

Britain's adorable wine portfolio manager

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One day in early summer 2002 over lunch at Harry's Bar in London, long before he reinvigorated Marks & Spencer, Stuart Rose saved a woman's life. At least that's how Susie De Paolis puts it.

She began working in fine wine in France in the 1970s. On her return to London she was given a job at City wine merchants Corney & Barrow, then one of the few such companies with a positive bias in favour of female employees, thanks to the managing director John Armit. By 1981, two years after the birth of her first daughter and just before the arrival of her second, she and Armit began setting up John Armit Wine Investments, a process that continued, according to the mores of that particular era, in the maternity ward.

"The idea was to persuade people to finance their drinking by investing in wine," she told me recently. "We were just in time for the 1982 vintage when you could buy first growths for £275 a case and Léoville Las Cases for £92. We quickly made a lot of friends." By the late 1980s however, when economic indicators were less encouraging, Armit and De Paolis turned the company into a regular wine merchant, now called simply Armit, and John Armit himself went to live abroad. While he was exiled in Mallorca, they would communicate via a village telephone kiosk and pockets full of pesetas.

Armit returned to London eventually but his pro-female policy ran into trouble in 2001. Two women co-managing directors was apparently one too many and by the end of 2001 De Paolis had been fired. "Armit was my baby and a very special company," is how she explains how difficult it was to decide what to do next. "I would have found it very difficult to move to another merchant company. For five or six months I did nothing except discuss various options."

Then came the fateful lunch with Stuart Rose, the latest in a series that had once included flying over to Le Touquet for the day. It was Rose who pointed out the obvious: "Someone like me needs someone like you. I love wine. I'm addicted to it. I've got lots of it, all over the place, but no time to look after it. I can be your guinea pig as a wine portfolio consultant."

Since then De Paolis has built up a stable, all by personal recommendation, of about 40 private clients (including two women). To judge by the queues of eminent businessmen and lawyers eager to sing her praises to me while I prepared this article, she is on to something. I know of several individuals, a significant proportion of them women, who perform a similar service in the US, but in the UK only one other person is ever mentioned in the same breath, ex-sommelier Vincent Gasnier who specialises in advising the likes of Sir Alex Ferguson and Graham Souness in the football world.

I'm sure it is De Paolis's unusual blend of professional skills which mainly appeal to her clients. As Anthony Barton of Château Léoville Barton says, she is a very accomplished taster. All mention how exceptionally well organised and diligent she is. In fact the only complaint I heard was from one client who found that if anything she contacts him too often with offers of wines that are too tempting. But the other thing they all say is that they "adore" her, or "love her to bits". I bet a bottle of Pétrus no-one has heard Sir Alex use that sort of language about his wine advisor.

Susie De Paolis is quite exceptionally engaging. Always ready with a smile, always hard at work, a fine conversationalist, she is very good company - which is presumably why all these captains of industry look forward to their annual debriefing with their wine consultant, generally over a good lunch.

The first thing De Paolis does with a new client is take delivery of all their wine-related paperwork, which ran to three or four large cardboard boxes in one instance. This usually consists of invoices from a wide range of merchants which she collates and turns into a database, an electronic version of their cellar which in most cases consists of hundreds if not thousands of cases of wine stored at Octavian in Wiltshire, complete with cost price, scores, suggested drinking dates and, most important, current market price. "The database is always a complete revelation to them," she says. "I asked one client with a portfolio worth £800,000 how much he thought his wine was worth and he guessed £350,000." One client spent more than a million on 2000 red bordeaux alone. All are impressed by their cellars' average rate of return in her annual reports, which ran to 100 pages in one case.

William F Charnley, a partner in McDermott Will & Emery admits, "four years ago I didn't know what I'd got where. I had no control over my wine investments. Now, well, I've spoken to her twice today already about a £1.4 million parcel of Domaine de la Romanée-Conti I'm tempted by." The majority of her clients are senior businessmen but the exceptional 2005 vintage attracted a few would-be investors in their early 30s anxious to get in on the act, just so long as she could provide them with first growths.

De Paolis charges a minimum of £2,000 for an initial consultancy, depending on the size of the collection, and takes it from there. She also charges a five per cent commission on all sales and purchases she's involved in. "Her fees are terribly reasonable for what she does for me," says Peter Leaver QC. "She's the greatest discovery I've made in wine for some time." She deals with a small number of UK merchants - mainly Armit, Bordeaux Index, Corney & Barrow, Farr Vintners ("the most organised"), Seckford ("really nice"), and Wilkinson Vintners. Much of her work involves neatening up people's collections, ensuring the balance of what's in their cellar matches what they drink. When selling a client's wine, she emails her merchants and they bid for the wine online, with prices varying by up to 50 per cent. Although she regularly goes to France to taste and has good contacts among top producers, she always buys from British merchants. "London has the best prices and French condition reports can sometimes be unreliable." She doesn't buy at auction because "it's too much of an unknown". No wonder Stephen Browett of Farr Vintners describes her as "lovely".

I get the impression that the wines she deals in are utterly mainstream. Even right bank red bordeaux she regards as relatively exotic, garagistes and Australian reds as beyond the pale, although she does have a soft spot for top Italian reds, having scouted not a few of them for Armit in the old days. Her own drinking is relatively modest compared with that of her clients - not least because her partner doesn't drink wine: whites, pinks, and smarter stuff only when entertaining.

One of the few City companies which still entertains on a relatively grand scale at lunchtime is brokers ICAP. The first growths served in its four lunch rooms in Broadgate feature on Susie's database and CEO Michael Spencer admits that for him personally wine is "an irrational passion. Susie's made me prune my cellar - something I'd never contemplated before." He also admits that his wine tastes are thoroughly conservative but, just back from the wilds of Burgundy, swears "I need to be a bit more experimental". Stuart Rose appreciates her skill at recommending "something for big drinkers, like La Lagune" and clearly has an active text relationship with her.

She is just as likely to be stock taking in the cellars in her clients' country houses ("a bit anoraky"), or recommending what a shooting party should drink as advising on what to sell when, so these are clearly very personal relationships. (The wives seem to adore her too.) Perhaps it is not so surprising then that she says "I really admire all these very busy businessmen who always have time for you". Although as William Charnley puts it, "I don't want everyone to have a Susie - her main priority should be looking after me."

Investment tips from Susie De Paolis:

- There's no need to buy 2006 bordeaux - too hit and miss - but it will knock up the prices of 2001, 2002 and 2004
- First growth bordeaux are the most worthwhile investments.
- Even in periods when the market seems flat, the wheel turns eventually and makes up for it.
- Bordeaux 1999, 2001 and 2002 are starting to show returns of 12-14% a year.
- Guigal single vineyard wines seem to have lost their lustre.

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