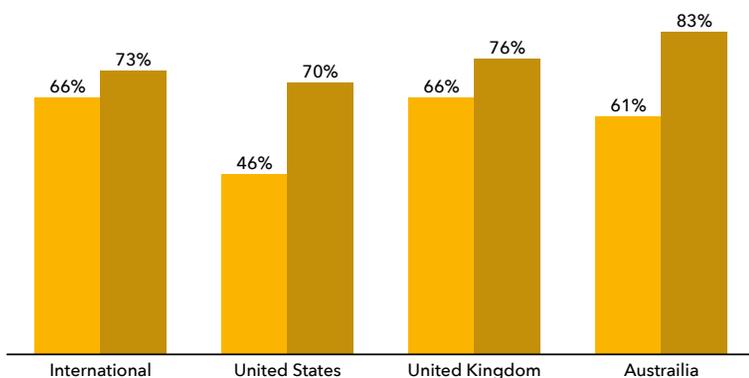
GEN Z PARTICIPATION IN SPIRITS CONSUMPTION IS RISING RAPIDLY

New global survey data from IWSR shows a sharp increase in drinking participation among Gen Z adults between 2023 and 2025, signaling a meaningful demographic shift that benefits bourbon and other premium spirits. In the United States, reported Gen Z drinking engagement jumped from 46 percent to 70 percent over the two-year period, bringing the cohort much closer to millennial and Gen X consumption levels. Similar gains appear internationally, with notable increases from 66 percent to 73 percent across 15 surveyed global markets, from 66 percent to 76 percent in the United Kingdom, and from 61 percent to 83 percent in Australia.¹

For the bourbon category, this growth is strategically important. Gen Z consumers are entering their prime discovery and experimentation years, and early data suggests they are more willing than previous generations to explore whiskey through cocktails, premium pours and brand-driven experiences. As this demographic accelerates its adoption of spirits, the long-term runway for bourbon demand expands considerably, reinforcing why today's macro trends point to strong sustained growth in the years ahead.¹

Gen Z drinking on the rise

The proportion of Gen Z adults who reported drinking in the last six months as part of an IWSR survey shot up between 2023 and 2025, bringing them in line with older generations.



Gen Z spend a similar portion of their income on alcohol as older generations



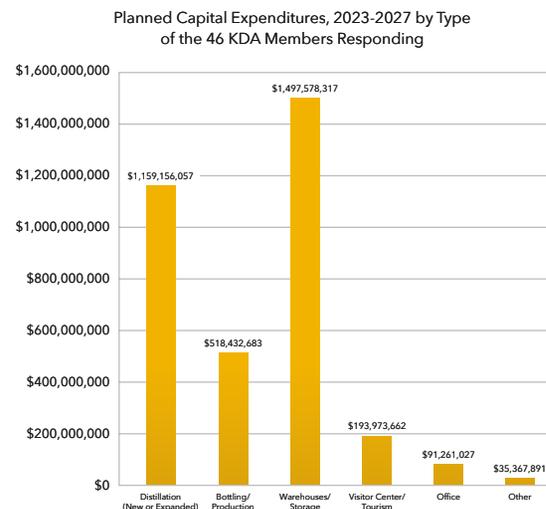
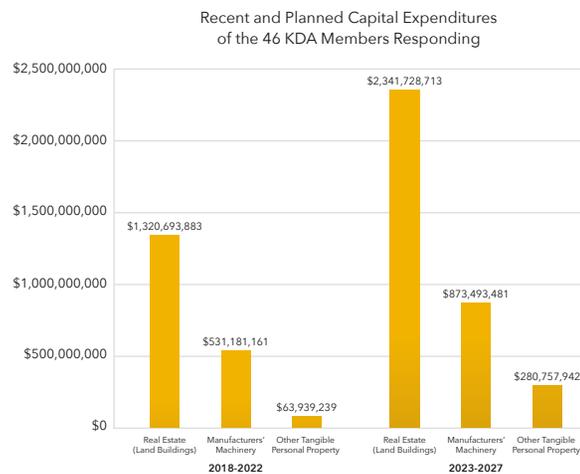
Source

1. Reuters, reporting on IWSR data from a 2025 multi-market consumer survey: "Are Americans drinking less?"

DISTILLERIES ARE BANKING BIG ON BOURBON'S FUTURE

Kentucky distilleries are making multibillion-dollar commitments that signal extraordinary confidence in the long-term global demand for premium bourbon. According to the Kentucky Distillers' Association, more than US\$5 billion in capital projects are underway or recently completed across the state, including new bottling halls, packaging centers and logistics facilities that enhance the industry's ability to deliver premium, age-statement expressions to market.¹ These investments include Buffalo Trace's US\$1.2 billion decade-long expansion, finished in 2025, which significantly enlarged its bottling operations and modernized its packaging capabilities to support a rapidly growing premium portfolio.² Bardstown Bourbon Company has also completed a major 2024 build-out featuring an advanced bottling and logistics center built specifically to handle the rising global demand for high-end American whiskey.³

Across Kentucky, the same story is repeating. Heaven Hill's US\$200 million Springs Distillery project is designed to future-proof bottling and distribution capacity for decades, and Jackson Purchase Distillery's US\$26 million expansion includes capabilities to serve both established and emerging brands.⁴ Bluegrass Bottling is expanding with a US\$6.25 million co-packing facility to support the surge in independent and contract-produced brands, while Wild Turkey has invested more than US\$40 million in modern packaging lines to bring bottling fully on-site and improve speed-to-market.⁵ These moves demonstrate a united belief among distillers that premium bourbon's best years are ahead and that future demand will reward those who build the bottling, packaging and distribution capacity to meet it.



Source

1. Kentucky Distillers' Association, Economic Impact Study and Capital Investment Summary, 2023-2024.
2. Courier-Journal, "Buffalo Trace Completes \$1.2 Billion Expansion," Feb. 2025.
3. BusinessWire, "Bardstown Bourbon Company Expansion Announcement," Oct. 2024.
4. Kentucky Cabinet for Economic Development filings on Heaven Hill and Eastern Light Distilling, 2023-2024.
5. Campari Group Investment Releases and Kentucky Economic Development filings for Wild Turkey Packaging Facility, 2014-2023.

INVESTING, COLLECTING, OR DRINKING?

For Investors



Whiskey cask investment has emerged as a compelling diversification strategy for investors, particularly appealing for its potential to deliver lucrative returns that are generally uncorrelated with traditional asset classes. This unique characteristic of whiskey investment, especially in the realm of bourbon and other premium spirits, lies in the inherent scarcity and aging requirements of whiskey, creating a natural limitation on supply and also growing its intrinsic value over time.

For Collectors



Many are attracted to the “rarity” and investment potential of bottles. Limited-edition bottles and brands like Pappy Van Winkle, have gained a somewhat cult-like following for its premium bourbon. From numerous awards and high demand, Pappy and other premium bourbons have created a scarcity that skyrockets prices and bottle value. Prices can range from hundreds to thousands of dollars, depending on the distillery, age, and uniqueness.

For Drinkers

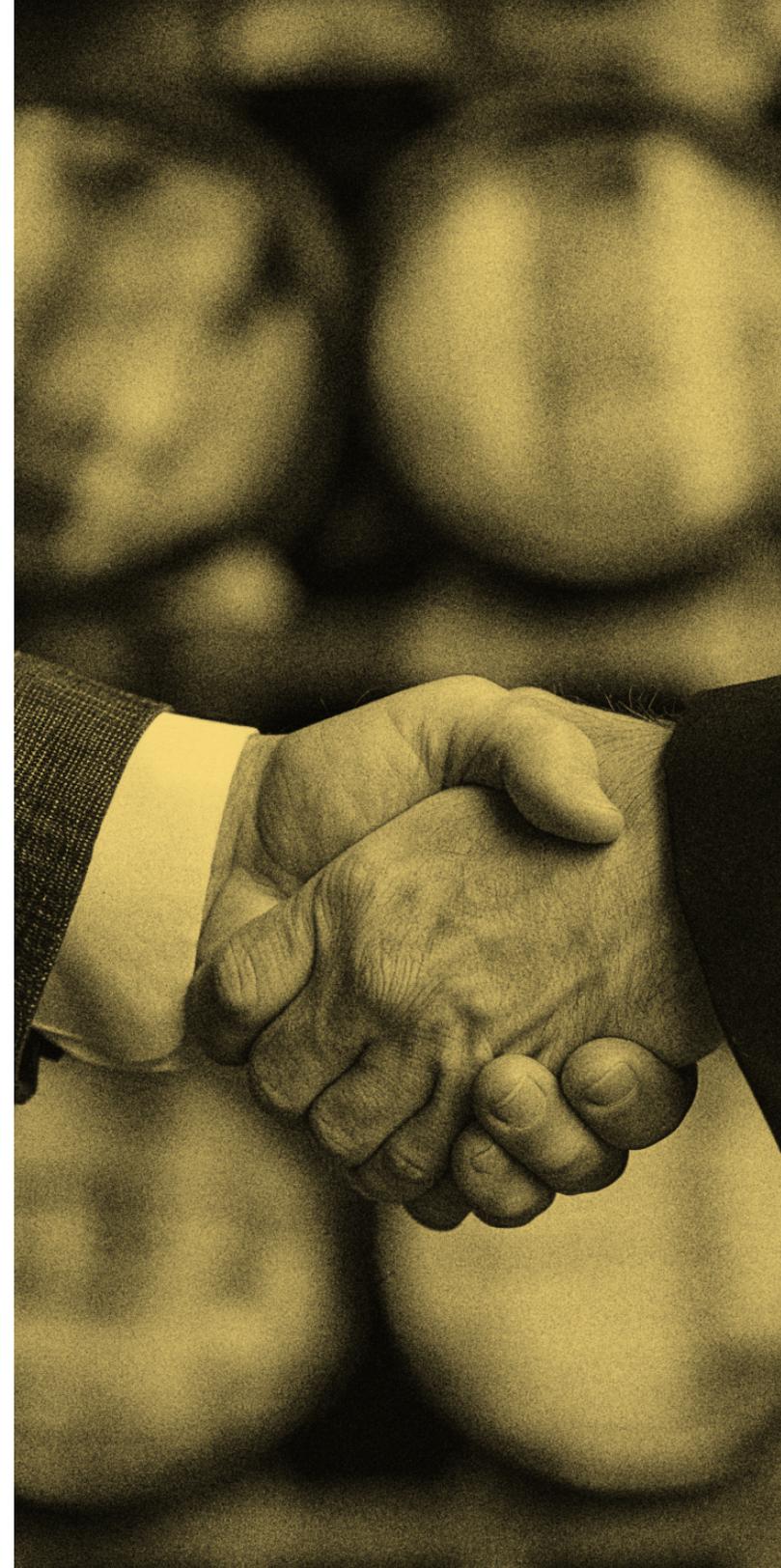


We’re seeing Millennial and Gen Z audiences growing rapidly. Fueled by social media and pop culture, platforms like Instagram and TikTok showcase cocktails and bartending skills making the previously niche interest more mainstream. Meanwhile, celebrity endorsements and movie references have elevated bourbon’s “cool” factor. Due to the viral nature of social media, the younger audience is following trends such as online recipes and premium ingredients, indicating consistent growth for this demographic.

INVESTORS POWER THE NEXT CHAPTER IN BOURBON RENAISSANCE

Every distillery, from old heritage producers to new craft distilleries needs cash to run. Bourbon, however, needs to mature for a period of time before it develops the flavor profile that buyers demand. During this important time when the barrels are aging, distilleries must sell a sufficient volume of products in order to remain solvent. One such product line has been unaged products such as vodka and gin, but this has still left a void in the books. This is where investors play a pivotal role. Selling full barrels of bourbon to investors helps keep the lights on for new and exciting distilleries.

The investors of today are crucial in the bourbon of tomorrow, enabling the industry to produce a higher volume of well-aged spirit that will push the future of bourbon to new heights. Whereas distilleries have often been forced to bottle younger, distilleries have often been forced to bottle younger, meaning lesser quality bourbon due to premature aging. Investors require patience to allow nature to work its magic on liquid. All the while investors capitalize on the aging process to potentially generate returns that outperform other asset classes.



HOW INVESTORS BENEFIT FROM BOURBON INVESTMENT

Bourbon investment has created a mutually beneficial partnership between distilleries and investors, as the parties work together to drive the future of bourbon forward. Investors benefit from an investment strategy with the potential for some key benefits in preserving and growing wealth.

 **Returns**
Prices for bottles is going up rapidly as demand increases internationally, driving the cost of the underlying barrels higher as well. This has the potential to achieve strong, consistent returns for investors.

 **Natural Appreciation**
Barrels are a unique tangible asset in that they get better with time. As the spirit develops a more complex flavor profile, investors have the potential to benefit from any associated increases in value.

 **Tangible Asset**
Investors can see, touch and even taste the barrels they purchase. Barrels don't just represent a piece of paper, they are a real physical asset.

 **Inflation & Volatility Hedge**
As a tangible asset, bourbon barrels offer a hedge against inflation and market volatility by being a store of real economic value.

 **Strict Oversight & Stringent Regulations**
The federal government in the United States oversees all production and storage of distilled spirits, providing investors with peace of mind that assets cannot be misrepresented or mishandled without a penalty to producers.

 **Simplicity**
Purchasing barrels does not require an investor to physically store the asset, or manage any of the complexity that is typically associated with tangibles. Barrels are stored securely at the distillery warehouse under stringent government reporting rules.

HOW DISTILLERIES BENEFIT FROM BOURBON INVESTMENT

While the attention surrounding bourbon investment has been focused on the returns and potential for investors, it is providing significant benefits to distilleries as well. Without the involvement of investors, the industry would be unable to grow adequately to meet the projected demand of the next 10 years. Distilleries benefit in a number of ways:



Immediate Cash Flow

Distilleries need not wait years for bourbon to mature before being able to generate revenue.



Increased Production

Revenue from barrel sales allows distilleries to expand production, storage and bottling capabilities faster than they would otherwise be able to.



More Competition

Barrel sales have fostered an environment where new producers can compete with heritage distilleries by removing the significant upstart capital requirements of bourbon production.



Increased Distribution

Non-distiller producers (NDPs) purchase barrels from distilleries in bulk, blend the spirit, bottle it, and build new brands. Most bottlers select only the finest barrels and have built powerful product ranges centered around strict quality standards. Investors power these brands by giving them access to a greater volume of stock, thereby allowing distilleries to grow their distribution and increase distillery recognition among consumers.



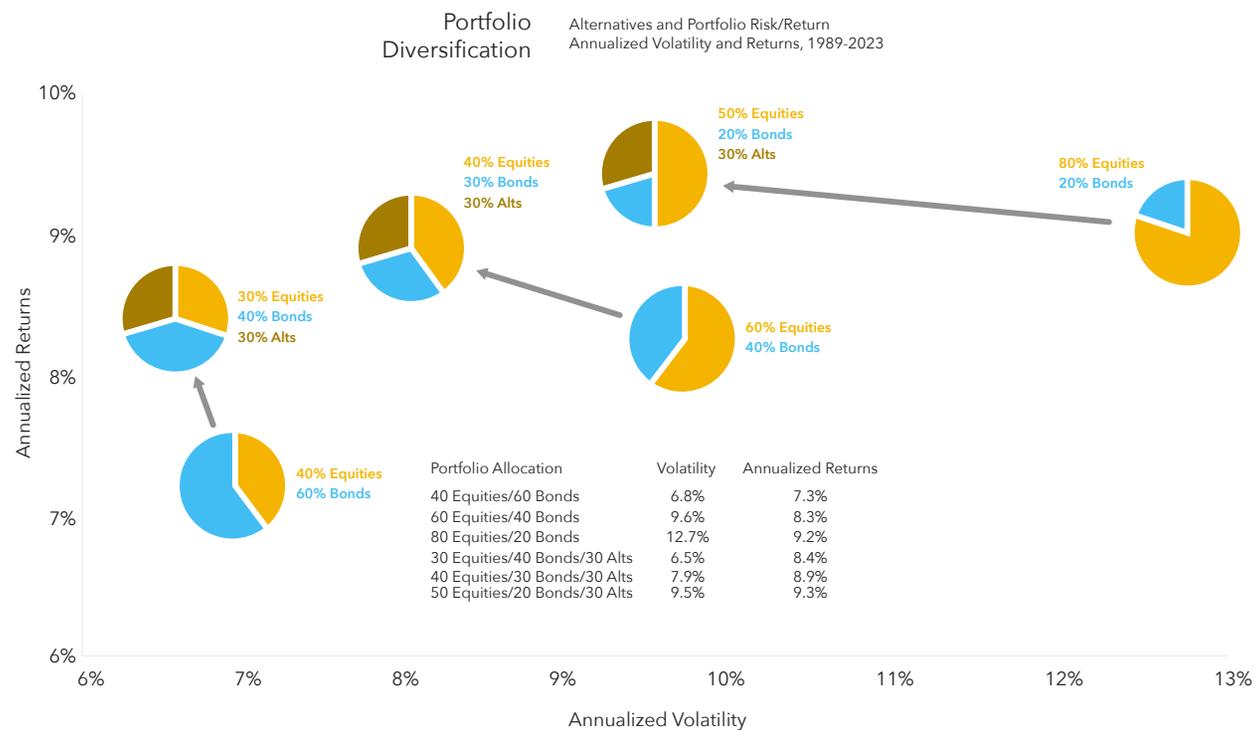
Brand Growth

Beyond monetary aspects, selling barrels to investors and NDPs helps distilleries diversify and reach out further, taking their brand to the next level. Barrel sales often add value to a brand, and have the potential to send bottle and barrel prices soaring.

INVESTMENT EXPERTS RECOGNIZE BENEFITS OF TANGIBLE ASSET DIVERSIFICATION

J.P. Morgan released a report in February titled “Guide to Alternatives” which examined the use of alternative assets as part of a diversified portfolio. While this report did not analyze bourbon or American Whiskey specifically, it provided a powerful analysis of the benefits that can be realized by investors who incorporate alternative assets as part of their holdings.

The report showed that portfolios which had a 30% allocation to alternative assets achieved higher annualized returns and lower annualized volatility. This analysis furthers the case for investors to include alternative assets as part of their overall investment strategy.



Source

Guide To Alternatives, JP Morgan, <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/market-insights/guide-to-alternatives/mi-guide-to-alternatives.pdf>

INSIGHTS & WHAT'S AHEAD FOR 2026

2026 is shaping up to be a pivotal year for the bourbon industry as global market conditions continue to align in bourbon's favor. The combination of reduced production, rising international demand and demographic tailwinds suggests that the next several years will be defined by tightening availability of premium bourbon – a dynamic already visible in aged-stock estimates. With more than three million barrels filled in 2023-2024 but only a small fraction aged over eight years, the category is entering a period where demand for mature whiskey will far outpace available supply. This imbalance is expected to intensify as premium-and-above segments grow globally and cocktail culture continues to elevate bourbon's role in high-end mixology worldwide.

At the same time, structural forces are opening new opportunities. India's tariff reduction marks the first meaningful market access improvement in decades, while China, Taiwan and South Korea continue to develop robust whiskey cultures supported by education initiatives, festivals and brand activations. In Europe, tariff suspensions have restored momentum to the single largest export bloc for American whiskey. Within the United States, younger demographics are entering peak consumption years, bringing preferences that favor premium spirits and American whiskey specifically. As distilleries expand bottling and logistics infrastructure in anticipation of global growth, investors may benefit from positioning ahead of these supply-constrained market conditions. The road to 2026 points to a bourbon industry that is more global, more premium and more supply-tight than at any point in its modern history – a powerful setup for long-term value creation.





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