

The Fine Art Group

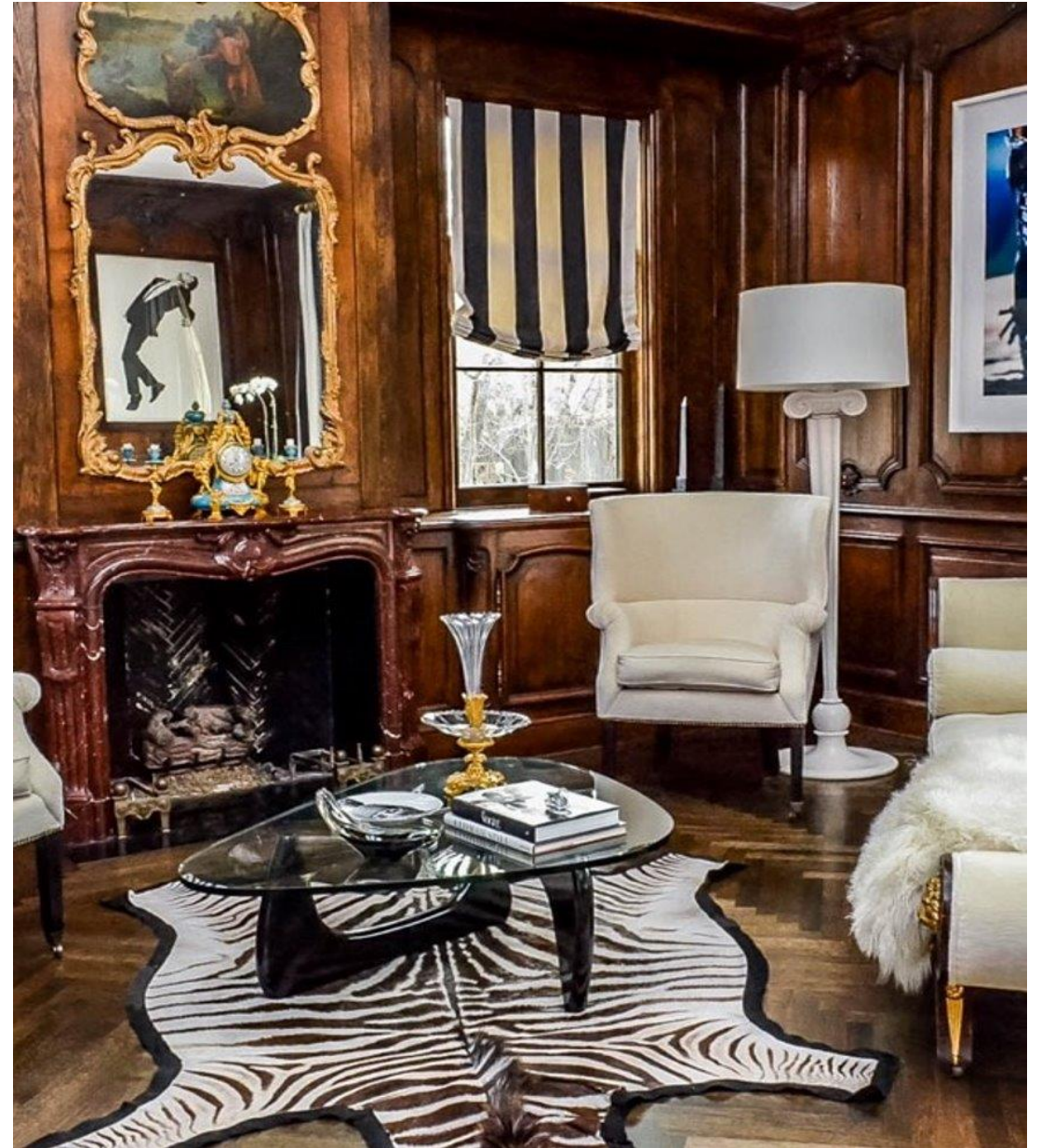
Luxury Assets: An Integral Part of Wealth



New York
London
Hong Kong
Dubai
Los Angeles
Philadelphia
Charleston
Silicon Valley
Denver
Palm Beach

Financial Impact of Luxury Assets

- Wealth associated with art and collectibles for UHNW clients is predicted to grow to an estimated \$2.9 trillion by 2026.
- A conservative average of 10.9% of wealth is allocated to art and collectibles.
- Significant wealth can be stored in passion assets that can impact a financial portfolio.
- It is important to understand value changes.



Types of Non-Cash Passion Assets

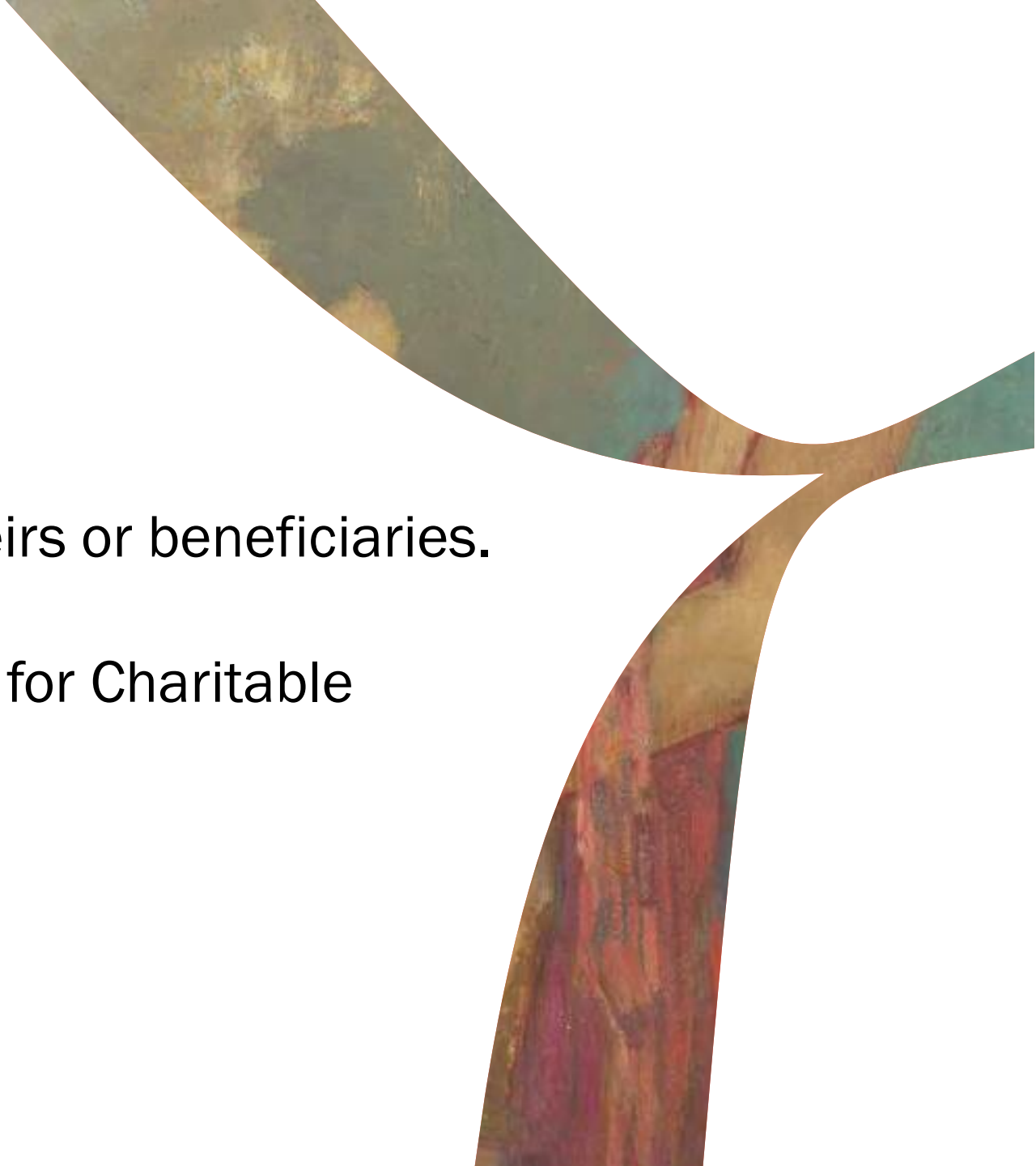
MOST HIGH-NET-WORTH CLIENTS HAVE A PASSION THAT THEY MAKE PART OF THEIR INVESTMENT PORTFOLIOS

- Fine Art
- Collector Cars
- Antiquities
- Firearms & Armor
- Books & Manuscripts
- Clocks
- Couture & Accessories
- Furniture
- Instruments
- Sporting Memorabilia
- Jewelry & Watches
- Pop Culture
- Photography
- Rugs & Carpets
- Silver
- Wine
- Coins & Stamps
- Historical Documents
- Other Valuable Objects



Top 5 **Mistakes** Made When Planning for Art and Other Collectible Assets

1. Failure to Plan.
2. Not realizing the true value.
3. Not having conversations with heirs or beneficiaries.
4. Not using a team of experts.
5. Not fully discussing the potential for Charitable Giving.



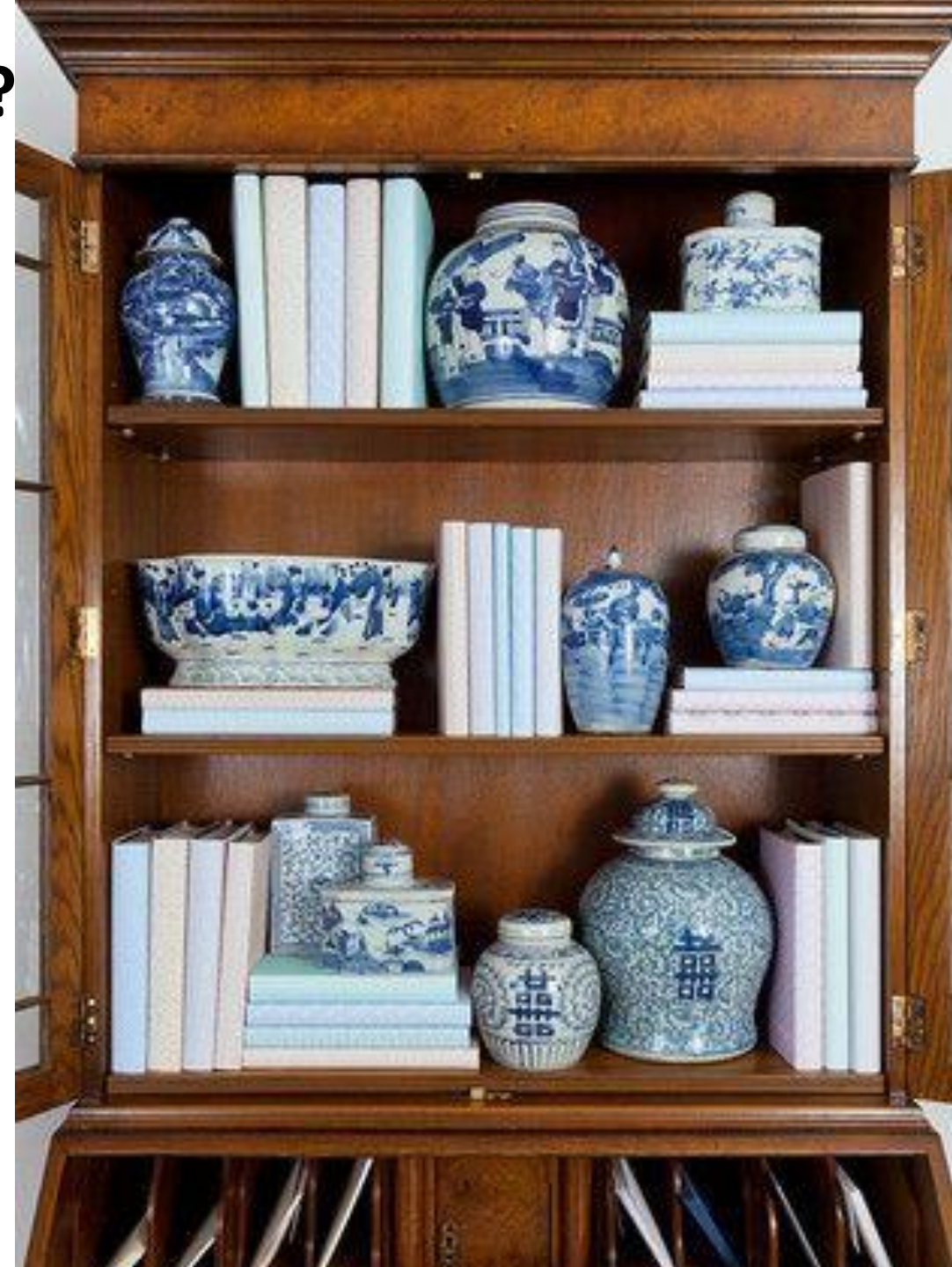
Why Understanding Value is Important?

WHICH ONE IS.....

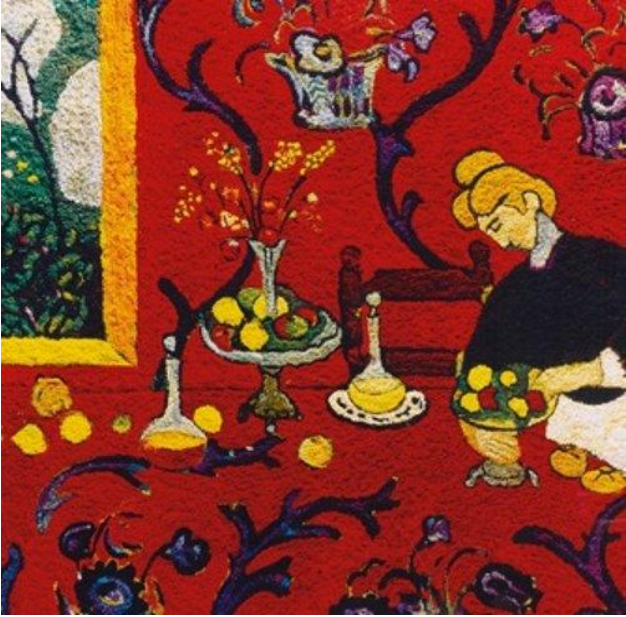


Rare blue-and-white bowl from China's Ming dynasty
purchased for \$35 at garage sale.

- Ming Dynasty jar?
- 19th century European jar?
- Pier One Import jar?



What is the true value of a collection?



 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

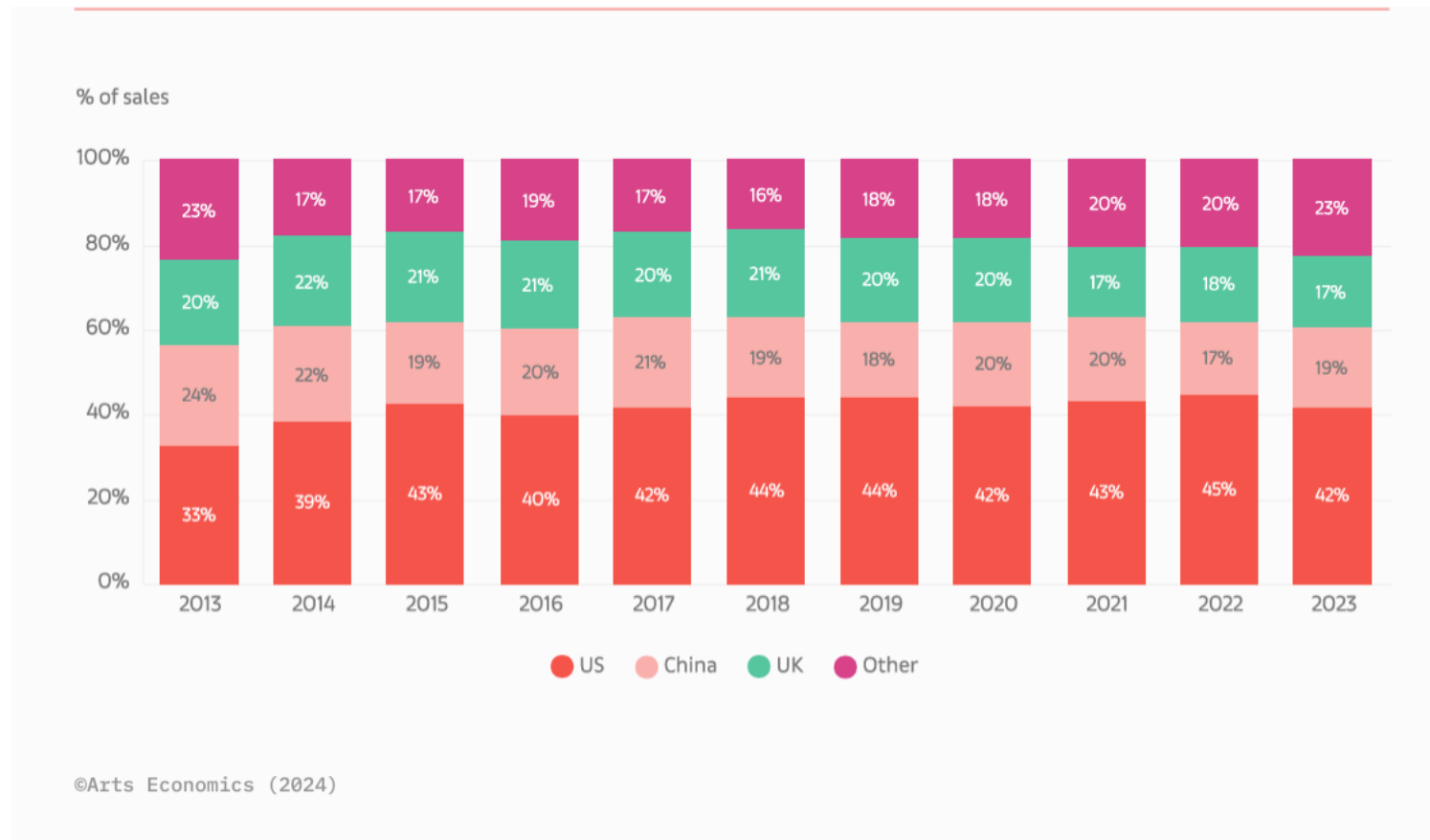
 44%

have **not insured** their collection

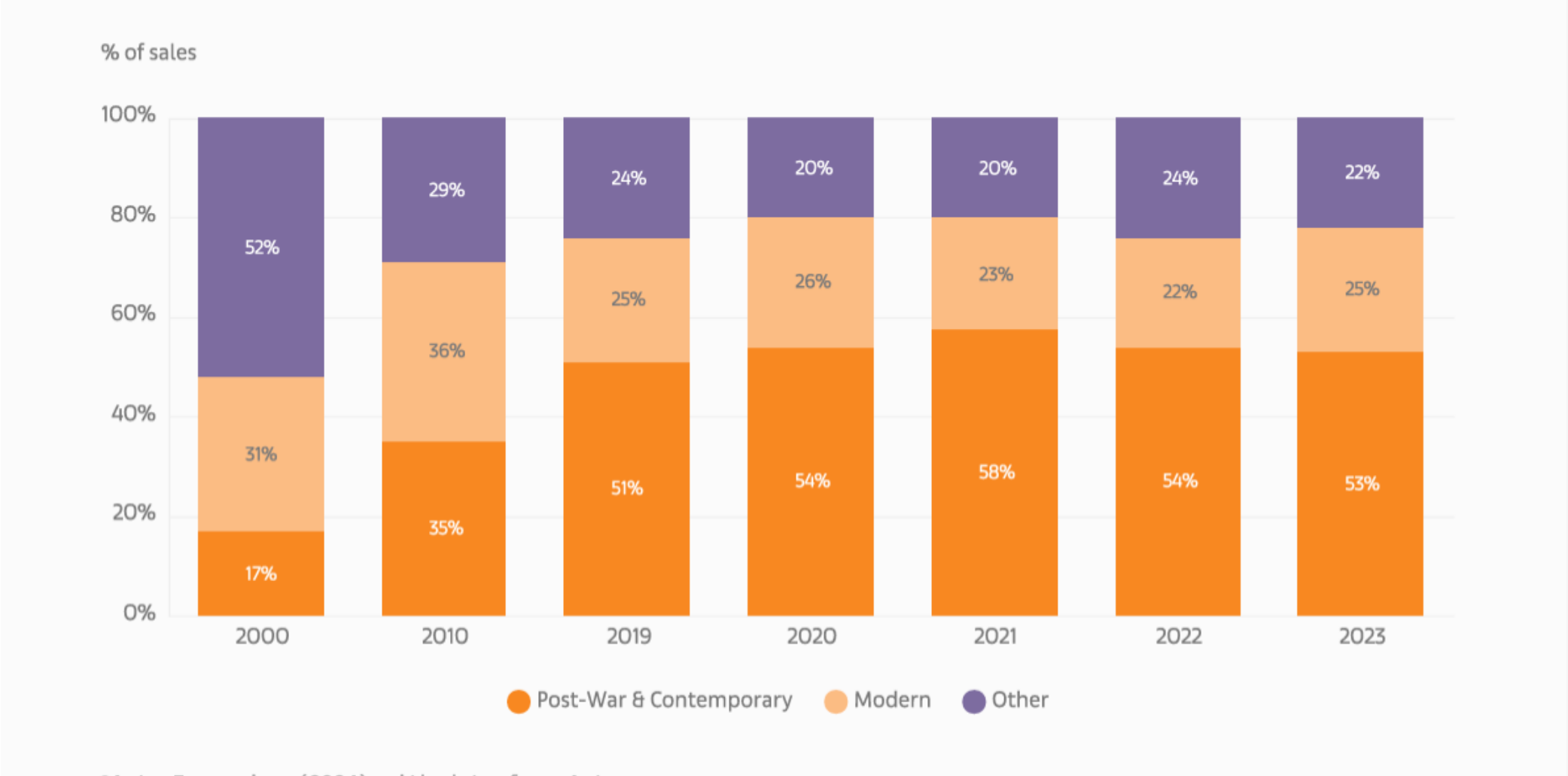
Sales in the Global Art, Jewelry, & Collectible Market 2009-2023



Global Art Market Share by Value of the US, UK, and China 2013–2023



Market Share by Value of The Fine Art Auction Market 2000-2023



The ROI of Art: The Categories of Analysis

THE A,B,C RULE

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

WHEN ALL THE BOXES ARE CHECKED

ARTIST	Andy Warhol	A+
MEDIUM	Acrylic and silkscreen ink on canvas	A+
SIZE	22 x 22 in.	A
DATE	1967	A
SUBJECT	Artist's Self-Portrait	A+



ESTIMATE: USD 5,000,000 – 7,000,000

SOLD FOR: USD 5,495,000

What's Hot in the Jewelry Market?

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THREE AREAS OF STRENGTH

- **Colored Diamonds**

- The market value of fancy-colored diamonds has typically increased 9-12% annually in recent years.



- **Luxury Makers**

- Jewelry by important makers such as Harry Winston, Cartier, Van Cleef & Arpels, Jar, Tiffany and Bulgari are in demand.



- **Rare and Unusual Stones**

- Unusual specimen stones such as paraiba tourmalines and spinels have seen increased interest and appreciation on the market due to demand from Asia.



Other Luxury Assets

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HERMÈS
Blanc Matte Himalaya
Niloticus Crocodile Kelly 25
Sold for \$345,000 at Sotheby's



PATEK PHILIPPE
18K Yellow Gold Perpetual
Calendar Chronograph
Sold for \$264,000 at Christies



2020-21 PANINI FLAWLESS TRIPLE
LOGOMAN LEBRON JAMES 1/1
Sold at Goldin Auction for \$2.4 million
Grade: PSA Authentic



1954 FENDER STRATOCASTER
SUNBURST GUITAR
Sold for \$130,000 at Julian's



MICHAEL JORDAN'S Game-Worn Original
1985 Air Jordan 1 'Chicago' Sneakers
Sold for \$189,000 at Christies



1825/4/1 CAPPED BUST HALF EAGLE,
PCGS PR67CAM
Sold for \$4.08 million at Stacks Bowers



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

Types of Value

RETAIL REPLACEMENT INSURANCE 2,000,000

- Actual Cash Value
- Stated Value
- Guaranteed Value

FAIR MARKET VALUE \$ 1,200,000

- Estate Planning/Probate Appraisals
- Equitable Distribution
- Auction Acquisition Cost
- Donation
- Divorce
- Gift Tax
- Rental Value

MARKETABLE CASH VALUE \$814,000

- Art as collateral
- Sale Price



KEITH HARING

Untitled, 1984

Sold at Sotheby's London, March 2023

ESTIMATE:

\$1,198,080 - \$1,797,115

ACHIEVED:

USD \$1,141,1700 (incl. bp)

Managing Passion Assets through Multiple Generations

Options for the disposition of art, jewelry and valuable collectibles:

GIFT

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

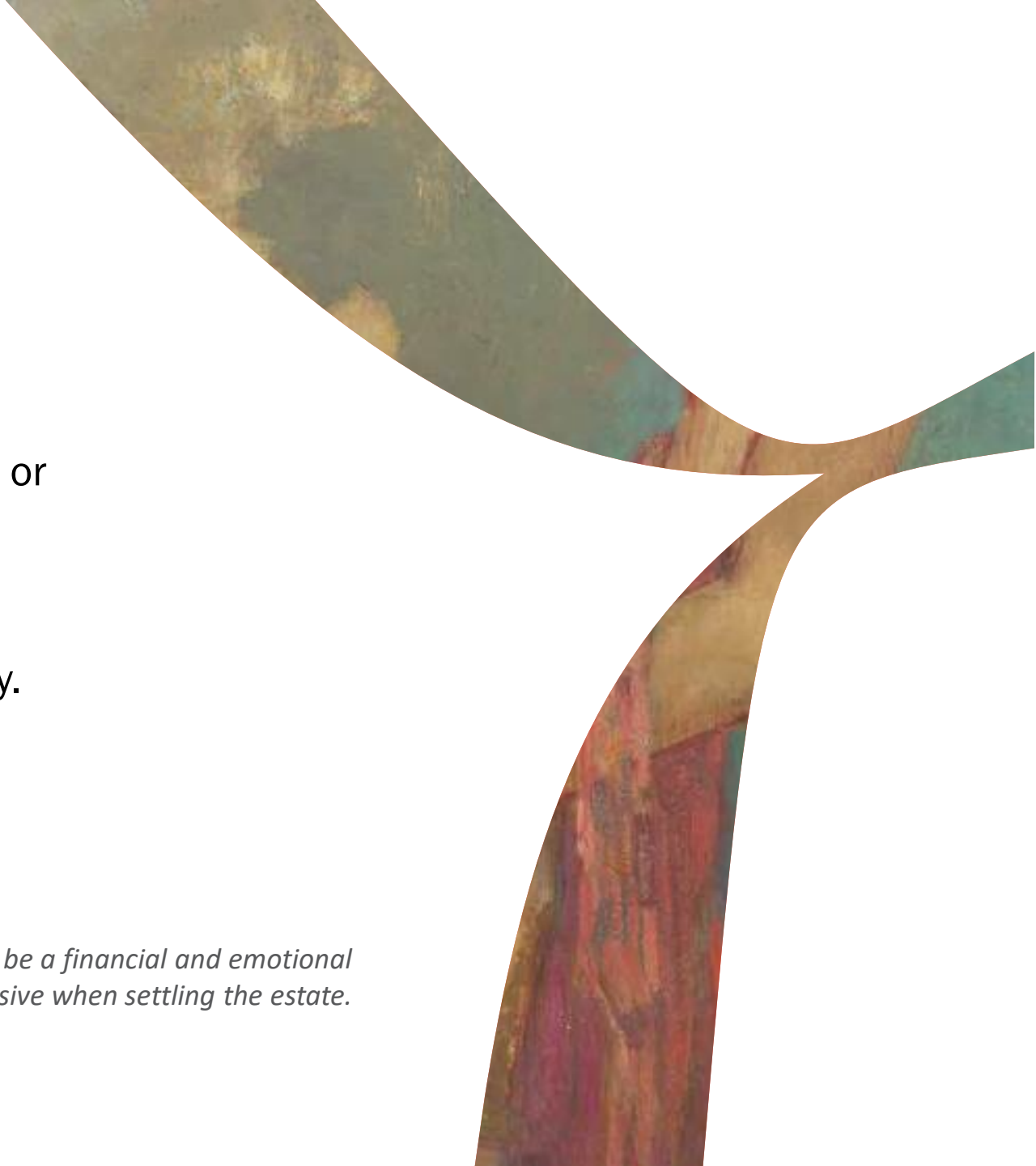
DONATE

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.

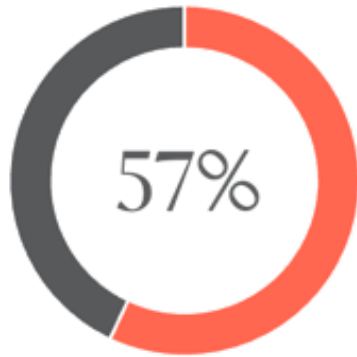


Most Collectors intend to leave their collections to their heirs... The Fine Art Group



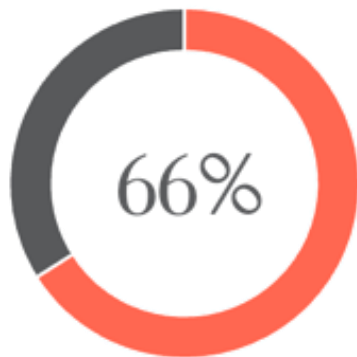
plan to **leave their collection** to their heirs when they pass away.

BUT...



have not taken steps to educate their heirs on how to manage, appraise or sell their collection.

EVEN THOUGH...



believe it is very easy to get **taken advantage of** when buying or selling collectibles.

Benefits of Philanthropy

FAMILY BENEFITS

- 1.** Strengthening family values while enhancing inter-family communication and connection.
- 2.** Overcoming challenges of inheriting unguided wealth and avoiding disputes.
- 3.** Creating a legacy.

From success to significance; setting a good example using passion assets toward a philanthropic initiative.



Legacy Creation: An important conversation to have with clients

MAKING YOUR CHARITABLE VISION BECOME A REALITY

- Is your client interested in donating all or part of the collection to an institution?
- Is your client interested in selling all or part of the collection and allocating the proceeds to a specific **charity**, multiple charities or using the proceeds toward **social impact investing**?
- Has your client considered gifting all or part of the collection to a **Donor Advised Fund** and using the proceeds from the sale to allocate to charitable endeavours?
- Is your client thinking of creating a museum for the collection or a contributing to a private **foundation**?



The New Reality: The Single Owner Sale

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The Surrealist World of Rosalind Gersten Jacobs and Melvin Jacobs



The Macklowe Collection



The Collection of Anne H. Bass

THE DAVID M. SOLINGER
COLLECTION



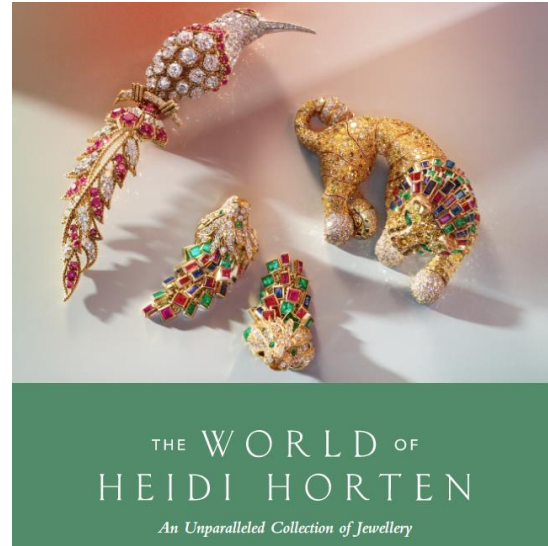
THE COLLECTION OF
THOMAS AND DORIS AMMANN



THE ANN & GORDON GETTY COLLECTION

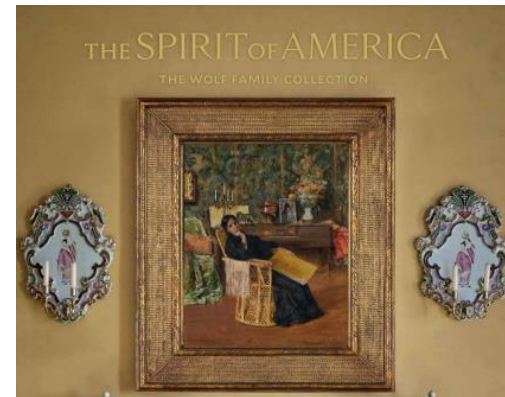
VISIONARY

THE PAUL G. ALLEN COLLECTION



THE WORLD OF
HEIDI HORTEN

An Unparalleled Collection of Jewellery



THE SPIRIT OF AMERICA
THE WOLF FAMILY COLLECTION



CALENDAR | HIGHLIGHTS | EXHIBITION INFORMATION

THE MO OSTIN COLLECTION



MASTERPIECES

FROM THE S.I. NEWHOUSE COLLECTION

A CENTURY
OF ART

The
Gerald Fineberg
Collection



- Have a plan for collections and non-cash passion assets.
- Understand the emotional and financial value of objects/collections.
- Pass on Values not just Valuables. Unlock the value of passion assets to create a legacy and support charitable causes.
- It takes a TEAM!

Contact

**DIVERSE, IN-
DEPTH, 360°
KNOWLEDGE
LIKE NO OTHER.**



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The Fine Art Group Overview

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

Lending

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

Philanthropy

We provide strategic guidance on converting passion assets into charitable impact.

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 2021

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; all Replacement Value appraisals; ²Sum of Fair Market Value and Ret

Meet the Team – Department Leadership

The Fine Art Group



Philip Hoffman
CEO & FOUNDER



Tad Smith
CHAIRMAN OF THE
SUPERVISORY BOARD



Anita Heriot
PRESIDENT, AMERICAS,
HEAD OF ADVISORY



Freya Stewart
CEO, ART FINANCE & GROUP
GENERAL COUNSEL



Colleen Boyle
MANAGING DIRECTOR, HEAD
OF BUSINESS DEVELOPMENT
& PHILANTHROPIC STRATEGY



Kate Molets
SENIOR DIRECTOR,
APPRAISALS



Kerry-Lee Jeffery
SENIOR DIRECTOR,
AGENCY & ADVISORY



Kate Waterhouse
SENIOR JEWELRY
SPECIALIST, DIRECTOR



Shane David Hall
DIRECTOR, HIGH-PROFILE
DIVISION



THANK YOU

The Fine Art Group

