

SUMMARY

First Closing Date

- WMG's recently launched Collectable Car Fund will close the first round of investment on 31st May 2017 and move to acquire several exotic vehicles earmarked by the fund's team.

Global Ultra-Wealthy Up

- The number of UHNWIs (\$30m or more net assets) grew by 4% or 6,340 in 2016 reversing the 3% decline seen in 2015. The total now stands at 193,490 on track with Knight Frank's 2026 target of 275,740. The UK is tipped to lead the charge, forecast to be up 30% over the next decade.

Q1 17 HAGI Index Fell

- It's not that unusual to see the HAGI top index fall slightly in the first quarter of any given year. Bullish Trump-ism has played a part as Equities delivered a more robust +4.6% versus HAGI Top -2.7%.

Hybrid Hyper Cars

- P1, 918, LaFerrari, now Mercedes-Benz launch the Project One hybrid with over 1000 BHP. I

First Close

After launching in December 2016, WMG's newest alternative asset investment product the Collectable Car Fund (CCF) is pleased to announce the first closing date of 31st May 2017.

The commitments and assets under management have grown steadily over the last few months and there are a number of very attractive investment opportunities available exclusively to WMG the fund wishes to capitalize on. The market is marginally favouring buyers at the moment after a mildly softer first quarter, but caution needs to be exercised as prices are still rising for the best-in-class examples, which is precisely where the WMG Car Fund is operating.

Over the next 3 years WMG's aim is simple; to return 80% of what we make to our investors whilst enjoying all that the underlying asset class brings.

Weak GBP Prospect

WMG's Collectable Car Fund is a UK managed GBP based fund. Given the currency's relative weakness - trading around a 20 year low against most major currencies - investment into the fund's first closing date [31st May 2017] represents a propitious opportunity ahead of the UK's snap general election on the 8th June, which could trigger a more bullish sentiment towards the GBP. A probable landslide win (FT.Com) by the UK's current government could see a slow reversal from the currency's 20+ year low.



It's also worth noting, recently 2 of the big bears on the GBP - Goldman Sachs and Deutsche Bank - have moved to a more neutral stance on news of the up and coming June General Election.



WMG Collectable Car Fund

Q1 2017 Auctions

What have we learnt from Q1?

The top auctions continued to deliver upper quartile results with on average 81% sell through rates, though we have noticed buyers want a bargain as “no reserve” sales delivered the strongest growth in the quarter. Elsewhere we saw prices for certain models falling – Ferrari 275 for example and some such as the SWB 250’s not selling at all, suggesting prices have peaked short term. Slightly further down the scale we continued to see prices climbing for early Porsche 911s, particularly the Carrera RS, E-Type Roadsters which saw a car needing total restoration sell for £145,600 at the Brooklands Historics auction (*see below*) and the Ferrari F50 is starting to move north again. Low mileage cars with the right colour and trim combination are asking between £1.2m to £2.0m, demonstrating a notable shift from cars from the 50’s and 60’s to more “young-timer” models. Remember the 1995 993 GT2 making a record £1.8m last year? It wasn’t so long ago an F50, or a 993 GT2 traded hands for 6 digits. If you can find one of the 349 F50s made, think seriously about investing.



Hybrid Hyper Cars, Collectable Or Not?

The battle for manufacturer supremacy to build the fastest hybrid hyper car on the planet continues with Mercedes-Benz announcing the fearsome **Project One** (*an imaginative space-aged codename*). The new car will deliver c1020bhp from what is essentially a slightly less stressed Formula 1 race engine...yes seriously! With revs limited to 11,000 versus 15,000 for the F1 engine the 1.6 litre V6 twin turbo hybrid will run happily for 30,000 KM between rebuilds. Given only 275 will be made - most ordered by serious collectors - AMG are not likely to need too much of a spares inventory. The engine is said to deliver around 748bhp with a further 408bhp from a series of powerful electric motors connected to both the crankshaft and front wheels – that’s 1156bhp, but AMG has confirmed around 1020bhp will be delivered from the car weighing in at just 1315kg including batteries. Being all-wheel-drive with that power, surely the seat will have to counter the effects of “pilot’s spine”, a phenomenon where fighter

pilots subjected to high lateral G forces, start to hunch!! The car will launch officially at the Frankfurt Motor Show this coming September, but a few were given a sneak preview in March at the Geneva Motor Show. At €2.27m a piece, it’s not a bargain and may take a while to appreciate into investment grade. The option may be the more valuable asset shorter term, but like the Porsche 918, the Ferrari LaFerrari and McLaren P1, in decades to come we will remember the time when cars had 2 engines and made lots of noise, and that’s when they become truly priceless icons.



Jag’s XJ220 is 25 this year

It’s barely believable the iconic yet controversial supercar of the early 1990’s turns 25 this year. As an investment the XJ220 has unassumingly trickled higher over the last decade with prices now around £500k for a decent low mileage car - *in the launch colour grey*. **WMG Collectable Car Fund** will host a celebration of the XJ220 at the Beaulieu National Motor Museum in August where at least 10 XJ220’s will be displayed on a stand.

WMG Collectable Car Fund

WMG Featured Collection Car

1964 Ferrari 250 GT Lusso

- 1 of just 350 cars ever produced
- 3.0 litre V12 all-alloy SOHC engine, fed by 3 Weber 36DCS downdraught twin-choke carburettors
- 250 BHP @ 7500rpm
- Ferrari Classiche certified
- Finished in Silver with contrasting black leather (*both completely refurbished 10 years ago*)
- Odometer reading of just 55,990 miles – just c1000 miles a year
- Styled by Pininfarina and bodied by Scaglietti
- Hand-built craftsmanship
- US California car that spent much of its life in a private collection in Japan before being purchased by David Gooding, founder of Gooding & Co.
- Part of the WMG Collection



Styled by Pininfarina and bodied by Scaglietti, do they come any more beautiful than the 250 GT Lusso?

Launched in Paris 1962 with a production limited to just 350 units, the Lusso is a car that sits comfortably between the 250 GT SWB and the larger 250 GTE 2+2. Despite space for 4 seats, the car is very much a 2 seater coupe. In a relatively short production run of just 18 months Ferrari's team of highly skilled engineers delivered 350 Lussos that would be replaced by the 275GTB a year later.

The 250 family is vast, spanning several model variants, many of which were instrumental in several race wins at Le Mans, Tour de France and Goodwood at the hands of iconic names like Moss and dashing 60's playboy Alfonso de Portago.

The 250 Lusso was voted 5th in a pole of the most beautiful cars ever built, 1 place ahead of its little brother the SWB. The beauty carries over to the interior where style meets functional beauty; quilted leather seats meet buckled leather straps, just in case one wanted to drive that little bit quicker across the continent – the Lusso's true purpose. In the driving seat, everything is angled towards the driver with a sense of ease, accompanied by several pull/push or twist knobs and switches which must be learnt as are unmarked – *eyes on the road the whole time!* Pedals are floor hinged, again harking back to the 250's true racing pedigree.

In 2010 Lusso's could be bought for £300-400k, today you'd be lucky to see one under £1.5m, despite peaking at around £1.8m in 2015.

WMG Collectable Car Fund

CALENDAR OF EVENTS

2017

| EVENT | DATE | COUNTRY |
|---|---|---------|
| Mecum Houston Auction | 6-8 th April | USA |
| Bicester Heritage Classic & Vintage Sale | 5 th April | UK |
| Mille Miglia Storica | 24 th – 30 th April | FRANCE |
| Donington Historic Festival | 28 th April | UK |
| Aston Martin Works Sale | 13 th May | UK |
| Silverstone Auctions at the Wing | 13 th May | UK |
| Luxury Supercar Weekend & Live Auction | 18 th May | ITALY |
| Historics Auction Ascot | 20 th May | UK |
| Bonhams Spa Classic Sale | 21 st May | UK |
| RM Sotheby's at Villa Erba | 26 th May | ITALY |
| Concorso D'Eleganza Villa D'Este | 26 th May | ITALY |
| Masters Historic Festival Brandas Hatch | 27 th May | UK |
| Bonhams Greenwisch Concours Auction | 4 th June | UK |
| City Concours City of London HAC | 8-9 th June | UK |
| Pebble Beach Concours D'Elegance | 17 th June | USA |
| Brooklands Double Twelve Festival | 22 nd June | UK |
| Goodwood Festival of Speed 2017 | 29 th June | UK |
| Bonhams Goodwood Festival Sale | 30 th June | UK |
| Heveningham Hall Conours D'Elegance | 1 st /2 nd July | UK |
| Supercar Charity Weekend | 8/9 July | UK |
| Silverstone Classic | 21 st – 23 rd July | UK |
| H&H Auctions Imperial War Museum Duxford | 26 th July | UK |
| Silverstone Auctions at the Classic | 27 th July | UK |
| Silverstone Classic 2017 | 28 th July | UK |
| RM Sotheby's Motor City Sale | 29 th July | USA |
| WMG Jaguar XJ220 25 th Beaulieu Motor Museum | 8-9 th August | UK |
| Old Timer GP at the Nurburgring | 11 th August | GERMANY |
| RM Sotheby's Monterey | 18 th August | USA |
| Bonham's Quail Lodge | 18 th August | USA |
| Gooding & Co Pebble Beach | 19 th August | USA |
| Salon Prive Blenheim Palace | 31 st August | UK |
| Concours of Elegance 2017 | 1 st September | USA |
| Bonhams at Beaulieu | 2 nd September | UK |
| Silverstone Auctions Salon Prive, Blenheim Palace | 2 nd September | UK |
| Porsche Classic at The Castle | 3 rd September | UK |
| Concours of Elegance Hampton Court Palace | 3 rd September | UK |
| Goodwood Revival Meeting | 8 th September | UK |
| Bonhams at the Goodwood Revival | 9 th September | UK |
| Chantilly Art & Elegance Richard Mille 2017 | 9 th September | FRANCE |
| Bonhams at Chantilly | 10 th September | FRANCE |
| SPA 6 Hours | 15 th September | BELGIUM |

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