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## Drinking An Iconic South African Red – Unravelling the Meerlust Estate Cabernet Sauvignon 1976 and the South African Fine Wine Investment Market...

AUGUST 2, 2018 ~ GREG SHERWOOD

In the week that Wine Cellar South Africa launched (and sold out of) its first fine wine investment fund built around (physical) iconic South African wines from the 2015 vintage, I thought it was fitting to drink a wine that illustrates the true greatness of South Africa's best red wines. In light of the Wine Cellar VIP 2015 offering, many international commentators less intimately connected to the fine wine market have stated that "few South African wines improve appreciably with extended ageing" and thus the fine wine investment model is built on a sandy foundation.

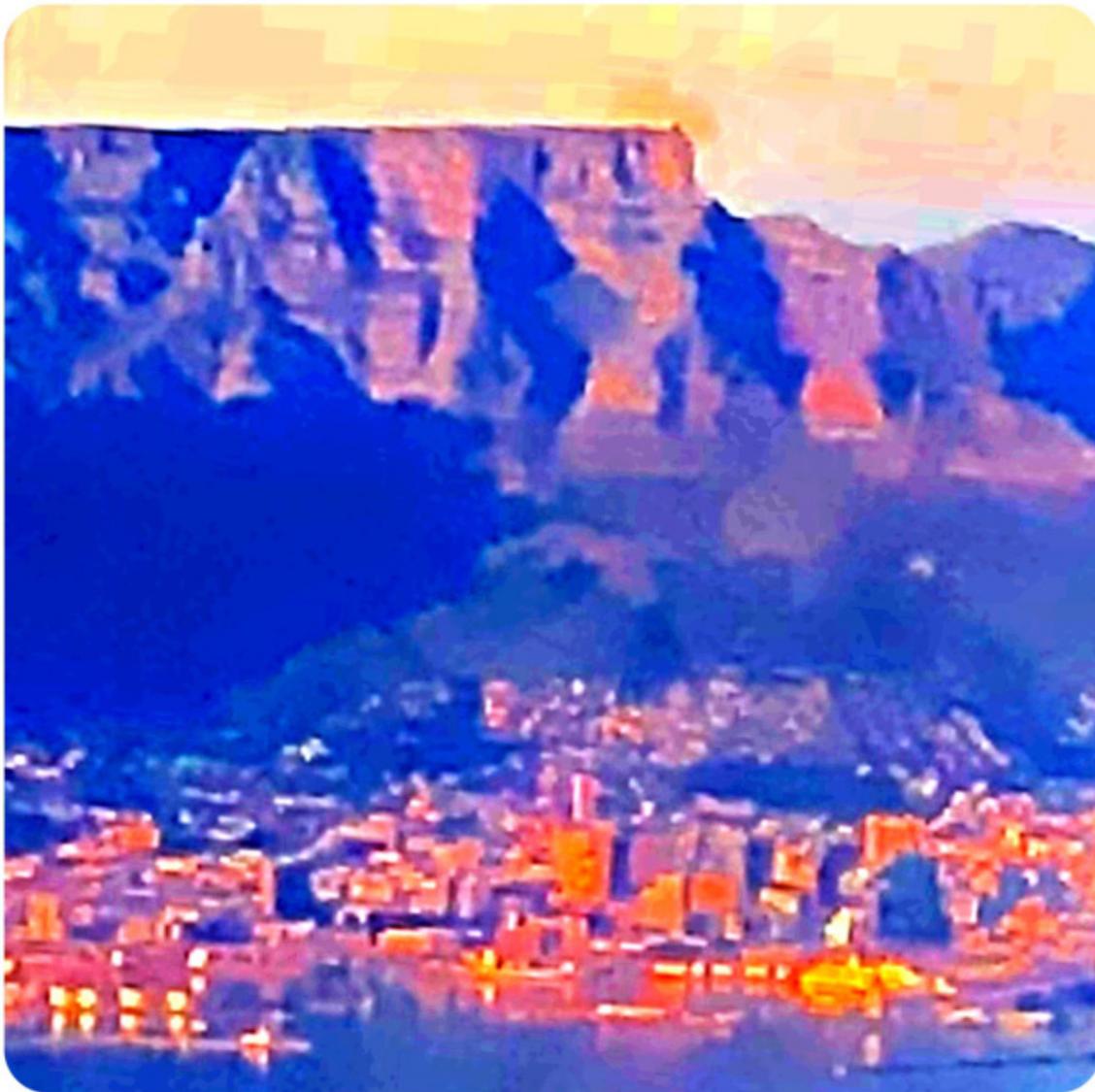


Firstly, one needs to clarify what extended ageing implies. From a wine trade / merchant point of view, one could reasonably expect the quality of wines included in the VIP 2015 Fund to age and certainly improve incrementally for easily 10+ years... and many on the list for certainly 20 years plus. Secondly, to say that there is no secondary market for aged South African fine wine is blatantly wrong. There is massive demand but merely little to no supply... and the older stock that does make it to market commercially is either small parcels kindly released by the wineries themselves from archive stocks as more of a marketing endeavour or the stock is from provenanced private collections. Either way, it is an insignificant, non commercial quantity unable to influence the market in any meaningful way and adds no liquidity.

I have been involved in the top end of the UK fine wine trade for 20 years now, many of which I have actively been promoting and selling the very best wines from South Africa to international collectors and connoisseurs. Admittedly, you need to sell the best names

from the best vintages, but that is certainly no different anywhere else in the fine wine world. Many top South African red (and white) wines clearly age very very well and while you always need to be selective and take professional advise, this fact is now indisputable.

To many, the term or idea of investing in a wonderful agricultural product like wine is sacrilege, a dirty word, a dirty concept. But for time immemorial, the concept of “*investing in wine*” implied buying double your requirements, with money you did not always readily have, and then selling half the wine several years later when more scarce to finance the drinking of the other half. In essence, this is still the model many fine wine investors (drinkers) that I deal with on a day to day basis follow. Indeed, I cannot name one private client on my books who is tea total and who only invests in wine for the hard cold cash returns. They are all passionate about wine.



One thing is very clear to me however. For South African fine wine to gain a genuinely fluid and dynamic foothold in the fine wine investment market globally, there has to be a strong

and confident “wine investment culture” locally in the home market of the wines in question. The demand for older vintages needs to begin at home and then ripple out to international markets. For far too long it has been international buyers piling into the Nederburg Auction wines, the Cape Wine Makers Guild Wines or the odd rare fine wine older vintage auction offering. This Wine Cellar VIP 2015 Fund marks the turning of a corner, where locals put their money where their mouths are and invest in iconic wines from possibly a once in a generation quality vintage. With over 12,000 bottles included in this fund, we should over the coming years, see stocks of these perfectly cellared older vintages released onto the market for local and international consumption at a premium that is commensurate to the quality and rarity of the given wine. Supply and demand will decide that premium.



For what it's worth, I bought this wonderful Meerlust Estate Cabernet Sauvignon 1976 from the winery in March 2018 and drank it recently at a South African themed fine wine

lunch in London. Poured sighted, there wasn't a taster on the table of seven that did not sit in awe of its youthful elegance. A true testament to the ageability and longevity of classical Cabernet Sauvignon produced by one of South Africa's top estates. The message now disseminating out of the South African fine wine scene is not whether the country is able to produce age worthy wines of super premium quality, but whether the industry as a whole has the skills and knowhow to market these wines globally in a proper confident manner, for the correct premium price tag and importantly, to the correct target market segments? Time for everyone to up their game in the South African fine wine trade.

### **Meerlust Estate Cabernet Sauvignon 1976, W.O. Stellenbosch**

A beautiful mahogany colour, the nose is initially tight and cedary, spicy and quite restrained, but 20 minutes of air in a decanter after the cork is pulled allows this grand old wine to open its shoulders. Wonderfully mellow but still vibrantly youthful, beguilingly complex, fragrant and intriguing. The palate is loaded with lovely sweet raisined cranberries, violets, sweet tobacco, black tea and an earthy red currant sappy depth. Texturally this is so fine, initially quite piquant and spicy but also beautifully elegant. Incredible to think this wine is 42 years olds and still going strong. A bold, powerful and elegantly regal red showing the real potential of South Africa's greatest terroirs and the true premium standing of great Cabernet Sauvignon. What a treat!

(Wine Safari Score: 94+/100 Greg Sherwood MW)