

Alternative investments or unusual ways to save and increase your savings

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Current economic trends like the global inflation with the significant influence of COVID-19 and geopolitical factors showed that the investments, which do not depend on the listed phenomena, ought to be found and used [1]. That is why in this article I chose three so-called “alternative” investments for more precise analysis. These are fashionable clothes, “Lego” sets and CS:GO in-game currency (CS:GO is a world-famous computer game).

The possibility of investing money in clothes was examined using the example of 2 pairs of different designer shoes. The first model called MSCHF x Lil Nash X "Satin Shoes" demonstrated the monthly profit in the amount from 370% to 585%. The second model called PW Human Race NMD illustrated the real annual profit in the amount from 34% up to 98%. In the second case the formula of the real value of the goods was used: $FV / (1 + I / 100)^n$, where FV- future value of the item, I- inflation rate, n- number of years passed [2].

The next investment instrument explored was “Lego” sets. In the research created by the scientists from Higher School of Economics it was found that the average profitability of “Lego” is 11% annually [3]. In addition, the prices for toys according to the report do not correlate with the conditions of financial markets and they are not volatile.

Also, the fact that the smallest and the biggest sets of “Lego” are the most profitable ones was discovered (Рис. 1). Moreover, a profitability highly depends on the theme of a toy. The most gainful ones are “Star wars”, “Super Heroes”, “Batman”, architectural sets and sets inspired by movies.

In the opinion of the main researcher who made a “Lego” report there is a best strategy for investments in a world-renowned toy. Firstly, an investor should buy an item from a limited collection. Secondly, an investor should buy an item in Russia, especially when there is a sale and it is known that the set will not be produced anymore. Thirdly, the best is to sell an item on eBay to a foreign customer because of the higher liquidity.

Nevertheless, of course, this type of investments has its disadvantages. For example, large investment horizon, little knowledge of the investment phenomenon of "Lego", need in the understanding of “Lego” etc.

The last element of my research was the in-game currency (the main "currency" in the virtual market is "stickers", "cases" and "skins" that can be bought and sold [4]) in CS:GO. Through the brief review of the situation on the online market of game items in 2019-2020 I made a couple of conclusions: the investments in this game can bring an investor high profits and high risks at the same time; the prices on the market do not depend on political or economic conditions, however the connection between the value and different social factors was detected; commercial activity of a speculative scale on STEAM (the game platform where all operations with game items are made) is prohibited, so the inventory can be blocked at any time if a violation of the rules is detected.

To sum up, alternative or unusual investments is already a reality for quite a while. However, in order to carry out investment activities, it is necessary to have a basic understanding of the conditions and factors of the market of the investment object, as well as risk reduction through the use of a classic investment strategy for a diversification of assets.

References

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Illustrations

Group	The average price for one set	The size of a set (in the amount of parts)	The amount of sets	The average profitability (in percent)
1- biggest	1, 928	1,204-5,922	96	12,07
2	862	660-1,197	215	6,88
3	466	340-659	383	10,08
4- smallest	113	1-339	1628	22,44

Рис. : The average profitability of the set depending on the size