

# Investing in Cars



# Table of Content

Introduction & Key Facts	3
Subcategories & Their Specifics	4
In Depth View: Return & Risk	8
Market Trends & Developments	11
These Are Our Experts	12
Why Splint Invest?	13



# Introduction & Key Facts

The global market for classic cars is increasingly developing into an attractive and stable asset class.

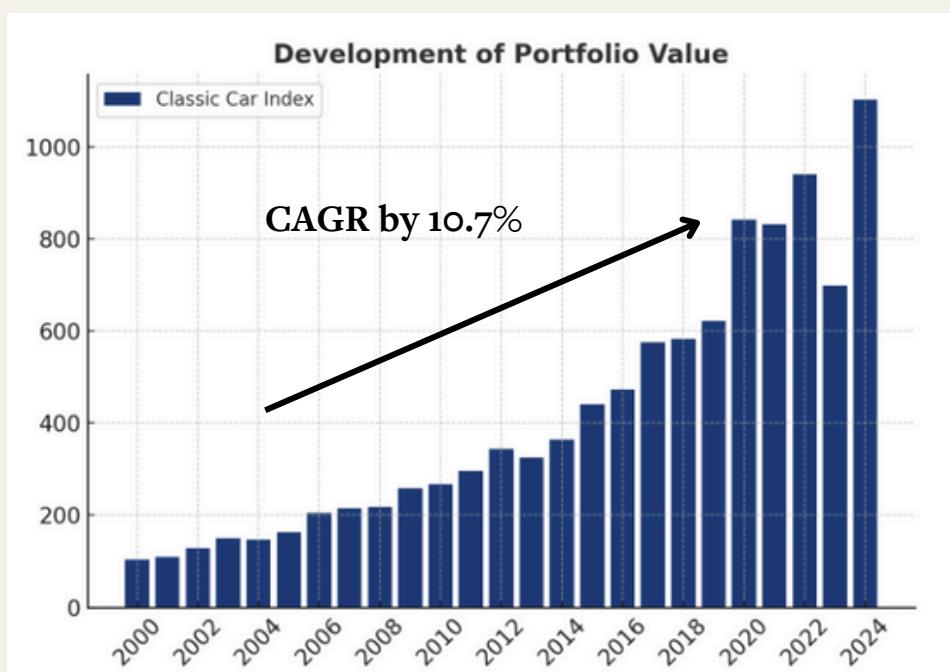
In 2024, the total value of the worldwide stock was estimated at around €800 billion, driven by rising demand across all market segments. Particularly dynamic growth can be seen in vehicles from the 1980s to 2000s, which now account for nearly 29% of auction volume

The market benefits from strong emotional appeal, technical excellence, and limited supply. Alongside icons such as Mercedes-Benz, Porsche, and Ferrari, youngtimers and limited special editions are gaining rapid significance. Digital platforms, specialized auctions, and a new generation of collectors are further fueling the sector.

## Key Facts & Market Data

- €800 billion estimated market value of the global classic car stock (2024)
- €65,000 average auction sales price
- ~5% of all vehicles change ownership annually (transaction volume: €45 billion)
- Vehicles from the 1980s-2000s: +29% share of auction volume
- Double-digit value growth over the past 20 years (CAGR  $\approx$  10.7%)
- Rising demand from Millennials, Gen Z, and UHNWIs (+30-50% growth every 5 years)

(KFLII, The Wealth Report, 2024, P. 62-70)



# Subcategories & Their Specifics

## Iconic Classics (pre-1970)



Top Models: Mercedes-Benz 300 SLR, Ferrari 250 GTO, Jaguar E-Type, Porsche 356

Iconic classics are the cornerstones of the collector car market. These models embody technical excellence, timeless design, and often significant motorsport history. Due to their extreme rarity and cultural significance, they regularly achieve record-breaking auction results at major international sales.

## Auction Highlights:

- Mercedes-Benz 300 SLR “Uhlenhaut Coupé” - €143 million (2022, Sotheby’s)
- Ferrari 250 GTO - €51.7 million (2023, RM Sotheby’s)
- Jaguar D-Type - €19.8 million (2022, Gooding & Co.)

## Youngtimers & Neo-Classics (1970–2000)

Top Models: Porsche 911 (964, 993), Ferrari Testarossa, BMW M3 E30, Aston Martin V8 Vantage

This segment benefits from particularly strong demand, driven by Millennials who now seek to acquire the “dream cars of their childhood.” Many models stand out for their limited production numbers, iconic design, and growing collector interest.

Liquidity is higher compared to pre-war vehicles, and ongoing enthusiasm for cars of this era reinforces long-term value growth.

## Auction Highlights:

- Porsche 911 Carrera RS 2.7 - €1.2 million (2023, Bonhams)
- Ferrari Testarossa Monodado - €380,000 (2022, RM Sotheby’s)



# Subcategories & Their Specifics

## **Modern Collectibles & Restomods (2000–Today)**

Top Models: Bugatti Veyron, Ferrari LaFerrari, Porsche 918 Spyder, Aston Martin DB4GT Zagato (Re-Edition)

Modern collectibles are often strictly limited special editions, homologation models, or hypercars. A growing trend within this segment are so-called restomods—classic models technically modernized without losing their historical character.

This segment has seen rapidly rising demand, combining emotional driving experience with strong investment potential. Particularly interesting are limited runs certified directly by the manufacturer.

### **Auction Highlights:**

- Ferrari LaFerrari Aperta - €5.3 million (2022, RM Sotheby's)
- Porsche 918 Spyder Weissach Package - €1.8 million (2023, Bonhams)
- Aston Martin DB4GT Zagato “Continuation” - €7.1 million (2022, Aston Martin Works)



# The Unique Value Drivers of High-End Classic Cars

## **Limited Editions, Provenance, and Iconic Status: The Core of Value Creation**

In the premium segment of the classic car market, value is not solely determined by age and condition, but above all by rarity, historical significance, and the model's appeal to collectors.

- **Iconic Models** – Vehicles such as the Mercedes-Benz 300 SLR, Ferrari 250 GTO, or Porsche 911 RS are regarded as automotive milestones. Their racing pedigree, design, and engineering set them apart from mass-market models.
- **Limited Production Runs** – Strictly limited editions, homologation models, and special series are particularly sought after, as limited supply is met with rising demand.
- **Provenance & History** – Cars with documented motorsport heritage, prominent previous owners, or preserved original condition achieve significantly higher valuations.
- **Restomods & Continuation Series** – Technically modernized classics or manufacturer-issued continuation models expand the premium segment and are increasingly favored by younger collectors
- **Brand Identity & Community** – The emotional bond with brands like Ferrari, Porsche, or Aston Martin, along with access to exclusive clubs, events, and rallies, further stimulates collector demand.

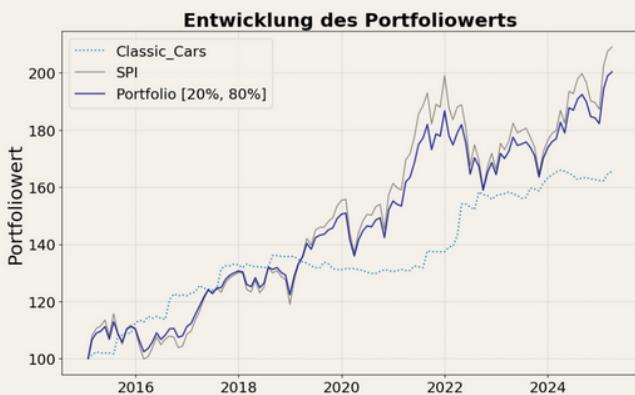


# In Depth View: Return/Risk 1/3

## Opportunities (Quantitative)

Including classic cars as an alternative asset in a portfolio offers three major benefits:

- Lower overall portfolio risk
- Higher average annual returns
- Strong resilience



(1) Portfolio represents 80% SPI and 20% Classic Car Index

## Reduced Overall Portfolio Risk

The imperfect correlation between classic cars and the SPI (SXGE) results in a combined portfolio with lower risk compared to traditional assets alone.

Analyzing the combined portfolio highlights:

- Lower standard deviation
- Lower beta
- Lower Drawdown-Risk

Assets	Std Dev	Beta	Drawdown
Classic Car Index	0.05	-0.05	0.05
SPI	0.12	1.00	0.20
Portfolio (1)	0.10	0.80	0.15

(1) Portfolio represents 80% SPI and 20% Classic Car Index

## Higher Average Annual Returns

The positive effect of compounded returns is reflected in the higher compound annual growth rate (CAGR) from 2000 to 2025.

Assets	CAGR
Classic Car Index	4.9%
SPI	6.1%
Portfolio (1)	5.9%

(1) Portfolio represents 80% SPI and 20% Classic Car Index

## Solid Resilience

The combined portfolio has consistently outperformed the SPI benchmark, with a historical return of 166% vs. 109% over the past 25 years.

## Other Opportunities

- Wealth preservation
- Rising demand, limited supply
- Cultural value

## High Return with Lower Risk?

Short answer: yes, it is possible.

This can be explained by the low correlation ( $R \approx -0.1$ ) between the SPI and the Classic Car Index. Correlation ( $R$ ) measures the strength and direction of the relationship between two variables:

- $R = 1 \rightarrow$  assets move together
- $R = -1 \rightarrow$  assets move in opposite directions
- $R = 0 \rightarrow$  no relationship

# In Depth View: Return/Risk 2/3

## Sharpe Ratio (SR)

All these advantages can be captured by a single metric: the Sharpe Ratio. It measures how much return a portfolio generates per unit of risk. The formula is:

$$SR = \frac{\text{Portfolio Return} - \text{Risk-Free Rate (Rf)}}{\text{Std Dev}}$$

- Best used for comparing investments on a risk-adjusted basis
- A higher Sharpe Ratio is preferable, as it indicates higher returns per unit of risk taken

In this case, the Sharpe Ratio of the combined portfolio is 0.56, compared to 0.51 for the SPI (2000-2025).

Assets	Sharpe
Classic Car Index	0.65
SPI	0.51
Portfolio (1)	0.56

(1) Portfolio represents 80% SPI and 20% Classic Car Index

(2) Risk-free rate of 1% used for the calculation of the Sharpe Ratio

## Risk Management

The aforementioned risk metrics are useful for evaluating volatility and downside risk. A further step in risk management is the calculation of:

- Value at Risk (VaR)
- Skewness and Kurtosis

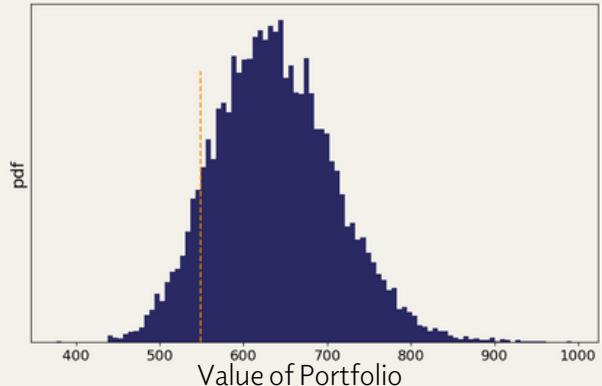
## Value At Risk (VaR)

What is the maximum loss over a given time horizon, with a given probability? VaR seeks to answer this question

### 10% VaR

If you invest €500 in the Classic Car Index, there is a 90% probability that your investment will exceed €548 after 5 years.

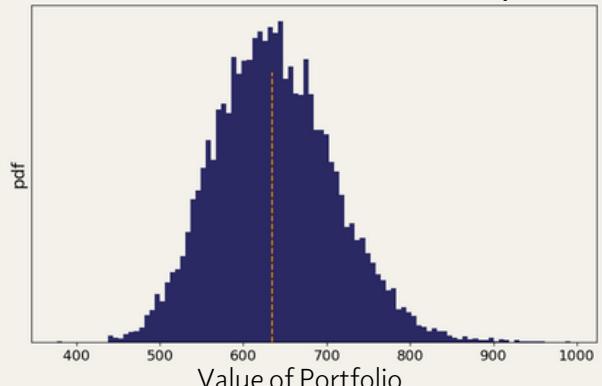
Portfoliodistribution – 5-Years-VaR by 5%



### 50% VaR

At a 50% VaR, there is a 50% probability that your initial €500 investment will exceed €634 after 5 years.

Portfoliodistribution – 5-Years-VaR by 50%



# In Depth View: Return/Risk 3/3

## Skewness and Kurtosis

Skewness and kurtosis describe the shape of a probability distribution.

### Skewness

It measures the asymmetry of a probability distribution.

- Skewness  $> 0.5 \rightarrow$  higher likelihood of extreme positive values
- Skewness  $< -0.5 \rightarrow$  higher likelihood of extreme negative values
- Otherwise  $\rightarrow$  approximately symmetrical

The skewness of +2.87 for the annual returns of the Classic Car Index over the past 10 years indicates that positive and extreme positive returns have been far more likely.

### Kurtosis

Kurtosis measures the probability of extreme values. In this study, excess kurtosis was applied.

- Kurtosis  $> 0.5 \rightarrow$  higher risk of extreme returns
- Kurtosis  $< -0.5 \rightarrow$  lower risk of extreme returns
- Otherwise  $\rightarrow$  relatively low risk of extremes

The excess kurtosis of +9.09 for the annual returns of the Classic Car Index over the past 10 years suggests an increased risk of extreme values.

## Other Relevant Risks for Classic Cars

- Authenticity
- Conservation & Storage
- Illiquidity Risk
- Subjectivity Risk
- Concentration Risk

## Authenticity

Mitigated by rigorous due diligence and partnerships with leading experts.

## Conservation & Storage

Collections are climate-controlled, housed in secure facilities, and protected for the long term.

## Illiquidity Risk

Addressed with a long-term approach; strong demand and a robust collector network improve exit opportunities.

## Subjectivity Risk

Reliable historical data, market trends, and expert insights are leveraged to identify vehicles with enduring value.

## Concentration Risk

Reduced by diversifying portfolios across marques, eras, and styles, mitigating dependency on any single segment or trend.

## Assumptions

- Average risk-free rate of 1% over the past 25 years
- Classic Car Index considers the 100 most frequently transacted models, adjusted yearly
- 26 monthly data points (2020-2022), plus February as annualized data point
- Thresholds for skewness and kurtosis serve as guidance; individual investors may interpret differently

# Market Trends & Developments

## **Youngtimer Boom & New Buyer Generations**

Vehicles from the 1980s to 2000s have been appreciating rapidly. Millennials and Gen Z are driving this demand, as many of these models represent iconic “childhood dream cars.” Models such as the Porsche 911 (993) or BMW M3 E30 have seen price increases of up to +120% over the past five years.

## **Globalization of Demand**

Demand is rising significantly in Asia, the Middle East, and Latin America. Countries such as China, the UAE, and Singapore are becoming important hubs for auctions and private collector transactions. International connectivity continues to push the prices of iconic models higher.

## **Fractional Ownership & New Business Models**

Platforms like Splint Invest allow investors to participate in exclusive classic car models without requiring million-euro budgets. Fractional ownership democratizes access to the market, enhances liquidity, and opens the sector to new buyer groups.

## **Institutional Investor Interest**

Family offices, specialized funds, and UHNWIs are increasingly recognizing classic cars as an attractive alternative asset class. Their low correlation with equities and bonds, inflation-hedging potential, and prestige are further fueling institutional demand.



# These Are Our Experts

## **TheCarCrowd: Making Classic Automobiles Accessible as an Investment**

TheCarCrowd is a UK-based investment platform that enables investors to acquire fractional ownership in carefully curated classic cars.

The platform combines passion for iconic vehicles with a database-driven investment approach, opening up a market traditionally reserved for UHNWIs.

Founded by David Spickett and a team of automotive and finance specialists, TheCarCrowd operates under a syndicate model: each car is held through its own legal entity, allowing investors to hold real equity stakes. This structure ensures transparency and provides direct ownership participation.

The selection process is based on strict criteria:

- Rarity & limited production
- Historical significance & motorsport pedigree
- Provenance & documentation
- Global demand & liquidity

The portfolio includes exclusive models such as the Ferrari 360 Challenge Stradale, Porsche 911 Carrera RS, and BMW M3 Sport Evolution. Investors additionally benefit from a full-service management approach: TheCarCrowd oversees storage, insurance, and maintenance.



## **More Than Just an Investment**

TheCarCrowd offers investors not only access to high-end classic cars but also the opportunity to become part of an exclusive collector community.

Through live events, track days, and exclusive car viewings, the platform connects investors with a passionate network of enthusiasts.

In this way, it represents an investment model that uniquely combines emotional attachment with long-term financial appreciation.

# Why Splint Invest?



## Curated Investment Opportunities

Splint Invest selects only those classic cars that have undergone a rigorous due diligence process.

The focus lies on market liquidity, provenance, rarity, historical performance, and model relevance.



## Diversification Without Complexity

Investing with Splint provides instant access to an asset class with historically low correlation and proven returns — ideal for diversifying your portfolio.



## Secure Storage & Insurance

All vehicles are stored in specialized, climate-controlled, and secure facilities and are comprehensively insured to ensure long-term preservation and value protection.



## Expert Validation

We collaborate with renowned classic car experts, auction houses, and market analysts to identify models with the highest appreciation potential and to verify the authenticity of each vehicle.



## Refined Exit Strategy

Splint Invest focuses on vehicles with high trading frequency and strong auction results to create attractive exit opportunities. Our approach is benchmark-oriented, ensuring efficient and timely sales.



## Data-Driven Decision Making

Our investment decisions are based on detailed market data, trend analyses, and pricing databases, ensuring each vehicle is selected on objective insights rather than speculation.

# Reach Out To Us

“Classic cars offer compelling investment opportunities for a wide range of investor profiles — whether one is drawn to the value stability of rare icons or the growth potential of modern youngtimers.

What makes classic cars unique is how they combine financial return potential with emotional passion, creating an asset class that fits both portfolio and lifestyle.”

– Mario von Bergen, Head of Investments & Co-Founder

Together with our classic car experts, we look forward to supporting you in building a meaningful, resilient, and diversified classic car portfolio.



*Mario von Bergen*

## MARIO VON BERGEN

Head of Investments & Co-Founder

 +41 79 773 31 72

 [www.splintinvest.com](http://www.splintinvest.com)

 **Splint Invest**