

Do You have Any Investments of Passion?



From celebrity-endorsed trainers to first editions of popular novels, a new type of asset class seems to be emerging - And it's a far cry from the stock market.

Over the past year, Investment Management Banking firm, Arbuthnot Latham has observed a greater convergence between hobbies and investing.

In addition, a World Wealth report indicated that even through this pandemic, investors have continued to drive values ever higher for key collectible assets.

Investments of passion are very often simply a hobby rather than part of a wider financial planning strategy. What is certain though, is that the lines between investments of passion and investments of pure purpose have become a little more blurred.

So, what exactly have people been interested in?

Firstly, let's be clear, I am not going to cover Non-Fungible Tokens (NFTs) here because that is a completely separate subject. And as a 'Golden Oldie' (well, nearly!), I am going to focus on vintage, more traditional items.

Toys



An unopened and forgotten 1985 copy of the original Super Mario Bros. game for the Nintendo Entertainment System was sold at auction for US \$660,000 earlier this year.

This was a Christmas gift that was left unopened for 35 years.

Pokémon trading cards also grew hugely in popularity during the Covid-19 pandemic. A rare, first edition 'Charizard' card sold for \$360,000. Forbes reported that for some less unique cards, the selling rate can vary between US\$400 and US\$2000.

Star Wars collectables are something else that has caught the eye of many. In 2019, a Star Wars 'Bib Fortuna' toy prototype sold for £36,000 alongside a range of other characters, all of whom were said to be 'relatively unknown'.

Books

Well kept, original, limited edition books have sold in auctions for hundreds of thousands of pounds – in some cases even millions.



Indeed, the first comic book ever to feature Superman sold on eBay for over US \$3.25 million. The original was on sale for 10 cents in 1938.

Harry Potter books are also proving to be a unique investment, but there is a catch.

Only 500 copies of the first edition were originally printed, and it was not long until a spelling error was spotted in the book. In 2020, one of these copies, published in 1997, bypassed the original valuation of £30,000 and sold for £60,000.

Vintage Baseball Cards

One for our American friends really, but mint condition Baseball Cards sold on the US online marketplace StockX soared in average price during 2020, from US \$280 to US \$775 per card.

But it's not just Baseball, American Football cards are getting in on the act too ... Just recently, a one of 100-of-its-kind card of the illustrious New England Patriots and Tampa Bay Buccaneers quarterback Tom Brady sold for US \$1.3 million!

Trainers

Trainers (or sneakers to our American friends!) have also earned their place as an investment category. In England, the Kanye West x Louis Vuitton collection of trainers are estimated as the most valuable at £22,763 - If you do own a pair, I hope that you chose the grey and pink, as these are the most sought-after.

However, the most iconic sports shoe series of all time is the Nike Air Jordan series.



Endorsed by NBA and Olympic Dream team basketball legend Michael Jordan, it changed the way people viewed trainers forever, and if you happen to have a pair of original, unused and boxed 1985 Red, Black & White Nike Air Jordan 1 basketball shoes, you could expect them to sell them at auction for north of US \$33,000.

A pair worn by Michael Jordan himself in an exhibition game (not even a proper game!) and autographed, recently became the most expensive sneakers ever sold when they went at auction for a miserly US \$560,000.

As a passionate basketball player in the 1980's, the pair I bought for about £19 in 1985 were used on the basketball court many times every week until they fell apart some 2-3 years later and went in the bin. How unfortunate that I used them for the purpose for which they were made!

Nick Gornall, Arbuthnot Latham's head of business development, said:

"Traditionally, passion investments would have included fine and contemporary art, wine, watches, jewelry, classic and super cars, all of which would suggest a level of knowledge and major issues around authenticity, storage, tax and insurance."

“In a world that has seen historically low interest rates post 2008, and with the globalisation of investors, there is renewed interest and more transparent market platforms for such passion investments.”

Realistically, it is not a surprise to see many more emerging trends in this arena.



I wonder, what price will be paid in 30 years' time for an early electric car, like the ultra-rare late 1990's General Motors EV-1, the first ever mass-produced and purpose designed electric vehicle - Or even a digital footprint for today's Instagram influencer? ... We live in interesting times.

So it might be worth having a think to find out if you have any potentially classic collectibles in a loft somewhere or maybe in storage back in your home country, which might have some value.

Given that my Nike Air Jordan 1 basketball shoes went in the bin around 1988, I'm probably down to my rare, limited edition yellow pressed vinyl copy of Elton John's 1973 album 'Goodbye Yellow Brick Road'.

Currently, this seems have a value of somewhere between \$400 and \$500. I don't think that's going to be my golden retirement ticket so I'd better keep focusing on my original retirement plan!