



BOURBON CASK INVESTMENT GUIDE
UNITED STATES EDITION
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SAFE HARBOR STATEMENT

Certain statements in this Investment Guide 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 an interest in a 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; Failure of third parties to recognize your interest in the whiskey casks since, in most circumstances, we retain legal title the whiskey casks and hold them in trust for your benefit; 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 Investment Guide, including on our website, to conform such statements to new information.

LETTER FROM MANAGING DIRECTOR

Investors around the world are all trying to do the same thing. Make sense of the current state of the economy. Since concerns continue to grow about financial markets across the globe, investors are looking outside mainstream asset classes to keep their investments on track. With the bourbon boom only continuing to gain momentum over the past twelve months, there has never been a better time to incorporate CaskX investment offerings as part of a well-balanced diversification strategy.

We believe our innovative investment platform, along with our return-focused methodologies will continue to show unrivaled returns that outpace any other alternative asset on the market. With a dedicated team of brokers and world-class partnerships, CaskX provides investors with a service and journey unlike any other; from the purchase of casks to a range of exit strategies.

By allowing CaskX to introduce you to the world of whiskey cask investment you are choosing the perfect time to enter the rapidly growing, romantic and widely profitable market of whiskey investment.

To the prudent investor, whiskey possesses a rare opportunity.

JON READE, MANAGING DIRECTOR



WHAT IS CASK INVESTMENT?

While some enthusiasts may purchase bottles to hold as an investment, we believe a far better opportunity awaits investors who build a portfolio of bourbon and scotch whisky cask investments. Sometimes referred to as whiskey barrels or whiskey kegs, the cask plays an important role in the maturation process of whiskey. While the whiskey is contained in the cask, its flavor grows in complexity, becoming ever more distinguished with time. The longer you keep whiskey in the cask, the more intense the taste, and the greater the potential that a higher price will be paid for the whiskey when eventually bottled for sale, compared with whiskey that is aged for fewer years or has less intensity in taste and flavor profile.

Once the whiskey is removed from the cask and bottled, the aging process stops. Bottled whiskey does not mature with age; its characteristics will remain the same indefinitely and any appreciation in value will be solely dictated by changes in demand for the particular release, including the reputation of the distillery. For this reason, we believe the investment in whiskey casks is a far more compelling opportunity. It's an investment that is transformed by nature into a more desirable asset with each year that passes. By holding an investment in whiskey casks, investors may benefit from both an appreciation in value due to the maturation process as well as appreciation in value generally driven by market demand. Thus we believe whiskey cask investments will allow for the achievement of better returns than investments in bottled whiskey.



WHY DISTILLERIES SELL CASKS

Due to the many years required to mature whiskey, the casks have long been sold as a way for distilleries to generate the cashflow needed to fund operations. However, these casks have traditionally been difficult for private individuals to acquire directly and the secondary market is generally burdened by high fees and a lack of transparency. By partnering directly with carefully vetted bourbon and scotch distilleries, CaskX is making it easy for accredited investors to access investment offerings from bourbon distilleries in the United States and scotch distilleries abroad. These investments play a critical role in the future success of the industry by providing three key benefits to distillery partners.

1. CASHFLOW

Any business, including both an established and new distillery, needs cash to run. Whiskey, however, needs to mature for a period of time before it develops the flavor profile that buyers demand. During this important time when the casks are aging, distilleries choose to sell new make and young casks in order to remain operational. This is where investors come in. Selling casks keeps the lights on for new, exciting distilleries, and investors make that a possibility.

2. INCREASED DISTRIBUTION

Independent bottling companies purchase casks from distilleries in bulk, blend the whiskey, bottle it, and build new brands. Most bottlers select only the finest casks and have built powerful product ranges centered around strict quality standards. By selling casks to these brands, the distillery can further grow their distribution and increase distillery recognition among consumers.

3. BRAND GROWTH

Beyond monetary aspects, selling interests in casks to investors and independent bottlers helps distilleries diversify and reach out further, which generally allows them to take their brand to the next level. Casks sales, auctions, and independent bottlers may add value to a brand, which can drive bottle and cask prices up.

WHISKEY MARKET OVERVIEW

The unexpected growth of the whiskey industry over the past 10 years has kept distilleries running at full capacity, but it's still not enough. While we understand that expansions are underway, we do not believe these will yield significant increases in capacity for years, and even then we expect it will take many years before additional output could have a meaningful impact on available stocks. Assuming demand for whiskey continues to grow, the years required to mature whiskey means that it is challenging for distilleries to ramp up production to meet demand. In whiskey production, there is no substitute for time and no way of going back in time to put more whiskey in the barrel.

SCOTCH MARKET OVERVIEW

In 2022, according to Polaris Market Research, an organization that analyzes the spirits markets, total global whiskey revenue experienced a gain of 3.4% over 2021 to hit \$83.28 billion. Leading the charge is the scotch whisky industry that alone generated more than \$9.2 billion in total revenue in 2022 with \$7.2 billion of that being from exports, according to The Scotch Whisky Association. Since 2020, exports of single malt scotch have continued to experience robust growth that shows no sign of slowing as demand for whiskey has continued to rise over the same period. From 2020 to 2021, the industry reported a 10.2% increase in supplier revenues on a 3.2% increase in volumes³. Scotch whisky exports continue to increase as well with the United States market now importing over \$2.6 billion of scotch per year², and other countries across Asia and America seeing outstanding rises in the import of scotch as well. As demand for scotch whisky continues to grow and distilleries struggle to ramp up production, we believe the need for casks of matured liquid will only continue to increase across the industry.

WHISKEY MARKET OVERVIEW

BOURBON MARKET OVERVIEW¹

As of 2022, there are more than 10 million barrels of bourbon aging in Kentucky - making that more than two barrels per Kentucky resident - which confirms our general belief that the national and international market for bourbon is not slowing down anytime soon. In fact, there has been more than \$1.9 billion invested in capital projects through 2022 with another \$3.3 billion committed over the next 5 years, bringing total capital investments to over \$5.2 billion. These funds are being used to expand distilleries and build more rick houses throughout Kentucky, the epicenter of bourbon production. And this does not count bourbon production in the rest of the 49 states, which are also seeing an uptick in new distilleries.

In 2022, according to the Distilled Spirits Council, American Whiskey grew at 10.5% making it the third fastest-growing spirit category in terms of total revenue, when compared to 2021, just behind tequila and RTDs. According to IWSR, bourbon represents 8.7% of the total spirits volume in the United States (by revenue), and bourbon sales are predicted to grow throughout the next five years at the rate of at least 8% or more per year, assuming no change in demand or economic conditions. We expect that number to double when international markets are included and bourbon continues to grow in popularity throughout the world.

The demand for premium spirits, also called “status spirits”, also continues to grow, according to IWSR. This category of spirits - typically including bottles that sell for \$100 or more - is usually resistant to economic uncertainties, hence the 7% uptick in sales during the 2020 pandemic according to IWSR. Older bourbons and whiskeys often fall into this category, as demand for mature whiskey is higher than available supplies.

CASKX INVESTMENT PRODUCTS

In order to build portfolios that we would expect to deliver stable growth for investors, CaskX provides access to investment opportunities from distilleries in two segments of the whiskey industry. Both categories offer distinct benefits as components within a well-diversified portfolio. With the differences in the optimal holding time between these investment types, investors can develop a strategy that properly aligns with their own individual objectives.

BOURBON BARREL INVESTMENT

CaskX partners with both established and emerging distilleries in the United States who have a history in producing and marketing premium bourbon. In 2022, CaskX surpassed sales of more than 10,000 bourbon casks from a combination of distilleries varying in size and production capacity. Given the increasing preference for single barrel and select bourbon releases among affluent consumers, combined with rising international demand, the bourbon industry has experienced significant growth over the past 10 years¹. And, most industry experts are predicting continued growth in demand over the next few years.¹ There are stringent federal regulations governing production, transportation and distribution of each barrel, which both the distilleries and CaskX must comply. Casks can only be sold to those holding wholesale permits and CaskX then sells interests in the casks for investment purposes. Thus, you will receive a warehouse receipt evidencing your interest in the casks in which you invest and CaskX will execute your instructions with the distillery when you are ready to exit.

SCOTCH WHISKY CASK INVESTMENT

CaskX has access to an extensive inventory of single malt whisky casks from a broad selection of distilleries across Scotland. Building a portfolio of Scotch Whisky holdings offers the opportunity to experience the romanticism of the iconic expressions in an entirely new way and, we hope benefit from the growth in value for the Scotch Whisky as it matures. Investments are held securely in a government bonded warehouse under the strict oversight of Her Majesty's Revenue and Customs (HMRC) which verifies the provenance and ownership rights for each cask.

BOURBON 101

By definition, bourbon is a “distinctive product of the United States” and adheres to specific rules, as stated by the U.S. Congress in 1964:

- It can only be made in America.
- The mash bill must contain at least 51% corn.
- The distillate must be put into a new, charred oak barrel (or cask).
- It is distilled no higher than 160°F.
- It is put into a barrel no higher than 120 proof.
- It is bottled at no less than 80 proof.

While bourbon does not have to be made strictly in Kentucky, a vast majority of it is, and most likely it's the names you know best, from Jim Beam to Pappy Van Winkle.

Early American settlers from Ireland and Scotland brought with them their distilling knowledge to use in the New World, so they began distilling the grains that grew best in the new land, which was corn. Bourbon's first boom was in the early 1900s, as distilleries began to sell their bourbon in bottles. However, Prohibition, which lasted 1920-1933, shut down nearly all of the distilleries throughout America. Bourbon made a slow comeback in the 1940s and quickly gained popularity again in the 1950s-1970s.

With the country's thirst quickly changing from brown spirits to clear spirits like vodka, bourbon went through a slow period in the 1980s that lasted until the early 2000s. Thanks to a renewed focus on classic cocktails and distilleries releasing high-end, limited-edition products, bourbon rose in popularity once again.

While we believe bourbon fever has spread all throughout the United States and the world, for that matter, the bourbon mecca continues to be found in Kentucky. In fact, millions of tourists take a journey on the Kentucky Bourbon Trail® each year¹, and Kentucky distilleries are both multiplying in numbers and expanding in size.

The bourbon boom is showing no signs of slowing down anytime soon, and in fact its numbers in output, revenue and investment are only growing.¹

SCOTCH 101

Scotland is one of the oldest, more structured whisky making countries in the world. Overseen by the Scotch Whisky Association, Scotch whisky rules are firm and unwavering. This means the category can sometimes hinder creativity, however, drinkers and collectors understand that if a cask or bottle contains Scotch whisky then all the information surrounding production, ingredients, and branding will be accurate due to the strict regulatory scheme.

As the biggest whisky category in the world in terms of sales, distribution, and popularity,¹ Scotch whisky has countless distilleries and brands in order to keep up with demand. The distilleries are broken down into five geographical areas: Highlands, Lowlands, Speyside, Islay, Campbeltown. The Islands are an extra, “unofficial” region of Scotch whisky. As mentioned, the regions are broken down by landmass in Scotland, with clear borders. Some attempt to break the regions down by flavor profile, however, with every distillery creating a unique product, they simply cannot be boxed in and defined by having the same flavor profiles because they stand in the same area of Scotland. Similarities do exist, but not significant enough to define each distillery.

By definition, Scotch Whisky must adhere to the following rules:

- Wholly produced at a distillery in Scotland from water and malted barley (to which only whole grains or other cereals may be added).
- Distilled at an alcoholic strength by volume of less than 94.8% (190 US proof).
- Wholly matured in an excise warehouse in Scotland in oak casks of a capacity not exceeding 700 litres for at least three years.
- Retaining the color, aroma, and taste of the raw materials used in, and the method of, its production and maturation.
- Containing no added substances, other than water and plain (E150A) caramel colouring.
- Comprising a minimum alcoholic strength by volume of 40% (80 US proof)

BOURBON VS SCOTCH

While bourbon and scotch are both considered whiskey, the spirits are quite different in mash bill, cask requirements, aging, environment, and even in the way each spell the word “whiskey.” The general rule of thumb is, if a country has an “e” in its name, such as in America or Ireland, then it’s spelled whiskey. But if it doesn’t have an “e,” as in Scotland and Japan, it’s spelled whisky.

And, that’s just the beginning of the differences. While a bourbon mash bill predominately contains corn, a scotch mash bill is often 100% malted barley. Another major contributor to the difference in taste is the use of peat as a heat source to dry the barley. Peat, which is partially decayed vegetation and organic matter found in Europe, instills the smoky flavors that are a signature characteristic of many of the most popular scotch brands.

Bourbon distillate must be put into new, charred oak barrels to age, while scotch is put into used barrels, thus toning down the intense flavors imparted by the barrel onto the spirit. And finally, one of the biggest differences between scotch and bourbon is age. There is no law stating how long bourbon must age in a barrel, but to call it “straight bourbon,” it must rest at least two years. Most distilleries age their bourbon at least four years, and many believe bourbon’s sweet spot lies between six and 12 years. Of course there are older bourbons – like the highly coveted Pappy 23-Year – but these are quite rare in the bourbon world, as the longer the bourbon stays in the barrel, the more oak notes it picks up to the point that the flavor is no longer preferable.

Scotch, on the other hand, must be aged at least three years in used casks, but a majority of it ages for much, much longer – anywhere between 15 and 50 years. The two main reasons for this are the colder climate of Scotland creating less evaporation and the fact that the spirit is aging in used barrels.

From an investment perspective, the difference in time required to mature the two types of spirit are a major factor in determining which opportunity is best suited to an investor’s portfolio.

BOURBON BY THE NUMBERS

According to the Kentucky Distillers' Association, an organization that represents Kentucky distilleries, bourbon is a \$8.94 billion signature industry in Kentucky that generated more than 22,000 jobs in 2021. Nearly a third of all distilling jobs in America are located in Kentucky, and an average salary is around \$100,000, which is up 32% since 2009.

The rapid industry expansion shows no sign of slowing up based on the numbers reported by the KDA. In fact, there are more than \$3.3 billion in capital projects that are planned to be completed in the next 5 years on top of the \$1.9 billion in capital spending that was already completed since 2016, bringing the 10 year total to more than \$5.2 billion.¹ Here are some other interesting numbers regarding bourbon:

- With nearly 11 million barrels currently aging, there are more than two barrels of bourbon for every person living in Kentucky.¹
- Kentucky distilleries filled more than 2.4 billion barrels in 2021.¹
- According to the Distilled Spirits Council, exports of American Whiskey reached \$975 million in 2021, up 15% from the prior year.
- More than 1.5 million tourists visited Kentucky distilleries in 2021.¹
- According to the Distilled Spirits Council, bourbon represents 14% of the total spirits volume in the United States.
- IWSR reported that bourbon volumes grew by 8% in 2022. They predict bourbon will grow at a rate of 5% in volume and value annually over the next 5 years.

The table below from the Kentucky Distillers Association demonstrates the changes in the bourbon industry from 2009 through 2021.

	2009	2021	INCREASE
Distilleries	19	95	400%
Counties With A Distillery	8	40	400%
Production (Barrels filled)	794,091	2,437,603	207%
Bourbon Inventory (barrels)	4,600,962	10,321,793	124%
Total Inventory (Bourbon + other spirits)	5,012,648	10,880,328	117%
Tax-assessed value of inventory	\$893,432,418	\$4,426,588,619	395%
Tax-assessed property values	\$378,000,000	\$1,490,000,000	294%
Barrel taxes paid	\$9,544,573	\$33,199,415	248%
Average pay per job	\$77,007	\$101,567	32%
Jobs generated	9,848	22,538	129%
Payroll	\$441,850,386	\$1,232,105,626	179%
Output	\$5,400,000,000	\$8,935,256,608	65%
Total taxes paid (production & consumption)	\$125,113,764	\$285,881,572	128%
Employment spin-off factor	3.109	3.81	23%

* Source: Kentucky Distillers Association

HOW DOES BOURBON STACK UP?

Since 2011, prices for bourbon casks have appreciated on average 13.85% per year, depending on the distillery and age. In comparison to other asset classes, bourbon has outpaced nearly every other category during the period 2011 through 2021 as set forth in the table below and as tracked by the Knight Frank Luxury Index. The lone exception was rare scotch bottles, ofr which the value grew 428% over that period.

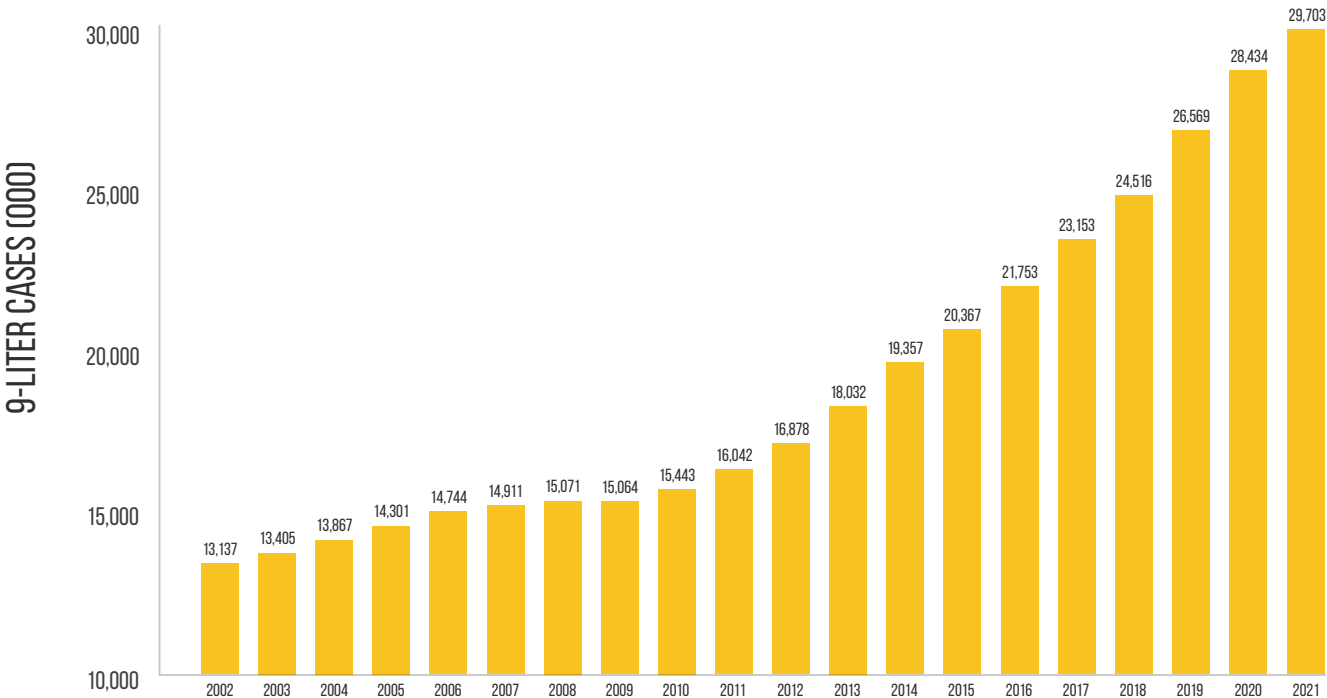
Rare Whisky	428%
Bourbon Barrels	365%
Bourbon Barrels	365%
S&P 500	234%
Scotch Whisky Bottles	212%
Classic Cars	164%
Wine	137%
KFLII Index	123%
Watches	108%
US Property	106%
Handbags	78%
Art	75%
Coins	64%
Jewelry	57%
Colored Diamonds	23%
Furniture	19%
Gold	16%



RIISING TO NEW HEIGHTS

While American Whiskey has attracted widespread admiration for more than a century, the spirit has risen to new heights over the past 10 years as a larger number of consumers are drawn to the craftsmanship, culture and heritage captured by distillers across the country. As consumption rises and collections grow, sales volumes have experienced a sharp upward trajectory. In 2021 there were nearly 30 million cases, or nearly 360 million bottles of American Whiskey sold.

U.S AMERICAN WHISKEY VOLUMES, 2002-2021



SOURCE: THE DISTILLED SPIRITS COUNCIL OF THE U.S.

BOURBON IS GOING GLOBAL

The demand for bourbon is exploding both domestically and abroad as a new generation falls in love with America's native spirit. From Asia to South America, more and more countries are seeing drastic rises in demand for premium bourbon. Adding more fuel to this growth is the lifting of European tariffs on bourbon imports which has further boosted demand throughout the continent. Demand has risen to the point that nearly 2 million barrels will be bottled in 2022, up 85% over the last 10 years.

TOP 5

American Whiskey Export Markets



- | | |
|--------------|--------|
| 1. Japan | \$96 M |
| 2. U.K. | \$88 M |
| 3. Australia | \$85 M |
| 4. Germany | \$76 M |
| 5. France | \$78 M |

THE CASK INVESTMENT PROCESS

Purchasing an investment in a whiskey cask is a straightforward process that offers a level of simplicity not common among other types of tangible assets. The fact that investments in casks can be transferred without the physical transportation of the assets streamlines transfers such that investors can expect transactions to be complete in as little as one week.

1. OPEN AN ACCOUNT: During this step CaskX ensures that investors meet the required qualifications to purchase whiskey cask investments. In the United States, investors must meet accredited investor requirements as set forth by the SEC. Once an account has been established, CaskX can begin sharing details about specific cask offerings.

2. CASK SELECTION: At this point investors review available cask investment opportunities to identify offerings that match their financial objectives. Investors are presented with the story, brand value, historical performance, secondary market performance and future projected growth in order to analyze the investment from every perspective.

3. ACQUISITION: After selecting an appropriate investment, the investor remits a reservation fee in order to secure the investment in the cask portfolio in which they have chosen. After full payment is received, the investor receives evidence of the investment through a warehouse receipt and the warehouse records are updated to reflect the investor's investment in the cask.

4. STORAGE & INSURANCE: Storage and insurance fees for up to 8 years for bourbon investments and 10 years for scotch investments is included in the purchase price of the investment, allowing investors to avoid any additional outlays during the applicable term of their investment. While the recommended holding period is 5 to 8 years for most cask investments, if an investor chooses to hold a cask for a period longer than 8 or 10 years, as applicable, then an annual storage and insurance fee will apply after the initial period expires. Casks are insured against physical loss and damage at the purchase price for the investment. If there is an insurable loss related to scotch, the insurance company will pay any insurance proceeds directly to the investor. In the case of an insurance loss related to bourbon, CaskX uses the insurance proceeds to purchase a suitable replacement investment for the investor or, if a suitable replacement is not available, pays the insurance proceeds to the investor.

5. MONETIZATION: The investor may instruct CaskX to attempt to sell the casks to another investor at any time, after the one year holding period required by the SEC. CaskX monitors the changes in the value to investor holdings and communicates those changes so that investors can make portfolio changes based on market conditions.

CONSISTENT RETURNS

Whiskey as an investment has shown stability in performance over the past few years as demonstrated by the Knight Frank Luxury Investment Index and WhiskyStats.net. The consistent levels of appreciation is a key characteristic that makes whiskey cask investment an excellent choice for investors looking to diversify their portfolio with an asset that we believe to be generally resilient across economic cycles.

Since whiskey prices began being tracked in early 2010 by WhiskyStats.net, prices across major categories have appreciated by more than 12% per year¹, with results varying by distillery and age. Based on estimated cask values provided by industry sources, bourbon casks have seen even higher rates of appreciation of approximately 13.85% per year.

Of particular significance, the Knight Frank Wealth Report shows this appreciation in whiskey prices has statistically been un-correlated to stock and bond markets. This is an important consideration for investors seeking a diversified portfolio that moves independent of financial markets.



Average revenue growth since 2010 of more than 12% per annum.



Capital growth is un-correlated to stock and bond markets.

“LIQUID GOLD” OFFERS PROTECTION FROM MARKET CONDITIONS

The 2022 Knight Frank Wealth Report shows that whiskey sales do not typically demonstrate the volatility we have seen in equity markets, commodities, property or precious metals. In bullish periods for financial markets we typically have seen whiskey cask prices appreciate steadily; while in times of economic slowdown or recession, prices have remain consistent as well. Importantly, whiskey cask prices have not historically fallen even in periods of sustained market turbulence.

For example, during the Global Financial Crisis in 2008 and 2009, whilst share markets plunged around the world and more than halved in value, prices for whiskey casks remained steady.¹

The same behavior was exhibited in the first quarter of 2020, as concerns over the spread of coronavirus caused stock markets to fall by over 30% worldwide², in one of the fastest declines on record. Amidst this turbulence, whiskey casks continued to grow in value as the intrinsic value of the holdings remained unchanged.



Historically, whiskey casks have never observed significant fluctuations in value.



Whiskey casks have observed capital growth even during market declines and economic recession.



During the covid induced market decline of 2020, whiskey appreciated by more than 4% from 2019.¹

STRICT OVERSIGHT & STRINGENT REGULATIONS

Across major whiskey producing countries, stringent regulations have been enacted to protect the safety of consumers and ensure spirits are tracked in order that tax revenue can be collected when bottling commences. While these regulations were not created specifically to protect investors, they provide an investor with confidence as to the provenance of each asset purchased. Whereas many tangible assets must undergo an extensive evaluation to verify authenticity, the requirements that whiskey casks be tracked from time of distillation until bottling makes ownership issues less likely than other types of asset classes.

In the United States all whiskey production falls under the three tier system whereby every distillery must receive a federal license before production can begin. Upon receiving the license the distillery must comply with strict laws governing distillation, storage, transportation and bottling of all spirits. Every cask must continue to be stored at one of these licensed facilities for the term of their investment and can only be sold to those with a wholesale permit, who can then resell the casks for investment purposes. Distilleries are careful to always ensure compliance due to the significant penalties levied for any discrepancies..

Scotch Whisky has a different regulatory structure, but one which provides a similar level of protection for investors. Every cask of whisky that is distilled by a licensed distillery must remain in a government bonded warehouse throughout the maturation process. Records of these casks are maintained by both the warehouse and the HMRC (Her Majesty's Revenue and Customs). This system ensures that the provenance of each cask can be verified such that any bottle labeled as Scotch can be traced back to its origin.

CaskX requires that all partner distilleries, warehousing facilities and investment offerings adhere to appropriate legal requirements.



Bourbon whiskey cask investments are protected by legal requirements of the United States 3-tier system.



Scotch whisky cask investment must remain in government bonded warehouses under oversight of HMRC.



CaskX requires that distilleries, warehousing facilities and investment offerings adhere to appropriate legal requirements.

DISTILLERIES ARE STRUGGLING TO KEEP UP WITH DEMAND

The huge growth across the bourbon industry has made it increasingly common for casks to be bottled at younger ages thereby reducing the pool of casks that are left to mature to more advanced ages. For a long-term investor there is a significant opportunity for an increased return on your investment by holding casks for 10, 15 or even 20 years. We believe that the thought of these older vintages will put a gleam in any whiskey enthusiast's eye and we expect, but cannot guarantee, they will be more than willing to pay a premium to experience such high calibre expressions. These are the exclusive and limited bourbons where owning a particular bottle can become competitive among enthusiasts, resulting in auction houses recording increases in value.

Quite surprisingly, most of the bourbon industry's success to date has come from increased demand within the United States market. However, CaskX believes that bourbon growth could accelerate faster in the coming years as bourbon begins to gain prominence in key markets in Europe, Asia and South America.



According to the Kentucky Distiller's Association, Bourbon has experienced an unexpected boom in sales revenue and volume over the past 10 years.



Most of the growth has come from increases in U.S. domestic demand.



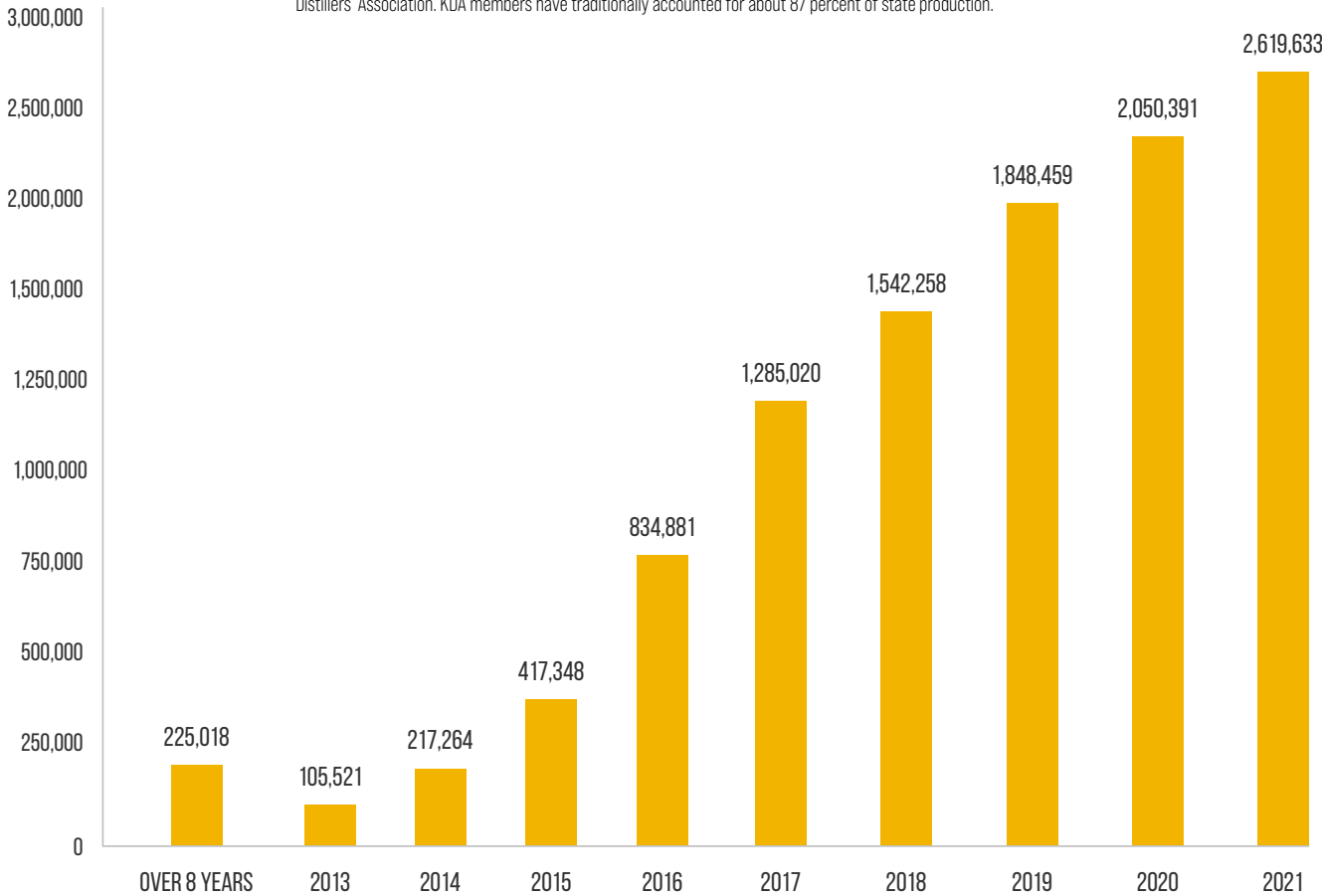
Bourbon is beginning to rise in prominence internationally, positioning the industry to see even greater demand in the future.

SUPPLIES OF WELL-AGED BOURBON IN SHORT SUPPLY

If you take a drive through Kentucky nearly every distillery is building new warehouses as fast as they can, but it's still not enough. Simply put, the supply of older age bourbon remains bleak. In fact, according to the Kentucky Distillers' Association at the close of 2021 there were less than 550,000 barrels which were 6 years of age or older. As consumer demand for premium well-aged bourbon continues to grow, distilleries cannot produce enough - making each barrel a prized commodity.

NUMBER OF BOURBON BARRELS IN INVENTORY BY YEAR PRODUCED

Source: Kentucky Department of Revenue, as produced for purposes of annual property tax assessments, and provided to the Kentucky Distillers' Association. KDA members have traditionally accounted for about 87 percent of state production.



A POWERFUL WEALTH PRESERVATION & ESTATE PLANNING STRATEGY

When it comes to estate planning, as a private investment, whiskey casks are a discreet way of transferring wealth, with a portfolio of cask investments able to be passed from one generation to the next.

Whiskey casks have increasingly been viewed as one of the best tangible assets to store wealth.¹ The use of a distillery warehouse allows an investor to have an interest in a physical asset without worrying about complex storage arrangements required for other tangible assets.

One significant reason that investors are investing in whiskey casks is the simplicity of transfer. There is no need to arrange shipping or inspections to verify authenticity. In terms of privacy, most governments do not require the ownership of investment rights in the whiskey casks to be disclosed to any local government authority as they are considered personal property. Whiskey casks are protected by the stringent oversight of government regulated warehouses which lowers the risk of the casks being misplaced or stolen.

In other words, whiskey cask investments remain a very discreet, convenient and easily transferred store of value.



FILLING THE VOID

When it comes to the broader whiskey industry, distilleries have struggled to maintain supplies of well-aged liquid over the past 5 years.¹ With current production unable to keep up with demand, distilleries are choosing to bottle spirits at younger ages. This lack of older whiskey is creating a void in the market and jeopardizing the beauty of these iconic expressions as there are only limited offerings of older whiskey generally available.

Whiskey investors have the unique opportunity to fill the void. While distilleries may be forced to sell at younger ages to generate cash flow needed for operations, investors can wait patiently to exit positions when the whiskey reaches its prime.

In 2019, a single bottle of Macallan 60 year old sold for an impressive \$1.9 million at auction.² While old single malts continue to reign supreme in terms of auction values, we believe the market for collectible bourbon is just on the cusp of breaking out. Bottles of bourbon now regularly fetch more than \$20,000, with even production bottles selling for more than \$5,000 on the secondary market.³ As consumers begin to view high-end bourbon as a luxury, status symbol and worthy indulgence; it is expected that values will rise in the years to come.



Distilleries are releasing fewer well-aged expressions than ever before.



Investors can fill the void by holding casks to older maturities.



While single malt Scotch continues to dominate auction houses, values of rare Bourbon are beginning to rise as it becomes viewed as a luxury spirit.

INFLATION HEDGE

Over the course of just several weeks, the Covid pandemic turned the global economy upside down with governments scrambling to protect both the physical and financial health of their respective economies. With lockdowns causing mass unemployment, politicians around the world enacted stimulus packages designed to help individuals meet personal obligations and stabilize markets that had plunged into free fall.¹ While economists may debate the level of effectiveness of the programs enacted, the fact remains that these measures will have a long lasting impact on the wealth of many people.

As stimulus measures caused more currency to be interjected into the markets, an elevated level of inflation followed. The Consumer Price Index (CPI) peaked in June 2022 with a 12 month increase of 9.1%.³ At the end of the year the CPI stood at a 6.5% annual increase, a level which severely diminishes the buying power of major currencies and puts a strain on traditional investment classes.

In order for investors to protect their portfolio, leading financial advisors are recommending a larger allocation of tangible assets be included as a hedge against inflation. Whiskey cask investments are one such investment with characteristics that may safeguard against inflation and changes in the real value of a particular currency.¹



The Consumer Price Index (CPI) peaked in June 2022 with a 12 month increase of 9.1% highlighting the inflation caused by an increase in monetary supply.



Whiskey casks are a tangible asset that can serve as a powerful hedge against inflation.



Whiskey casks also serve as a hedge against changes in real value of currency.

¹ Bloomberg. Investors Hoard Gold, Bitcoin and Whisky to Soothe Inflation Fear. <https://www.bloomberg.com/news/articles/2020-08-26/fearing-inflation-investors-hedge-with-gold-bitcoin-and-whisky>

² Forbes. Billionaire Jamie Dimon Worries Federal Spending Could Trigger High Inflation, Urges Businesses To Help Government Curb Inequality. <https://www.forbes.com/sites/jonathanponciano/2021/01/15/billionaire-jamie-dimon-worries-federal-spending-could-trigger-high-inflation-urges-businesses-to-help-government-curb-inequality/?sh=3cb277bf121d>

³ CNBC <https://www.cnbc.com/2023/01/12/heres-the-inflation-breakdown-for-december-2022-in-one-chart.html>

AN ASSET THAT GETS BETTER WITH TIME

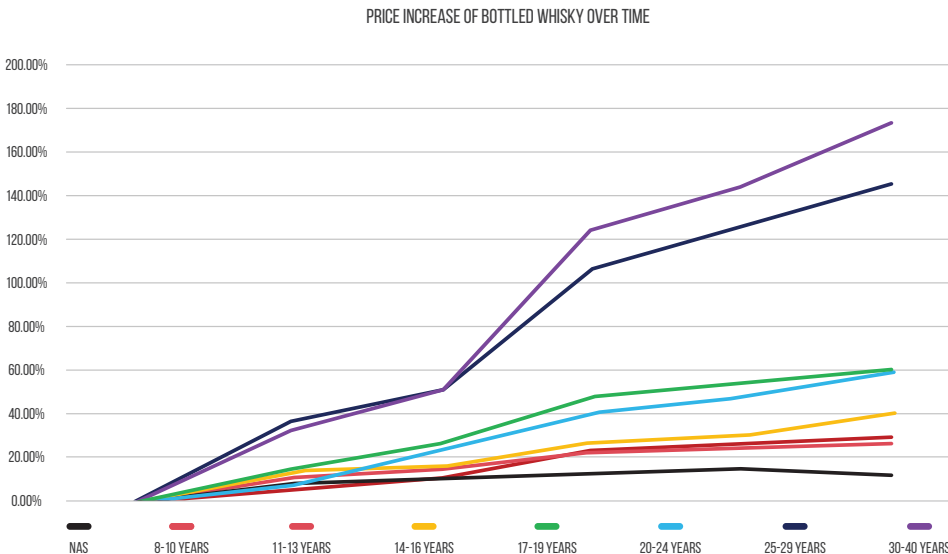
Whether it be gold, diamonds or art, most tangible assets purchased for investment will remain the same for decades to come. Any appreciation in value of these types of tangible assets comes exclusively from changes in market demand, the asset itself never changes.

In stark contrast, whiskey casks are one of the few tangible investments that actually get better with time. Whiskey is transformed into a more valuable asset each year it is allowed to age inside a cask. This is due to the fact that well-aged whiskey commands higher prices when compared to newly distilled spirit. And, whiskey only matures while it is contained within a cask. Whereas a bottle of new make spirit is known to sell for \$10 or less, a 20 to 30 year aged bottle may potentially sell for a lot more. The main reason for the price difference being time.

Maturation is the most powerful aspect of whiskey cask investing and a characteristic that truly sets it apart from other investment classes.

- Whiskey only matures while inside a cask, it does not age after being bottled.
- Whiskey casks are one of the few tangible asset classes that improves with time.
- While new make whiskey may sell for under \$10 per bottle, well-aged bottles can sell for more than \$10,000 per bottle depending on demand, the distillery where it was manufactured, and a number of other factors.

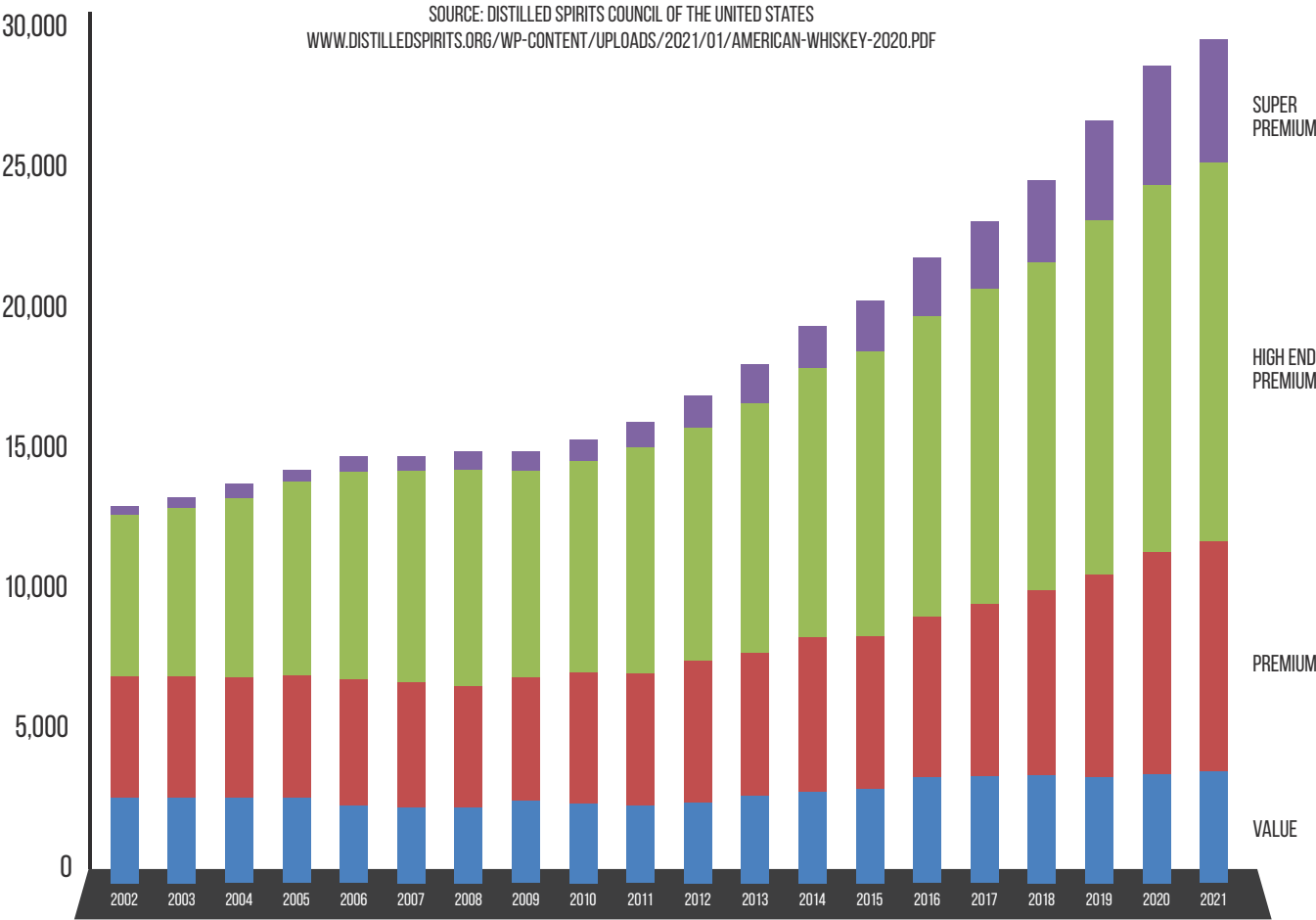
The impact of age on the price of whiskey is demonstrated in the graph below for illustration purposes and is not intended to be a guarantee of expected returns with respect to any particular age of a whiskey cask.



AN ASSET THAT GETS BETTER WITH TIME

The graph below showcases the significant growth in premium, high end premium and super premium categories of the American Whiskey market. Consumers are increasingly looking for higher quality expressions that showcase distinctive flavors that only come from being aged for longer periods of time. In the period from 2016 to 2021 the super premium category topped the charts by growing an impressive 129.2%.

US WHISKEY SALES BY BRANDING, CASES (000) OF 9-LITER BOTTLES



TANGIBLE ASSET WITH REAL INTRINSIC VALUE

Among tangible asset categories, whiskey casks offer the opportunity to purchase an investment in which the value is not driven by demand alone. In contrast to popular tangible assets such as gold, diamonds, art and collectibles, whiskey casks have real intrinsic value. Whiskey is a product that won't just be locked away in a safe, it will eventually be consumed. Whiskey that is contained inside a cask can always be bottled and sold to whiskey fans around the globe.



CHOOSING THE RIGHT INVESTMENT: BOTTLES VS CASKS

Across the globe, whiskey bottles are collected by many enthusiasts due to the ease with which they can be purchased, with the idea of cask investment remaining undiscovered by most.

The main point to remember:

BOTTLES DO NOT CONTINUE TO MATURE, CASKS DO.

When purchasing a 4-year old cask of whiskey today, the cask will be 10 years old in 6 years. A 4-year-old bottle today will still be a 4-year-old bottle after that same 6 year period. This point is key, as the whiskey will continue to age and grow more valuable each and every year it remains in the wood cask. This, in turn, makes cask investment in our view much more appealing. But that's not all; here are some key points as to why we believe cask investing is the smart choice.

- **Ease Of Transfer:** Shipping bottles is always a difficult process, but your casks will remain in the distillery warehouse, without needing to be moved around.
- **Secure Storage:** Storage space can be a problem, but not for casks. The warehouse staff will maintain and monitor your cask portfolio safe in a climate-controlled, organized environment.
- **Comparison-Free:** Unlike bottles, casks vary in quality and taste, so prices fluctuate. When trying to monetize your investments, you won't be sent links to other sales. All casks are different.
- **Experience:** CaskX offers behind the scenes tours exclusively to investors to provide an opportunity to get hands on with their investments. It's an investment that not only can increase in value but can open the door to experiencing distilleries in an immersive way.

CHOOSING THE RIGHT INVESTMENT: CATEGORY



The first decision when choosing a whiskey investment is selecting which category is best positioned to achieve investor objectives. The two primary categories for whiskey investment today are Scotch Whiskey and American Whiskey. Within each of these primary categories are further subcategories that each offer distinct characteristics that vary in demand among whiskey consumers. Scotch Whiskey is generally divided into six regions of production, whereas the American Whiskey industry is broken down by mashbill. In addition to Scotch Whiskey and American Whiskey, the third category is world whisky. This broad category includes whisky from any of the rising number of countries around the globe. The team at CaskX monitors each of these categories and subcategories in order to help investors build a diversified portfolio.

CHOOSING THE RIGHT INVESTMENT: DISTILLERY

A critical factor when selecting a whiskey cask investment is evaluating the distillery from where the spirit is produced. It's imperative that investors consider not only the past performance of distillery products in the market, but also any initiatives that the distillery is implementing to drive future demand as well. Investors can select casks by many different types of producers ranging from well-established distilleries to smaller experimental distilleries that are just beginning to rise in prominence. CaskX regularly monitors growth and market trends for distilleries in which it has relationships and for new distilleries with whom it can partner in order to select offerings that match client investment objectives.

Select Distillery Partners:



CHOOSING THE RIGHT INVESTMENT: MATURATION

When selecting a whiskey investment it's possible to purchase casks of varying levels of maturity. Investors can choose casks that have already been aged for extended periods of time or spirit that has only recently been distilled. The maturity of a chosen cask has a direct correlation to value as whiskey commands increasingly higher price points with each year of additional age.

The first consideration related to maturation is the optimal holding period for the chosen category of cask investment. For example, scotch whisky matures more slowly due to the use of repurposed casks in the aging process whereas bourbon whiskey is required to use new casks that facilitate a faster maturation process. Investors must evaluate how the amount of time required to adequately age the chosen category of cask fits with their investment objectives.

The second consideration when choosing the right maturity of casks to include in your portfolio is historical growth. Based on an analysis of supplier quotations of casks of varying vintages, the highest levels of growth in cask value occur during the initial period of aging. After an initial spike in appreciation, casks continue to appreciate steadily as they cross into older ages. By investing in younger casks, an investor stands to observe the sharpest percentage increases in the overall value of their portfolio in the first 3 years of maturation.

In addition to capitalizing on the accelerated growth period during the first 3 years of maturation purchasing younger cask maturities allows for a larger portfolio of casks to be purchased at a given entry point. For most investors, a portfolio will achieve optimal returns by allocating the largest proportion of a portfolio to spirits aged 3 years or less.

CHOOSING THE RIGHT INVESTMENT: MATURATION

BOURBON	Growth Pct	Volatility	Initial Investment	Liquidity	Optimal Holding Period
New Make 1 - 4 Years	10-16%	Low	\$	★★	10 Years
4 - 10 Years	8-14%	Low	\$\$	★★★★	5 Years
10 - 15 Years	6-12%	Low	\$\$\$	★★★★★	< 5 Years
15+ Years	6-12%	Low	\$\$\$\$	★★★★★	< 5 Years

SCOTCH	Growth Pct	Volatility	Initial Investment	Liquidity	Optimal Holding Period
New Make 1 - 4 Years	8-14%	Low	\$\$	★★	20 Years
4 - 10 Years	6-12%	Moderate	\$\$\$	★★★★	15 Years
10 - 20 Years	4-10%	Moderate	\$\$\$	★★★★★	10 Years
20 - 30 Years	4-10%	Moderate	\$\$\$\$	★★★★★	5 Years
30 - 40 Years	2-8%	Moderate	\$\$\$\$\$	★★★★★	< 5 Years
40+ Years	2-8%	Moderate	\$\$\$\$\$	★★★★	< 5 Years

Growth Percentage: Annual appreciation in value.

Volatility: Unpredictable fluctuations in value over time.

Initial Investment: The relative amount of initial investment in the designated category and age of the whiskey. \$ represents a low minimum investment. \$\$\$\$\$ represents a high minimum investment.

Liquidity: The ease in which the asset can be sold to other buyers on the secondary market.

Optimal Holding Period: Ideal number of years to achieve optimal returns.

This table is being provided for illustration purposes only and are general estimates of the factors that may influence an investment decision based on the whiskey's age. There are a number of risks and uncertainties associated with an investment in whiskey casks and many factors influence the price that might be paid for a whiskey cask or whiskey bottle; thus, the information in this chart should not be relied upon as an indicator of returns you may achieve on the sale of any whiskey from the cask in which you may invest. The actual returns will be driven by a number of factors, including without limitation, general economic conditions, consumer demand for whiskey products, the age of the whiskey in a cask and the brand recognition of the distillery who manufactured the whiskey.

COMPLETE PORTFOLIO MANAGEMENT

While investing in a single whiskey cask can be both rewarding and thrilling, the true investment potential of the asset class is maximized by building a portfolio of cask investments. We believe constructing a cask portfolio allows for reliable returns over time by diversifying across investment categories, distilleries and maturities to take advantage of future changes in the whiskey market. A cask investment portfolio spreads the value of the total investment across multiple assets, which we believe results in a strategy that can achieve flexibility.

CaskX offers portfolio management services for accredited investors looking to build long term value from whiskey cask investments. Our team of professionals is prepared to curate a diverse selection of casks using first hand knowledge of present market conditions and forward looking indicators, to create a portfolio of cask investments based on your investment preferences. Investors have the opportunity to provide input on specific casks, regions, distilleries, maturities or flavors to meet any specific preferences.

Portfolio management continues after acquisition with monitoring of cask holdings in order to evaluate opportunities to rebalance the portfolio by selling certain cask investments and reinvesting the proceeds into new offerings. Investors remain in control throughout the process by being solely in charge of authorizing all cask transfers and purchases. At any time a portfolio can be partially or fully liquidated by the investor, with the proceeds being dispersed following the sale and transfer of the sold holdings.

Simply put: CaskX has simplified the way that investors build and manage a cask portfolio, while still allowing clients to manage their investments.



YOUR EXIT STRATEGIES

After holding on to your cask portfolio for your desired holding period, it will be time to monetize your investments. Across the industry, there are 3 main options when it comes to selling off your casks, and CaskX can assist during each step of the way.

OPTION 1 - SELL CASK: This option is the fastest and easiest as it only requires the transfer of your investment rights, no physical movement of the liquid is necessary. Casks can be resold to an independent bottler, retailer, bar, corporate brand or even another investor who may be looking to hold the cask until it reaches an older age. The process is straightforward and yields a payout that can be remitted to the investor or reinvested into other cask offerings. There are 4 major categories of buyers that commonly purchase casks:

DISTILLERY BUYBACK: The original distillery is often interested in repurchasing well-aged casks so they can release the liquid as an official bottling. Distilleries cannot simply create more well-aged liquid, so obtaining casks from the investment community increases the supply available for the distillery.

INDEPENDENT BOTTLERS: Entities who release their own brand of single malt or blended whiskies are known as independent bottlers. These companies are always looking for casks to release under their label. Some major names in independent bottling are Gordon & MacPhail, Cadenheads and Signatory.

INVESTORS: Casks can be resold to other investors who are interested in holding the cask for a more extended period of time.

CORPORATE CLIENTS: Numerous types of companies are regularly looking for casks to bottle under their own label. Major corporations, hotels, restaurants and bars commonly bottle casks to differentiate themselves.

YOUR EXIT STRATEGIES

OPTION 2 - AUCTION CASK: While still a very small segment of overall whiskey cask sales, auctions for rare and old whiskey casks have become one of the rising stars at some of the world's leading auction houses. Many of the casks which have been sold at auction have beat estimates, thereby yielding windfall profits to sellers. CaskX can help clients sell casks through leading auction houses if they so choose.

OPTION 3 - BOTTLE CASK & SELL: Bottling a cask requires additional capital outlays for expenses associated with production, logistics and taxes. As such, most investors will choose to simply resell their cask investments using one of the strategies outlined previously. However, there are opportunities within the industry for investors who choose to bottle their casks and sell to individuals, bars and stores. This process is lengthier but stands to deliver more benefits beyond monetary ones. These bottlings can help build a whiskey brand, help commemorate a milestone or celebrate a major event with a bespoke whiskey release.



INTRODUCTION TO CASKX

For centuries whiskey has continued to rise in prominence around the globe, becoming a legendary spirit that is lauded by everyone from kings and celebrities to ordinary blue collar workers. It's an inclusive drink that can appeal to all types of palates, cultures and price points.

But the real beauty is the effort behind each expression. The delicate and intricate process through which whiskey comes to life truly capture the best characteristics of human ingenuity, craftsmanship, art and romance.

With each sip you can taste the dedication and years of stringent care that go into each drop. It's a drink that can only be created with time, getting better and better as the years go by.

From the complex flavors to its emotional appeal, there have always been countless reasons to love whiskey. But, now there is one more reason to love whiskey. For investment.

CaskX was founded at the crossroads of passion and finance. While our team has always loved whiskey, it wasn't until 2010 that we were first introduced to one of the most profound discoveries of our lives: individuals could invest in entire casks of whiskey.

For over 30 years we had been immersed in the world of tangible assets, but we had never seen an opportunity like this. Whereas most tangible assets remain the same, whiskey casks were an investment that continued to get better with time. Since whiskey continues to develop flavor and appreciate in value only while contained within the cask, this creates a very interesting dynamic for investors.

As we dug deeper, we discovered that it was very challenging for private individuals to gain access to the investment potential posed by whiskey casks due to the legal requirements surrounding sale and transfer.

CaskX set out to challenge these long-standing conventions and give investors around the world access to whiskey cask investing. No matter where you live, CaskX gives you the opportunity to start building a portfolio of whiskey cask investments.

When it comes to the world of alternative assets, the CaskX team stands apart with an unparalleled scope of knowledge that bridges finance and whiskey with an innovative approach to investing.

THE CASKX TEAM



JEREMY KASLER

Mr. Kasler has more than 20 years of experience in specialty finance, alternative asset investment and corporate strategy. CaskX combines his passion for whiskey with extensive expertise in pioneering innovative new investment platforms. Jeremy is widely regarded as an authority on tangible asset diversification and, through his organizations, strives to build profitable portfolios for investors around the globe.



JON READE

Mr. Reade is a leading tangible asset investment specialist. By leveraging his proven strategies he has helped hundreds of investors protect wealth and generate consistent returns from the investment in tangible assets. For the past 5 years he has combined his passion for whiskey and finance to identify whiskey cask investment opportunities that are intended to insulate investors from the volatility of traditional asset classes.



SARA HAVENS

Ms. Havens has been a bourbon enthusiast and educator long before the boom began. As a Louisville-based writer, her work has appeared in various publications, including Alcohol Professor, The Bourbon Review, Louisville Magazine, and Food & Dining Magazine. Recently, Havens was one of 10 finalists in the World's Top Whiskey Taster competition, beating out more than 400 contenders to represent Kentucky.

WHY CASKX?

DISTILLERY DIRECT

CaskX is building strong long term relationships with distilleries around the world as a component of the overall investment platform. By working directly with distillers, CaskX attempts to secure better opportunities for investors. These connections are also expected to provide additional monetization strategies through distillery buy-backs and bottling arrangements when investors are ready to liquidate their holdings.

TECHNOLOGY & INNOVATION

CaskX utilizes the latest technology, analytics, and innovation to allow clients to access the relevant information in order to make informed decisions. Easy and fast online access to cask portfolios is provided and a dedicated account manager is available at all times should any concerns or questions arise. Back-end processes are optimized with detailed investment modeling, data research, and opinions from seasoned experts to give investors the most educational and informative platform possible.

INTEGRITY & SECURITY

When it comes to building a whiskey cask portfolio, CaskX works diligently to protect investors by providing detailed documentation, secure storage facilities and regular monitoring of each investment. In addition, CaskX is the first whiskey investment platform to provide an annual third party inspection of all holdings conducted by a public accounting firm. These measures ensure that investors can rest easy knowing holdings are being regularly reviewed by an outside party.

INVESTMENT-FOCUSED

CaskX strives to look beyond tasting notes and whiskey lingo, to see the true investment potential of cask offerings and the future market value of brands. The analysis of each opportunity looks at the historical growth of the distillery by analyzing new releases, previous casks sales, and the brand's position in the global industry. No doubt, whiskey is for drinking, but our approach looks beyond the liquid itself to evaluate investment metrics, expected profits, and long-term growth.

GLOBAL REACH. LOCAL SUPPORT.

With offices in the United States, Sydney, and Hong Kong, CaskX strives to stay as close to clients as possible to provide timely help and support when they need it. These local offices are part of the CaskX commitment to developing long term relationships by connecting regularly with clients.

GET STARTED TODAY

Quite simply, an investment in whiskey has the potential to generate higher returns than other popular assets. While a few technology stocks might experience triple digit returns in a given year, whiskey casks have historically achieved stable and consistent returns even in challenging market conditions. It's an investment that offers the opportunity to protect wealth with the security of a tangible asset that gets better with time.

Prominent investors around the globe have been astutely aware of the potential, allocating a larger portion of their portfolios to whiskey. By building a diverse collection of whiskey casks, investors can bring greater stability to their holdings than what can be achieved from traditional financial markets.

The key to improving your returns with whiskey is knowing what to buy. It's about picking the right distillery, the right age and the right cask.

That's where we come in.

CaskX helps investors around the world build profitable portfolios of whiskey casks. Our team provides expert guidance in selecting bourbon and scotch whiskey casks that are positioned for growth.

Want to start building a whiskey portfolio? Contact us for a free consultation today.

FREE CONSULTATION

Discover how you can build a portfolio of whiskey casks that is intended to generate returns on your investments.

Visit us online:

<https://caskx.com>

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