

# WMG Collectable Car Fund

Quarterly Newsletter Edition 2

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## SUMMARY

### 2016 year in review

- Looking back at 2016, a year best described as “stable” yet “surprising”.

### 2017 predictions

- We look forward to a stable year in collectable car returns, identifying new trends and pick the “marque of the year”.

### Maserati MC12 breaks records at Duemila Ruote

- A Maserati MC12 (which shares the Ferrari Enzo chassis) set records and surpassed predictions by selling for more than €3m at the RM Duemila Ruote disposal sale in Milan.

### Aston Martin plans to make 25 new DB4 GTs

- 25 lightweight DB4 GTs will be offered by Aston Martin as track-only cars undertaking a 2 year track program incorporating some of the finest circuits in the world.



**For classic/collectable cars, 2016 started a little shaky, but despite a few speed bumps along the way, the market remained robust, even setting several new records.**

Despite economic, political and even cultural turbulence, the classic/collectable car market remains resilient.

*Why?*

Well the answer isn't a binary one. It has partly been driven by a persistent hunt for yield, in today's low return markets forcing pension funds, insurance companies and even the man in the street to increasingly look at alternative asset investment classes. Total assets as measured by the 100 largest alternative investment class managers in 2016 saw a **3% rise** in AUM to over **\$3.6trn** endorsing the shift (FT).

2016 also confirmed several trends:-

**Porsche** (2016 HAGI P up 9.30%) continued to outperform and not just the old classics either, a 1995 Porsche 911 GT2 sold at a London RM auction for a record setting **£1.85m** to a new “young timer” buyer who claimed the older cars

“just don't do it for me”. January 2017 saw Kidston add the 964 RS and 993 RS to the K500 index for the first time.

Overall in 2016, the average age of cars offered crept up from 1960 to 1961 confirming the preference is moving away from the “Happy Days” era of the 50's & 60's. K500's worst performing sector was not surprisingly the Post-War Americans -12%, whilst the best performance came from Affordable Classics (<£150k) posting an increase of 13% YoY.



Elsewhere the collector staples such as the Mercedes-Benz 300 SL Gullwing, the Porsche 2.7 Carrera RSs and the Jaguar roadsters were notably less visible during auctions in the first half of the year. Quality and rarity continued to prevail, but freshness to market also commanded hefty premiums. In May, Bonhams sold an aged, unrestored C-type.

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## 2017 Outlook

### What will characterize 2017?

On a macroeconomic level we will see president-elect Trump take his seat in the Whitehouse which is likely to lead to a **stronger Dollar**, giving American car buyers increased purchase firepower. Also, 2017 global growth could notch higher towards 2.8% according to JP Morgan.

In our world, **quality** and **rarity** will continue to be the key drivers of top prices at auctions which kicks off in earnest early January. We also expect to see more *“passion purchases”* investors buying the cars from their bedroom walls, so expect 80’s and 90’s cars to shine this year. In particular the *“trend is your friend”* **Porsche 911 – 993, 964 and 930** variants – **GT2, RS** and **Turbo S** models will continue to trade higher. Porsche is tipped to be WMG’s Marque of the Year.

We would also shine the spotlight on well documented low mileage **Ferraris** from the decade - **Testarossa** made famous in the 80’s hit Miami Vice – low mileage **308, 328** as driven in Magnum (*especially in fiberglass*), **Aston martin V8 X-Pack 007’s** Living Daylights –all cars we could see return double-digit growth in 2017. *See the bedroom poster effect now?*

## 2016 continued from page 1

The car hadn’t been on the market since 1963. How very different to a Ferrari 275GTB/4 N.A.R.T Spyder which failed to sell, partly owing to a muddled history and high frequency of new owners; most recently in 2015. *Quality and rarity* always commands the greatest premium. WMG expects this trend to continue into 2017 forming one of the pillars of our investment criteria.

With the surprising UK Brexit result in June, the second half of the year was characterized by the same foreign collectors who’d been selling into 2015, buying back many of the premium LHD cars thanks to a weak GBP. This was evidenced by a high number of internet buyers and many new faces at UK auctions.

The lure of a bargain from “no reserve” auctions packed out Quail Lodge, Monterey and the 1-off Duemila Ruote disposal in Milan posting the highest sell-through rates of the year. We also learnt to expect the unexpected as...

...several cars continued to make new records - including the latest trend of picking future “collectables” as well as “classics” to boost collections. One of the star cars being a 2004 Maserati MC12 hammering at €3.1m versus a guide of €1.1m to 1.3m.



So to conclude on 2016, stable despite political pressures, yet still *“positively surprising”*.

## 2016 auction winners top 10

1. 1957 Ferrari 335 Sport \$34.94m
2. 1955 Jaguar D-type \$21.78m
3. 1939 Alfa Romeo 8C 2900B \$19.80m
4. 1959 Ferrari 250 GT LWB California Spyder \$18.15m
5. 1961 Ferrari 250 GT SWB Berlinetta Competizione \$13.50m
6. 1962 Shelby 260 Cobra CSX2000 \$13.75m
7. 1960 Ferrari 250 GT SWB Berlinetta Competizione \$13.50m
8. 1933 Alfa Romeo 8C 2300 Monza \$11.90m
9. 1932 Bugatti Type 55 Roadster \$10.40m
10. 1937 Mercedes-Benz 540K Special Roadster \$9.90m



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## WMG Private Collection Feature

### 1974 Ferrari 365 GT/4 BB

- 1 of just 299 LHD cars ever produced – total 387
- 4.4 litre flat 12 longitudinal 180° Boxer styled engine, similar to the F1 car of the same period
- 380 BHP
- First and rarest “Boxer” engine Ferrari
- Finished in Bianco, with Nero sills and Azzuro hide
- Odometer reading of just 27,000 miles – just 630 miles a year
- Pininfarina styling
- Last of the “characterful” hand-built Ferraris
- European car that spent much of its early life in Italy, before moving to a Swedish based collector
- Dry stored throughout
- Presented in exceptional condition



The Ferrari 365 GT/4 Berlinetta Boxer was revealed at the Turin Motor Show in 1971. Its launch was a step in technological advancement being the first mid-mounted flat-12 engine to feature in a road car. Displacing 4.4 litres with all 12 cylinders lying flat, meant the 365 GT/4 BB had an enviably low centre of gravity compared to its nearest rival, Lamborghini’s Miura. The model and series in fact would develop the nickname of ‘Boxer’ for its opposing piston configuration.

The 365 BB was eventually released in late 1973 at the Paris Motor Show with the majority of cars only leaving the factory in 1974; a total of 387 were built in the following three years before the car was upgraded to the less sought-after today 512 BB.

However, the 365 GT/4 BB remains both the original, lightest and rarest of all the Boxer models, instantly recognisable due to its triple rear lights and ‘pea-shooter’ exhausts.

Being the last from an era of hand-built Ferraris, this example is in exemplary unmolested original condition. Values are expected to remain strong in the coming years, representing one of WMG’s core investments.



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## CALENDAR OF EVENTS

### 2017

EVENT	DATE	COUNTRY
Brooklands Classic Car Meeting	1 <sup>st</sup> January	UK
Mecum Kissimmee Auction	6-15 <sup>th</sup> January	USA
Barrett-Jackson Auction Scottsdale	14-22 <sup>nd</sup> January	USA
Sotheby's Auction Arizona	19 <sup>th</sup> January	USA
Bonhams Auction Arizon	19 <sup>th</sup> January	USA
Gooding & Co Auction Arizona	20/21 <sup>st</sup> January	USA
Cavallino Classic	25-29 <sup>th</sup> January	USA
Monte-Carlo Classic Rally	25-31 <sup>st</sup> January	FRANCE
Bremen Classic Car Show	3-5 <sup>th</sup> February	GERMANY
Paris Retromobile 17	8 <sup>th</sup> February	FRANCE
RM Sotheby's in Paris	8 <sup>th</sup> February	FRANCE
Grand Palais Les Grandes Marques Du Monde Paris	9 <sup>th</sup> February	FRANCE
Artcurial Retromobile 2017	10 <sup>th</sup> February	FRANCE
Mecum LA Auction	17/18 <sup>th</sup> February	USA
COYS at Kensington Olympia London	18 <sup>th</sup> February	UK
London Classic Car Show	23 <sup>rd</sup> - 27 <sup>th</sup> February	UK
Race Retro Historic Motorsport Show	24-26 <sup>th</sup> February	UK
Beaulieu Evening with John Surtees	3 <sup>rd</sup> March	UK
Historics Spring Classic Mercedes-Benz World	4 <sup>th</sup> March	UK
Bonhams Amelia Island	9 <sup>th</sup> March	USA
Gooding & Co Amelia Island	10 <sup>th</sup> March	USA
Sotheby's Amelia Island	11 <sup>th</sup> March	USA
Goodwood 75 <sup>th</sup> Members' Meeting 2017	18/19 <sup>th</sup> March	UK
Tour Auto Optic 2000	18 <sup>th</sup> March	UK
Classic Car Restoration Show	31 <sup>st</sup> March	UK
Mecum Houston Auction	6-8 <sup>th</sup> April	USA
Bicester Heritage Classic & Vintage Sale	5 <sup>th</sup> April	UK
Mille Miglia Storica	24 <sup>th</sup> – 30 <sup>th</sup> April	FRANCE
Luxury Supercar Weekend & Live Auction	18 <sup>th</sup> May	ITALY
Concorso D'Eleganza Villa D'Este	26 <sup>th</sup> May	ITALY
Pebble Beach Concours D'Elegance	17 <sup>th</sup> June	USA
Goodwood Festival of Speed 2017	17/18 <sup>th</sup> June	UK
Brooklands Double Twelve Festival	22 <sup>nd</sup> June	UK
Heveningham Hall Conours D'Elegance	1 <sup>st</sup> /2 <sup>nd</sup> July	UK
Supercar Charity Weekend	8/9 July	UK
Silverstone Classic	21 <sup>st</sup> – 23 <sup>rd</sup> July	UK
Salon Prive Blenheim Palace	31 <sup>st</sup> August	UK
Concours of Elegance Hampton Court Palace	3 <sup>rd</sup> September	UK
Goodwood Revival Meeting	8 <sup>th</sup> September	UK
Chantilly Art & Elegance Richard Mille 2017	9 <sup>th</sup> September	FRANCE

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