



Investing
Strings Attached
 Rare violins are music to
 some investors' ears.

By Adam Baer

> The Taser knocked Frank Almond unconscious. As the award-winning violinist came to in a Milwaukee parking lot late one frigid night in February, he felt extraordinary pain—and not just from the barbs stuck in his chest and wrist. Thieves had stolen his \$5 million Stradivarius violin, on long-term loan from an anonymous investor in the stratospherically priced stringed instruments.

The 600-odd Stradivariuses in existence—made by Antonio Stradivari in the 17th and 18th centuries—are coveted for their craftsmanship, responsiveness and sound, to say nothing of their rapid appreciation in value. Yet this household name clearly isn't the only instrument coveted by the world's top violinists. "Old Italian instruments have gotten very expensive, and so many musicians have turned to modern instruments because they're lower in price," says Kathryn Graddy, an economist at Brandeis University, whose 2005 study on violins as investments revealed that certain modern Italian models appreciated significantly better than their antique counterparts.

Like many dealers and players, Graddy agrees that buying a violin purely as an investment vehicle is probably unwise. "It's a very small market," she warns. "However, if you want to purchase one because you

would like to play it or loan it to a musician, it's a great store of value." In fact, when Graddy was researching her study, she consulted New York's Emigrant Bank Fine Art Finance LLC, which loans money against hard assets. Graddy says, "The person there said she really liked to loan money against musical instruments because they aren't as volatile as art."

Still, it's sometimes difficult to know what precisely to buy and from whom. Jason Price, owner of Web-based Tarisio Auctions, says serious investment in the stringed-instrument market begins in the high five to low six figures. He recommends two old but still technically "modern" makers: Giovanni Francesco Presenda, who practiced in Turin, Italy, during the first half of the 19th century, and Jean-Baptiste Vuillaume, a prolific French

craftsman who died in 1875. From 1990 to 2014, Pressenda's creations had an annualized rate of return of about 8 percent, according to data compiled by Bloomberg, while a Vuillaume recently fetched nearly \$250,000—up from \$80,000 in the 1990s.

"Professional-level stringed instruments have the potential to outperform more-traditional investments over longer-term time horizons," says Christopher Brathwaite, a Chicago-based investment adviser who is himself a collector-investor and a classically trained violinist. A look at a number of instruments made by American Joseph Curtin, one of the best-regarded living luthiers, for example, showed an annualized rate of return of almost 10 percent. "Clients are becoming more sophisticated about their asset-allocation decisions," Brathwaite says, "and many are choosing to intertwine their investments with their passions, which includes fine stringed instruments."

Such investors are rarely looking for liquidity, however. "You don't flip a violin overnight in the hope of doubling your money," Price says. "Generally, people who buy violins have another reason. They were either a violinist when they were young or they're supporting a violinist they care about. It makes for a great community, and it's helped make this a stable asset class for a long time."

Price's website also offers access to the Cozio Archive, a database of some 60,000 individual instruments and bows that helps guard against counterfeits and price gouging. "We've all become better experts with the advent of the Internet," Price says.

As for Almond, he was quickly reunited with his \$5 million Stradivarius—and even gave a concert to celebrate. (At press time, one suspect was still awaiting trial and a second had received a 3.5-year sentence after pleading guilty.) "These things happen, but they rarely happen," Almond says. "And when they do, thieves should know there's almost nothing to be done with them," since, like marquee art, high-profile instruments are almost impossible to fence because they're so recognizable.

Although Almond says he's been the fortunate recipient of loaned instruments for much of his career, even he's investing in the fine-violin market. He owns a Brothers Amati, made in 1624 in Cremona, Italy, that's worth as much as a "house in Beverly Hills," he says. So how was he able to afford it? By selling a Pressenda and trading up, of course. ☺



THE HOTEL I WANT TO LIVE IN

ANTHONY BOURDAIN

Host of *CNN's Parts Unknown*

"There's something wonderful about the warm embrace of L.A.'s

CHATEAU MARMONT—it's like being part of a mildly dysfunctional but very affectionate family. When I first stayed there, no one gave a shit who I was other than the kitchen staff, but it's the kind of place where their opinion of you matters. If I had to choose a place to die, it would be Room 55. It's got a

What I'm Reading Now

BY AMANDA GORDON



ANTHONY BOURDAIN

Host, *CNN's Parts Unknown*

"THE PATRICK MELROSE NOVELS by Edward St. Aubyn. They're dark, funny, brilliantly written. All four walk the line between pain and comedy in a way that few other people—maybe Richard Pryor—manage."

MICHAEL CORBAT

CEO, *Citigroup Inc.*



"THE PATRIARCH: *The Remarkable Life and Turbulent Times of Joseph P. Kennedy* by David Nasaw. There are a lot of myths surrounding Joe Kennedy; he wasn't a bootlegger, for example. This is a history of how he essentially endowed his family to pursue a life of public service. I don't think I'll do the same thing for my children, but the book is a terrific escape."

PEDRO PASCAL

Actor, *Game of Thrones*



"KILLING PABLO: *The Hunt for the World's Greatest Outlaw* by Mark Bowden. The book is insane. Bowden wrote *Black Hawk Down*, and here he's chronicling the U.S. Drug Enforcement Administration agents who took down Pablo Escobar. It's riveting and also horrifying—an insidious war. I'm playing a DEA agent in *Narcos*, premiering next year on Netflix, so I'm taking in as much as I can."



CINDY SHERMAN

Artist

"MY STRUGGLE: by Karl Ove Knausgaard. It's really good in a mundane sort of way, which is why it's being compared to Proust. It's the author's real life over thousands of pages; he didn't change names or disguise anything. The way he describes things is like painting a picture. I think he was as surprised as anyone that it's