Hermès

Kelly 25 Padded

Return Potential

An investment of 500 EUR is projected to be worth approximately 725 EUR in 4 years.

Cost-to-Return Ratio

With just 2.9% annual total costs (including exit fees), your net profit could be an impressive 9.7% per year.

Craftsmanship

Each edge of the bag is carefully saddle-stitched, a technique that not only reinforces the structure but also highlights the craftsmanship.

Fun facts:

The new version of the Kelly 25 bag, inspired by vintage cars, features a distinctive design that pays homage to the padded interiors of classic automobiles. The bag's leather is meticulously raised on all sides, creating a plush and luxurious texture.

General Info

Cost Analysis

	Value in €
Asset Value	26,700 €
Platform Fee Splint Invest	1,650 €
External Maintenance Cost	550 €
Price	**28,900 €**
Number of Splints	578
Price per Splint	**50 €**

- The price of 28,900 € includes the Splint Invest platform fee and external maintenance costs of 2,200 €. 26,700 € can be allocated to the asset.
- Splint Invest will charge an exit fee of 2 % applied to the proceeds from the sale of the asset.
- Each Splint holder bears a proportional part of the costs.

Rating

Return

The average annual increase in value of the sought-after bags since 1980 is at 14.2%.

According to the 2023 wealth report of Knight Frank the prices for collectible handbags increased by 67 % over the last 10 years.

Stability

The production volume is kept at low level by Hermès. This leads to annual price increases of 5 up to 10 % for the primary market of Kelly bags.

The prices on the secondary market follow the increase on the primary market.
The annual production of the Kelly bag is around 20,000 pieces.

Track Record

This handbag was launched in 1935 as Sac-à-Depêches. The actress Grace Kelly fell in love with the bag and was photographed with it. Many customers subsequently spoke of the Grace Kelly bag, after which Hermès renamed it the Kelly bag.
Quality is of the utmost importance, and even today, the bags are handmade from the finest materials. The production time is 40 hours per bag.

Investment Horizon
of 2-4 years

Forecast per Splint in €	2 years	3 years	4 years
Ambitious	61	69	79
Balanced	59	66	74
Defensive	52	53	54

The investment horizon has been set to 2 to 4 years.

- The investment horizon has been set at short to medium term. It is expected that Hermès will continue to increase prices by 5 to 10% annually and that prices on the secondary market will, therefore, also increase. At the same time, demand in the Chinese market is expected to continue to grow.
- If one of the following two conditions is met, the sale of the asset is considered:
    - End of the defined investment horizon has been reached.
    - Ambitious case already occurs before the end investment horizon.

Your Return Potential

	Value in € defensive	Value in € balanced	Value in € ambitious
Expected gross sales proceeds at maximum maturity	31,212 €	42,772 €	45,662 €
- Splint selling fees of 2%	-624 €	-855 €	-913 €
- External maintenance cost	-550 €	-550 €	-550 €
- Splint Invest platform fee	-1,650 €	-1,650 €	-1,650 €
- Asset value at acquisition	-26,700 €	-26,700 €	-26,700 €
Expected return at maximum maturity	**1,688 €**	**13,017 €**	**15,849 €**
Average annual rate of return	**1.4%**	**9.7%**	**11.6%**

Details to weighted calculation of the average annual rate of return:	Defensive Scenario	Balanced Scenario	Ambitious Scenario
Base value 1 with a 70% weighting	12 month inflation rate Switzerland (1.4%)	Average annual appreciation of Birkin Bags over the last 35 years. (+14.2%)	AMR Handbags Index, Performance 2022 incl. price premium for special edition bags (+17%)
Base value 2 with a 30% weighting		2024 Hermès Kelly mini bags (hermes.com) price increase (+8,1%)	2024 Hermès Kelly mini bags (hermes.com) price increase (+8,1%)

Why you should invest

1. The padded bag is highly limited in production.
2. The annual production of the Kelly bag is around 20,000 pieces.
3. Annual price increases of 5 up to 10 % for the primary market of Kelly bags.

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