



Peter Chieco: Investing in rare collectibles

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Next time you need to clean out your attic, pay attention. You might be surprised to learn that the old cardboard box containing your childhood collectibles, now collecting only dust, may be worth a small fortune.

Consider comic books. Do you happen to be in possession of one of the remaining 100 copies of the 1938 series that marked the first appearance of Superman? If so, brace yourself: last year, one such rare comic sold at auction for nearly \$1 million. The owner apparently had purchased it in the 1990s to add to his collection. At the time, he paid \$26,000.

Every so often, we hear a similar story of the lucky soul whose rare possessions — an antique, a piece of vintage jewelry, a stamp or coin collection, branded memorabilia — earns a fortune. In fact, there are television shows dedicated to just such circumstances.

While some rare collections can indeed fetch a good price at auction, the prices depend on the rarity, age and condition of the items in question. In most cases, items that are still in their

original unwrapped packaging are most valuable.

But these stories are the exceptions. While it may be entertaining and even exciting to add to a prized collection, counting on a windfall from these items may not be wise. The truth is, they are not a viable alternative to stocks, bonds and other more traditional investment vehicles.

For one thing, consider liquidity. Many people require at least some access to investments on a timely basis — for college, for vacations, for home improvements and so on. If you are on a timeline and concerned about liquidating your assets, keep in mind that your ability to sell your rare collection and reap the hoped-for rewards depends on having just the right buyer at just the right time.

Investing for college educations or retirement is better addressed by looking to more traditional investments and a well-diversified portfolio. What if you planned to finance your children's education, but the time to cash in on your investment does not align with the best time to liquidate your collection? How can you be sure that your need to draw on your retirement funds, or designate gifts or inheritances, will merge seamlessly with a resurgence of interest in your particular passion?

Ease of liquidity is not the only challenge. Another problem is that your collection, be it art, antiques or vintage jewelry, may not appreciate in value as much or as fast as you think — or as much as you need.

Yes, it is true that every investment plan has inherent risks; the stock market is no exception. Wise investors plan for a wide range of financial eventualities. Of course, that does not mean you should give away your old baseball cards quite yet.

Go ahead and indulge, if you like, but prize your rare collections because they bring you pleasure, not profit. To appropriately benefit from your investments, there has to be a ready market, and it is best if your investments are easily liquidated while you stay rooted to the fundamentals. You will find that dynamic in fluid financial markets, but not so much in the contents of your cardboard boxes.

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