



THE HIDDEN VALUE OF ARMS COLLECTING



In a period of economic uncertainty, alternative assets can provide diversification, stability, and handsome returns for the savvy investor. Consider Goldman Sachs's May 2023 Family Office Investment Insights Report, where 38% of the family offices surveyed revealed that they'd allocated capital to collectibles as part of their investment strategy. Across all respondents, 71% reported that "passion" was their primary driver in acquiring collectible assets, while 39% indicated their purchase was due to the potential to generate returns that are "uncorrelated to the rest of their portfolio" In short, collectibles are fun and offer an investment platform that's untethered from conventional market trends.

In recent years, high-value collectibles like fine art, classic cars, and vintage timepieces have been outperforming traditional investments and show no sign of losing momentum. Rare firearms have experienced similar uptrends, and that's no surprise given how the most desirable firearm classes share many of the same traits as other investment-grade collectibles. Scarcity, tangibility, artistry, historic significance, popular appeal, and strong market demand have all contributed to substantial appreciation across the fine arms genre.

Fine Arms Collecting on the Rise

Guns linked to monumental names such as Ulysses S. Grant and Napoleon Bonaparte top Rock Island Auction Company's list of recent seven-figure firearms, but history is far from

the only factor driving unparalleled growth in the genre. Of the 50 most expensive guns to sell at the auction house, only 12 belonged to well-known politi-



cal or cultural figures.

Like the rest of the decorative arts field, vintage firearms are valued for their rarity, style, condition, provenance,

and aesthetic. The latter factor, artistry, will be readily familiar to investors of other high-end collectible classes. Firearm examples engraved by master craftsman like Louis D. Nimschke or designed by Versailles artistic director Nicolas-Noël Boutet reside in the world's most prestigious museums and command ever-more impressive auction prices.

When Rarity and Popularity Collide

Popularity is also a key component in the market momentum observed across the fine arms field. 80% of Rock Island Auction Company's 50 most expensive guns are Winchester rifles and Colt revolvers. Winchester and Colt are arguably the most recognized firearm manufacturers in history and names that are immediately associated with the





American West. Even though millions of Colt revolvers and Winchester rifles were produced in the 19th century, they've become collecting cornerstones thanks to their status as American icons. And where rarity and popularity collide, prices soar.

The growth experienced by these two giants of the genre has elevated interest at

every level of the antique arms pursuit, drawing in multiple generations of gun collectors, shooters, and fans of Western Art. Frontier rifles, Old West derringers, and Civil War guns have seen a similar surge in value, with early production models, prototypes, scarce configurations, and elite condition examples commanding the highest price points.

Every corner of fine arms collecting has enjoyed substantial gains, including 20th century military arms. Vintage pistols, rifles, and combat shotguns from the two world wars have all seen their values rise dramatically despite being manufactured in high volume. Consider the M1911A1 pistol, a model that saw 1.9 million

units produced during the World War II era. The prominent pistol has become a proven high riser at every level, from comparatively common pieces experiencing double-digit annual growth in recent years to the most exclusive examples of the genre becoming some of the most pursued items in arms collecting.



In 1940, the Singer Manufacturing Company produced an order of 500 M1911A1 pistols for the U.S. Army. Rock Island Auction Company sold the finest-known Singer example in 2010 for a then-unprecedented \$166,000, then auctioned the same pistol again seven years later, where it broke its own record with a stunning \$414,000. The Singer pistols aren't engraved or linked to any world-

famous figures. Instead, they're another example of how the convergence of popularity, scarcity, and condition in the field of classic firearms can create expanding price ceilings to rival the most impressive gains in the collectible arts pursuit.

Collect at Any Level

Compared to other investment-grade blue-chip collectibles, the fine arms market presents a comparatively low barrier





to entry. And while certain alternative asset classes such as rare postage stamps have suffered a decline in popularity, classic firearms have enjoyed a constant stream of new collectors in every genre and price point of the venture. The market's broad appeal and rampant growth creates a lucrative environment for the judicious investor, with recent data indicating many antique and vintage guns may be significantly undervalued.

Investment-grade firearms are obtainable to nearly all financial aspirations. Many determined collectors have broken into the market by purchasing the best examples they could afford and traded up from there, building their collections piece by piece as means and opportu-

nity allowed. A well-cared-for gun retains its value and often appreciates. The natural ebb and flow of the collect-



ing environment offers profit potential whenever a class of firearms experiences a sudden surge in value, a common occurrence in recent years.

The blistering performance of the fine arms field presents a compelling opportunity for those seeking to diversify with a touch of history. Arms collecting can offer a more muted market-to-market volatility compared to conventional investment options, and the historical significance, scarcity, aesthetic, popular appeal, prolific demand, tangibility, and potential for growth make antique and vintage firearms a valuable addition to any portfolio. If approached with diligence, research, and careful selection, investors not only have the potential to reap high returns but can also contribute to the preservation and appreciation of history while enjoying one of the most accessible genres the collecting world has to offer.