

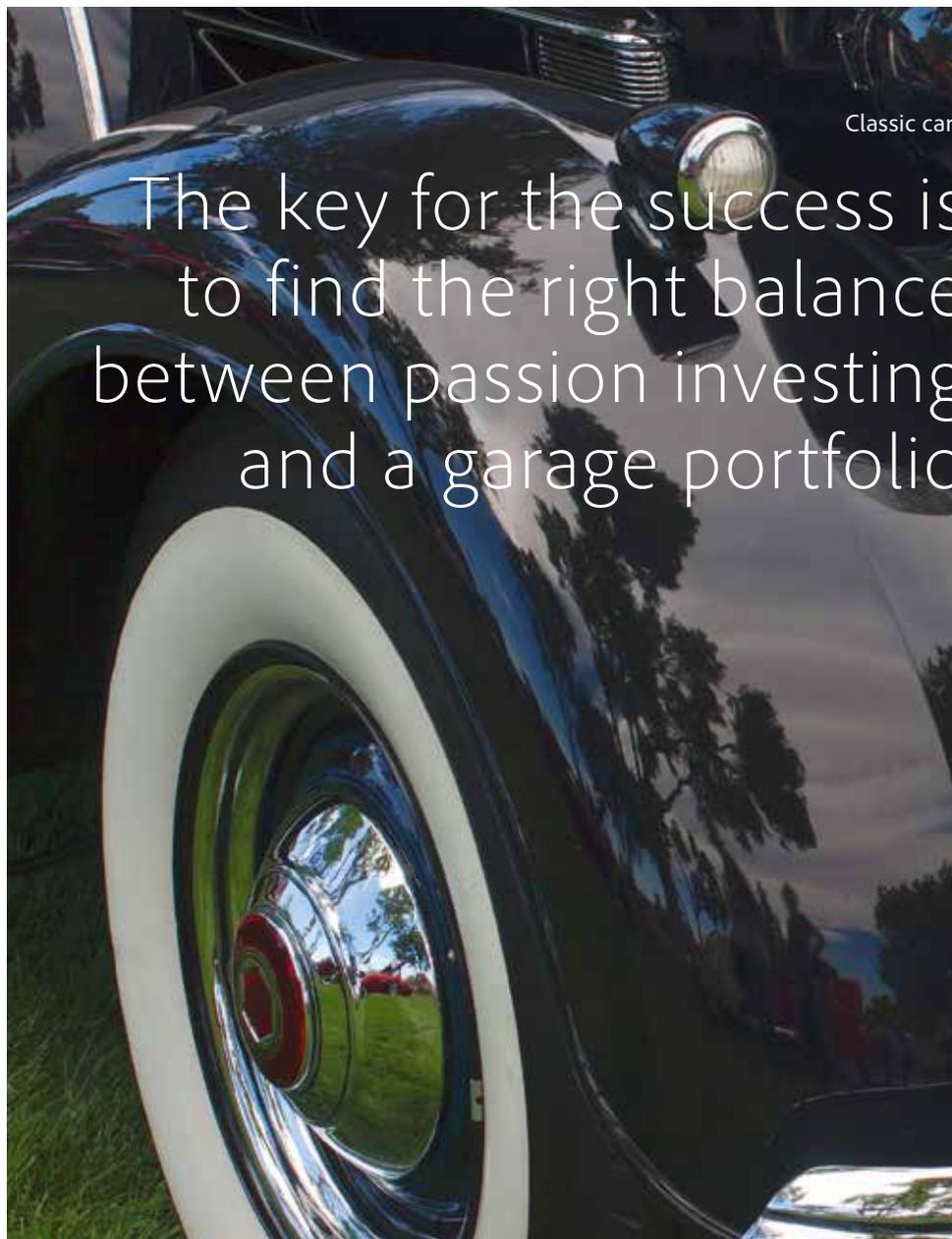
The latest issue of Knight Frank suggests investing in the classic car market will be a more focused business for experts and collectors in the near future. Last year, to be fair, the classic car market launched the first warning with a step down in favour of luxury wine at the top of the list, but classic cars still seemed strong with a robust +9% in 2016.

By Dr. Filippo Pignatti (\*)

Now with a mere 2% during 2017 the first and the second quarter it's time to be conscious about the market momentum. Classic cars are in the shadows after wine, still at first place in terms of growth with a strong 25%, art, watches, coins and jewellery. So, is it the case to be really worried about car investments?

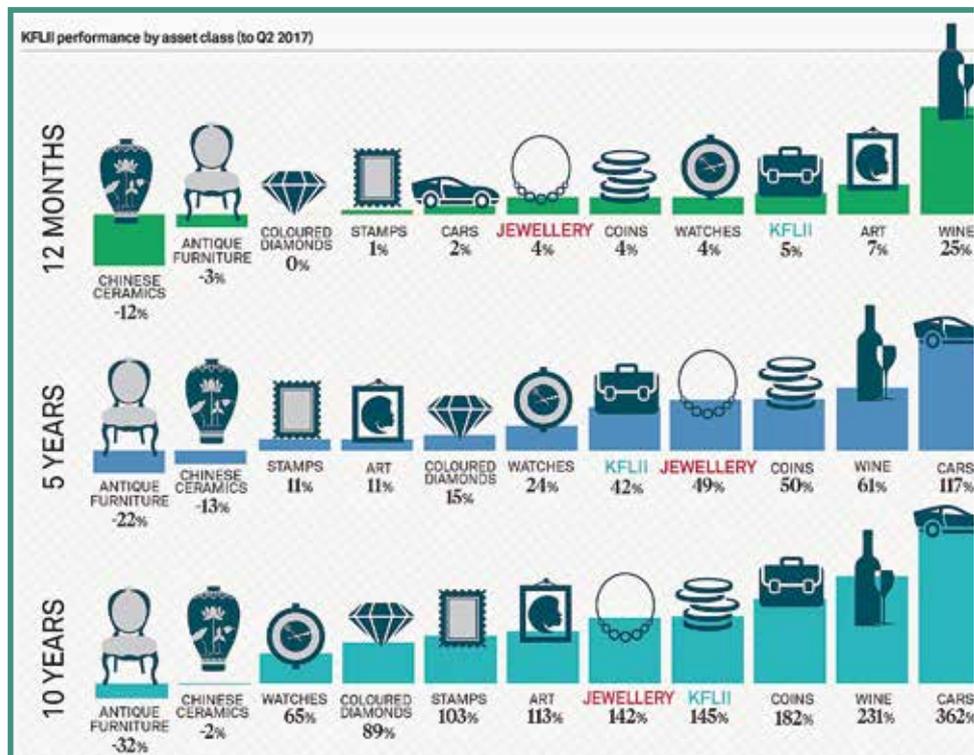
Not at all, after ten years of spectacular results classics are by far the best investment in collectibles with a huge +362%. It's likely the game is changing and after a decade of leadership is no more an easy business for trader or investor. Maybe this is the right time to change investment strategy. Hidden in the KFLI report we can find other substantial news, a small decrease in terms of value for top marques like Ferrari, Porsche and Mercedes in the U.S. usually at top of the parade. But this is only one part of the story.

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The key for the success is to find the right balance between passion investing and a garage portfolio

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The truth is that condition of the models, specific history and marketing are all factors behind strong valuations of a single model: think a while about the recent millionaire auctions at Ferrari 70 years celebration or the special history of Gabriele D'Annunzio Alfa Romeo 6C Soffio d Satana. The right cars will always find rich customers ready to buy at a high-level price. Furthermore, reading the pages of the report we can assume that collectors are switching from overrated and overpriced cars in favour of underrated models with more re-valuation potential.

Last but not least the financial market conditions overall, indicate at the moment investors are switching from classic cars to the more attractive a lucrative financial sector and this is not bad news for collectors and long-term investors. Usually they come back at the first stock or bond market alarm. But assuming that in the near future not all the cars will be a good investment, only a selective approach, with the support of professionals and specialist consultancy, collectors and investors will find the right balance between passion investing and a garage portfolio.

Gabriele D'Annunzio's Alfa Romeo 6C Soffio d Satana



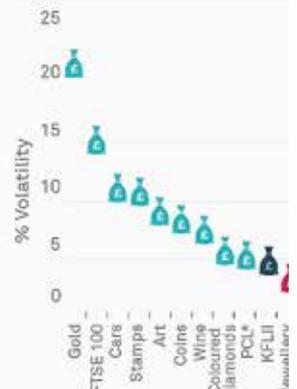
**WEALTH REPORT UPDATE**  
**LUXURY INVESTMENT INDEX Q2 2017**

**Jewellery performance versus other asset classes (to Q2 2017)**



\*Knight Frank Prime Central London Residential Index  
Source: Knight Frank Research

**10-year asset price volatility**



Based on annual price points  
Source: Knight Frank Research