



MARK LITTLER

# The Fundamentals of Cask Investment: "New Make Whisky"

by Mark Littler

[marklittler.com](http://marklittler.com)

# Contents

<b>Welcome</b>	<b>03</b>
– Introduction & Why Mark Littler	
<b>Cask Investment Fundamentals: Three Strategies</b>	<b>05</b>
<b>Cask Investment Fundamentals: Age</b>	<b>07</b>
<b>Cask Investment Fundamentals: Brand</b>	<b>10</b>
<b>Cask Investment Fundamentals: Returns</b>	<b>14</b>
<b>Cask Investment Fundamentals: Autonomy</b>	<b>16</b>
– Delivery Orders	
– Bottles From Your Cask	
<b>Choosing A Cask</b>	<b>19</b>
– Cask Size	
– Cask Type: Sherry Versus Bourbon	
– Cask Type: First-Fill Or Refill	
<b>Ongoing Advice</b>	<b>23</b>
<b>What Will A Cask Investment Cost</b>	<b>24</b>
<b>What To Expect</b>	<b>25</b>
<b>The Checklist</b>	<b>26</b>



# Welcome

Thank you for your patience while we work through the waiting list. We have put together this and the accompanying Distillery Reports to ensure you understand the fundamentals of cask investment in new make whisky, and to give you a good idea of what we offer and why. Armed with this information we believe you will be in a position to make an informed decision on whether new make is the right cask investment for you.

Should you be interested in discussing any of the points further, then please get in touch with [hannah@marklittler.com](mailto:hannah@marklittler.com) or you can book a call or video call directly with the link in your email.

## Why us?

Mark Littler Ltd has helped people sell millions of pounds worth of casks, and that puts us in a unique position to know what has worked for cask investors over the last 30 years.

When customers started coming to us to ask if they could buy from us, we realised there was a gap in the market for clear, education led information investing. That approach remains at the core of what we offer with cask investment.

If you have questions now, or at any point during your cask investment journey, we are happy to answer, and will aim to do so in a clear manner.

## Ownership

All casks sold through Mark Littler Ltd are sold via a delivery order acknowledged by the warehouse where your cask will be stored. This is the industry standard way of transferring ownership and gives you full autonomy over the casks you own.

## Experience

We use our experience within the cask market to select casks that we believe give you the best potential for your investment.

## Expertise

Our education led approach will help you make the right decision for you, and we're there for questions every step of the way.

## Advice & Support

We are there throughout the lifetime of your cask ownership, offering support and assistance on everything from samples to regauging. Should you choose to, when the time comes we can also offer advice on selling your cask.





# Why Mark Littler Ltd

## Our Commitment To Excellence

We take great pride in our cask buying service, supported by over **600** five-star reviews across Google, Yell and Facebook.

These testimonials, predominantly from clients whom we've assisted in successfully exiting their cask investments, stand as a testament to our expertise and deep understanding of the whisky market.

Each review not only represents a story of success but also enriches our knowledge base, enabling us to offer nuanced advice and exceptional service to new clients embarking on their whisky investment journey. Our client feedback is not just a measure of satisfaction, but a cornerstone of our continuous commitment to excellence in the world of whisky investment.

## An Authority In Whisky Investment

Mark Littler is acknowledged not only for his profound knowledge in whisky investment but also for his role as a regular contributor to [Forbes.com](https://www.forbes.com). His position underscores his expertise and commitment to providing authoritative advice in the field. His insights into the intricacies and risks of cask investment are frequently featured in media outlets such as The BBC, The Telegraph, BBC Radio 4, and The Scottish Field.

★★★★★ *N.Hayes*

"After 20 years I'm a bit maudlin at seeing my madeira butt go but the process was made easier by recruiting Mark Littler to assist. Communications with Mark and his team are quick and simple. What Mark says, he does, with openness and integrity which in these times of charlatanism is a relief to come across. His counsel and advice held water and helped me realise one of my ambitions. I contacted Mark after hearing him speak on the BBC's 'The Food Programme'. My thoughts were that if the BBC's production team had vetted him and found all wholesome then he would be good enough for me. As a result, I can recommend Mark wholeheartedly. I will be going back to Mark in 5 years time when those casks I bought for our children will need to be sold to help them onto their respective property ladders."

★★★★★ *R Zimmerman.*

"I had several casks of Scotch for many years and wanted to sell them. I'm in the US and was completely unaware as to how to do so. I cannot recommend Mark Littler LTD highly enough. Mark walked me through the steps of the process of selling from start to finish and it was flawless. Communication was excellent. My casks were sold quickly and for a very fair price."

★★★★★ *F.Olsson*

"Helped with selling of my Bruichladdich whisky cask. Excellent services from first contact to payment. Good information and updates along the way."





CASK INVESTMENT  
FUNDAMENTALS:

# Three Strategies

## Three Strategies

There are three core ways to invest in casks of whisky, which one is best for you is going to be based on your budget and time frame.

The most important thing to remember is that all options are long term investments. At Mark Littler Ltd we do not suggest looking at cask investment unless you are comfortable with a minimum 10 year investment.



### New Make

- **Age range: 0 to 3 years old**
- **Investment period: 15 to 20+ years**
- **Prices from: c. £2,000**

*This is the most cost effective way of buying whisky. It also needs the longest investment period: 15 to 20 years ideally. A cask of new make spirit starts at around £2,000 for a barrel.*

### Young Casks

- **Age range: 3 to 12 years old**
- **Investment period: 10 to 20+ years**
- **Prices from: c. £4,000**

*Young casks offer the best balance of cost versus length of investment. Barrels start around £4,000 and investment period can be brought down to around 10 years.*

### Mature Casks

- **Age range: 13 to 20 years old**
- **Investment period: 10+ years**
- **Prices from: c. £12,000**

*Investment into older casks requires a higher starting budget and entails more risk. It's important to note that buying older casks is still a long term investment.*







# CASK INVESTMENT FUNDAMENTALS:

## Age



## Age Driven Increase

### The Foundations For Your Investment

Calculating a cask's value is complicated, but at its essence there are two core ways that casks increase in value, of which age is the most reliable.

Put simply, older whisky is worth more than young whisky, and this is the fundamental principle of cask investment.

Value does not increase indefinitely or linearly with age. The value of a cask increases slowly in the first 10 to 12 years of a cask's lifetime.

This is largely due to the dominance of blending within the market and the impacts of that on the relative scarcity—88 to 90% of the whisky produced in Scotland goes into blends, which are predominantly 12 years or younger. Casks under 12-years-old are relatively common, availability then drops steeply after 10 to 12 years, giving a corresponding increase in cask cost.

Around 18-years-old whisky becomes classed as a premium product.

The combination of an increase in perceived quality and the rapidly increasing scarcity in the late teenage years means it is around 18-years-old where value starts to increase more rapidly.

### Shaping Your New Make Investment

New make is the cheapest way to buy a whisky cask.

However because value increases very slowly in the first 12 years of maturation buying new make necessitates a long term investment.

We suggest you should aim to hold a new make cask for at least 15 to 20 years.

If you want to shorten your investment you can look at “young casks” aged 3 to 12 years old. These are still a minimum 10 year investment.

Our opinion is that casks are not suited to shorter or mid-range investment strategies.

**This part of the guide is designed to cover the fundamental basics of cask investment and the most frequently asked questions. Of course, we can't cover everything in a PDF, so please do feel free to contact us with any questions.**



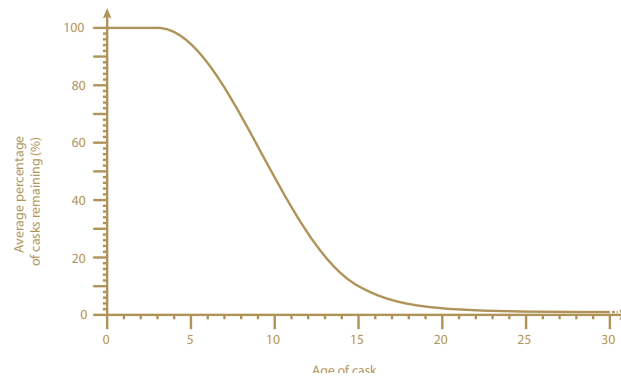


## Age Driven Increase

### The Angel's Share: A Wasting Asset

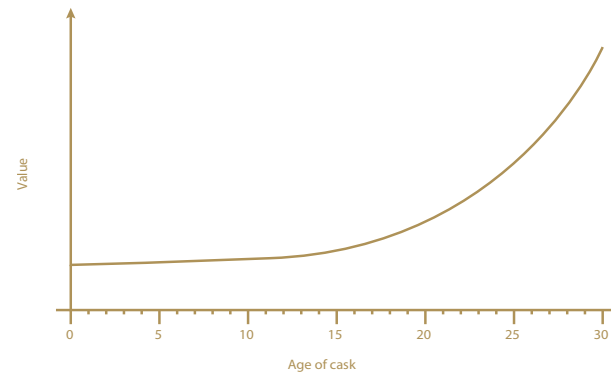
Whisky matures via a combination of interaction with the wood of its cask and exchange/evaporation with the air. The amount of whisky and the alcohol content of that whisky drops as the cask matures.

The drop in volume and the limit of 40% for whisky set by the Scotch Whisky Association means that there is a limit of the age to which you can mature a cask.



Left hand demonstrative graph: The average percentage of casks remaining from whisky distilled in a given year versus the age of the casks; casks are not used evenly throughout their lifetime.

That age varies from cask to cask, and so casks need to be monitored to reduce the risks associated with this natural change. Casks should be regauged every three to five years (frequency increasing as the cask gets older) to monitor your casks and help you decide the best time to exit.



Right hand demonstrative graph: The value of a cask versus the age of that cask, which is not a linear relationship; value rises slowly to begin with and more rapidly as a cask ages.





CASK INVESTMENT  
FUNDAMENTALS:

Brand



## Brand Driven Increase

### Leveraging Potential

The second way casks increase in value is via their brand perception. By that we mean, if you have two casks of the same age and size, but from two different distilleries, sometimes the difference in value is beyond what could be explained by quality alone.

This is a widely experienced phenomena across almost all markets. In the same way that you do not buy a Rolex because it tells better time than a cheaper alternative, the value of some premium whisky casks are driven by their brand perception rather than purely by age and quality.

For those that bought whisky casks in the 1990s and 2000s, some were simply lucky, but some purchasers made their decisions based on key understandings of the market.

That allowed them to make investments in distilleries that have since repositioned their brands to a premium point in the market. This in turn has generated returns above what we would expect for age alone.

Not all distilleries will reposition their brand to achieve casks prices seen for the likes of Macallan, Springbank, Dalmore, Ardbeg, etc., and we're not promising to find you the next Macallan. But what we do when sourcing casks for our customers, is look at the points that are common to distilleries who have repositioned. We use those key qualities and indicators to shape what casks we select and offer to you.





## Brand Vs. Distilleries



Old, Established,  
Mainstream Distilleries

Old, Established But Not  
Widely Marketed Distilleries

Modern & Mainstream  
Distilleries



These distilleries are too well established to release casks to the market now, but 20-30 year ago, many sold casks to the public or through brokers to the public. Clever brand repositioning has transformed the value of their casks significantly above average.



For cask investment there is a niche of distilleries that are established & well respected in the whisky community and have significant potential given the right marketing attention. Casks in this category provide the ideal balance of value & prospect thanks to their existing market recognition, established quality and heritage.



New distilleries are limited to selling young, & therefore cheap, whisky. There is a ceiling to their market price based on the value of their releases, in turn limited by the age of whisky they can produce.

Their branding (examples above) acknowledges the importance of heritage and age, but the reality is they are modern distilleries & as such cannot command the premium associated with distilleries that can release high age statement whisky.

## Shaping Your Investment

We only source casks from established distilleries; every distillery who repositioned had an established heritage, which they leverage as part of premiumisation.

Established distilleries also have a proven market for when you come to exit, giving you a much more reliable investment.

Furthermore, established distilleries generally have large parent companies with the resources and reach to offer potential premiumisation.

Older distilleries also generally have the ability to offer older age statements, which are important for the potential for premiumisation.

Every cask we offer comes with full naming rights; without naming rights the potential for brand driven returns is removed completely.

Other points can also be important for premiumisation, but aren't universal so we cover these in the individual Distillery Reports that you should receive alongside this PDF.

### What We Don't Offer

We do not offer casks from new distilleries as we don't think they offer the right potential as an investment. They can offer a nice way to support a new venture, but for Mark Littler Ltd they do not fit within our remit for the casks we offer as a personal investment.





CASK INVESTMENT  
FUNDAMENTALS:

# Returns



# Why We Don't Talk About Returns

## Returns

We have never talked about returns with cask investment in terms either per annum or lifetime percentages, and we probably never will.

Mentioning returns that cannot be backed up by your own data was banned by the ASA in 2023. We have our own data for cask sales, but the nature of how casks mature makes any kind of average return at best meaningless and at worst misleading.

We have helped customers sell casks with a profit of anything from £3,000 to in excess of £300,000 across investments ranging from 10 years to over 30 years. Trying to create an average of that based on cask ages, sizes, fill levels, distilleries etc is meaningless in terms of the data it produces and the qualifications that need to be added.

It is also based on a market that has evolved considerably over the 10 to 30 years since our customers purchased their casks. And while data based investments are very important, it also needs to be used with an understanding of the fundamental changes that occurred during that time, and in turn recognising that some market shifts will not happen again. For example, you simply cannot buy a Springbank hogshead for £2,000 today, so it really doesn't matter that someone made £200,000 on one.

## Figures That Help

In the industry casks are sourced at a price per litre of alcohol. Litres of alcohol are calculated as bulk litres / 100 x ABV. This allows casks of different sizes and fill levels to be priced accordingly.

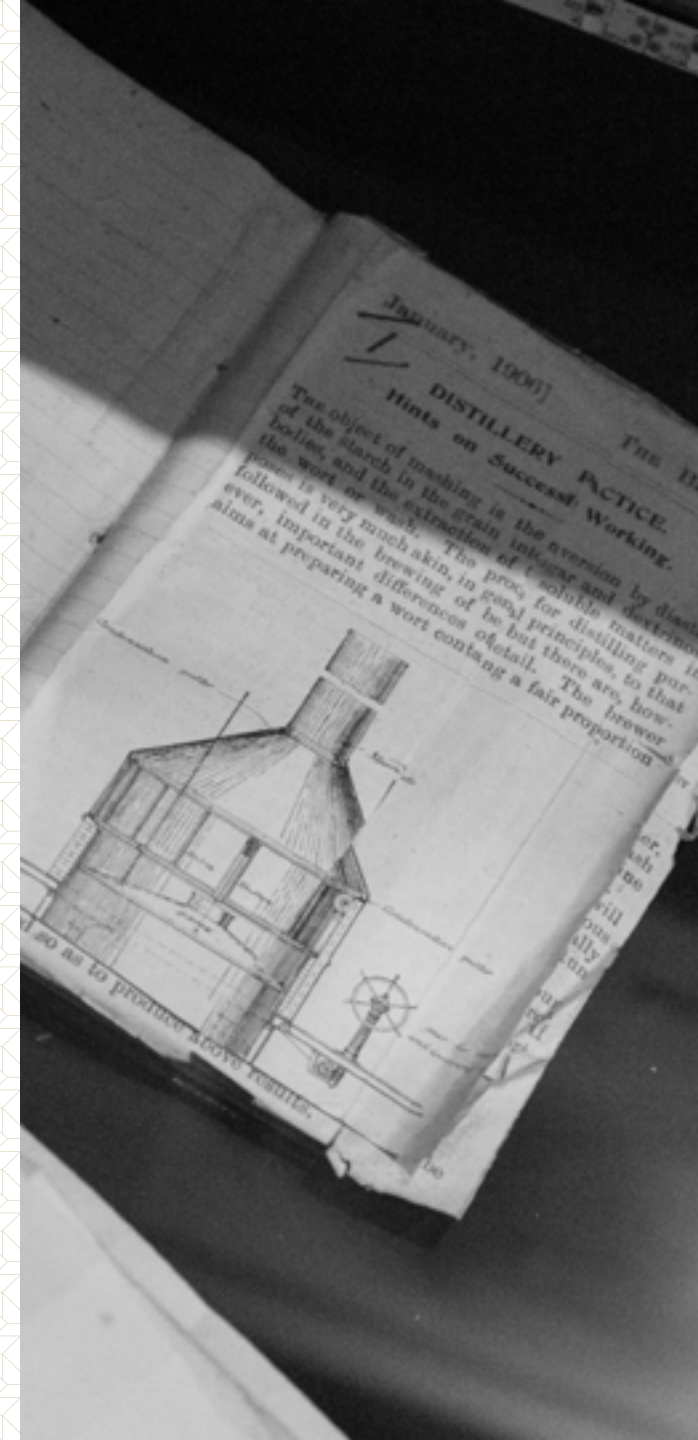
We source casks from roughly £18 per litre of alcohol for new make whisky, up to around £65 per litre of alcohol for casks under 12 years old. We do not generally suggest spending over £75 per litre of alcohol for a cask younger than 12 years old as a personal cask investment.

In today's market we would expect a 18 year old cask, from a good mid-market distillery to achieve between £150 to £180 per litre of alcohol.

The volume of a cask drops at approximately 1 to 4% per year (2% average) and the ABV at an average of 0.5% per year. This is what's known as the angel's share and is where the uncertainty comes in.

Variation means two casks of the same age and size maturing next to each other will experience different rates of evaporation. We can look at averages, but you need to monitor casks via regauge to ensure each cask is maturing as expected, and react if not.

For a starting point of a 200 litre barrel at 63.5% fill ABV, we can do some average calculations of drops in volume to give us an average exit price of £12,000 to £18,000. This is based on today's market, only takes into account age driven increase, and is not a guarantee.





CASK INVESTMENT  
FUNDAMENTALS:

# Autonomy



## Delivery Orders

When it comes to buying a cask we adhere to the guidance set out by the Scotch Whisky Association, ensuring you receive:

- A **Delivery Order** issued by the warehouse where your cask is, or will be, stored
- A **Contract of Sale** detailing exactly what you are purchasing including a full description of the cask
- An **Invoice** for the purchase price

We are one of the few whisky brokers in the country that provide a Delivery Order when you buy a cask. We go to the extra effort of providing this because receiving one guarantees that you are the sole and official owner of the cask, and the confirmation from the warehouse provides verification of the cask details.

The SWA say this about Delivery Orders:

*"If the cask is located in a warehouse that belongs to someone other than the seller, you should ensure that the transfer of ownership is properly recorded and acknowledged by the warehouse keeper."*

*"Traditionally this was done by way of a Delivery Order, a document setting out the details of the cask to be transferred, signed by purchaser and seller and then delivered to the warehousekeeper."*





## Bottles From Your Cask

Owning a cask is a unique chance to see how a whisky matures through its life.

We have worked with the award winning designer Tom Nicklin to design an incredible label for our clients bottles. Tom has worked with the likes of Johnnie Walker, Singleton, Bulleit, Haig, Royal Lochnagar, Dalwhinnie, Lagavulin and Talisker.

This means that when you get your memento from your cask it will look like a premium bottle of whisky that you would find in a whisky retailer. We also have personalisation labels so you can make your bottles individual for use as special gifts.

- £50 + shipping for one bottle
- £70 + shipping for three bottles

Prices are inclusive of VAT and duty but do not include shipping. If you require more than three bottles then please use multipliers for six, twelve, etc.





CHOOSING A CASK:

# Choosing a Cask

## What Cask Size Should I Choose?

### Barrels:

- Approx. 190-200 Litres

If you are investing in a new make cask then a barrel is the smallest size we'd suggest starting with.

Barrels have the biggest cask surface area to whisky/spirit ratio of the standard size casks, which means you are going to get strong to moderate cask influence over 15 to 20 years. You can make it stronger or weaker by choosing first fill or re-fill casks (more below).

### Hogshead:

- Approx. 240-250 Litres

Hogsheads are the most popular cask size. You're going to pay roughly 25% more for the liquid compared to barrels, plus a small premium for the additional wood.

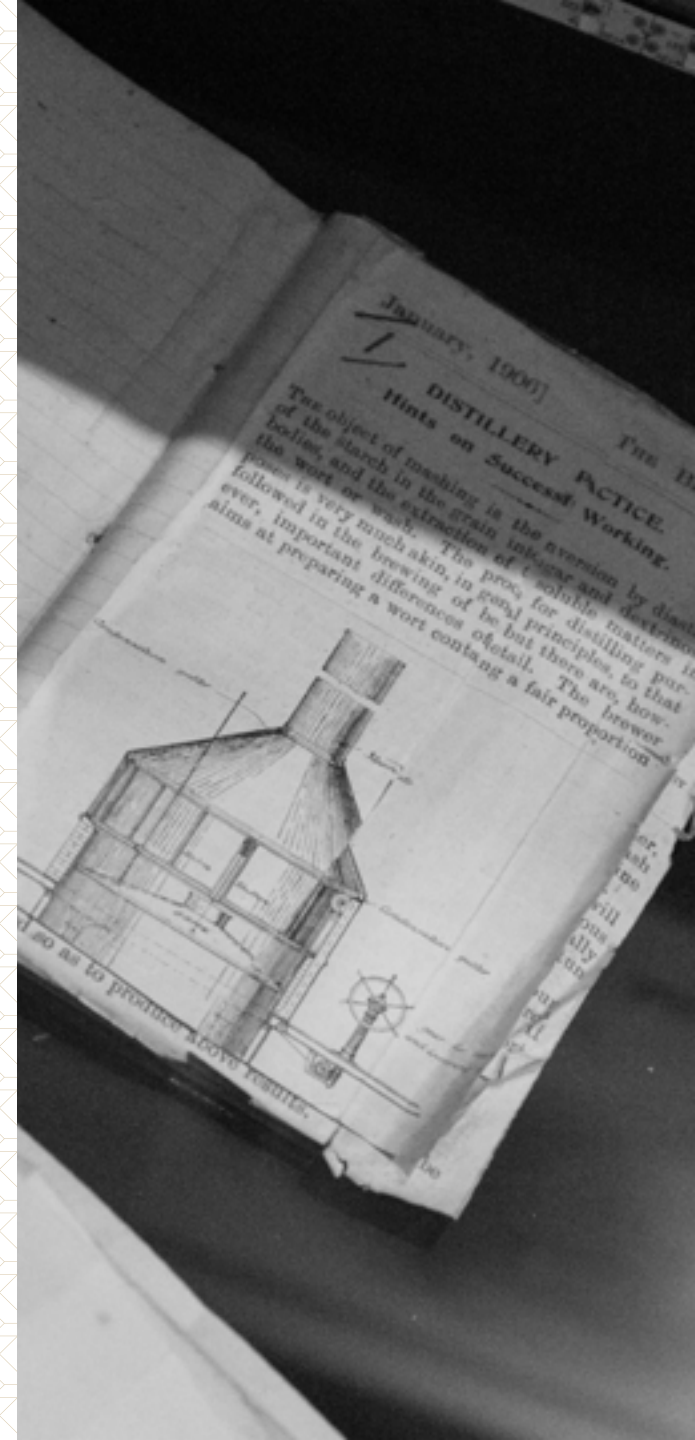
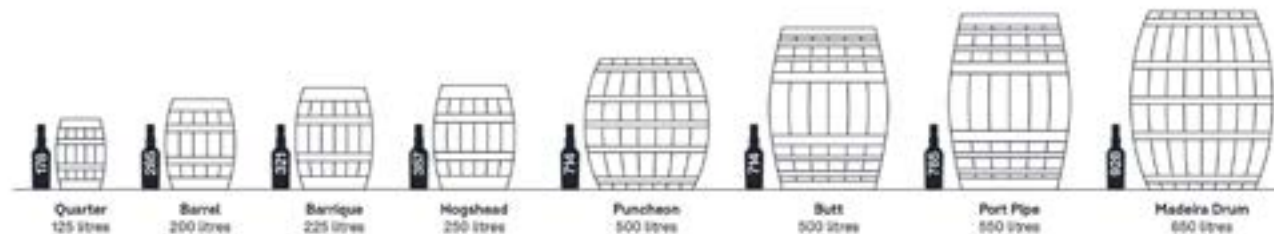
Hogsheads will still provide moderate to strong cask influence over 15 to 20 years. And again, you can control the strength of that influence by choosing first fill or re-fill casks.

### Butts & Puncheons:

- Approx. 480-500 Litres

Butts and puncheons are roughly twice as expensive as hogsheads. They can be a little more expensive because of the additional wood.

Larger casks have a smaller surface area to spirit ratio, so have a slower influence on the spirit as it matures. Larger casks are fine for a 15 to 20 year investment in new make, however if you are planning a super long 20 to 30 year investment they are the better option.





## What Cask Type To Choose?

The Scotch Whisky Association states that all scotch whisky must be matured in oak casks. Those casks can be used for something else previously, as long as it was something that traditionally matures in wooden casks. This gives a broad scope for different casks types within the industry.

A quick non-exhaustive list of potential casks types might be: bourbon, sherry, red or white wine, cognac, rum and even occasionally grain whisky. Drinks and spirits that wouldn't traditionally be cask matured are things like gin, vodka or beer.

The most common casks types used within the industry are sherry seasoned and ex-bourbon casks. Others are available but these are the most sought after and create the most robust whisky in terms of data driven future price.

### Sherry Versus Bourbon

*Ultimately the choice between the two comes down to your budget and personal preference. Also remember that you are not tied to one type. It is possible to "re-rack" into a different cask at a later point; this process is known as finishing. This option can allow you to benefit from changes in market preference, which can be particularly beneficial over the long term investment period needed for new make whisky.*

#### Sherry Seasoned

- Sherry seasoned casks are more expensive because they have to be made specifically for the scotch whisky industry.
- Less suitable for layering different cask options in the future.
- Currently more commercial and costs more as a result.

#### Ex-Bourbon

- Bourbon is the most widely used cask type in the industry and the most cost effective way to purchase casks.
- Suitable as a starting cask to finish in other casks later.
- The most common and cost effective wood choice.



## What Cask Type To Choose?

**First-fill** means that this is the first time the cask has been used to mature scotch whisky and usually indicates that it has been used to mature another spirit. The previous use is often specified, so you could get first-fill rum or first-fill bourbon etc.

**Refill** casks are those that have previously been used to mature scotch. For example, if you see refill sherry then the history of the cask is probably something like: 6 to 18 months seasoned with sherry, followed by an undisclosed period being used to mature a scotch whisky once, now it is being filled again.

**Virgin oak** means that the cask is brand new and never been used before. This isn't a very common cask type for scotch whisky.

### First-Fill or Refill

First-fill casks impart a stronger influence to the whisky over a shorter time frame compared to refill casks. What to go for depends on your preference and intended investment time frame.

Your choice may also depend on what cask type you are selecting. For example, first-fill bourbon is fine for long term maturation but first-fill sherry casks tend to impart a strong influence very quickly. First-fill sherry and a small cask size may not be an ideal combination for longer term maturation due to the risk of over-influencing. However you could change to this cask type later in your investment time period, known as re-racking.







## Ongoing Advice & Exiting Your Investment

Should you wish to discuss any aspect of your cask with us then we will be happy to help.

We do not currently provide a management service for your casks, however we can assist with all aspects of cask ownership, from arranging and interpreting a regauge to offering periodic valuations.

When the time comes we can help you exit your investment. Should you choose to sell via Mark Littler Ltd our current commission rate is 10% (8.33% +VAT). Just like when we source casks, we work with the whole market to match your cask with the right buyer at the right price. This will depend on your cask at the time you come to exit.





## What Will a Cask Investment Cost?

We often get asked about the ongoing costs involved in cask investment. For clarity here is a list of costs you can expect during the lifetime of a new make cask investment:

### Initial costs:

**Cask purchase cost:** from £2,000 to £5,000

**Our brokerage fee:** £300 + VAT per cask (£360)

### Ongoing costs:

**Storage:** £100 per year\*

**Regauges:** £35 +VAT (suggested every 3 - 5 years)

### Optional costs:

**Insurance:** c.£350 per year

**Samples from your cask:** £70 per 3 bottles (see page 16)

You can read more about deciding whether to insure your cask [here](#) or talk to us about options.

\*Please be aware that annual storage costs are set by the warehouse and are subject to annual review. Storage costs reflect the additional admin involved in managing private accounts compared to trade and we regularly check prices against other warehouses that provide storage for private cask owners.



## What to Expect

If you have any questions or would like to go ahead with a purchase of one of these casks please contact Hannah: [hannah@marklittler.com](mailto:hannah@marklittler.com)

Once you have decided what to buy, the process of buying a cask is straightforward:

### Contract

We will issue you a contract to read and sign electronically that states your cask purchase details with us as an agent, and your ongoing agreement with the warehouse.

### Invoice

Once the contract is signed we will send your invoice. For WOWGR compliance payment should be from a personal account not a business account.

### Payment

On receipt of payment we send your details and payment to the warehouse, who will open you a private account and issue your Delivery Order.

### Delivery Order

Delivery Orders should be printed, signed and returned via post. The warehouse will confirm on receipt and transfer the cask into your name.

### Storage

Your new cask will be consigned to be moved to the warehouse for long term storage, please be aware we move casks in bulk to keep down costs for you, and as such this can be up to 6 months from receipt of payment.

### Ongoing

We are here to help with your cask management going forward. Whether it's arranging a regauge, taking bottles from your cask, or looking for an updated valuation please get in touch and we can assist.





CASK INVESTMENT  
FUNDAMENTALS:

# Checklist



## A Few Important Notes

We think it is important that we have accurately conveyed the key points to consider when deciding to invest in casks. Please read the below statements and check that you feel comfortable that you understand them:

### Whisky Is An Unregulated Market

Mark Littler Ltd. is not authorised or regulated by the FCA (Financial Conduct Authority). Whisky casks are not an investment of a specified kind within the scope of the Financial Services and Markets Act 2000 nor is it a controlled investment subject to Section 21 of the Financial Services and Market Act 2000 and the Financial Promotion Order. Any and all information provided by Mark Littler Ltd relates to whisky and its value.

No information provided should be deemed to constitute the provision of financial investment or other professional advice subject to regulation under the Financial Services and Market Act 2000.

The purchase of whisky casks described or recommended in our marketing materials or on the website may not be suitable for all people. You should seek your own professional advice as to the suitability of any such purchase before you enter into any transaction.

### Returns Are Not Guaranteed

Any information relating to past valuations of whisky is not necessarily a guide to future performance. The value of your purchase may go down as well as up, and your capital may be at risk. Mark Littler Ltd. cannot be held responsible for market fluctuations and conditions for the price of whisky.

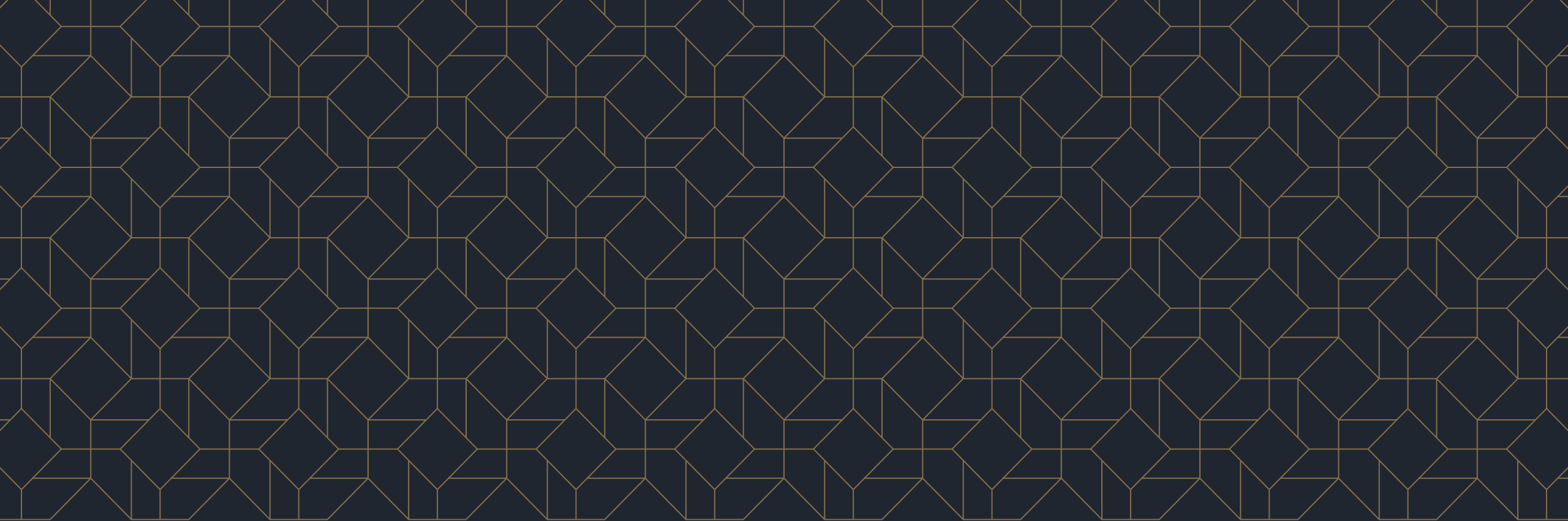
### The Inherent Vice of Cask Maturation

The volume of spirit/whisky within a cask drops over time, as does its ABV (alcohol by volume) this is part of the natural maturation of whisky but purchasers need to be aware that casks should be monitored via a regular regauge to manage the risk posed by this process. Regauge frequency should increase with the age of the cask, we suggest every 3-5 years for casks under 20 years old.

The ABV (alcohol by volume) of a cask must be above 40% for the contents of a cask to be classed as whisky. Casks must be matured for a minimum of 3 years before the contents can be classed as whisky.

Cask value increases slowly when the cask is young. Whisky cask investment should be viewed as a long term investment of at least 10 years.





Mark Littler Limited  
Riverside Mill  
Mountbatten Way  
Congleton  
Cheshire  
CW12 1DY

Ltd Company Number - 11174184  
VAT Number - 289367148  
01260 218718  
[mark@marklittler.com](mailto:mark@marklittler.com)  
[www.marklittler.com](http://www.marklittler.com)

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LITTLER**  
VALUE | ADVISE | SELL