

Art & Finance 2016

It is now five years since we launched the first edition of the Art & Finance report and based on the finding of the 4th edition, we continue to see new and interesting developments in the art and finance industry, with particular emphasis on the role of art and collectibles in the broader wealth management context.

section 1

Wealth management

6/8



Despite an art market slowdown in China, as well as lower sales in Europe and the US, still **six out of eight global art markets experienced a positive trend in 2015**, with a neutral-to-positive outlook for 2016.

This shows that art and collectibles will continue to play an important part of wealthy individuals' overall portfolios in the years to come.

section 2

Art and wealth management survey

78% of wealth

managers surveyed (up from 55 percent in 2014) believe art and collectibles should be part of a wealth management offering

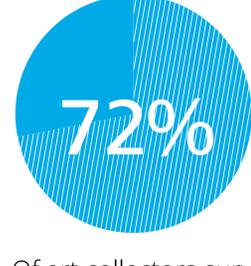


Wealth managers prioritize services centered around **wealth preservation**

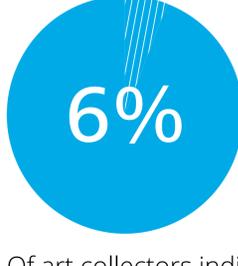


73% VIEWS

73 percent of the wealth managers surveyed in 2016 (up from 58 percent in 2014) said their **clients wanted to include art and other collectible assets** in their wealth reports in order to have a consolidated view of their wealth.



Of art collectors surveyed **buy art for passion with an investment view**



Of art collectors indicated that they **buy for a mere investment purpose**

Lack of regulation for incorporating art into a wealth management service offering



US\$15-19B

Estimation of the overall US art secured lending market with a 5-year average **annual growth around 15%**

section 3

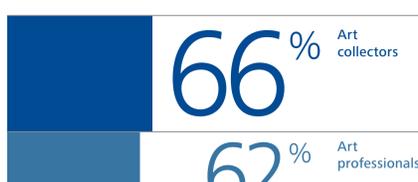
Art as an investment



US\$1,2B

Estimation of the actual size of the **art investment fund market**, but likely larger than what publicly available data is able to tell us

Percentage of people surveyed that **believe the Art Fund Industry will expand** in the next two to three years



section 4

Art and technology

In 2015 increasing investment in art market start-ups demonstrates **continued confidence in the growth of the online art and technology industry** and the development of a corporate art finance business

73%



Art professionals

69%



Art collectors

Believe that **online art businesses will play an important role** in the art market in the next two to three years.

section 5

Regulation



Price manipulation, conflicts of interest, lack of transparency and secret commissions are the most threatening issues to the reputation and functioning of the art market



According to the report, the **76 percent** of the professionals surveyed **are in favour of a self-regulation of the art market**

(The majority of wealth managers, arts professionals and art collectors believe that threats to the art market are best addressed from within the art industry itself rather than through government intervention)