

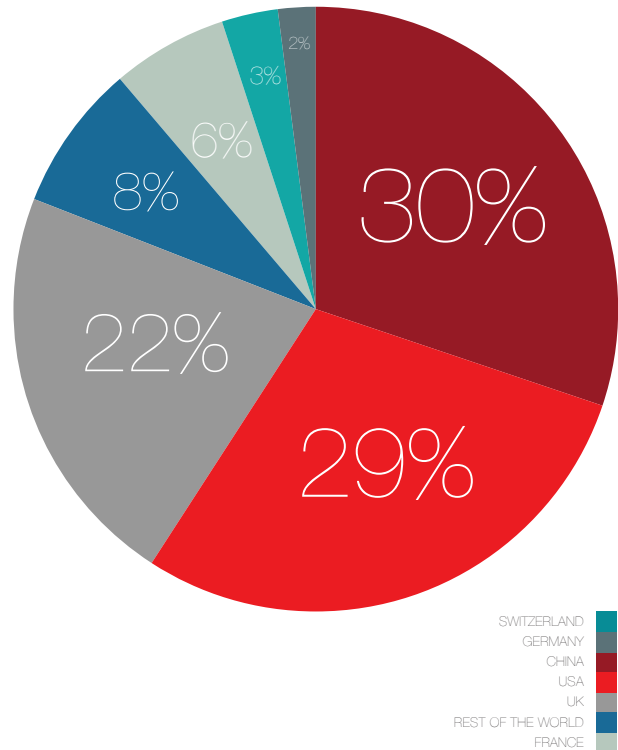
ARTEMUNDI  
GLOBAL FUND

# ART MARKET FACTS

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- Global art market represented \$57.78 billion dollars in 2011.
- In 2011, USA accounted for 29% of the market, meaning \$16.76 billions.
- Modern and Contemporary Art represent almost 70% of the fine art market.
- In 2011 China became the largest art and antique market worldwide representing 30% of the transactions by auctions and dealers. Auction sales increased 177% in 2010 and 64% in 2011.
- Although the art market has become more global in the last years, London and New York continue to account for 60% of the imports and exports.
- Internet growth has increased transparency in the market helping both buyers and sellers. This can be observed in mainly two areas: growth of online sales/auctions and on the information available to the public.
- There are approximately 380,000 art dealers worldwide. From these the top 5% represent 70% of the gross sales and 80% of the dealer sales are below \$62,500 USD.
- The auction sector in 2011 meant half of the market value or \$28.95 billion dollars.

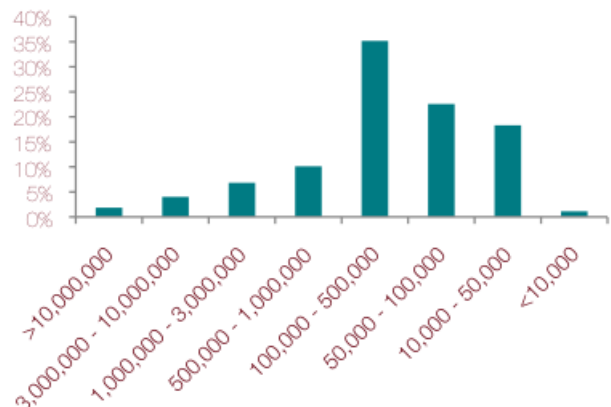
GLOBAL ART MARKET BY VALUE 2011



Data source: The International Art Market 2011. Observations on the Art Trade Over 25 Years. The European Fine Art Foundation

PRICE DISTRIBUTION IN AUCTION SALES (MAY 2012)		
	SHARE OF LOTS SOLD	SHARE OF VALUE \$
> 1,000,000	12.7%	83.2%
500,000 - 1,000,000	10.1%	6.8%
100,000 - 500,000	35.2%	7.9%
50,000 - 100,000	22.6%	1.5%
10,000 - 50,000	18.3%	0.51%
< 10,000	1.1%	0.01%

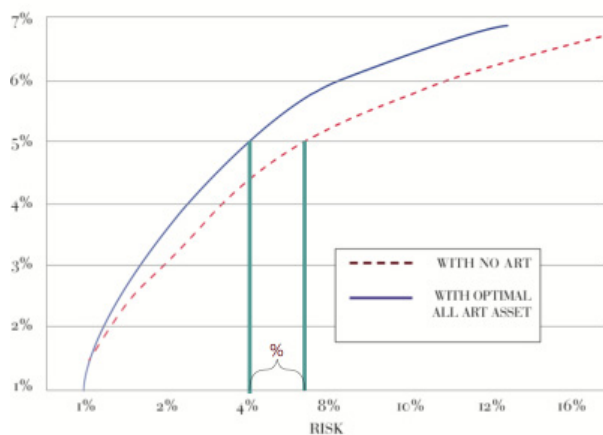
PRICE DISTRIBUTION OF LOTS SOLD



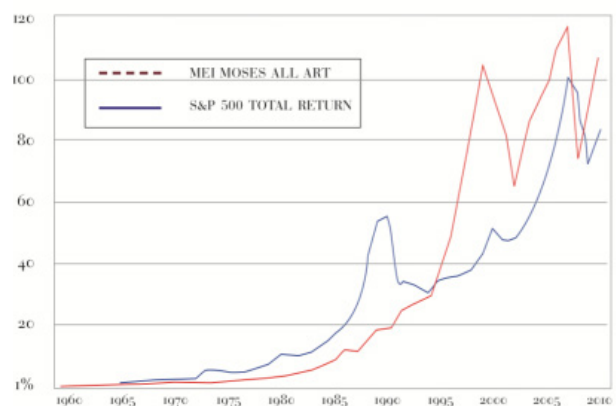
# ART AS AN INVESTMENT ASSET

- The appreciation in value of artworks over time makes them profitable investments. In the last fifty years the returns in art was 9.23% compared to the 9.73% for equities.
- Artworks have low correlation with traditional investment vehicles thus help to diversify risk in portfolios. Some art categories are even negatively correlated with financial indexes.
- The art market is global, enabling international transactions.
- Lower volatility than investment assets.
- Stable investment even in economic turmoil. While in 2008 the “S&P 500” collapsed 37%, the “Mei-Moses All Art Index” only fell 4.5%.
- Art can be an important hedge against inflation and currency fluctuations.
- Asset that doesn’t depreciate with use or time. Art will never be worth zero.
- Art appreciates tax-free and does not incur in property taxes like real estate.
- Artworks have a low cost of maintenance.
- The lack of regulation within the art market produces arbitrage opportunities.
- Art is a real, tangible and unique asset; it can be appraised by comparable analysis like real estate.

RISK RETURN TRADEOFF WITH AND WITHOUT  
MEI MOSES® ANNUAL ALL ART INDEX  
(1959-2009)



MEI MOSES® ANNUAL ALL ART INDEX AND S&P 500  
TOTAL RETURN INDEX (1960-2010) YEAR END 2010©  
(1959-2009)

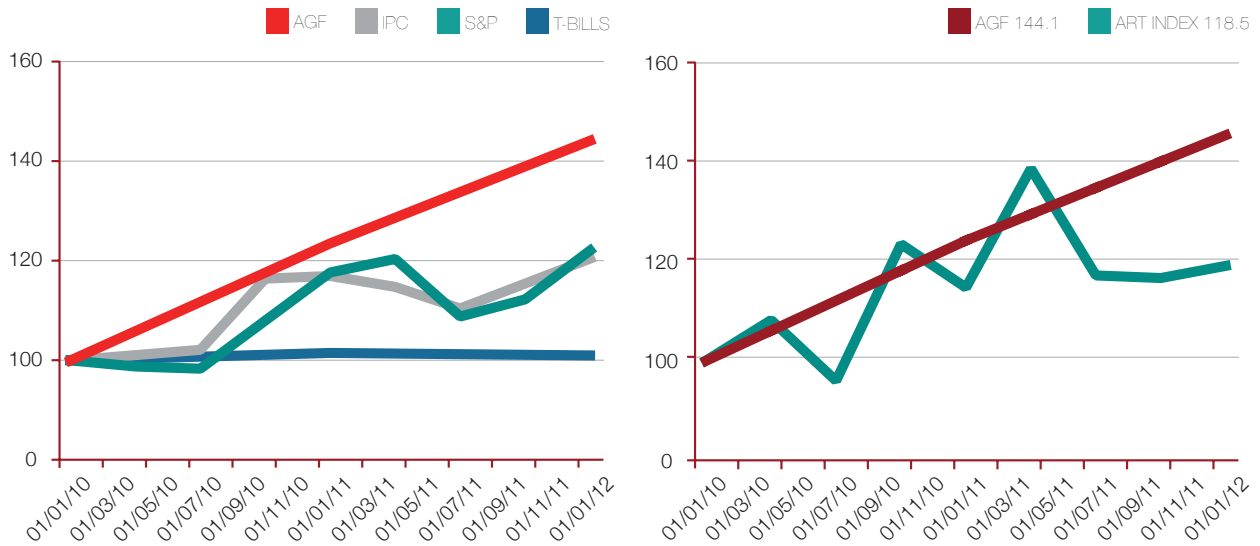


A portfolio with art has between 10-20% lower risk than the one without art, depending on the expected return. Investors should allocate 10-20% in art. Source: Mei Moses Archives.

# ADDED VALUE

- Artworks have an additional value to the investors that derive pleasure from enjoying the aesthetic qualities of art.
- Investing in art differentiates from other investors because artworks are a unique and exclusive asset. They can also be considered conspicuous consumption goods.
- Art produces emotional and aesthetic experiences.
- Good artworks generate thoughts and reflections. They can enrich the investor's knowledge.
- Art is an investment that spreads culture.
- An art collection creates a unique legacy that expresses the owner's interests.
- In general, art can improve the investor's lifestyle.

# AGF'S RETURN ON INVESTMENT



From 2010 to the end of 2011, the All Art Index had an accumulated return of 18.5% while AGF's return was 44.1%.