

ART & FINANCE SERVICES

The Stock Exchange for Art.

Brochure 2010



ART & FINANCE
SERVICES

INTRODUCTION

In comparison to other economic markets, **the art market** is currently structured in a radically different manner. Its particularity makes it difficult for investors to easily understand the market and, therefore, approach it serenely. Passionate collectors, who have taken the time to apprehend the way the art market works, have benefited significantly.

Over the past ten years, **various banks and institutions** have attempted to make their mark in this area by setting up funds, often having disappointing results. The main obstacles are: exceedingly high prices for major works of art (several hundreds of thousands of Euros), limited pieces available, high handling fees, as well as a generally poor distribution of artworks.

Nonetheless, and interestingly for investors, art is an investment with a secure value in the long-term, whilst being the subject of much speculation and volatility in the short-term. There is thus an **interesting security/profit ratio** involved in this form of investment.

Art & Finance Services offers a simple, clear and familiar model through which other economic players can invest in art. Through the 'joint ownership' of the works, art becomes a liquid and accessible asset for everyone.

WHAT IS ART & FINANCE SERVICES?

Art & Finance Services benefits from a unique position between the world of art and that of finance. The company has created a financial and virtual marketplace specifically for art.

Art & Finance Services' marketplace offers:

- simple and familiar tools allowing investors to approach the art market easily and serenely.
- rules that guarantee safe investments and uphold liquidity.
- a clear, precise and detailed presentation of each artwork, as well as the art market.
- the maintenance of all logistical aspects (transport, insurance, storage and promotion) at its own expense.

WHY INVEST IN ART?

Art is an asset that has not only a secure value, but also remains the focus of much speculation.

It is secure because the art market remains independent from other economic factors. An artwork's intrinsic value is linked to its cultural value, which is undeniably strong, linked to its rarity and difficultly quantified in financial terms.

At the same time, from the public auction results, one can see that art is also the subject of much speculation, with high price volatility and subject to making considerable profits.

This mixture of **long-term security and short-term profits** makes art an extremely interesting asset, yet to be properly explored by investors.

It is also important to recognise the other structural advantages surrounding art, such as an extremely advantageous tax system in France. Artworks are exempt from the Solidarity tax on wealth, they benefit from specific dispositions concerning Capital Gains tax, as well as tax reductions through corporate patronage.

In more simple terms, the **personal pleasure and cultural enrichment** gained from investing in art must not be neglected.

WHY INVEST THROUGH ART & FINANCE SERVICES?

Benefits

Through the volume of information made available, Art & Finance Services is able to **present the art market in an exhaustive, clear and familiar manner**.

The strict selection of artworks introduced into its marketplace ensures a **sound investment**, thus reassuring investors of the **limited amount of risks** taken.

The joint ownership of artworks renders the market **far more liquid**, allowing a quick, easy and inexpensive exit.

In the same way, the market is opened up and made accessible for a **considerably larger public**.

Art & Finance Services covers **all logistical, management and promotional costs**, further lowering the financial burden for investors.

Finally, the **attractive** and, more importantly, **transparent commissions** leave way for supple and understandable investments.

How it works



Clients are free to pass their purchase and selling orders at any time. A daily fixing at 6pm matches and executes the various orders.

REASSURING THE INVESTORS

Art & Finance Services has adopted an ensemble of rules with the aim of organising the marketplace and insuring that investors benefit from the necessary transparency. These rules are applied under the strict control of its online Internet platform, **artinvest**.

Upholding transparency

Art & Finance Services commits itself to offering the transparency necessary for an investor: transparency regarding prices and volumes, as well as the situation of the artwork, artist and market.

When introducing an artwork, Art & Finance Services systematically assesses it in order to provide proof of authenticity.

Regulatory control of the marketplace

In order to uphold a good service, Art & Finance Services imposes the strictest rules, comparable to those of other marketplaces.

Simple exit conditions

In Art & Finance Service's market, an artwork can only be removed from the marketplace

For private investors:

- new means of pleasurable and efficient investments.
- financial transparency of the market.
- tools to improve liquidity.
- continuous promotion of artworks.
- favourable tax system.

For financial institutions:

- no management fees.
- opportunity to invest in various important artworks, containing the financial risks taken.
- maximised liquidity through safe investments.
- easy and quick exit from an investment.

once a single shareholder possesses all the shares.

Compensation

Through its online Internet platform **artinvest**, Art & Finance Services provides a safe trading environment, eliminating all risk of non-payment: the transfer of property is only carried out once the transaction has been validated.

A MODEL DESIGNED TO UPHOLD LIQUIDITY

Art & Finance Services has conceived a specific model destined to maximise the levels of trading for investors.

Its model revolves around several aspects: a centralised and simplified order system, very low commissions, the elimination of all management fees and the division of property.

Negotiation outside of the central system

In order to uphold maximal control and to easily understand the marketplace, Art & Finance Services does not permit any form of negotiation outside of the central system.

For art dealers:

- no logistical costs (transport, insurance, promotion...).
- no obligation to find potential buyers.
- sales channel available at any time.
- fewer risks that the artwork remains unsold.
- freedom to decide the number of shares to be sold as well as their price.

For public:

- possibility to obtain wonderful works of art.
- artworks made available to a much larger public.
- cultural enrichment.

For more information:

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