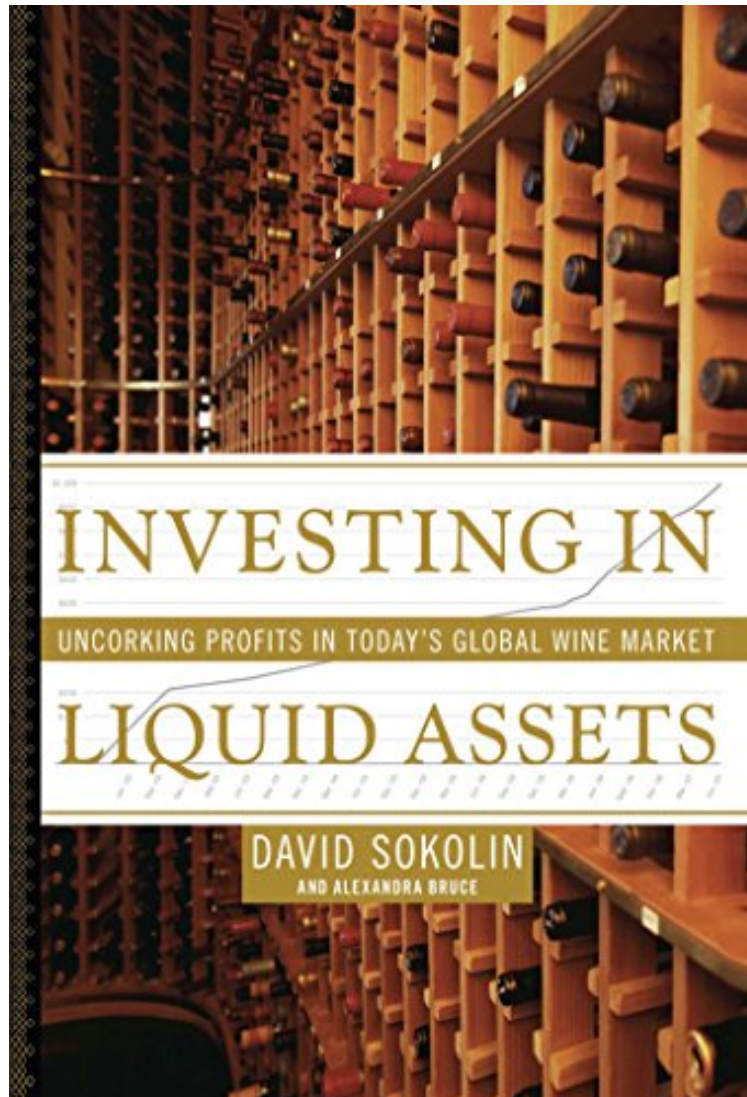


(Free download) Investing in Liquid Assets: Uncorking Profits in Today's Global Wine Market

Investing in Liquid Assets: Uncorking Profits in Today's Global Wine Market

David Sokolin, Alexandra Bruce
ebooks | Download PDF | *ePub | DOC | audiobook



[Download](#)

[Read Online](#)

#981972 in eBooks 2008-05-06 2008-06-15 File Name: B001B0U1UM | File size: 21.Mb

David Sokolin, Alexandra Bruce : Investing in Liquid Assets: Uncorking Profits in Today's Global Wine Market before purchasing it in order to gauge whether or not it would be worth my time, and all praised Investing in Liquid Assets: Uncorking Profits in Today's Global Wine Market:

0 of 0 people found the following review helpful. Required reading to understand both investing in and appreciating wine. By Chris Vroom Dave Sokolin possesses an expert insight into the factors driving the investment grade wine market. His book outlines the fascinating differences between regions and sets forth strategies to participate at any level. Thoroughly intriguing for investors and enthusiasts alike. 0 of 0 people found the following review helpful.

terrific!! easy to read and comprehensiBy Philip J. ShawA great book for the wine investor. Straightforward, clear, written from experience. Read the book and tens of thousands of hard earned dollars will find their way to fine wine and, with luck, expanded riches in both cash and delicious memories.5 of 7 people found the following review helpful. Must Have For Serious Wine CollectorsBy Hagbard CelineDave Sokolin is the most dynamic and entrepreneurial man in the American wine trade, involved in everything from vineyards to retailing, but mostly in the business of making money from investing in wine. If you really want to know how the business of wine works, buy this book. You might make some money, too, in a commodity that is highly non-correlative with equity investments.

Now more than ever, the value of Investment-Grade Wines (IGWs) and opportunities to invest in wine as an asset class are soaring. With a little research and a little risk, wine enthusiasts on every level will find it possible to gain big rewards in wine investment -- and there's never been a better time to try. IGWs have dependably outperformed blue chip stocks over the past 150 years, and the upscale wine market is still an area in which independent investors can profit handsomely. A third-generation wine merchant, and CEO of one of the largest rare-wine companies in the world, David Sokolin knows how to turn fine wine into cold cash. And he knows how you can, too. In simple, practical terms, Investing in Liquid Assets provides all the information you need to understand the economic principles that govern the world of fine wine and take advantage of the resources currently available. Using his insider's expertise, Sokolin defines Investment-Grade Wine and identifies the most financially important wine regions and styles. Defining the key players in the field, Sokolin shows you how to navigate the world of wine critics and understand the impact of their scores, and he explains why it's perfectly fine that your own personal tastes really don't matter. He offers tips on where to find reputable sources for fine wine, how to manage storage and resale, as well as all-important buying and selling strategies. In the second half of the book, he gives overviews of the world's greatest wine regions and offers his predictions about which regions and which wines are likely to represent the greatest investment opportunities in the near future. Providing information and tactics previously known only to successful professionals, Investing in Liquid Assets turns your passion for fine wine into a valuable resource that will pay for itself.

Dave Sokolin provides highly readable insight into the fascinating world of fine and rare wine investing -- packed with investment ideas and entertaining anecdotes." -- Hamilton "Tony" James, President and Chief Operating Officer, The Blackstone Group "I find Dave Sokolin's judgment about wine -- the taste of it, how it will develop, and where its price is headed -- to be of incredible value. Personally, I follow his suggestions not to make money on wine but to enjoy drinking the wines when the price gets to a level I wouldn't want to buy them at." -- Sandy Weill, Chairman Emeritus, Citigroup Inc.Dave Sokolin provides highly readable insight into the fascinating world of fine and rare wine investing -- packed with investment ideas and entertaining anecdotes." -- Hamilton "Tony" James, President and Chief Operating Officer, The Blackstone GroupExcerpt. copy; Reprinted by permission. All rights reserved.IntroductionIf you have never traded wine before, the idea of wine as an investment might seem mystifying or impractical, given the physical heft of a dozen wine bottles cordoned off in a wooden case. Despite perceptions that wine is simply a beverage, or at best a collectible, the fact is that a particular category of Investment-Grade Wines (IGWs) has emerged in recent years as its own alternative investment class, with characteristics similar to high-yield bonds, gold, and fine art. These assets are largely uncorrelated with stocks, so they provide a greater level of portfolio diversification and risk reduction. You may be surprised to know that returns on IGW have dependably outperformed blue-chip stocks over the past fifty years. Fine wines have become very easy to trade online and you don't even need your own cellar to store them. Despite rising prices, IGWs are still among the least expensive, easily tradable, and most profitable investment opportunities around.Blame it on the exploding popularity of fine wine as a consumable. Though long associated with highbrow affairs like a gala, a black-tie event at a local museum, or maybe a dinner among investment bankers celebrating the closing of a billion-dollar deal on Wall Street, wine is increasingly finding a fan base in more mainstream markets. It's now found for sale at Nascar races, and some tracks even offer wine-tasting programs for race patrons. One of Nascar's most famous sons, Jeff Gordon, makes wine under his own label and owns a collection of rare wines that has been featured in the pages of Wine Spectator magazine.But it's outside America where the economic trends are really driving the growth in the finest wines. The rise of global wealth, particularly in Asia, Russia, and other emerging parts of the world, combined with increasing awareness about wine, has spawned an unprecedented demand for what I call investment-grade wines. Not among investors, mind you, but among consumers who suddenly have the discretionary dollars to splurge on some of the best wines money can buy. Due to the unique properties of these investment-worthy wines, the world has entered an era where continually decreasing supply meets continually increasing demand for the relatively limited supply of the world's greatest wines. Where this sort of supply-demand dynamic emerges, you suddenly have...an investment opportunity.Little wonder, then, that Wall Street has latched onto the idea that fine wine now has investment-grade characteristics. Fine-wine investment funds have launched in the United Kingdom, the United States, and Australia in the last few years, and all are solely in the business of profiting off the price appreciation that is basically unavoidable in certain wines. Why is this price

appreciation unavoidable? In a word, consumption. Unlike other assets, wine is drunk by buyers. Over time, fewer and fewer bottles exist of the comparatively small lot of the world's best wines that, themselves, are improving with age. The result: Every time someone pulls the cork on a bottle of 1982 Chateau Peacute;trus -- one of the truly great wines -- the remaining supply of that vintage rises in value. No one will ever own the last tradable share of IBM. But one day, someone will own the last known bottle of '82 Peacute;trus, and that bottle might just be worth enough to buy a winery. Like stocks and bonds, fine wine even has its own index of prices now. The London International Vintners Exchange (Liv-ex) is an electronic exchange of about 150 merchants and professional traders in the global fine-wine market. Liv-ex produces the Liv-ex 100 Index, which is to wine what the Dow Jones Industrial Average is to U.S. stocks -- the leading blue-chip index. In Liv-ex's case, the blue chips are 100 of some of the most widely traded fine wines from the French regions of Bordeaux, Burgundy, Champagne, and the Rhocirc;ne, as well as some of the Super Tuscans from Italy. The Liv-ex 100 is used by wine merchants, wine funds, and investors around the globe to price the wine they own or want to invest in. In another sign that fine wine is a recognized investment class, in 2006 Bloomberg, the New York purveyor of global financial data, began listing the Liv-ex 100 alongside such storied investment indices as the Dow Jones Industrial Average and the Standard Poor's 500. Fact is, wine investing has become so easy that many wine enthusiasts have become accidental -- and successful -- investors almost overnight, simply by dint of what's tucked away in their cellar. Indeed, if you find yourself sitting on a small wine collection, you might already be a de facto wine investor. It is easier than ever to buy and sell investment-grade wine. Over the past decade, the market has radically shifted from a brick-and-mortar, merchant-centric business into one that is reviewer driven and Internet based, making it just as easy these days to research and trade wine as it is to trade stocks and mutual funds through an online brokerage firm. The online merchants provide the exchange through which to buy and sell; the reviewers and their universally recognized scores provide a standard of measure that crosses currencies, language, and tastes, and allows buyers in Hong Kong to effectively deal with sellers in New York on equal terms. In addition, the many professional wine-storage businesses that have popped up across the country in recent years have greatly helped to facilitate wine trading. So, whether you're a wine lover who wants to become an investor or an investor who wants to know more about wine, this book is for you. I've written it to help collectors and investors alike make sense of the investment side of wine -- all that you need to know to make appropriate decisions, everything from selecting the proper wines to storing them properly. In these pages you'll learn about the criteria I've used to identify successful wine investments over the years. My intent is to share the information that has helped me acquire one of the world's largest, most profitable rare wine portfolios. And who am I to write authoritatively on wine? Wine is my profession. As a third-generation wine merchant, I've had a front-row view of this business my entire life. I have experienced from an insider's perspective all of the dramatic market changes in an industry that, because of the global reach of the Internet, is transforming on a fundamental level. I know fine wine because I drink it, because I live it, and because I love it. I was fortunate enough to literally age alongside some of the world's finest of wines. While most of my friends were taking their first sips of beer from Dad's mug, I was sampling my father's 1961 Peacute;trus. The business I now run -- Sokolin LLC -- was founded by my grandfather immediately after Prohibition was repealed in December 1933. For decades, the store then known as Dave's Liquors was among New York City's best-established purveyors of spirits. But when my father, William Sokolin, took over in the 1950s, he made the radical decision to focus solely on the sale of top-flight wines. During this time in America there was virtually no market awareness nor any notable appreciation of fine wines, let alone consumers. Bill's own fascination with wine was spurred by an Alfred Hitchcock movie he'd chanced to see, Dial M for Murder, starring Grace Kelly as the wife of the debonair Ray Milland, with glass in hand. The sophistication and glamour of that scene resonated in him, instilling a vision of what he wanted the family business to become. Ironically, the wine in that film was Mateus, a markedly unsophisticated roseacute;. At a time when cocktails were the beverages of choice among America's imbibers, Bill began his oenological education and that of his customers with the sale of this humble brand. To everyone's benefit, he later graduated from Mateus to Peacute;trus. Bill changed the name of the business to D. Sokolin and began to emulate the business model established centuries ago by the wine traders of Great Britain. In 1959, he pioneered the sale of wine futures in America, allowing his customers to lock in a supply of fine French wines that the chacirc;teaux would not bottle and release to the public for another eighteen months or so. With unflagging enthusiasm, he played a role in educating New Yorkers about wines and the idea of holding fine wines for investment. He would tell customers to buy an extra case for each case they purchased, advising them that they could drink one case and later sell off a second case to finance their collection. His advice worked. Under my management starting in 1996, D. Sokolin has evolved into a high-tech wine-sales and -storage facility located in Bridgehampton, New York. When I began my career in 1992, our most successful salespeople knew the vintage of Napoleon's favorite Pichon-Lalande. They were great storytellers with a passion for the history and the lore of wine. Today, our best brokers not only know the stories behind the wine, they also have a sense of the market and a keen knowledge of scores and prices. They see wine as not just a liquid but a liquid asset. What you'll find in the coming pages is my personal experience distilled. This is the modern guide to wine from an investor's perspective. A lot has changed in the twenty years since my father coined the term investment-grade wines (IGW). My efforts not only cover the basics of wine investing, but they also explain how the wine market has

dramatically changed because of the rise of the Internet, the emergence of cult boutique wines that work wine lovers into a frenzy, and the economic shifts that these days allow French chateaux to regularly ratchet the prices of their best Bordeaux higher. Here's what you won't find: a wine education. Plenty of books have been written to help consumers become better wine drinkers. While you will certainly become intimately familiar with the names of the world's greatest wines, this book isn't designed to teach you how to become a wine connoisseur -- though you probably will do a better job when ordering o...