

Christian Reister: the good investor makes reasonable and responsible investments

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As an investment class, high-class stringed instruments are profitable, low-volatility investment assets: they uniquely enhance a portfolio. Finbuzz spoke with **Christian Reister**, German investment banker turned violin investor and the founder of Violin Assets GmbH, about his career, his passion in musical instruments, and why the investment in such rare material asset offers exciting investment opportunities.

How did you come across 17th/18th century string instruments as a stable, capital profiting investment?

Actually, it seems to be common wisdom that high-class stringed instruments are very valuable goods in general. Your readers may remember the auction in the summer of 2011, where the “Lady Blunt” – a violin made by Antonio Stradivari in 1721 – changed owners for approximately 11 million Euros. This might be the best known example for the investment possibilities for premium stringed instruments from that period.

At Violin Assets we made some analyses to sort out the sustainability of asset performance over the centuries. In Germany, for example, we have a publication called Albert Fuchs’ “Taxe”, which is the standard work describing the financial performance of stringed instruments since 1907, based on collections of the respective market data. It points towards continuous capital growth.

Interestingly, this is true for high-class stringed instruments not only from the 17th and 18th centuries, but also for high-class instruments built later, even for some contemporary instruments.

How do you consider yourself either a player or collector?

Actually my partner, Jost Thöne, is a violist – “a player”, and his father was a famous German composer. And Jost is one of the world’s leading experts for string instruments. He has been in the business of string instruments for 30 years and, as a publisher, has also released a number of widely acclaimed publications. These include a large-format publication released in 2010 and 2016, consisting of eight volumes so far, in which Jost documents the work of Antonio Stradivari. (www.stradivaribooks.com) As for myself, I have been a classical music lover for decades. It is very interesting now to combine my personal interest in music and my professional background in the Private Wealth and Asset Management area.

What other centuries would you invest in?

High-class stringed instruments make attractive investments, from their origin in late 16th century up to the present time. Take the violins, the violas and the cellos of the great master Antonio Stradivari, for example. They were highly appreciated even in his lifetime – we know that the Medici family and the Spanish king ordered instruments from Stradivari. Their increase in value has developed steadily over the centuries. Nevertheless, there are also other great makers from the past, such as Guarneri del Gesù, G.B. Guadagnini, Guarnerius fiius Andrea, D. Montagnana, T. Balestrieri, to name just a few. But even contemporary masters like L. Salvadori, F. Foto, D. Sora, A. Ciciliati and S. Levaggi are definitely worth a look for investors and patrons.

How would you describe your passion for string instruments?

For us as a company, high-class string instruments are great investments: these instruments are tangible assets, they are mobile goods and they steadily and reliably increase in value over time. We enable our clients to obtain an exceptional instrument for the purposes of investment; they can then choose simply to have it stored properly or to lend it to musicians who can then play it. I find this fascinating.

What is your true passion?

I love bringing people together. The business of Violin Assets is very exciting as we deal with great personalities, both on the clients' side and on the musicians' side.

How did you get into investment private banking and asset management? How did you begin your career?

Well, in Germany it is possible to do a 2-year apprenticeship in banking, which I did in a highly respected private bank some 20 years ago. After my studies in law, I went back into banking, and worked in private banking, also internationally, and in asset management. I think that today I do combine all of my experience in my own company, a great leverage.

What motivated your career change?

Actually, my desire to become self-employed was a key driver. Since I knew that my experience was a very valuable asset, I kept looking for business models that could fit, and then I met my partner at VIOLIN ASSETS, Jost Thöne, a few years ago. The idea for Violin Assets arose from my first meeting with Jost, who is a highly acclaimed expert for Stradivari instruments and publisher of the great Stradivari books, an amazing encyclopedic work on the master luthier.

Can you name the reason why you chose to invest into musical instrument?

As I continued to meet with Jost, he told me what he knew about the instruments from a dealer's perspective, and we began to look into the facts and statistics. We found that high-class stringed instruments had always been attractive for investors, as they are valuable right from the beginning. Their increase in value develops steadily over the centuries.

Investors in great string instruments benefit from the fact that these instruments are tangible assets, they are mobile goods and that the appreciation from musicians, collectors and investors grows continuously.

And we realised that in today's investment scene, these were characteristics that a number of investors must be looking for – but that no one else was offering in the context of high-class stringed instruments. We recognised our unique chance.

By the way, we are talking only about great stringed instruments – only these are suitable for investors because they are able to increase in acoustic quality and value.

What is the most fascinating in this area of investing?

We offer our clients the opportunity to lend their fine instruments long-term to very talented musicians who, being dependent on the perfect sound of an outstanding instrument that suits them well, have applied with us for certain instruments – and it may or may not be surprising to know that the majority of our clients then decide to become patrons. They love the idea that, being an investor, it is easy to become a patron. So we see different aspects of "investment" and "return" at work in this asset class, the benefits of which reach far beyond the investors themselves. For me, this is the most fascinating aspect of our work.

What have been the most memorable moments of your career?

Signing the contract with the client who bought the first instrument from VIOLIN ASSETS some years ago.

What makes a good investor?

Well, in my opinion a good investor makes reasonable and responsible investments. As I've already mentioned, I believe a reasonable investment will offer reliability and steady growth, with relatively low risk. Responsible investments, as we are seeing more and more, are those that take into account environmental, social and governance factors with the aim of managing risk and generating sustainable, long-term returns.

Being brave pays off more often than you think.

For the individuals, foundations and companies whom we enable to invest in premium stringed instruments, the aspect of combining investment and patronage is very appealing. While investors naturally benefit from the stability of the investment in the instrument, this decision to become a patron is a fabulous opportunity for them to promote excellence in the form of preserving our society's cultural heritage and supporting the arts. In my opinion, this is a very responsible, very valuable achievement for a reasonable investment.

Who has inspired you?

There are many great men and women...

What has been the greatest challenge in your career so far?

Deciding to become an entrepreneur and leaving my former employer, the 340-year-old Metzler Bank in Frankfurt, Germany. But it has paid off.

What valuable lessons have you learned?

Being brave pays off more often than you think.

What advice would you give yourself if you were starting your career today?

I would give myself two bits of advice: First, "stay hungry, stay foolish" and second, "keep calm and carry on". Life often plays in between these two.

What keeps you awake at night?

Nothing.

What is the key to job satisfaction?

Satisfaction is the key, also to job satisfaction.

Who or what comes to your mind when you hear the word "success"? What do you associate with this word?

Have you read Stephen R. Covey's "7 Habits"?

What has been a defining moment of your career?

Each entrepreneurial success so far has been defining.

What would you have done if you were not been in finance?

Maybe I would have ended up in law, but I wouldn't have made a good stickler, I'm afraid.

Do you have any bugbears?

No.

What do you find most rewarding about your job?

Being an entrepreneur gives a lot of satisfaction as the leverage of my work is ultimately higher now than in earlier chapters of my life.

What's the most extraordinary thing you have seen?

Sometimes the most natural things seem to be most extraordinary: being present when a child is born.

What do you do to relax?

Listening to very different kinds of music.

What are you proud of?

It has been amazing to establish a sustainable and enriching business that connects investors, instruments and musicians – a proposition that my partner, Jost Thoene, and I created from scratch.

What would you like to achieve in the future?

We definitely plan to develop the markets further and help the asset class to get more attention from the public.

What are the key challenges facing the industry today?

As there are many people wanting to do something reasonable with their wealth who are now discovering the combination of investment and cultural impact, our challenge will be to find these people and make them aware of the great investment opportunities we offer. This will be a great entrepreneurial task. But Violin Assets is in a unique position, and we believe in what we do.