

Investing in Liquid Assets: Uncorking Profits in Today's Global Wine Market, by David Sokolin, with Alexandra Bruce (Simon & Schuster, 304 pages, \$26)

David Sokolin is a third-generation New York wine merchant, and *Investing in Liquid Assets* maps out a comprehensive plan for purchasing wine for profit. Sokolin identifies investment-grade wines and explains how to buy them and when to sell them. To underscore his case, he documents the performance of a basket of Bordeaux that rose from a cost basis of \$327,400 in 1986 to \$3,273,280 in 2007.

Sokolin divides his investment "candidates" into three separate tiers and explores the effects of wine ratings, vintage charts, longevity, pedigree and price on their market performance. A wine's published score tops Sokolin's checklist. "Anything that achieves a rating of 99–100 is golden," he writes. "Most investors concentrate on wines that obtain at least 95 points because they have the ability to trade up to extremely high levels."

Sokolin outlines a two-fold strategy for acquisition: either buy wines as futures (or immediately upon release) or purchase them about five years from their expected maturity and wait for prices to spike. Another ploy is to procure older vintages that are trading below the price of new releases from the same estate. He contends that you can double your money in about five years by following this plan.

There are few surprises in Sokolin's first-tier Bordeaux, which includes all the first-growths and their equivalents. The very scarcity of top Burgundies creates a huge opportunity for appreciation, but on the downside, it's hard to put together a sizable position. Sokolin says one of the best bets for investors is the Rhône, "the last sector where you'll find pedigreed, long-lived wines with huge scores trading at affordable prices, posing tremendous possibility." Other regions, including California, Italy, Port and Sauternes (except Château d'Yquem), do not fare so well.

Sokolin claims that investment-grade wines have properties that can insulate them from economic downturns. So far, the fine-wine market has withstood the gyrations of Wall Street. What Sokolin doesn't say is that if markets collapse, you'd better be prepared to appreciate your investment in the glass.

—Peter D. Meltzer