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***Wine and Investment Seminar:  
The Influence of Robert Parker  
Abstract followed by Full Address***

***Abstract***

**1. Parker the Omnipotent: is Parker's the only voice that counts?**

- In general terms, no. Parker is neither the world's biggest selling wine writer nor its only influential critical voice.
- But in terms of ***investment***, Parker's scores are all-powerful and make the market for many (though not all) fine wines. In particular, they make the market for the prime wine investment vehicle: red Bordeaux.

**2. How did this situation arise?**

*2.1 Robert Parker profiled.*

- Parker's background and upbringing.
- The influence of Ralph Nader and the adoption of the 100-point score.
- The wine world prior to Parker and the significance of the 1982 vintage.
- Parker today.
- Parker's key qualities: enthusiasm, intelligence, a fine palate, a detailed wine memory, assured self-confidence.

*2.2 Robert Parker's influence on different sectors of the wine market.*

- The lower the price, the less the Parker score matters.
  - a) Parker's audience is a fine-wine audience.

- b) Low spend is low risk.
- c) Low price means wide availability.
- Parker points are not all of equal potency.
  - a) Parker and his collaborators (the 'School of Parker').
  - b) Parker and Australian cult wine scores.
  - c) Parker and Burgundy: a rare failure?
  - d) 'Double P' Parker scores for Bordeaux, the Rhône, California (and Provence) are of maximum potency.
- Parker and the web revolution.
- The future for Parker ... and for Parker points.

### 2.3 *The mechanisms of Parker's influence on the Bordeaux market*

- From the investment point of view, Parker only scores out of 10.
- The significance of Parker scores rises incrementally with their proximity to 'the perfect 100'.
- Parker's property scores take precedence over Parker's vintage scores.
- Blue chips and outsiders: some Parker scores are worth more than others.
- The joker in the pack: adjustable Parker scores.
- Market 'corrections' of Parker scores.

## 3. **Using Parker scores when investing in wine.**

### 3.1 *No-brain strategy*

- Buy only the top 100 wines (Parker 4\* and 5\* properties).
- Buy only the absolutely great vintages (Parker vintage scores of 91+).
- Ignore scores of under 91.
- Buy if possible wines with scores over 96.
- Avoid en primeur.

- In case of identical scores, favour pedigree over novelty.
- In case of identical scores and pedigrees, favour small production over larger production.

### 3.2 *Full-brain strategy*

- Consider en primeur.
- Anticipate changes in Parker scores.
- Find investment winners from good or unevenly great rather than absolutely great vintages.
- Monitor and exploit the effect of new vintages on existing or historical vintages.
- Monitor and exploit the effect of real-economy changes on the fine-wine market.

## ***Full Address***

Hallo to all. I've been asked to address the subject of Robert Parker, and his influence on the wine-investment market. I could give you a one-word speech, and that word would be HUGE. That wouldn't be very useful, though, so over the next forty minutes I hope to unpick the subject a bit, and then take any questions you may have at the end.

I remember the first lunch I was invited to as a fledgling wine journalist. This was in the late summer of 1988. A small group of us had been invited to meet a guy called Cristiano van Zeller, who at that time was in charge, on behalf of the owning families, of a magnificent port farm which I'm sure many of you know called Quinta do Noval. Now owned by AXA, of course.

Somebody mentioned Robert Parker; it was the first time that I had heard the name. "Robert Parker?" repeated Cristiano in his beautiful, posh English. "Robert Parker? Don't you mean God Parker?" There was a ripple of knowing laughter from almost everyone -- everyone except me. But ... I noted the name. Indeed I've never forgotten those remarks, since in a way they have set the stage for everything which has followed.

So let's begin with the question: Is Robert Parker – in fact -- God?

Well, Robert Parker is not the most widely read wine writer in the world – that would be Hugh Johnson, whose books outsell Parker's, and who is read by many drinkers who have never heard of Robert Parker.

Nor is Robert Parker's the only critical voice which commands respect. Britain's Jancis Robinson, America's Steven Tanzer, Allan Meadows in Burgundy, the lead writers and tasters for the American *Wine Spectator* magazine, Michael Broadbent, Steven Spurrier, Clive Coates, Oz Clarke, the French critic Michel Bettane – there is no shortage of influential critical opinion for fine-wine drinkers to draw on. So in that sense, he is not God either; he isn't the only critical show in town. Some of these critics disagree among themselves, and often disagree with Parker, too.

BUT when it comes to the pricing of fine wine, he is by far the most influential wine critic in the world. The means by which he exerts that influence is his practice of scoring wines out of 100 points. For certain wines, most notably top Bordeaux, it's barely an exaggeration to say that his scores, issued from a smallish house in the small town of Monkton in the small state of Maryland, make the market. This market-making ability may not completely confer divine status, but for many wine producers and fine wine collectors he is, indeed, not far off being -- God.

In his own field, indeed, we could say that the Sage of Monkton sits on a higher throne than the Sage of Omaha, since making the market is even better than calling the market.

Now, in order to help us fully understand the Parker phenomenon, what I am going to do is break this talk down into three sections. First, I'm going to provide a profile of the man and how he came to occupy this extraordinary position. After that, we'll look at the wine market as a whole and observe where his influence counts most, and where it counts least. Finally, we're going to look at the heart of the market, which is unquestionably Bordeaux, and try to decode

exactly how Parker's influence operates, and how investors should use Parker.

So, first of all: Who is Robert Parker?

He was born in a great Bordeaux vintage, 1947, but I would guess that almost everyone in this room had more exposure to wine in their childhoods than Parker did. He didn't drink a drop of it until he was 18 – and then it was something called André Cold Duck, the Lambrini of its day, on his girlfriend's 18<sup>th</sup> birthday. He overdid it, was taken home by her father, and then threw up all over his clean clothes drawer. Not a great start for the world's most influential wine critic -- but we've all been there, so we won't crow.

Under normal circumstances, Parker should now be contemplating retirement after a successful career ... negotiating leasing agreements for farmers, and clearing up the debris after farm bankruptcies. He was a dairy farmer's son himself, though when he was four his father sold up and began a career in plant hire. He went to school with other farmer's sons, did well enough, studied history and then law, and landed a safe job with Farm Credit Banks.

There was, though, a Road-to-Damascus moment.

His high-school sweetheart, a girl called Patricia Etzel, studied languages, and spent one year at the University of Strasbourg. When he was 20, in December 1967, Parker went to Paris to see her. They plucked up the courage to eat mussels and snails for their first meal together, or so the story goes. Parker fancied a Coke – but Coke was more expensive than a glass of wine. So he had a glass of dry white wine – the first dry white wine he had ever tasted. He loved it – and tried plenty more over the six-week trip.

By the time he went back to the States, the wine virus had claimed its most influential late twentieth-century victim. Parker was hooked. He and Pat spent three summers in succession in Europe, in 1970, 71 and 72.

Wine became his hobby – but there was something more than a little obsessive about him, and the hobby soon began to assume more importance than the day job. He collected wines. He kept the flat where he and Pat lived so cool it was barely habitable -- so as not to store the wines he had bought at too warm a temperature. He joined a tasting group. Eventually, he decided to launch a newsletter called *The Baltimore-Washington Wine Advocate*. The first issue came out in August 1978.

Ralph Nader's campaigning consumerism was a big influence. I'm sure some of you are old enough to remember, as I do, just how dreadful many apparently 'fine' French wines were back in the 1970s. Parker's aim was to pluck out the gold from the dross – initially, just among those wines sold in his local area. He adopted the 100-point scale right from the beginning, and was the first person to do so. It is of course in fact a 50 point system, with 50 being zero. The lower levels of the scale were heavily used in the early years, in contrast to nowadays. Parker panned the 1973 Bordeaux, for example, giving Margaux '73 just 55 points. Leoville-Poyferre 1973 hit rock bottom, with 50, and was described as "an atrocious wine devoid of any redeeming social value."

The next milestone was 1982 – the most important vintage of the second half of the twentieth century, for two reasons. One reason was that this beautifully generous vintage shocked Bordeaux producers into pulling their qualitative socks up. In that sense, it launched the modern era in Bordeaux. A slow winemaking

revolution began in Bordeaux then which hasn't stopped yet. And the second reason why 1982 was significant was that it launched Robert Parker's career.

Parker was still working as a lawyer at the time, but he went to Bordeaux for two weeks in March 1983 to taste the wines en primeur, as he had been doing for some years by then. At that time in the US, there were other voices more influential than his. One belonged to a guy called Robert Finigan, who had published something called *Robert Finigan's Private Guide to Wines* since 1972. The other was the nascent *Wine Spectator*, purchased by Marvin Shanken in 1979. Finigan said the 1982s were "disappointing" and "oafish". He advised readers against buying the 1982s, and suggested they bought the "supple and charming" 1980s or the "brilliant" 1981s instead. Terry Robards for the *Wine Spectator* also suggested that the 1979s were better buys than the 1982s, and told "prudent buyers" to "stay out of the market". Parker, by contrast, told his readers that the 1982s were "destined to be some of the greatest wines produced in this century" and invited his readers to fill their proverbial boots. Needless to say, the Bordeaux proprietors and the American wine trade pushed Parker's verdicts heavily, making his reputation almost overnight. His subscriber level jumped to 9,000, and in March 1984 he left his job, becoming a full-time wine critic. His first book was published the following year and, as I described earlier, by 1988, just four years after quitting the day job, a leading port producer was describing him as God.

Twenty years later, it's barely an exaggeration to say that the most important quality possessed by any serious Bordeaux wine ... is its Parker score. His reputation was made initially in America; now it is worldwide. He was the right man in the right place at the right

time, since the last 20 years have seen a huge expansion of fine-wine purchase and appreciation away from the European elite who once consumed almost all of these wines. Before Parker and his famous scores arrived, wine writers tended to be over-polite, over-reverential, critically uncommitted. After Parker, that really wasn't possible any more. Parker's palate has, in two decades, become a kind of universal benchmark. Parker scores make wine appreciation easy. If you have enough money, you can go straight to the top.

Parker is now 61. He was always a big guy; he is now a very big guy, both in terms of critical mass and physical mass. He knows he won't live forever, but like all of us he'd like to live as long as possible -- so he has reduced his work load. The most important development of the last decade for Parker watchers is the fact that he's handed over much of his tasting brief to collaborators. There is now a School of Parker. I'll tell you a little more about this later.

Before we leave this biographical excursion, let me give you a quick personal view of why Parker is ... great. As I think he is. I've been lucky enough to meet him a couple of times; I did the first interview with him on the BBC, back in spring 1995. I'm a fan.

If you want to know what it's like to meet him, think ...enthusiastic labrador – hurtling and sliding into a kitchen, covered in mud with a dead bird in its mouth which it throws on to the floor while it pants and salivates expectantly as it looks at you. Parker is that labrador, and the latest Bordeaux vintage is the still-warm bird. Words tumble from him when you meet him, forked out by a limitless enthusiasm. He appears to eat, breathe and sleep wine – though a lot of food is involved, too. That limitless enthusiasm is his driving force, and it also lies at the core of his appeal for people. There's nothing snooty or reserved or patronising or even intellectual about

him. He just enthuses -- and when you read a Parker tasting note about a wine he likes, you enthuse too.

Now: wired up to that enthusiasm are four other things: a very sharp brain, an acute palate, a magnificent wine memory and regal self-confidence. Without those things, the enthusiasm would be endearing but unexceptional. With these things, the enthusiasm becomes an unstoppable force.

The two final factors I would add are -- ambition and, perhaps oddly, a sort of narrowness in his project.

Ambition first. Parker seems to want to be a sort of Linnaeus of the wine world, universally classifying every wine which passes his way. He doesn't just rate new wines. He also rates old ones, too -- indeed this aspect of his work is one which receives inadequate attention. He's constantly tasting the back list. And every new tasting note adds to the data bank. Happily for Parker, whose books were becoming more and more unwieldy, the internet has come along just at the right time, and the whole data bank can be loaded onto his [erobertparker.com](http://erobertparker.com) website.

What about narrowness? Parker would probably call it focus. He doesn't have the cultural depth of Hugh Johnson, or the quasi-academic wine scholarship of Jancis Robinson. He's not a great writer and he doesn't appear to enjoy narrating stories or painting pictures -- like Johnson does. He doesn't want to tell you everything about everything in the wine world -- like Robinson does. He just tastes ... and rates. And enthuses. And -- like the points -- that makes it all pretty simple for people.

Right. Now let's look at the wine market and Robert Parker's influence on it. As we go through the next two sections, I'll give you a series of what I call 'Parker principles' – the fundamentals for wine investors to understand when you look at his work.

Parker's tastes are catholic, and he knows that those he's writing for are not simply the wealthy. Therefore he doesn't just rate classic fine wines from Europe. He rates wines from the entire wine-producing world, and from £7 upwards. Uncovering what he calls 'values' is an important part of the Naderist aspect of his work.

Parker, of course, has preferences and strengths as a taster. In terms of his ratings, he now restricts himself personally to three of these: Bordeaux, the Rhone valley and California. (Plus Provence, though that doesn't count for much.) All of the other areas of the wine-producing world are now assessed by his collaborators. More on this in a sec.

So before we go any further, let me give you the first two of my Parker principles.

The first principle concerns price. ***The lower the price, the less the Parker score matters.*** I know this seems counter-intuitive: isn't a £7 wine with a Parker score of 91 worth selling everything to rush out to buy? In fact -- no, for three reasons.

First of all, the majority of those reading Parker are interested in fine wine, not ordinary £7 wine.

The second reason is that no one is risking much with an £7 spend, so the divine tip isn't as valuable. It's when you are about to spend

£170 on a bottle that you really want to have the help and support of a deity.

And the third reason is that £7 bottles tend to be produced in large quantities, so why rush out to buy something which will be readily available any time you want it? There's just no need.

Whereas if ... when the 2005 en primeur report is released, Parker scores Château Faugères Cuvée Spéciale Peby at 93 to 96 points and declares it one of his 52 wines of the vintage, and there are only 800 cases produced, then there may be every reason to try to snap one up -- since it will soon disappear into the undergrowth.

I mentioned that Robert Parker now confines his personal ratings essentially to Bordeaux, the Rhône Valley and California, and that leads me to my second Parker Principle, which is that ***a PARKER Parker point is worth more than a SCHOOL of Parker point.***

Let's just untangle this a bit.

Beginning in 1996, as I mentioned, Parker began to share his workload in order to safeguard his health. In that year, he hired Pierre-Antoine Rovani to cover Burgundy, and Pierre later covered other areas too. In 2003, Daniel Thomases began to cover Italian wines. Both have subsequently left the Parker Empire, and at present David Schildknecht covers Burgundy, Alsace, the Loire, Champagne and other French regional wines as well as Germany, Austria and Central Europe; Parker's longtime friend Jay Miller covers Spain, Chile, Argentina, Australia, Oregon, Washington and port; Antonio Galloni covers Italy; the British writer Neal Martin covers New Zealand and South Africa and writes for the website;

and the website moderator Mark Squires covers Israel and Portugal. In other words, God now has a team of angels.

But ... the angels aren't God, even though we assume their scores are sanctioned by God. Inevitably, of course, the angels have different tastes from each other; indeed in my opinion they have different scoring standards. Jay Miller is an exuberant scorer; David Schildknecht is much harder to please. For example, I find it hard to imagine David Schildknecht giving Penfolds 2006 Koonunga Hill 91 points, as Jay Miller did in Issue 173. Jay Miller's palate seems almost to be more Parkerised than Parker's -- in that the big, the rich, the jammy and the blockbusting find enthusiastic favour. David Schildknecht's palate, by contrast, seems to be more European than those of any of Parker's long-term collaborators. Perfumed finesse, elegance and nuance combined with density and concentration are most likely to make his bell ring.

The end result of all of this is that Parker scores remain useful to consumers, but when it comes to investment we could say that the Parker brand, or the Parker pound if you prefer, has been mildly devalued. Indeed if you're a pure investor, then I recommend you take only Parker-Parker points -- which we could call Double P points -- into account in your buying ... though it's worth noting that the Parker transfer of power in some of these areas has been relatively recent. Let me give you an example. Double P points have driven up a lot of small-production Australian wines to very high prices over the last half-decade, as well as setting the stock values for historical Granges. It remains to be seen whether this effect lasts ... now that Double P points have become single P points. In other words, will Jay Miller's scores be as effective as Robert Parker's in creating and selling Australian cult wines? They will be influential, but I doubt that they'll be as influential.

Before we leave this area, let's take a close look at the very interesting case of Burgundy. Great Burgundy remains a highly collectable blue-chip wine category, and the prices of 2005 Grands Crus, for example, have provided impressive returns over the past few years. No investor should totally ignore Burgundy, even if all investors should proceed with extreme caution there.

Yet ... if Parker has had a resounding failure in his career, it's with Burgundy. There is a widespread view in the region that he didn't understand it. Even those burgundians whose wines Parker loved, like Dominique Lafon and Aubert de Villaine of DRC, criticised his scoring system and its universal simplifications. To most Burgundians, Parker seemed to undervalue *terroir* – and Burgundy is *terroir's* dreamland. To most Burgundians, Parker seemed to overvalue weight, depth and oak. Parker's almost doctrinaire championing of unfiltered Burgundy was regarded as misguided. And in the end, a few throwaway remarks in the third edition of his *Wine Buyer's Guide*, published in 1993, resulted in a long-running and expensive libel suit launched at Parker by the *negociant* François Faiveley. It was eventually resolved out of court, but it left both sides bitter. Parker used to joke that he insisted his friend Jay Miller accompany him to Burgundy on his trips there in order to act as his bodyguard. Significantly, Burgundy was the first area he passed on to a collaborator.

Now, of course, there are Double P points as well as single P-Rovani points and single P-Schildknecht points in the historical record of *Wine Advocate* Burgundy assessments: points from three directions, in other words. All remain significant, but not overly so, and they have nothing like the market-making force of Parker's Bordeaux assessments. Indeed many now feel that the points awarded by

Allen Meadows of Burghound are more influential as far as the price of Burgundy is concerned than are Parker points.

There are, of course, other issues connected with Burgundy's lack of tradeable mass and irregular ageing trajectory which also makes it a difficult investment area. As one broker said to me, "It's too complicated and there's not enough of it." Burgundy tends to live happily enough without scores, according to the laws of supply and demand. Those who buy it tend to drink it. But all of that's outside my remit today.

Before I end this middle section, let's just do a bit of work with the crystal ball.

Robert Parker is 61. Assuming continuing good health, which we all wish him, he should have another decade of work ahead, maybe even two. In one key respect, though, Robert Parker isn't God. He won't go on forever. What'll happen when he's gone?

It goes without saying that the Parker model has been highly lucrative. It also goes without saying that the Web revolution means that almost anyone now can taste wines and publish scores globally; thousands do it every day. In that sense, Parker now has a dozen or more serious, full-time imitators; in twenty years' time, he may have fifty or more. If you want scores, there's plenty out there to choose from. It does, however, take a very long time to establish a global brand in this area – don't forget that Parker was the first in the field. And to make or even move a market, your tasting notes need to command levels of trust that no competitor has yet achieved.

My own belief is that Parker scores for expensive wines from Bordeaux, the Rhône and California will remain market-making for as long as he's issuing them. When he is gone, though, no other scores will ever be as influential as his were -- even for whoever he personally nominates to carry on his Bordeaux work, assuming that he wishes his brand to outlast his own personal existence.

I don't mean that no one else will taste as accurately, or retain as many wines in his or her memory bank. What I mean is the Parker phenomenon is a historical event. He was the man for the moment – but the moment was as important as the man. As I said a little earlier, the fine-wine world was as riddled with charlatantry in the 1970s as the modern art world is now. Along came a confident American who was prepared to restrict his work to wine tasting alone, who was prepared to damn poor efforts and praise good ones, and who was prepared to do it in terms that even non-English speakers working with an untranslated text could understand – by a score out of 100. The making of his own reputation coincided with the birth of modern Bordeaux and, right around the world, with a 25-year-long oceanic surge in both wine endeavour and wine appreciation. He has, if you like, been a big man on a surfboard on top of a tsunami. The wave is now subsiding and the big man will eventually disappear, at which point we'll be left with a flotilla of imitators. None will ever command quite the same attention. The ocean will be a bigger one, too.

Now let's go on to the third part of this talk, which concerns Bordeaux. Duncan Hughes'll be addressing the importance of Bordeaux compared to other regions within the investment market after lunch, but I don't think anyone here today would disagree with the assertion that, from the point of view of wine investment, Bordeaux is king and is likely to remain so, even though other

sectors of the market may provide opportunities. Every Parker point given to a Bordeaux wine, therefore, has a financial significance that other Parker points don't have. What I'm going to do now -- is to describe how Parker's influence operates on the Bordeaux market, and how investors should use Parker.

As I do so, I'll offer you three more Parker principles. The first is that, ***from the investment point of view, Parker only scores out of ten.*** In other words, points between 91 and 100 out of 100 are what counts in powering a wine's investment performance.

The reason for this is very simple. Any investment-grade Bordeaux which scores 90 or less must be regarded as a failure or a long shot from the investment point of view. (By 'investment grade Bordeaux' I mean a wine from the top 100 or so properties in a good or great vintage.) And any wine for which a score of 90 constitutes an outstanding achievement will never be an investment-grade wine. Therefore for investment (as opposed to far more important criteria like good value and drinking enjoyment) only scores from 91 and above count.

Indeed we could go even further, and say that any score of 96 or over has roughly double the investment power of a score pitched between 91 and 95. Put another way, the closer you approach 100, the more powerful the individual points become.

A friend of mine has carried out some analyses of his Bordeaux and Chateaufort du Pape purchases over a decade of buying. This shows that the section of his Bordeaux portfolio with scores of 91 to 95 has increased in value by an average of 46%, whereas those wines scoring between 96 and 100 have increased by an average of 171%.

His equivalent Chateauneuf figures, by the way, are 28% and 60%, illustrating the overwhelming attraction of Bordeaux. The same friend points out that 96 to 100-point Rhône wines vary greatly in their performance compared to 96 to 100-point Bordeaux wines. Vieille Julienne Reserve Chateauneuf and Guigal La-Las appreciate, whereas Chapoutier's mono-parcel domain wines and those of Beaucastel don't. But back to Bordeaux.

Right, we're beginning to narrow the field now. Only scores of 91 or above, only 100 or so chateaux, and only good or great vintages. By the way, what I said just now about wines also applies to the question of vintages. Yes, Parker scores vintages, and in general only a vintage with a score of 91 or more counts for investment. I say 'in general' since the vintage scores for Bordeaux are allotted on a commune-by-commune basis, and you'll sometimes find outstanding, high-point wines from outperforming properties in vintages which Parker does not consider great for the commune as a whole. Let me give you an example. Parker grades the whole of the 1989 vintage in the Graves, including Pessac-Leognan, at 89 points, yet Haut-Brion '89 and La Mission '89 (both scored at 100 points) have been model investment buys. So the points score for the property takes precedence over the points score for the vintage.

Isn't all this ... rather easy? 100 chateaux, 10 points, the best vintages only ... surely the market simply takes Parker points and converts them directly into investment value? Well, as anyone who follows the market closely will know, that isn't quite how it works.

My next Parker principle, therefore, is that ***some Parker points are worth more than others.***

Parker, as I've already said, is an enthusiast who sees himself taking Naderist principles into the rarified wine world in an iconoclastic manner. He therefore loves to back outsiders, talented newcomers and try-harder small guys. If a perennial underperformer suddenly comes good, he wants to be the first to say so, and to back that up with a top score. The market will notice this, but the market will also have hesitations. The market feels much more comfortable when Parker gives a blue-chip, old-established property with a long pedigree a high score. This, in essence, is the reason why the Great Eight – the five First Growths plus Pétrus, Cheval Blanc and Ausone – have outperformed almost every other Bordeaux so dramatically over the last decade. Ever since Ausone came good in 1996, all of the eight have been either well-run or outstandingly well run, and have received commensurately enthusiastic Parker scores. When you have a high Parker score combined with a blue-chip pedigree, the investment potential is glittering.

But let's examine this question a little more closely by moving down the food chain. Specifically, let's look at the example of some of the properties from the 2005 vintage which currently have a rating of 95 points.

Trotanoy is currently priced at £1280 and Vieux Chateau Certan at £1200. Both are from Pomerol, a commune recognised to have done particularly well in 2005; both have pedigree; both are in relatively restricted supply. Montrose, which has the same score, sells for around £800. Why the difference? There is a lot more of it, first of all, and Montrose is an inconsistent second growth, with some great vintage successes but also some glaring failures.

What else scores 95? La Gomerie, priced around £700 – it's a micro-parcel St Emilion, and the market isn't really confident that it has the classicism and endurance to command the same kind of following enjoyed by Trotanoy. If you really want pounds for points, though, you would take a punt on Clos de Sarpe and La Lagune 2005, which have exactly the same points total as Trotanoy but which are available for just £560 and £540 respectively. Clos de Sarpe is a long-term underperformer from St Emilion; La Lagune is a modestly sited fifth growth with an up-and-down reputation, available in large quantities. New consultancy from a Rolland team member in the first case, and investment from a new owner in the second case, have raised the game at both properties. The market, though, is mindful that these are estates whose scores have more usually been in the mid-80s, and it's waiting to see if the high scores endure.

Which brings me to my next Parker principle -- and it's the joker in the pack: ***Parker alters his scores***. He alters them both when he rates Bordeaux in the bottle after having rated it in cask; and he changes his scores for Bordeaux in the bottle as it evolves and ages. Most of us would recognise that this is a very sensible thing to do. We've all owned cases of wine; we've all seen those wines change for better or worse as time goes by. Sensible, then – yet acting too literally on Parker scores, particularly early in the evolution of a wine, may create problems for the investor if the score later drops. Vieux Chateau Certan 1998 got an initial Parker score of 94-96, and its opening price of £680 climbed to £1280. When Parker tasted it in bottle, though, he gave it 92 points, and the price plunged to £780. It's now settled at 94 points and £1000.

A more recent example is La Mission 2005. Its initial score of 95-97 points set the price at £2,000. Parker then upped the bracket to

96-100, and said it was "reminiscent of the 1989 but with more structure, muscle and tannin." Since the 1989 was a 100-point wine, this suggested to investors that it was a slam-dunk for perfection, and the price soared almost overnight to £4000 and eventually to £6,000. This year, though, Parker has choked it on 97 points, and the price has dropped back to £4,500.

Parker revisions can work in your favour, of course. If you scan other critics or get a chance to taste the wines yourself, and you have a hunch that Parker may have underrated a wine, you can always put your money where your palate is and buy it in anticipation of a raised score. This is what I unwittingly did with one of my small collection of 2005 purchases. Having tasted top St Emilion in 2007, I was very impressed with the sumptuous, truffley Clos Fourtet. As my eldest son was born in that year and I wanted to buy something or other for him, I sold a wine I'd bought some time ago which I'd got reservations about -- namely the 1990 Yquem -- and with some of the money bought two cases of Clos Fourtet in November 2007. They cost me £465 each, its initial Parker score being 94-96. Its score was promoted to 98 points a little earlier this year and the price then rose to £960, showing once again that Parker points become more valuable the nearer they approach 100.

It sometimes happens that the market as a whole senses quite early on when Parker hasn't got something exactly right, and the price changes even before the score has. Parker didn't initially score Cheval Blanc 1990 at 100 points, but the market began to sense that it should be there and the price rose sharply even before Parker had revised his score to 100, which he eventually did. Pichon-Lalande 1982 remains a 99 point wine, while Leoville-Las Cases '82 lords it on 100 points, yet the market always seems to

have understood that the two were at least as good as each other, and the wines are usually priced accordingly.

Before leaving the subject, though, we should also note that Parker doesn't like revising his scores unless he really has to, and especially not when another critic has gone out on a limb against his own verdict. Which is better: the Margaux '89 or the Margaux '90? James Suckling of the *Wine Spectator* gives the 1989 vintage 99 points, but Parker only gives it 90 points. Parker, though, gives the 1990 vintage ... 100 points, whereas Suckling is two points adrift of perfection. The 1990 is worth £7,500, yet the '89 languishes at under £3,000, despite its higher *Spectator* rating.

In conclusion let's try to build a strategy for using Parker points to maximum effect in buying Bordeaux as an investment for the medium or long-term. I am dividing this section into a ***no-brain strategy*** and a ***full-brain strategy***. The ***no-brain strategy*** is evident from everything I've said, and comprises seven points.

- 1) Limit your purchases to Bordeaux top 100 or so wines using Parker's five and four-star property rankings.
- 2) Limit your purchases to Bordeaux's greatest vintages: those categorised as 91 points or over, with the proviso I mentioned earlier about the property scores taking pre-eminence over the vintage score.
- 3) Ignore any wine with a score of less than 91. In Bordeaux, that rules out all lower priced wines.
- 4) Buy wines with the highest scores you are able to, if possible over 96 points.
- 5) Avoid buying *en primeur*. This requires a little explanation, since in general one should buy as early as possible, and nowadays the chateaux delay releasing their prices until

Parker has issued his provisional scores. Naturally, the *en primeur* prices broadly reflect Parker's ratings – but those ratings are only provisional and expressed as ranges. A score of 94-96 might easily settle at 93 or 92, as we saw with the VCC '98 example a little earlier, and that would change its entire price horizon. In any case, apart from the superstars, most Bordeaux prices stagnate after the *en primeur* frenzy, and don't begin moving again until the wines become physical a couple of years later. Far better, therefore, to take interest on the money for two or three years and only commit it later, when the provisional score has been confirmed or adjusted. Another major factor is that there are no problems of allocation if you come into the market later, whereas buying the highest rated wines *en primeur* increasingly brings allocation problems. That means that if you want Ausone or Latour at its opening price, you will have to have spent a great deal of money in previous *en primeur* campaigns with that particular merchant, or you will have to buy a swathe of lesser wines – wines which sometimes have zero investment potential -- in order to qualify for 6 bottles of the superstar. If you buy later, by contrast, you simply pay the market price and don't have to factor in the excess baggage.

- 6) The sixth point of the no-brain strategy is that ...Where wines have identical scores, favour pedigree over novelty. Blue chips with high Parker scores, remember, are always better than oddball underdogs with high Parker scores.
- 7) Where wines have both identical scores and pedigrees, favour small-production wines over large-production wines.

The **full-brain strategy** is more difficult and more risky, since you really need to taste the wines yourself, and study the Bordeaux

market in some detail. Some of you may disagree with some of it, but here we go. It comprises 5 points.

- 1) Consider *en primeur*. Everything I just said about *en primeur* holds -- as a generality. Nonetheless, in a great vintage, there will always be some unallocated wines whose price will move upwards between the issuing of a provisional Parker score and that wine's becoming physical a couple of years later. These will usually be rising stars with some pedigree, or ... small production right-bank wines. If you are well-resourced, you can also overcome the problems involved in superstar allocations by dumping the excess baggage at cost price as soon as possible.
- 2) Anticipate changes in Parker scores. I admit this is not easy. There are three ways to have a go. The first is tasting and calling a wine yourself. The second is by using other critic's verdicts -- though beware, as I said, of any wine where a rival critic has taken a very public position contra the Parker verdict. The final way is by reading between the lines of Parker's description, and looking for wines where he suggests that more may be forthcoming later. This is of course hazardous, as the example of La Mission '05 shows.
- 3) The third element of the full-brain strategy is to set off to find investment winners from good or unevenly great vintages rather than absolutely great vintages. Right now, that would certainly mean right-bank 98s, and 03s from the northern Medoc.
- 4) The fourth element is to monitor and exploit the effect of new vintages on existing or historical vintages. Remember that the investment narrative is always unfolding. The disappointing '06, '07 and '08 vintages may lead to the best wines of '01 or '04 acquiring a little of the investment

potential they've so far lacked, as well as firming the prices of '05 and '00. Record-breaking prices for immature vintages like 2005 always have the effect of making certain mature vintages look attractive in value, and sometimes astonishingly so. The greatest wines from those earlier vintages – those with some further potential for evolution – are likely then to motor gently upwards.

- 5) Finally comes the most difficult call of all, which is correctly anticipating the interface between wine prices and what we blithely call the real economy, or even the real world. The most successful investment wine of the last five years is Carruades de Lafite -- in the teeth of what should have proved some decidedly dissuasive Parker scores. The 2001 gets just 87 points -- yet commands £1,300. It does this because Lafite is the First Growth which brings rich Chinese maximum face, and Carruades is its little brother. Parker influence here is almost zero.

More generally, though, everyone here will have noted that in the current economic crisis, high-scoring Parker Bordeaux picks have -- so far -- fared dramatically better than anything on the stock market. Yet every recessions and financial crisis of the last two decades has led to falling Bordeaux prices, and it would be illogical to think that this one won't follow suit -- especially if the recession curdles into a true, decade-long depression. The market is now intensely weighted towards high-scoring Parker wines with impeccable pedigree -- such as the Great Eight and the noblest of their challengers in 2000 and 2005. It may be that the value of these blue chips falls in relation to other high-scoring Parker wines which are perceived to be better value. Alternatively, the whole market might ease, but the positions of wines relative to each other might be maintained.

In the long-term, however, top Bordeaux still appears -- to me -- to be a weirdly good investment, and lowered prices will provide buying opportunities for the canny. The one certainty in all of this ... is that Parker points will continue to provide the compass for those who wish to invest in fine wine.