

Many happy returns from my liquid assets

By **George Pitcher**

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Seldom have I ever been on the money, let alone "moved a market", as the financial people say. But, for the first time in my life, I appear to be among the ranks of shrewd investors.

And I'm anything but a short-seller; what I am is relatively long in Château Lynch-Bages and other fine Pauillac clarets from Berry Bros & Rudd, purveyors of wine not only to Her Majesty but happily also to commoners like me.



Wine cellars: plenty for geeky City types to do

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Berry Bros has just let it be known that, while the thundering herd in the City has been despatched to the slaughterhouse, its cellars in St James's have been enjoying something of a special harvest.

It has shifted more than £60 million-worth of its fine wines since April, up £5 million on the same period last year, and last week's sales alone were up 20 per cent. The 2006 Lynch-Bages, in which I have a modest stake, sold out in 24 hours, though such is the calm of the Palace's nearest off-licence that I wasn't aware there was a rush.

advertisement Before anyone runs away with the idea that I'm viniculture's George Soros, let me say that I account for but a gnat's good-night-out of that total. A couple of years ago, an endowment policy I took out with good intentions to cover school fees completely bombed and I decided to put the money instead into something more, well, reliable than a financial institution.

I'd had an account with Berry Bros since the Victorian Phylloxera blight, so I transferred my standing order there. A couple of weeks ago, Berry Bros' version of what the banks would call a "relationship manager", William Gossip, emailed to let me know that there was a handsome balance on my account and some tastily priced Lynch-Bages to get into.

The rest is history, or possibly even a good vintage. But the surprising thing here is that so many people with far more financial nous than me were clearly doing the same thing. At Christie's last week they pushed some fine clarets to close on £1,000 a bottle.

Not so much a credit crunch, perhaps, as a credit quench. Plenty of investment wiseacres, wine merchants among them, will tell you that so-called alternative investments enjoy a boom when financial markets crash. So they do, but not always for sound investment reasons.

Retailers of fine wine or fine art, or for that matter vintage motor cars, will suddenly remember at times like this that their stock has intrinsic investment value "over the long term", or similar weasel words. That's poppycock.

Take it from this newly shrewd investor that, while it's true that you can make money in anything that has rarity value, only a few of us are pouring into wine for its potential returns. Our desire for fine wines is in inverse proportion to our faith in banks; just as we're repelled by the latter, we're attracted by the comforting and eternal things in life.


The psychology of demand goes further than that. Having fine wines gathering dust in the cellar is a slightly more secure way of keeping your money away from reckless banks than stashing your

cash under the mattress.

And there is plenty for geeky City types to do, too; planning progressive maturity to enjoy great drinking, keeping the cellar files up to date, checking temperature and humidity levels with gadgets every bit as exciting as stock-market screens.

Then there is the very pleasurable sense of mortality. Some of my wines won't start drinking until 2020 and Berry Bros is telling me that in some cases these clarets will keep improving until the half-century or beyond.

So this is, perhaps, a legacy asset, though that presents a fresh conundrum. I'd love to say we lay wine down to leave the next generation something it can sell. But that's poppycock as well. We're much more likely to drink ourselves into an early grave to stop the children putting lemonade with it at our wake.

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