

StampAuctionNetwork Market Guidelines for Investing in Rare Stamps

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Overview

Stamps can hold great value.

The highest price paid for a stamp to date is \$9.5 million for the penny magenta. There are another couple dozen stamps that have sold for more than a million. Even #100 on the top 100 most expensive stamps weighs in at a respectable \$300,000. Prices for the rarest of stamps have seen the highest appreciation. There are plenty of stamps and covers that regularly sell for more than \$10,000 and there is a matching demand for them.

We face an opportunity. A generation of stamp collectors are about to pass their collections on to the next generation. Never before will so many investment grade stamps and covers come to market at a time when the next generation of stamp collectors has not emerged.

This presents an opportunity to the savvy to obtain the very best of this material at prices that may not be seen again. This piece will describe this opportunity and guide the investor that wants to put investment grade stamps in their portfolio -- with or without philatelic knowledge.

I would like to present our case that investment grade stamps have a place in a diversified portfolio, especially where you are concerned about safe harbor or capital conservation. We will explain the market, the mechanics of buying and selling, the stories, and most of what we think you would need to know in order to have confidence in buying investment grade stamps. The world is different today than in the 70's when there were investment schemes that took advantage of buyers. Today we have services and applied technologies that can protect even an inexperienced person.

In the past...

Stamps are generally considered more complicated than coins. Coins are graded and have set valuations based on the year and condition. There are market price guides. Stamps are far more delicate, and for many collectors, a thinned area of the stamp, a missed perforation, or repair changes the value dramatically. The value of a stamp can range from \$85,000 for the best copy down to \$100 for a damaged one. There are catalog values, but those are really only helpful to determine if one stamp in the same condition is worth more than another. Catalog values are mostly too high for the general stamps on the market, where stamps generally sell for 40% of their catalog value and too low for the condition rarities which can sell for 10 times catalog.

So for a long time now, you needed in depth knowledge of the market to buy and sell with confidence. Investment grade stamps, like art are each one of a kind treasures. The most cost efficient method to obtain them is to bid and buy at auction. The drawback is that there is a hefty buyers premium -- count on 20%. Then when you sell, there will be a consignor premium. This means that buying investment grade stamps requires that you hold them for a long enough period to overcome the costs of buying and selling. Fortunately on the consignor side, many auction houses will negotiate the consignor fees, sometimes to zero for very expensive stamps.

We will show how to mitigate these concerns and create the opportunity for those that want to build a portfolio of rare stamps either as a safe haven investment or for appreciation. These guidelines will provide an analysis of the market and explain how you can enjoy investing in rare stamps.

The Players

For years, collectors have amassed important stamp collections which would later sell in famous "name" collections. There was the "Zoellner Sale", a collection of every United States stamp. Around the same time, the Honolulu Advertiser sold their collection of Hawaii. In the provenance of stamp descriptions you will find the old time name sales, "Caspar", "Harmers" etc..

Bill Gross is one of those that is still selling his collection. His collection is estimated to approach \$100 million dollars. Since 2013, He has been selling, and in 12 sales has sold over 35 million of his collection. This is just one of such holdings that is waiting for the right time to come to auction. Consider that Bill Gross managed one of the largest mutual funds, focusing mostly on bonds and fixed income investments -- and then that he invested some 100 million of his own money in investment grade stamps.

The Market

The total stamp market is composed of auction firms, dealers, and collectors. Auctions use the consignment business model. They take consignments from collectors, organize them into sales, and sell the entire sale in a few days, selling each lot to the highest bidder. Dealers buy material from auctions and collectors, build inventory and sell out of their inventory at stamp shows, their shop, or on the internet. Collectors buy from auctions and dealers, and often act as part-time dealers selling their duplicates. The best place to buy and sell investment grade stamps is at auction.

Worldwide auction sales are estimated to be \$400 million per year worldwide. At auction, stamps are organized into “lots”. A lot may be a single stamp or it may be an enormous accumulation of stamps, albums, supplies on a pallet.

When we talk about investment grade stamps, we are talking about individual stamps sold as a single “lot”. Each year, individual lots of an investment grade stamp selling for over 10k made up from \$40-80 million of the \$400 million worldwide market. This will only increase as the current generation of collectors with a median age in the 70’s prepares to sell their collections.

Advantages to buying Investment Grade Stamps

Investment grade stamps are a tangible asset. They have a limited supply. There will never be any more than what exists now, and unfortunately there is loss each year. Stamps are stolen. They may be lost in floods and fires. One of the famous inverted Jenny Stamps had fallen out of its album and was found in the vacuum cleaner -- damaged and worth a fraction of its previous value. But it is a real object. Here are some of the advantages to consider stamps as an investment.

- The value will be independent of other market forces, the stock market, interest rates, housing prices, currency exchange rates and elections. They are an excellent vehicle to maintain diversification within an investment portfolio.
- Stamps are the most valuable substance by weight in the world and thus are highly portable.
- Stamp Collecting was once the most popular hobby and is still very popular around the world.
- There is a limited supply of investment grade stamps.
- If you are looking for “return of capital” instead of “return on capital”, then stamps are an excellent safe haven investment.
- Stamps are a confidential investment. Even when bought at a public auction, ownership is private and there is no public register as there is for many investments in equities.
- A stamp can be enjoyed for its beauty and rarity. They document the history, geography, people of the countries that produced them. Stamps on cover, are a record of communication within and beyond a country's borders.
- Stamps fall out of regulatory controls. They can be bought, sold, traded, inherited and no one is the wiser.

In the past, you needed a library of auction catalogs to research a stamps auction provenance (the record of sale of an individual stamp or cover). Now that information is at your fingertips. You can see what a specific stamp sold for previously. You can examine the certificates that were issued to verify its genuineness. There are censuses and population reports that list how

many of any stamp are in existence. You can even find out how many are in collector hands and how many are out of reach stored in a museum.

Barriers to Entry - Risks and Disadvantages

A stamp investor must be able to identify a stamp and understand how condition affects value. Some rare stamps are easy to identify. For others, they look like a similar common stamp, but have a difference only appreciated by a collector -- a watermark, a perf difference, a color shade, an error. For this reason most investment grade stamps are now sold with a certificate from a recognized expert (in the US the Philatelic Foundation). These "certs" provide confidence to the buyer that the stamp or cover is genuine. You don't have to be an expert, you can depend on other experts, but there are other risks to investing in stamps.

- The cost of buying is high compared to most other forms of investment. Buyer's premiums are typically in the 20% range.
- The cost of selling is also relatively high. Seller's commissions are typically in the 10-20% for smaller consignments, but can be waived completely for rare single items over 50k. Auction firms pay negative commissions for very valuable items.
- You will want to insure them and take care in keeping them from damage and deterioration. Stamp insurance is available through the APS at reasonable cost.
- The future market is uncertain. The demand comes principally from collectors, mostly aged over 60. There are fewer younger collectors in Europe and North America. Only in China can we see a growing body of stamp collectors.
- It is absurd to many that a used stamp could be worth millions of dollars. However, many do consider them miniature works of art and considering that for more than 100 years, stamps were all hand engraved.
- Stamps packaged as "investment portfolios" may be charged at prices higher than their normal market value.
- Stamps have never been tracked with the details of the stock market, and there is little historical data on performance. This is partly because each stamp is a one of a kind artifact. The major exception to this is StampAuctionNetwork which has a database of 1.8M transactions dating back to 2001 with sales volume over 1.6 Billion in US dollars.
- Special instructions will need to be given to spouses or executors in the event of the owner's incapacity or death as they may be unfamiliar with philatelic items.
- Stamps will take time to sell and there is no current market value for a particular stamp or cover -- until it is sold.

Only some stamps should be considered for investment. Since president Roosevelt, a stamp collector, people have hoarded common stamps bought at the post office by buying an entire sheet of each issue. Those stamps are not even worth face value today. Stamps accumulated by travelers also rarely have any value. But if you can tell which of the estimated \$400 million

dollars of stamps at auction are investment grade -- they are the ones worth buying as an investment.

After all this you may feel like you need to be an expert? But, do not be alarmed, if you can read and use the internet, our database at StampAuctionNetwork can instantly identify which stamps are investment grade and retrieve the supporting history on the stamp to support that opinion.

Stamp Investment Scandals

From the most pessimistic angle, I would be remiss to not mention the scandals related to stamp investing in the past. For the length of time that people have collected stamp, there have been just a few times that collectors have been deceived, but it has happened. There have been "Ponzi" schemes in the 1950s. In the 1970s, investors were taken advantage of when they were sold portfolios of stamps that were not of the quality they purported to be. In 2006, Afinsa and Forum Filatelico left around several hundred thousand investors with as little as 10% of their investments. Most recently in November 2017 the Stanley Gibbons' SG250 stamp index was put in administration. The takeaways.... Don't invest in funds that invest in stamps. If you want to invest, you should do what wealthy collectors have done for years, carefully buy individual stamps and keep them in your own possession.

Valuations

At the end of the day, the value of a stamp is only as much as the next person is willing to pay for it. These are the characteristics of investment grade stamps.

- **Rarity.** Invest in scarcity. This is the supply side of the equation. However, there are many stamps that are rare but are not of interest to collectors. Mexico for instance has a number of stamps where there are only a couple copies -- but there is no demand -- thus they are not expensive.
- **Condition.** Invest in quality. Condition includes the centering of the design, the margins around it, the gum on the back, the freshness of colour and more. Tiny thins and tears can reduce a stamps value significantly.
- **Authenticity.** A certificate from a recognized expertization organization is essential. Seek items with documented history and provenance.
- **Liquidity.** Invest based on demand. There are stamps that are not rare, but where demand outstrips supply. There were 5 million copies printed of China's Golden Monkey

stamp. It regularly sells for over \$1,000 when the few copies that people sell come to market.¹

Catalogues

While there are long term records of retail stamp prices, the first catalogue being prepared in 1862, there is little objective historical data about the past performance of stamps as investments. No long term indices like the Dow Jones or FTSE Index exist, although some figures have been compiled by Stanley Gibbons and Stamp Magazine in the UK.

Indexes and Stamp Funds

While there have been stamp funds created in the past (The Stanley Gibbons -- GB250 which tracks 250 British investment-grade stamps), we do not recommend them. You get none of the advantages of owning the stamp yourself and you are paying management fees on top of the auction fees.

And a word of caution: Stamp language does not translate. You would think that an “average” stamp would be priced at the average. “Average” in stamp language is the 2nd lowest category. The only thing lower is a damaged stamp. Similarly, “Fine” does not mean “Fine”. It is more like when you ask your kid how was school and they say “fine”. “Fine” is third from the top. The only thing that makes sense is “superb”, which is the best category. So if your investment grade index fund tells you that they invest in “old classic stamps in fine condition” -- that is misleading -- you are better off on your own.

Famous Stamps and their Stories

The most famous and valuable stamp is the British Guiana One-Cent Magenta -- “The Penny Magenta”. It was created in 1855, when a postmaster in British Guiana printed provisional stamps because his supply from Great Britain was cut short. Only one copy of these stamps survived and was discovered in 1873 by a Scottish school boy. He sold it for six shillings. It has been owned by the French Count Philippe la Renotiere von Ferrary, multiple stamp collectors, and a stamp consortium. Most recently it was bought in 1980 by John E. du Pont. Tied up for 30 years while its owner was in prison and later probate, it was auctioned in 2014 for \$9.5 million.

This is the description of the stamp as offered by Sotheby’s who promoted its sale at StampAuctionNetwork.



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The Unique British Guiana 1856 One-Cent, Black on Magenta Surface-Colored Paper (Stanley Gibbons no. 23, Scott no. 13). Initialed EDW, cut octagonally clear of design, April 4, 1856 DEMERARA circular datestamp, slight surface rubbing due to, according to RPSL certificate (2014), "over painting at some time in the past," the unique example, unpriced in Gibbons and Scott. 29 x 26 mm (1 5/32 x 1 1/32 in.)

EXPERTIZATION:

The stamp is accompanied by two "Genuine" certificates issued by the Expert Committee of the Royal Philatelic Society, London: Certificate No. 18,796 (17 October 1935), signed by Thomas William Hall, and Certificate No. 217,796 (17 March 2014), signed by Christopher Harman.

The stamp was also examined by Thomas Lera, the Winton S. Blount Research Chair of the Smithsonian National Postal Museum, on 17 April 2014, and several photographs taken by Mr. Lera are reproduced in the catalogue.

PROVENANCE:

Andrew Hunter (1856–1873), original recipient of the mailed stamp;
Louis Vernon Vaughan (1873);
Neil Ross McKinnon (1873–1878);
Thomas Ridpath (1878);
Philipp de la Rénatière von Ferrary (1878–1920; purple trefoil on reverse);
Government of France (1920–1922);
Arthur M. Hind (1922–1933; manuscript "H" on reverse; cloverleaf "AH" handstamp on reverse);
Ann Hind Scala (1933–1940; perhaps a seventeen-point star handstamp on reverse used to obscure the cloverleaf of her husband);
Frederick Trouton Small (1940–1970; comet handstamp on reverse; also initialed in pencil "FK" by his agent Finbar Kenny);
Irwin Weinberg and Associates (1970–1980; pencil "IW" on reverse);
John E. du Pont (1980–2014; pencil "JEdP" on reverse)

SELECTED EXHIBITIONS:

1923 London International Stamp Exhibition May 14–28
1926 New York International Stamp Exhibition October 16–23
1929 Le Havre, France, Exposition Philatélique Internationale May 18–26
1930 Boston, American Philatelic Society National Exhibition August 11–16
1940 New York World's Fair, British Pavilion May
1947 New York Centenary International Philatelic Exhibition May 17–25
1956 New York Fifth International Philatelic Exhibition April 28–May 6
1963 Melbourne International Philatelic Exhibition October 6–12
1965 London Stanley Gibbons Catalogue Centenary February 17–20
1970–1980 Irwin Weinberg toured the stamp extensively including trips to England, Japan, Switzerland, France, India, Czechoslovakia, Germany, Spain, and Canada

1986 Chicago Ameripex International Stamp Exhibition May 22–June 1 (Part of the British Guiana exhibit by “Rae Mader,” which won the Grand Prix)

1987 Perth, Australia, CUP-PEX National Philatelic Exhibition January 31–February 8

THE **ONE-CENT BLACK ON MAGENTA** IS UNIQUE—THE SOLE SURVIVING ONE-CENT OF THE ENTIRE 1856 ISSUE PRODUCED IN GEORGETOWN, BRITISH GUIANA. THE SURVIVAL, REDISCOVERY, AND SUBSEQUENT CHAIN OF OWNERSHIP OF THE UNIQUE EXAMPLE OF THE ONE-CENT MAGENTA IS JUST AS SERENDIPITOUS AND CAPTIVATING AS THE STORY OF ITS CREATION. THE SIGNIFICANCE OF THE STAMP WAS FIRST RECOGNIZED BY THE GREAT PHILATELIST EDWARD LOINES PEMBERTON, WHO DECLARED AS EARLY AS 1878 THAT THE “ONE CENT, RED, 1856!!! [IS] AS GENUINE AS ANYTHING EVER WAS.” AND JUST THIRTEEN YEARS LATER, THE PHILATELIC RECORD FORMALLY ACKNOWLEDGED THAT THE BRITISH GUIANA WAS UNIQUE: “THIS IS WITHOUT DOUBT, IN OUR OPINION, THE RAREST STAMP IN THE WORLD, IN ITS SOLITARY GRANDEUR.” MORE THAN A CENTURY AND A HALF AFTER ITS CREATION, THIS STAMP REMAINS THE NE PLUS ULTRA OF THE WORLD'S MOST POPULAR COLLECTING PURSUIT²

Sample Stamps to Invest in

These are just a couple examples. We have a list of 1000 stamps and covers, and a service to notify you when investment grade copies of those stamps and covers are coming to market.

1. Penny Black - 1840

“The Penny Black will always be the world’s first stamp.” England is the only country that to this day is not required to put the name of the country on their stamps. The 1840 Penny Black, featuring Queen Victoria, is maybe the most well-known, stamp. 68 million were created. You can get a used Penny Black for a couple hundred dollars.

Though not the most valuable stamp in the world, the best Penny Blacks are still certainly investment grade. Here is a block of 6 that sold for \$100,000.

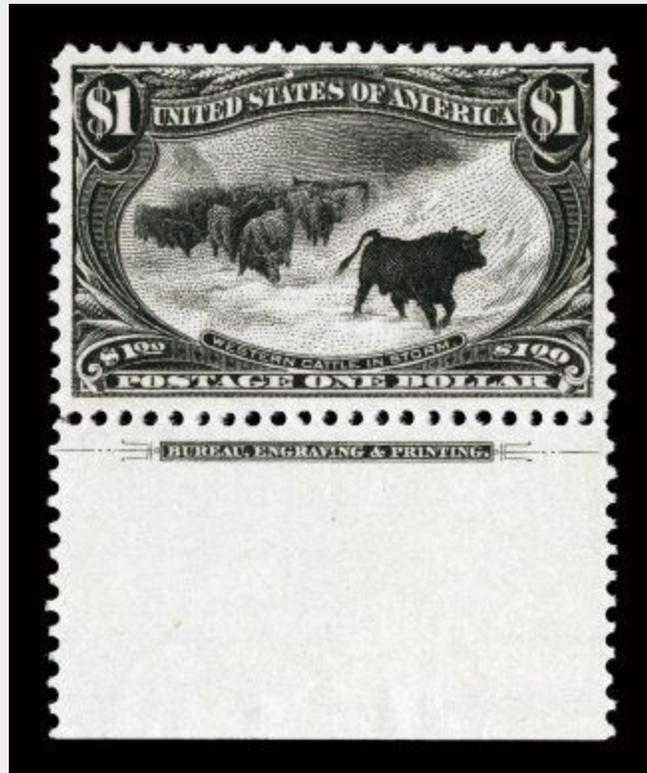
² Used with permission of StampAuctionNetwork.com <https://stampauctionnetwork.com/SY/sy9154.cfm>



1840 1p black, Plate 11, "L-G/M-I", block of six, margins all around, sharp impression, original gum which is hinged in several places, insignificant natural gum creases

2. Cattle in the Storm.

This is considered one of the most artistic of US stamps, and is our current #1 based on Supply and demand. It is the stamp we feature in our logo. It sold for \$70,000 plus buyers premium in 2008. There are many more US stamps worth more than this. But investment grade copies of this stamp come to market more frequently.



#292, \$1.00 Trans-Mississippi, bottom sheet-margin imprint example, featuring extraordinarily large and wonderfully well balanced margins all around, intensely rich color, while its impression is incredibly detailed on brilliantly white paper which superbly displays the engraver's artistry on this classic design, immaculate o.g., never hinged

3. Italian Old States Stamps - Pre 19th Century

Many countries started issuing stamps before they were a unified political entity. You can collect investment grade stamps for countries like Italy, Germany, Australia, India and Canada. There are many investment grade stamps that are very popular, difficult to find in good condition and provide the thrill of the hunt.

4. China

China is leading the way in creating the next generation of collectors. About 10 years ago, their enormous rising middle class started buying French wine and now are a leading consumer of rare wine. It is the same with stamps. Stamp collecting in China is widely popular. This makes China an excellent source of investment grade stamps. Not only are classic Chinese stamps

popular but stamps of modern China are far more valuable than any other modern stamps of any other country in the world.



Zoom

China (People's Republic), 1980, 8f Year of the Monkey (Scott 1586. Yang T46), imprint block of 4, o.g., never hinged, Very Fine.

Estimate HK\$ 50,000 - 60,000. Est. HK\$50,000-60,000

It sold for HK\$72,000 about \$10,000

Est. HK\$50,000-60,000

Becoming an Investor in Investment Grade Stamps

Some 10-25% of the stamps offered at auction worldwide are investment grade and likely to increase in value. If you have access to a history of prices realized and you only purchase stamps that are in the top 10% of those available you will be purchasing stamps that should hold their value and will be in demand in the future. There are approximately 1000 stamps worldwide that are in low supply compared to demand. There are enough of these stamps coming to market each year that you can build an investment grade collection. If you also want to build complete collections of a particular country, you should do so by purchasing collections. This can allow you to purchase common stamps at a fraction of their catalog value.

At the lowest end of the spectrum, investment grade stamps start at about the value of buying 100 shares of common stock. When buying a stock, you would spend more on commissions when you buy any less. The lowest you should expect to spend on an investment grade stamp would be in the \$2,000 to \$10,000 range. If you want to build a balanced portfolio of stamps, you would use the rule of 10 and make at least 10 purchases. After that it is just a matter of determining how much you want to invest. If you want to invest \$50,000 you are looking at 10 purchases that average \$5,000. If you want to invest 1 million, you are looking at stamps starting at \$50,000. You should buy them over time, say 5 years, and expect to hold them for longer, generally 10 years or more.

The rest is easy. You need a source of investment grade stamps and a method to purchase them. We have a service that will identify these opportunities for you, and we recommend the auction system to bid and make your purchases. We serve two investment objectives. Building a portfolio of stamps in the 50-100k range and building a portfolio over 100k.

Selling Rare Stamps

In general commissions on investment grade stamps will be around 10% -- but this is negotiable. The rule of the auction market is consignments. Buyers will follow the material to any auction house. For individual items over \$50,000 there will be instances where the auction firm will offer a big discount on their commission and make it up with the buyer's commission. There are even negative commissions, where the auctioneer will pay you part of the buyer's commission in order to sell your stamp for you. The drawback to the auction process is that it takes time. You can sell quicker to a dealer, but he is likely to only offer 50% of what it would sell at auction.

You may think that a good place for your collection is to donate it to a museum. Some collectors want their collections sold intact so the next collector can appreciate the collection as a whole. It is not a realistic expectation that your children will want to collect, or that your collection belongs in a museum for others to enjoy. Museums do not display stamp collections. The best way for your collection to be appreciated is to sell it at auction so it gets back in collector's hands. Exhibiting stamps by collectors at stamp shows is the number one way that other collectors can

enjoy the stamps they don't own personally. Donating your collection to a museum takes stamps away from enjoyment by all.

Stamp Investment Buying Services -- Our Experience and Reputation.

Because we are the market for all stamp auctions worldwide, we know before anyone else when investment grade stamps come to market and what they sell for. When they post prices realized, the auction results become part of our database.

Our reputation as a service provider to the auction community makes us unique. We have no conflicts of interest. We do not sell stamps or auction stamps (well we run a charity auction several times a year -- but those are not investment grade stamps). We have a reputation for treating all the auction houses the same. We were the first to market and we are the largest.

How do you make your money? You pay us the same no matter how many stamps you buy. Our algorithms are set by computer models to bring easy access to the same conclusions a wise investor would make anyway. We are just faster and make technology work for you.

Investment grade stamp identification is only part of our business. Our main business is providing the marketplace for 30,000 bidders to bid on auctions offered by 200 different auction firms.

What guarantees do you offer? We don't offer any guarantees because we don't sell stamps. We can negotiate for you to make sure that the auction firms honor their terms and conditions. We do not guarantee any rise in value.

Past performance is no indication of what will happen in the future. But we can give you the best information to make the best decision.

This is a long term investment. To overcome the costs of buying and selling you should be committed to 5-10 years. The best return will come when you auction your stamps, and the selling process from consignment to settlement can take as much as 6 months. This is not day trading and investment grade stamps do not have instant liquidity.

InvestmentGradeStamps.com - How we work

Suppose you want to be an angel investor and invest in startup companies. The basic strategy of an angel is to join a network of other angels, pay an annual fee (here in RTP we have many groups, RTP Capital, Duke Angel Network, etc...) from \$1000 to \$5000, and attend regular meetings where you hear entrepreneurs pitch. The groups provide some level of due diligence, but most of these organizations work as networks, and each investor makes their own decisions.

Our service is set up similarly. For either \$1000 / year or \$2500 a year we will provide an advisory service that will select from the \$400 million annual market, the top \$40-80 million that are quality investment grade stamps. We have the database and technology to provide background (provenance, supply, demand, price history) for each stamp or cover that we identify as an investment grade opportunity. These advisory notices can come out as the auctions are posted (10-15 auctions are posted each week) or on a weekly basis.

In addition to our advisory service, we will match you up with a professional stamp auction industry leader who will be glad to help with the detailed market knowledge questions you might have from time to time to further assist as you build your portfolio.

When you want to bid on one of the investment grade stamps or covers, you can use StampAuctionNetwork's bidding process to place a secure agent bid that keeps your max bid from the auction house. We can also provide all the guidance you need to learn how to best use the auction business model to acquire your stamps.

We provide advice on how to complete the transactions with the auction houses, and how to keep and store your portfolio, including planning for selling your portfolio. When that time comes, we will assist in organizing your portfolio to solicit offers to take your stamps for consignment to auction -- and also help you negotiate the best terms for selling. On the purchase side, very few auction houses will discount the buyer's premium, but if you build your collection properly and buy high quality items, there are opportunities to reduce the sellers premium entirely.

10 Steps to getting started

This is good advice whether you sign up with us or not. You can hunt for your deals, but it is better for the deals to be brought to you. That is what we can do.

Signup. Choose either the \$1,000 / year or \$2,000 / year service. We will guide you as you build your investment grade portfolio of rare stamps and or covers. We will send you regular

notices of stamps that match your objectives. We will be available by phone. We will match you up with an industry professional with in depth knowledge of the market.

Learn. All of the stamps we recommend are on our lists because they have auction history. Read the descriptions of the stamps and covers that have been up for sale before. They tell their own story.

Buy the best quality. If you can't buy an example of a stamp or cover that is in the top 10 historically, choose a different stamp where you can. We will provide the provenance of the stamps we identify as investment grade with links to certifications so you can be assured you are getting what is represented.

Stick with classic stamps that have both supply and demand and/or recognized rarities. Those are great investment grade stamps because they are rare. However, rarity does not always mean value. There are plenty of "one of a kind" stamps that no one cares about. On the other hand, there are some recent stamps with plentiful supply, but are just outmatched by the demand. An example is China's Golden Monkey stamp. There were 5 million printed, but they are worth the \$1000 it takes to buy one. We will recommend all three, classic stamps that will hold their value, rarities, and valuable plentiful stamps.

Use the resources. At StampAuctionNetwork, you have access to more than price history. We have the complete descriptions going back to 2001, links to other sites, PowerSearch, The Philatelic Foundation, Certificates and population reports. These give you the complete story.

Get the full picture of the market. At StampAuctionNetwork you get access to all the auction outlets worldwide. eBay is not a good source for investment grade stamps.

Use the auction process to save money. You do pay a 20% buyer's premium, but the market understands that is part of the cost -- and so a knowledgeable bidder bids with that in mind, ie bidding \$8,500 on an item they value at \$10,000. You are bidding against dealers and other collectors. Learn how to bid intelligently using agent bidding, live bidding, OR and Limit Bidding. We help you there.

Always get a certificate by The Philatelic Foundation. By definition, an investment grade stamp merits a certificate. If it does not have a current cert when offered, ask for it to be expertized before payment. All auction houses honor this request. Use the appropriate service, PF for US, RPS (Royal Philatelic Society) for British Commonwealth, etc..

Store your stamps safely. Store them in a safety deposit box. Add a rider to your insurance to cover them or use stamp insurance services offered by the American Philatelic Society. Yes, and join the APS -- and read the monthly magazine.

When the time comes, we can help you sell your stamps. Buying individual rare stamps by auction where there is a clear record of your purchases is the best way to prepare to sell your stamps at auction. We include a service at no charge where we will help you inventory your portfolio and offer it for consignment to all the auction houses at one time. You just wait for the best offer and we help you decide which firm to use. Don't forget to include the disposal of your portfolio in your estate planning.