




The Fine Art Group

Unlocking the Potential of Hidden Wealth: Managing Tangible Assets



London
Brussels
Dubai
Hong Kong
Sydney

New York
Philadelphia
Atlanta
Charleston
Palm Beach
Chicago
Denver
Los Angeles
San Francisco

Appraisals

In-depth, comprehensive, and market-orientated valuations

Art Advisory

Tailor-made acquisition strategies combining market-leading insight with clear and transparent advice

Sales Agency

Custom-built sale strategies to maximize value and efficiency; market strategy and sales process management

Art Finance

Art asset-backed loans with flexible and bespoke financing structures and terms

Art Investment

Co-Investment opportunities, art investment funds and other managed art portfolio services

High Profile

high-quality, collection-specific solutions that helps Sports & Entertainment industry executives make informed decisions around the strategic long-term management of their fine art, jewelry, and other high value collectibles

20+ year

track record in the art market

\$ 1.4bn¹

in value of artworks transacted

160+ years

of combined experience of the executive team

\$ 1.1bn²

worth of artworks and collectibles valued in 2022

54 employees

Across 7 departments and 5 global offices

Regulated Funds

CSSF Luxembourg & Jersey Financial Services Commission

¹Represents sales, purchases, guarantees, and financing transactions through 31 Dec 2021, excluding transactions executed by the US affiliate;

²Sum of Fair Market Value and Retail Replacement Value appraisals

State of The Art Market

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KEY FACTS¹

\$67.8bn

aggregate global art and antiques sales by dealers and auction houses in 2022

34%

recovery in the art market since 2020

\$1.6bn

Value of just one single owner sale: Paul Allen, Christie's, 2022



Andy Warhol (1928-1987), Shot Sage Blue Marilyn, 1964. Acrylic and silkscreen on ink on linen. 40 x 40 in (101.6 x 101.6 cm). Sold for US\$ 195,040,00 on May 9th, 2022, at Christie's in New York.

- 1. DEMOCRATIZATION**
- 2. GLOBAL BUYERS & ECONOMIC GROWTH**
- 3. RECESSION & TANGIBLE ASSETS**
- 4. INCREASE IN UHNW**

VINCENT VAN GOGH

Orchard with Cypresses, 1888

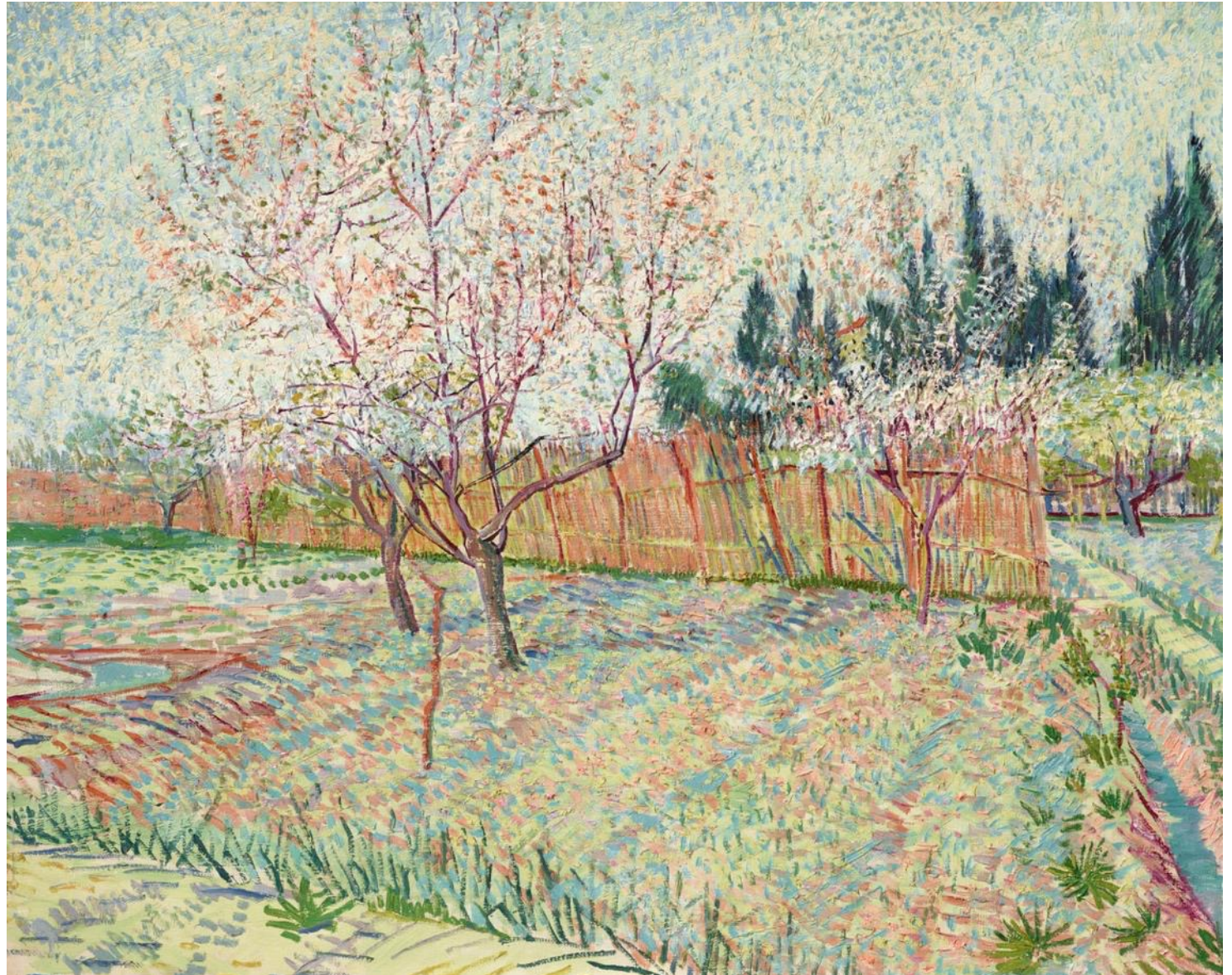
Sold at Christies New York, November 2022

ESTIMATE:

In excess of USD100m

ACHIEVED:

USD117,180,000 (incl. bp)



2022 By the Numbers

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GLOBAL ART MARKET SHARE BY VALUE IN 2022

80%

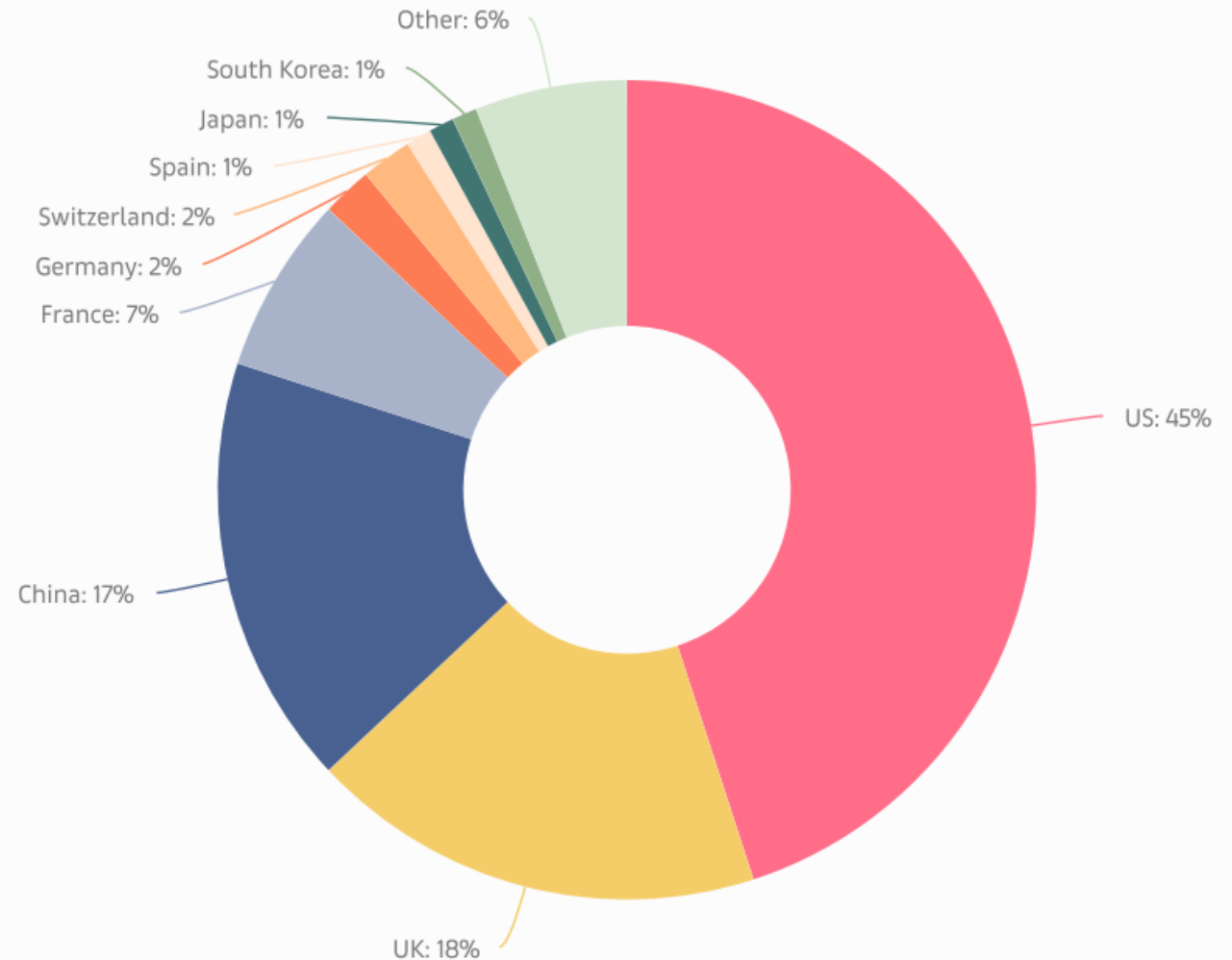
of share in sales in 2022 were in
US, UK, & China

45%

of sale shares were made up by
US, due to their strong base of
UHNWI

7%

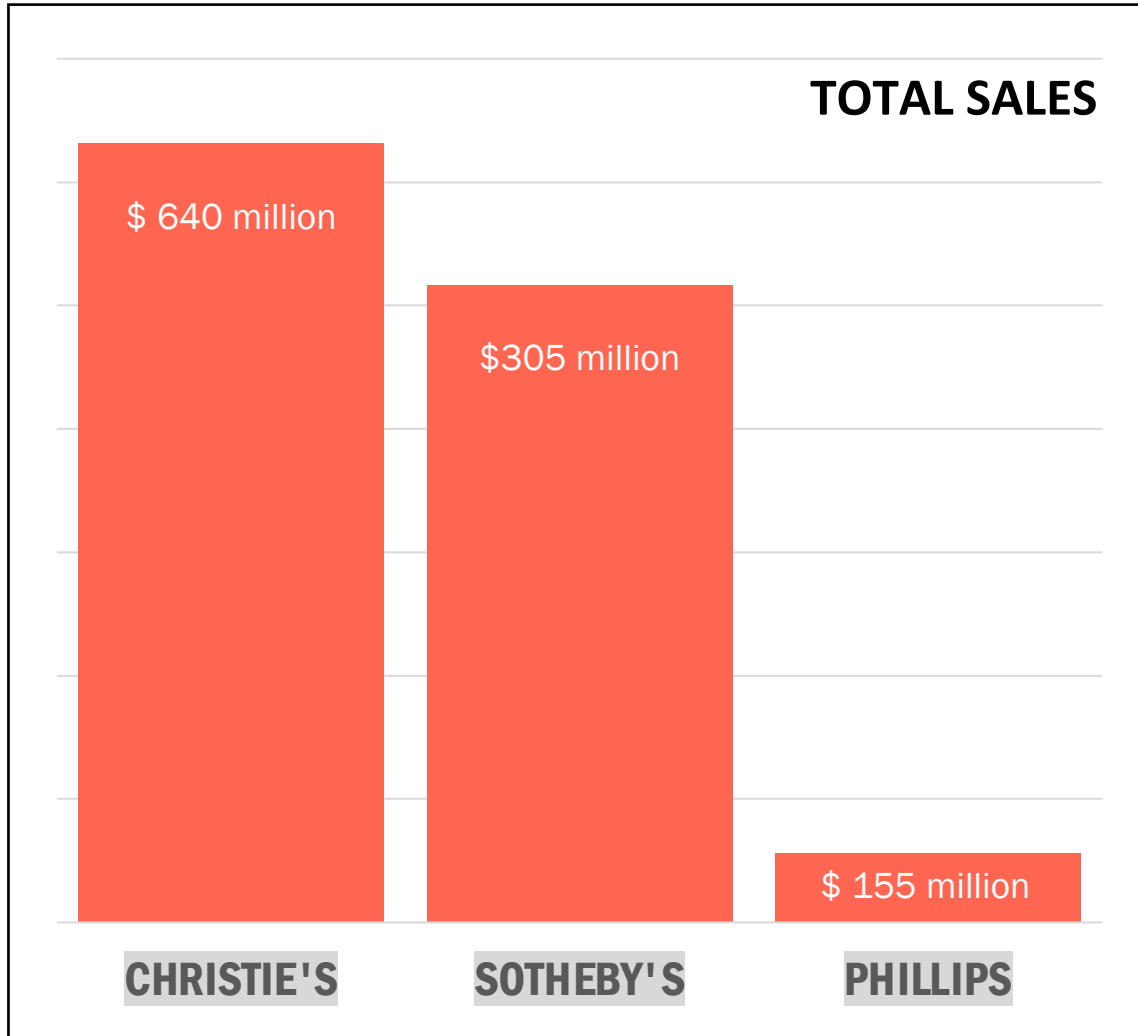
of market share is held by
France



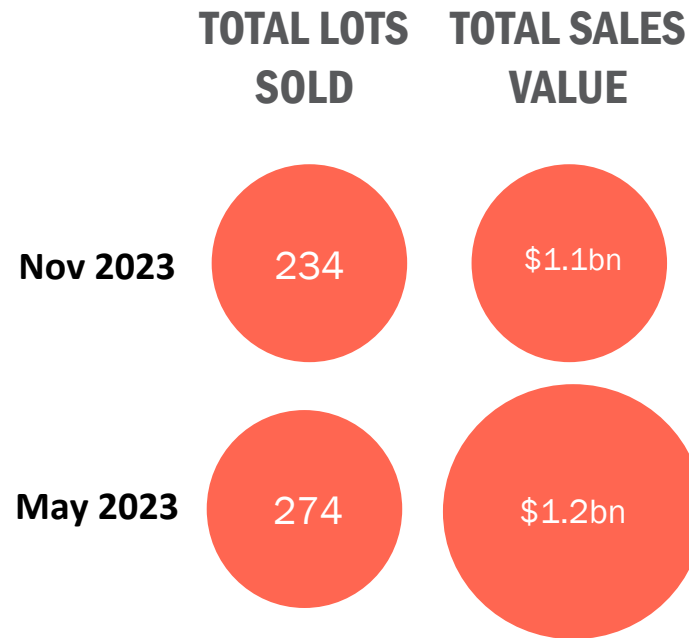
New York Evening Sales

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THE NUMBERS



* Excluding Premium



Although the volume of lots sold in May 2023 remains similar to May 2022, the total sales drop by 41.7%.

Season Highlights

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Claude Monet

Le bassin aux nymphéas

Oil on canvas

40 x 79 in.

ESTIMATE:

\$30,000,000-50,000,000

ACHIEVED:

\$74,010,000 (Premium)



Pablo Picasso

Femina a la montre

Oil on canvas

51 x 28 in.

ESTIMATE:

Estimate upon request (In excess of \$50 million)

ACHIEVED:

\$139,363,500 (Premium)



Richard Diebenkorn

Recollection of a Visit to Leningrad

Oil on canvas

70 x 83 in.

ESTIMATE:

On Request (in excess of \$45 million)

ACHIEVED:

\$46,410,000 (Premium)



Mark Rothko

Untitled, Yellow, Orange,

Yellow, Light Orange

Oil on canvas

81 x 60 in.

ESTIMATE:

\$20,000,000 – \$30,000,000

ACHIEVED:

\$46,410,000 (Premium)

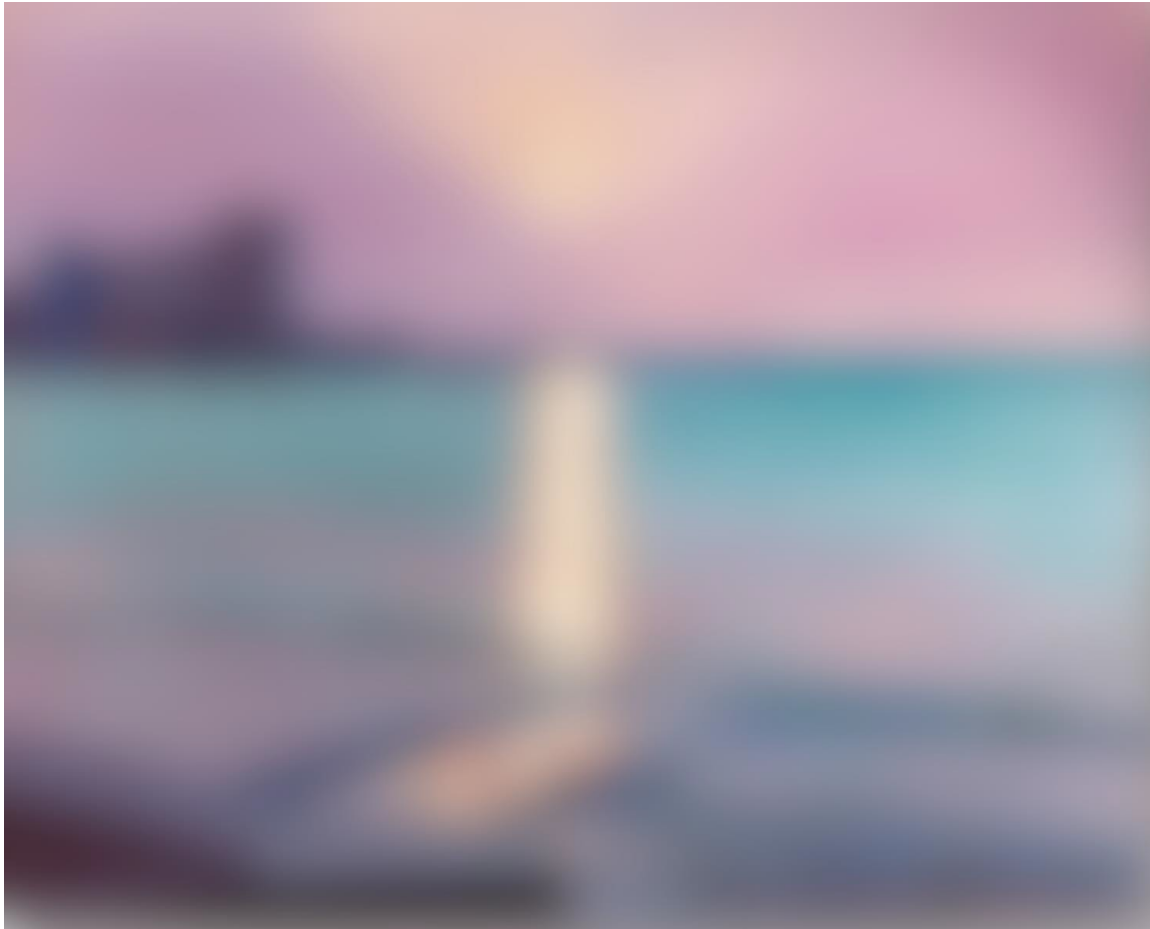


HERMÈS
2017 Matte Malachite
Alligator Birkin 30
Sold for \$68,750 at Christies



**ROMANÉE CONTI 1990 DOMAINE DE
LA ROMANÉE-CONTI**
(9 bottles), sold for \$450,590
Sotheby's.

AUCTION GUARANTEE STRATEGY



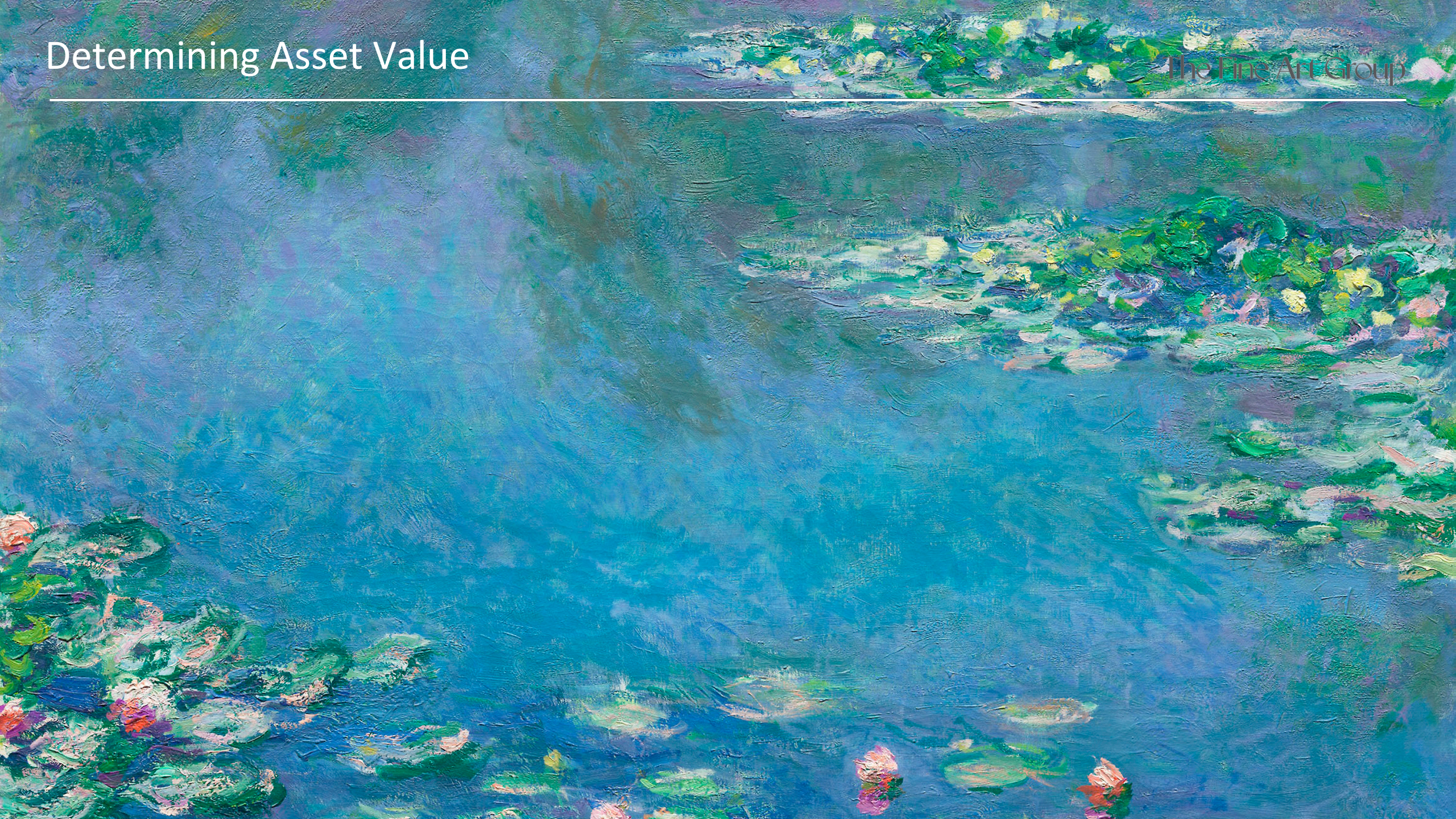
ESTIMATE: £7M – 9M

ACHIEVED: £18M

- £7 million guarantee
- Sold for £18 million
- If purchased, £400,000 off acquisition price
- 5% of hammer price above £7million + 50% of buyer's premium
- Guarantor gets £1,999,750

Determining Asset Value

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What are Passion Assets?

- Arms & Armor
- Antiquities
- Books & Manuscripts
- Clocks
- Collector Cars
- Coins
- Fine Art
- Furniture & Decorative Arts
- Historical Documents
- Instruments
- Jewelry & Timepieces
- Luxury Couture & Accessories
- Photography
- Pop Culture & Sporting Memorabilia
- Silver
- Stamps
- Wine

*The Magnificent Jewels of Anne Eisenhower
Exceptional Van Cleef & Arpels Ruby and
Diamond Jarretiere' Bracelet from the
Collection of Marlene Dietrich*

ESTIMATE:

\$2,500,000-\$4,500,000

ACHIEVED:

USD 4,527,000



THE A,B,C RULE

- **ARTIST**
- **MEDIUM**
- **SIZE**
- **DATE**
- **SUBJECT MATTER**
- **CONDITION**
- **PROVENANCE**
- **RARITY**
- **SALES HISTORY**
- **LITERATURE/EXHIBITIONS**

ANDY WARHOL
Liz, 1963
silkscreen and acrylic
ACHIEVED:
USD 19,000,000



When All the Boxes are Checked



Andy Warhol



Coco Cola



Casein on Cotton



70 x 54 in.



Provenance



Authenticated



Vast exhibition history



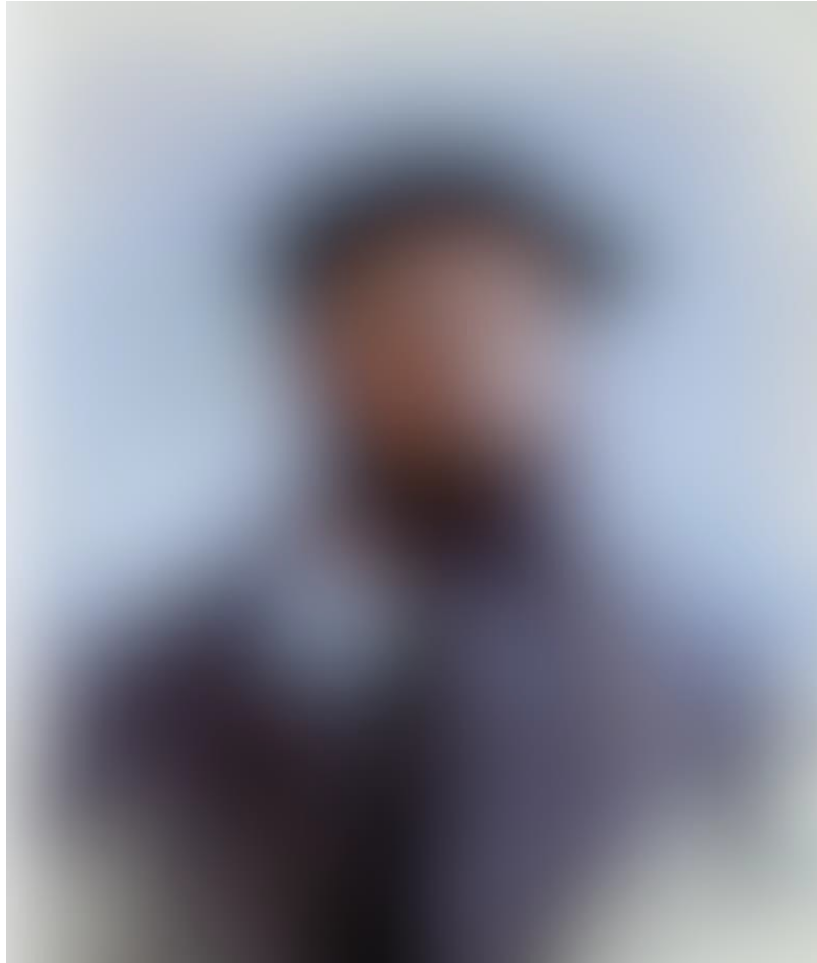
Extensive literature



Only private sales history



SOLD FOR \$57.3 MILLION IN 2013



OFFERED IN PRIVATE SALE BY A MAJOR AUCTION HOUSE FOR \$14 MILLION

VALUED BY OUR THREE TOP IMPRESSIONIST SPECIALISTS INDEPENDENTLY FOR \$3 MILLION

INVESTMENT RATING:

ARTIST: A+

SUBJECT MATTER: D

MEDIUM: B

SIZE: /

PROVENANCE: A

EXHIBITION HISTORY: A

LITERATURE: A

CONDITION: /

SALES HISTORY: B

CLAUDE MONET

Auto Portrait

Risk Management, Legacy, and Philanthropy





Risk Management

- Burden of proof falls to the insured
- Obtain photos or video proving ownership
- Maintain receipts and documentation
- Complete an annual schedule review
- Maintain up to date appraisals/needed every 3 to 5 years depending on market
- Save digital copies of all documentation to external file storage such as a thumb drive

OPTIONS FOR THE DISPOSITION OF ART, JEWELRY AND COLLECTIBLES

Gift

Transfer part or all the collection to family or other non-charitable beneficiaries

Donate

Transfer part or all the collection to charity

Sell

Sell part or all the collection



The default 'do nothing' alternative can be a financial and emotional burden on beneficiaries and very expensive when settling the estate.


INCREASED FOCUS ON TRUST, TRANSPARENCY & REGULATIONS

 **51%**


have **never** had their collection appraised

 **39%**

can't estimate the value of their collection

 **66%**

have never discussed their collection with a financial advisor

 **44%**

have not insured their collection

UBS Art Market Report 2021

Green Pool with Diving Board
David Hockney (B. 1937)
Colored Pastel on Paper Pulp
Executed in 1978
ESTIMATE: 1,200,000-1,800,000 GBP
ACHIEVED: 2,339,000 GBP



1. Interest

Is the institution interested?

2. Related Use

If art, jewelry or collectibles are given to a charity that will use it for their non-profit/tax-exempt purpose, then the donor can receive a tax deduction up to the full fair market value of the piece.

3. Appraisal

Get a qualified appraisal (IRS requires a formal valuation report for all items with fair market value of \$5,000 or higher) within 60 days of the donation date.

4. Ownership

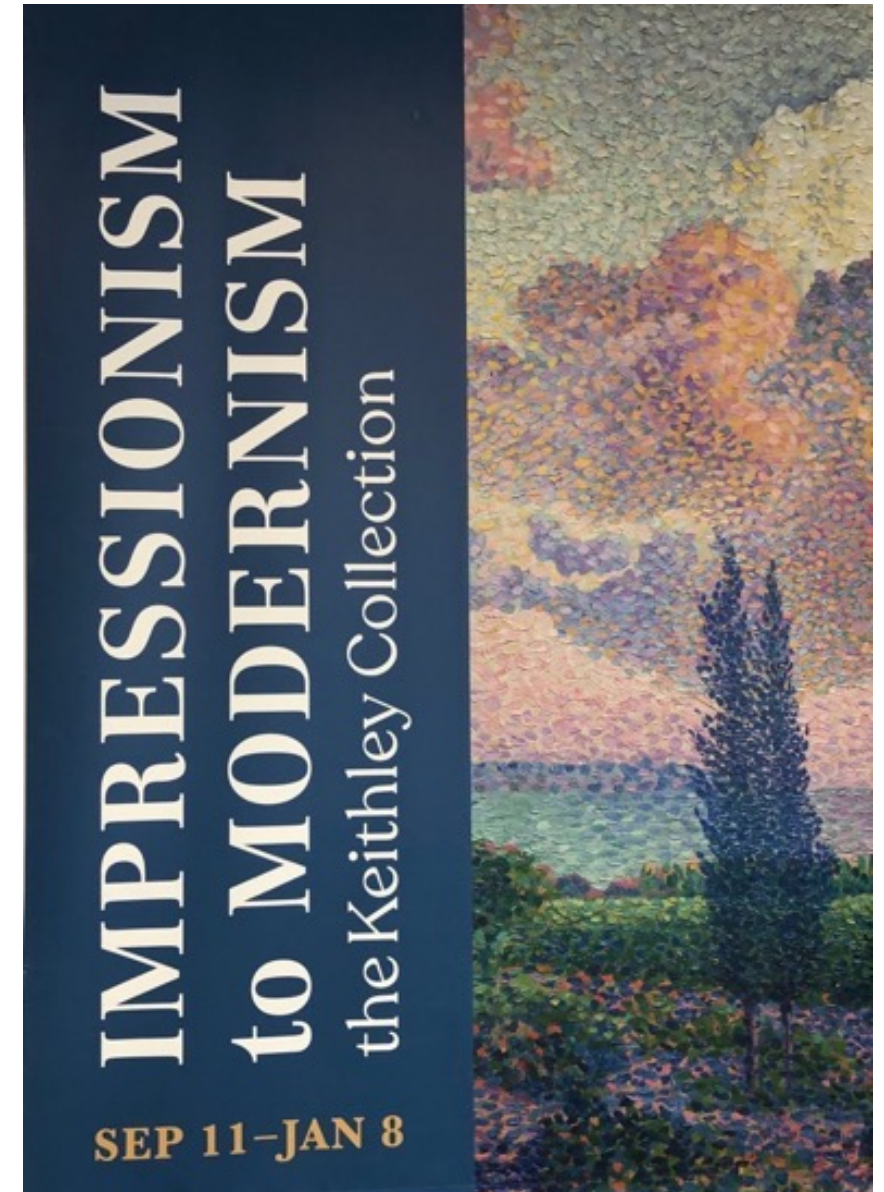
Donor must own the object for more than one year to receive current fair market value deduction.

5. IRS Art Panel

If value exceeds \$50,000, IRS Art Panel will review

BENEFIT OF DONATING THE APPRECIATED ARTWORK TO A CHARITY WITH RELATED USE

- Avoid paying capital gains tax
- Income tax deduction
- Public Benefit
- Legacy



Lifetime Donation to Charity Non-Related Use

BENEFIT OF DONATING THE APPRECIATED PASSION ASSET TO A CHARITY

- A solution for family members who are not interested in the object(s).
- Avoid paying capital gains tax.
- Remove appreciated illiquid asset from the estate.
- Contribute proceeds to charitable causes during lifetime.
- Educate next gen on philanthropic giving while living using passion assets.



PLANNING TO SELL ART AND COLLECTIBLES

- Identify Assets to be Sold
- Complete Due Diligence – Not Every Auction House or Dealer is made Equal
- Remember Everything is Negotiable
 - Seller's Commission
 - Marketing Fees
 - Insurance
 - Transportation

Golden Rule: Don't go it Alone – Fiduciary Representation is Important

*Studio of Hyacinthe Rigaud (1659-1743)
Portrait of Louis XIV in Coronation Robes
Oil on Canvas*

ESTIMATE: 200,000-300,000 GBP
ACHIEVED: 1,915,500 GBP



KEEP FINE ART AND COLLECTIBLES IN YOUR CLIENT DIALOGUE

- Focusing on fine Art and Collectibles as a Portion of the Portfolio can drive Conversation and Build Trust
- Extends Client Interactions and Engages the Collector through Potential Shared Interests
- Follow the Market – Art Market Data and Resources are Abundant
- Remember that Fine Art and Collectibles are Passion Assets and can be Emotional



Louis Vuitton X Nike Air Force 1 Colab
Designer: Virgil Abloh

TOTAL SALES VALUE: \$25,300,000
AVERAGE LOT VALUE: \$1,223,500

THANK YOU

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