



Economic Situation and Strategy

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Luxury instead of stocks? Tangible assets as an alternative asset class

Watches, wine, and whiskey instead of stocks and bonds: In times of economic uncertainty and volatile financial markets, more and more investors are discovering the world of tangible assets. Whether rare watches, fine wines, or vintage cars – investing in so-called "passion assets" is attracting new investors. The fascination with the exclusive meets the desire for value preservation and diversification. But are tangible assets truly a safe haven in turbulent times or merely an expensive hobby for enthusiasts? A look at the price trends of luxury investments reveals opportunities, risks, and current trends.

What makes tangible assets valuable

Tangible assets are material goods that possess an intrinsic, often consistent, value – regardless of price fluctuations on the stock market. Unlike financial assets such as stocks, bonds, or funds, whose intrinsic value is derived from promises to pay or the company's value, tangible assets are centered around physical objects. In addition, they often embody an emotional value that significantly influences the price. While the price of a share, for example, is primarily determined by company results and market expectations, factors such as rarity, material, condition, origin, and trends play a decisive role in the case of tangible assets. A rare vintage wine, a limited-edition luxury watch, or a work of art by a famous painter cannot be reproduced at will. The limited supply can therefore drive up the price of luxury goods.

The luxury status of a tangible asset investment is a decisive factor in its performance and attractiveness – often even more important than the pure material or functionality of the item. If you compare a luxury watch with a conventional watch, for example, you'll notice that the latter is a purely consumer item, whose value is determined by cost, design, and market demand. A luxury watch, on the other hand, is far more than a mere timepiece. It is a status symbol, an expression of exclusivity, and sometimes a collector's item. Therefore, its list price is already many times higher than that of a mass-produced product. However, this is often a prerequisite for future appreciation or at least value retention. Mass-produced products lose a large portion of their value immediately after purchase.

In contrast to traditional investments in the financial markets, tangible assets are usually less liquid and often require specialized expertise. An investment can quickly turn out to be a flop if the focus shifts to other assets. Even more frustrating would be an investment in a counterfeit made due to ignorance of the item's authenticity. Therefore, there are also risks associated with a counterfeit, including poorer performance and total loss.

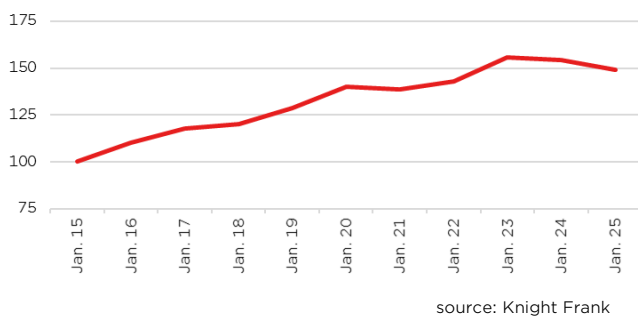
Market development of Passion Assets

The market for tangible assets has developed dynamically in recent years and is now significantly more diversified than it was a decade ago. Fintechs have also played a role in this. They enable investments in shares of collectibles such as comics, sneakers, watches, vintage cars, or whiskeys for even low double-digit amounts. Thanks to them, the tangible assets market has been experiencing a democratization for some time now. Previously, it was only financially strong collectors,

Economic Situation and Strategy

enthusiasts, and true connoisseurs of the scene who could invest in expensive passion assets. Investments are often only possible starting from a large sum. However, by fractionalizing assets, a broader investor base is now being opened up. In addition to private investors, institutional investors and family offices are also discovering passion assets for themselves. For example, the family office of the Porsche Piëch family and that of the Albrecht family (Aldi) are well-known examples of investors in vintage cars and art, respectively. There is a simple reason for this. Tangible assets can be a useful addition to a portfolio and provide a further diversification effect. Tangible assets perform largely independently of stock market fluctuations.

Performance KFLII Index

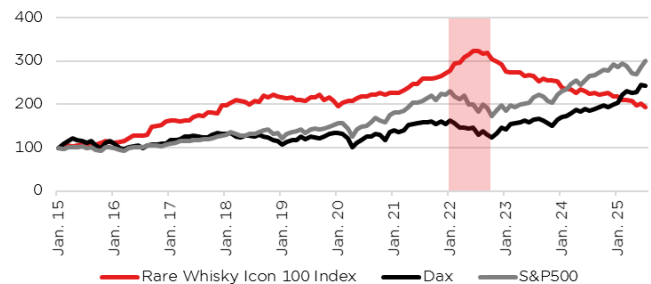


A look at the Knight Frank Luxury Investment Index (KFLII) from the real estate consultancy Knight Frank demonstrates the stable value of many luxury investments. The index is composed of eleven different passion assets and is published annually. The index is regularly adjusted. Whiskey, for example, was only added in 2019, while handbags were introduced in 2020. Stamps, on the other hand, declined significantly in importance and were excluded from the index in 2021. From 2015 to the beginning of this year, the index increased by around 50 percent. Despite crises and wars, there were hardly any downturns during this period. Rather, value development stagnated during these phases.

A look at the individual markets, however, shows that the price development of individual segments was sometimes very different. Rare whiskies gained considerable attention during the coronavirus pandemic due to their spectacular performance, as the Rare Whisky Icon 100 Index illustrates. The index tracks the price development of 100 sought-after collector whiskies. Included are whiskies from "The Macallan" a brand well-known among collectors and James Bond fans. Special

and vintage bottlings from the Scottish distillery fetched five-figure prices and more.

Performance Rare Whisky Icon 100 Index vs DAX40 vx. S&P500



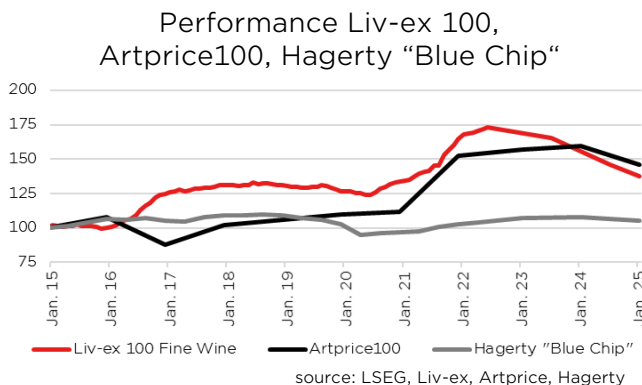
Since 2015, the Whisky Index has more than tripled in value by autumn 2022, performing significantly better than the DAX or the S&P 500 during this period. The development from January 2022 onwards is particularly interesting: Initially, the Whisky Index developed in exactly the opposite direction to the stock indices. This development can be explained by the search for alternative investments, which was fueled by the low interest rate phase at the time, and the lifestyle and indulgence trend, in which many people increased their purchases of luxury goods during the pandemic to treat themselves to something special or to own an exclusive collectible. However, with the recovery of the stock markets from 2023 onwards, this trend reversed, so that stocks performed better over the entire period under review.

Performance ChronoPuls Index



The luxury watch market has also performed robustly, driven by brands such as Audemars Piguet (AP) and Patek Philippe, which more than tripled their prices at their peak. This increase in value is reflected, for example, in the ChronoPulse Index. Within the index, the Rolex Datejust has the strongest weighting at almost nine percent. Between 2019 and 2025, the value of the watch increased by 54 percent. The largest increase in value was achieved by the AP Royal Oak model, which increased

by approximately 179 percent. In addition to these two models, the index includes a total of 140 different models from 14 watch brands.



The wine, art, and classic car markets have recently seen rather subdued developments. The Liv-ex Index tracks the price development of the 100 most sought-after wines, as defined by the secondary wine trading platform Liv-ex. Since its peak in June 2022, the index has already lost almost 25 percent of its value. The Art-price100 and the Hagerty "Blue Chip" Index, in contrast, are significantly more stable. While the Art-price100 tracks the performance of a portfolio of the 100 best-selling artists – Pablo Picasso is the most heavily weighted at around eight percent – and has increased by over 45 percent since 2015, the Hagerty "Blue Chip" Index reflects the price development of the 25 most sought-after post-war automobiles. The term "blue chip" is intended to represent the exceptional value retention of these vehicles. In fact, it has been relatively stable, although cars from certain manufacturers (e.g. Ferrari or Porsche) have been able to generate significant increases in value in the past.

Selection and access options

Entering the real asset market is fraught with challenges. While there are indices that track the performance of specific passion assets, passive investment is not possible because there are simply no products such as ETFs available. Instead, investors must invest specifically in individual assets or a basket of several assets. This entails increased concentration risk: The portfolio is less diversified and more dependent on the performance of individual assets. However, professional funds that would enable broader diversification in the area of exclusive real assets are reserved for institutional investors and family offices and are generally not accessible to private investors.

Access to particularly sought-after and limited-edition properties can also sometimes be difficult. Exclusivity and scarcity are key value drivers. Many models or editions are only available to select buyers or by invitation, further complicating market entry. It's not uncommon for prospective buyers to have previously made purchases from the brand to even be considered for their desired item, and even then, there can be a waiting period of several years. Consider, for example, the ever-popular Rolex Submariner watch model or the coveted Kelly and Birkin bags from Hermès. Last but not least, practical aspects such as storage and insurance also play a major role. Stocks and bonds are held in depositories, take up no space, and require no additional security measures. Passion assets sometimes require special storage conditions and should be protected against theft. This incurs additional costs and organizational effort.

Conclusion

Investments in tangible assets have established themselves as an attractive complement to traditional asset classes, offering the prospect of attractive capital appreciation as well as protection against loss of purchasing power. The greatest advantage, however, is the opportunity to further diversify one's portfolio. Digital platforms have made access to these exclusive markets significantly easier. In addition to the financial return, the emotional component also plays an important role for many investors: Unlike securities, passion assets can be truly experienced and enjoyed. Simply owning and viewing such an asset can offer significant added value.

However, investments in tangible assets are associated with particular risks: lower liquidity, high transaction costs, the risk of counterfeiting, and the often necessary expertise require careful selection and market knowledge. Investments in tangible assets are therefore particularly suitable as a long-term, complementary addition for experienced investors with the appropriate risk tolerance. Those who consider these challenges can benefit from the fascination and advantages of this asset class, but should always be aware of the risks.

Nico Studenroth

Market data

Stock marketes	As of	Change versus				
	12.09.2025 13:51	05.09.2025 -1 week	11.08.2025 -1 month	11.06.2025 -3 months	11.09.2024 -1 year	31.12.2024 YTD
Dow Jones	46108	1,6%	4,9%	7,6%	12,8%	8,4%
S&P 500	6588	1,6%	3,4%	9,4%	18,6%	12,0%
Nasdaq	22043	1,6%	3,1%	12,4%	26,7%	14,1%
DAX	23662	0,3%	-1,7%	-1,2%	29,1%	18,9%
MDAX	30156	0,5%	-3,6%	-1,6%	20,1%	17,8%
TecDAX	3569	-1,6%	-5,3%	-8,8%	9,6%	4,4%
EuroStoxx 50	5373	1,0%	0,8%	-0,4%	12,8%	9,7%
Stoxx 50	4570	0,5%	1,9%	0,0%	4,5%	6,1%
SMI (Swiss Market Index)	12234	-1,1%	3,1%	-0,7%	2,6%	5,5%
Nikkei 225	44768	4,1%	7,0%	16,5%	25,7%	12,2%
Brasilien BOVESPA	143151	0,4%	5,6%	4,4%	6,3%	19,0%
Indien BSE 30	81905	1,5%	1,6%	-0,7%	0,5%	4,8%
China CSI 300	4522	1,4%	9,7%	16,1%	41,9%	14,9%
MSCI Welt	4255	1,5%	3,5%	8,3%	18,9%	14,8%
MSCI Emerging Markets	1310	2,7%	4,3%	8,4%	23,7%	21,8%
Bond markets						
Bund-Future	129,10	-100	-52	-170	-626	-434
Bobl-Future	117,83	16	57	-4	-234	-3
Schatz-Future	106,98	-10	-5	-30	-16	0
3 Monats Euribor	2,01	-4	-2	6	-145	-70
3M Euribor Future, Dec 2025	2,00	5	7	22	14	11
3 Monats \$ Libor	4,08	1	-26	-37	-102	-29
10 year US Treasuries	4,05	-2	-21	-36	40	-52
10 year Bunds	2,70	9	5	17	67	34
10 year JGB	1,60	3	11	14	74	52
10 year Swiss Government	0,24	-5	-1	-5	-18	-4
US Treas 10Y Performance	637,97	0,6%	2,4%	4,4%	1,6%	7,8%
Bund 10Y Performance	563,00	0,1%	0,6%	0,1%	-1,8%	-0,3%
REX Performance Index	457,95	-0,1%	-0,1%	-0,3%	0,4%	1,1%
IBOXX AA, €	3,09	-1	-2	2	7	5
IBOXX BBB, €	3,40	-1	0	-3	-15	-6
Commodities						
MG Base Metal Index	437,11	0,4%	2,1%	3,8%	7,8%	7,8%
Crude oil Brent	67,52	3,0%	1,2%	-3,3%	-3,1%	-9,7%
Gold	3648,87	1,8%	9,0%	9,2%	45,2%	39,0%
Silver	32,54	0,0%	0,0%	0,0%	13,7%	9,6%
Aluminium	2684,56	3,2%	4,1%	6,6%	14,2%	6,2%
Copper	9989,96	1,6%	3,5%	3,0%	11,4%	15,5%
Iron ore	105,18	0,7%	3,2%	9,8%	14,0%	1,5%
Freight rates Baltic Dry Index	2111	6,7%	3,6%	21,5%	7,5%	111,7%
Currencies						
EUR/ USD	1,1720	0,2%	0,8%	2,5%	6,1%	12,8%
EUR/ GBP	0,8649	-0,4%	0,0%	2,0%	2,2%	4,6%
EUR/ JPY	173,23	0,1%	0,8%	4,2%	10,6%	6,2%
EUR/ CHF	0,9343	-0,5%	-0,9%	-0,7%	-0,2%	-0,7%
USD/ CNY	7,1216	-0,2%	-1,0%	-1,0%	0,0%	-2,5%
USD/ JPY	147,21	-0,1%	-0,6%	1,8%	3,4%	-6,4%
USD/ GBP	0,74	-0,2%	-1,0%	-0,1%	-3,9%	-7,5%

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