

Artmarket.com: Artprice comments launch of FrenchArtFund investment fund, regulated by the AMF

Artprice by Artmarket has read the article by Martine Robert and Anne-Sophie Vion published on 25 January 2024 in the French financial newspaper, LES ECHOS titled “*Exclusive: FrenchArtFund, the first art investment fund regulated by the AMF*”, in which Artprice is mentioned as a specific value sought by the mixed Specialized Professional Art Fund:

<https://www.lesechos.fr/industrie-services/services-conseils/exclusif-frenchartfund-le-premier-fonds-dinvestissement-dans-lart-agree-par-lamf-2071367>

The article raises many questions that prompted us to contact the founder of Inocap Gestion and the FrenchArtFund investment fund, Olivier Bourdelas, to learn more about the genesis of this fund and its terms and objectives. The fund is being launched today (1st February 2024).

FRENCH**art**FUND

by **INOCAP**Gestion

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[<https://imgpublic.artprice.com/img/wp/sites/11/2024/02/image2-FRENCH-art-FUND-by-INOCAP-Gestion.jpg>]

After a lengthy discussion, we agreed that our visions of the art market have a great deal in common and it was clear that Olivier Bourdelas’ motives for the launch of the FrenchArtFund are very much in line with our own appreciation of what the French art market needs.

The LES ECHOS article describes Olivier Bourdelas as follows: “An art collector for twenty years, but also founder in 2007 of Inocap Gestion, a company already supporting French cultural institutions and engaged in a program of acquisitions of works by young artists.[...], Olivier Bourdelas – also the administrator of the European House of Photography and the Neuflyze OBC Foundation for the Visual Arts, has developed a bridge between his profession and his passion”.

The art market and financial markets

In our discussion, Olivier Bourdelas confirmed his view that the art market has many similarities with financial markets, saying that there was “a great deal of symmetry between the two worlds”. This observation perfectly mirrors the results of Artprice by Artmarket’s historical research and much of its work and publications over recent decades. Artprice’s econometric and index tools are essential for building investment funds on the Art Market.

Having confirmed our shared observations, we were not surprised to find that our projections for the future are also very similar.

Invest in Art

Olivier Bourdelas: “In an unpredictable world where true value is hard to find, savers are increasingly looking for something meaningful to invest in. A long-term investment in art produces and supports cultural and educational values that are different from traditional investments. Investing in art is therefore not just an investment in a ‘tangible’ asset, it is also a fun and ‘presentable’ investment in our collective future.”

Artprice: “Art is today widely considered as an alternative investment which not only offers high returns but also a low correlation to typical financial assets. Investing in works by the greatest artists (like Pablo Picasso, Claude Monet, or Georgia O’Keeffe for example) can therefore be both personally and financially enriching, as long as we pay attention to the specificities of the art market, and notably, the time it can take to sell a unique artwork”.

Olivier Bourdelas: “Our love affair with Contemporary art began ten years ago. Since 2013, we have supported the French creative scene by acquiring one work per quarter. And we support several institutions such as the The Maison Européenne de la Photographie in Paris and the Franciscaines project in Dauville.

At a personal level, I have been collecting works by artists of all origins for 20 years. But I also give money to the Centre Georges Pompidou and I am a board member for various cultural bodies such as the Maison Européenne de la Photographie and the Neuflyze OBC Corporate Foundation, and my wife is a photographer.

For the creation of FrenchArtFund, we set up a team of five highly qualified individuals, including two managers, an operations director, and a marketing and communications manager, with myself in support. We have recruited a truly top-notch team to give the fund every chance of success.

Our two managers each have nearly twenty years of experience in the art market, have worked with the largest international auction houses, and enjoy excellent

reputations. Sharing common values and extraordinary knowledge this team will be in charge over the long term by my side.

We will mainly focus on artists from the Artprice Global Top 500 (in terms of annual auction turnover). These works will be mainly paintings produced by Post-War and Contemporary artists in a price range between €150 and €500,000.

To minimize risk, we will concentrate our purchases on works created in the 20th and 21st centuries by renowned artists, represented by large international galleries, with solid track records in the secondary market via international auction houses.

To maximize the value potential of our fund, we will also invest in emerging artists represented by galleries with strong influence and enjoying recurring museum news.

We will avoid investing in works by young artists who are not yet popular in the secondary market and are not yet part of major institutional collections.

All investments will be conducted after a thorough analysis involving detailed scrutiny of the auction results for comparable works by the artist and using a proprietary multi-criteria rating matrix, integrating around twenty parameters.

The works will be kept in an ultra-secure and confidential storage location with one of the main players in the French art market.

Once or twice a year, our customers and partners will have the opportunity to discover part of the collection in a friendly place where they will be invited with family and friends. On these occasions, a speaker, a museum director, or even an exhibition curator, will speak to explain the practice of an artist or even lead a debate or conference around an artistic movement for example. The field of possibilities is so wide in this area, that we will be spoiled for choice.

Given the specificity of this asset class, we wish to establish a special relationship with subscribers to our fund. As part of our objective, we hope to establish an educational, initiatory approach with some of them, giving them access to information and events that they would never have attended without us.”

Art as a safe haven

Olivier Bourdelas sees art as *“a safe haven during periods of crisis and inflation”*. Artprice by Artmarket strongly endorses this approach which has been regularly spelled out in its communications and Annual Art Market Reports, such as the one published in 2023: *“During the past 22 years, the art market has shown it is capable of making life-saving corrections to prevent its weakening in the face of financial, economic, public health and geopolitical crises.”*

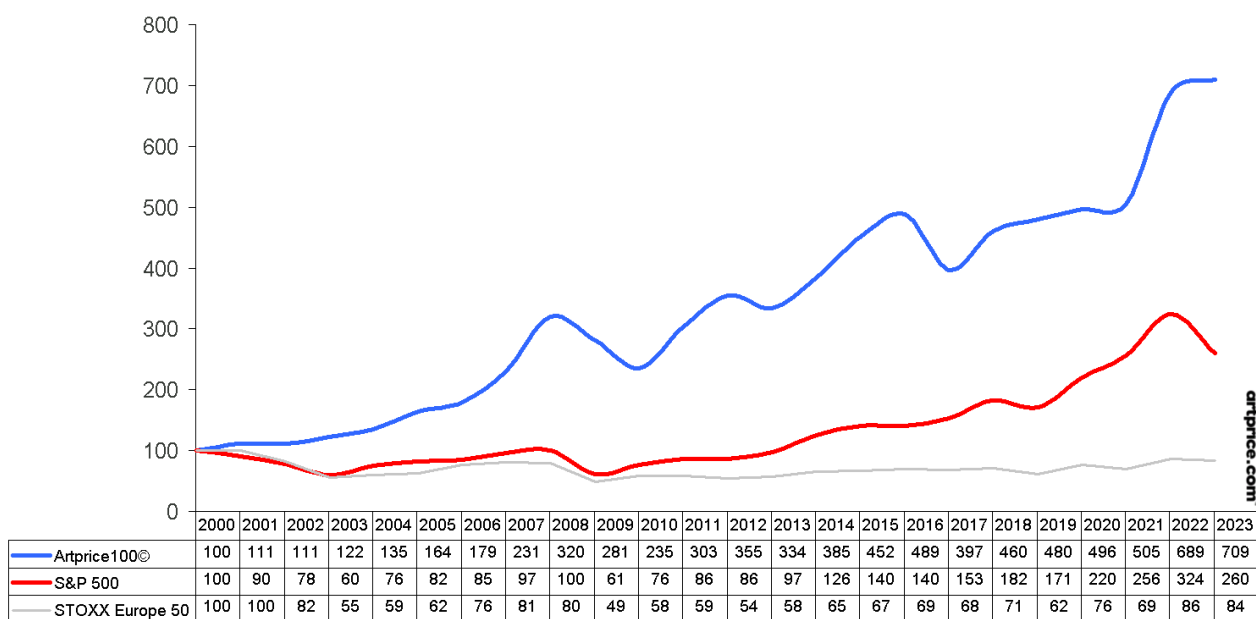
A very large market

Olivier Bourdelas: “With 53 million millionaires and 2,153 billionaires in the world (up 53% over 5 years), there has never been so much capital invested in the art market. Art, and especially Contemporary Art, allows you to differentiate yourself while diversifying your heritage.

Since 2007, nearly 750 museums have been created each year around the world. In seventeen years, that’s more than 10,000.”

thierry Ehrmann, Founder of Artprice and President of Artmarket.com: “In 2017, during our conceptualized study of the global museum industry, we noted that more museums were created in the world between 2000 and 2014 than throughout the 20th century and that the 21st century would see the opening of 700 new art museums of an international character every year that will naturally legitimize and absorb artworks, which, in turn, by remaining in the museum collections will strengthen the art market.”

Art Market Performance



Artprice100© vs. S&P 500 vs. STOXX Europe 50 – Base 100 in January 2000

[<https://imgpublic.artprice.com/img/wp/sites/11/2024/02/image1-Artprice100copyright-vs-SP500-vsSTOXX50-2000-2023.png>]

Olivier Bourdelas, founder of FrenchArtFund, the first investment fund in Art regulated by the AMF, relies heavily on data from Artprice by Artmarket, and notably on the performance of the Artprice100© index launched five years ago on 02/02/2018. The Artprice100®’s mission is to observe and quantify the value

accretion of the art market, focusing on its most stable segment. This new scientific index joins all the other decision-making tools developed by Artprice. The Artprice100® constitutes a new and essential benchmark for the world of finance which is looking for new investments in efficient markets.

The creation of the Artprice100® index was a response to demand from Artprice's financial and banking clients, particularly in Private Banking, who wanted a reliable and long-lasting index.

The AMF-regulated FrenchArtfund looks set to outpace its competitors (other art investment funds) on the Paris market.

Investment strategy

Olivier Bourdelas has told Artprice by Artmarket that this mixed Specialized Professional Art Fund will invest 60% in works of art created during the 20th and 21st centuries by artists who rank in the world's Top 500. It will also invest 30% in shares of listed international companies, rigorously selected and generating all or part of their turnover in art. This dual strategy will optimize the liquidity of the fund. To this will be added a maximum of 10% in bond UCITS and monetary investments.

The data collected and produced by Artprice by Artmarket will play a vital role in the FrenchArtFund's investment strategy with, for example, price evolutions by art market segment from 1998 to 2022 based on our Contemporary Art Price Index vs. Artprice Global Index (Base 100 in January 1998).

Lastly, Olivier Bourdelas has confirmed what was announced in the LES ECHOS article by Martine Robert and Anne-Sophie Vion, namely, that the FrenchArtFund will allocate part of its funds to the acquisition of shares in companies linked to art such as Artprice, LVMH, and Groupe Chargeurs.

Olivier Bourdelas:

“We thought a lot about all of this for four years and we have never detected any incompatibility with our historical businesses. Moreover, we have not encountered any particular difficulty linked to the rise since 2015 of our Private Management activity. It gradually became integrated into the company thanks to numerous synergies enriching the whole. It will be exactly the same with the “Art” activity, believe me!

Furthermore, our five new recruits for this fund have all the skills required to carry out its mission successfully. Everyone will benefit from the implementation of this new activity.”

Olivier Bourdelas is supported by KPMG and Oddo Bank.

“If we experience great success – and we will do everything we can to ensure this – we might consider separating our activities and creating a structure completely dedicated to this art investment. Inocap Gestion would of course remain the reference shareholder, but we are not there yet.”

thierry Ehrmann:

“I congratulate Olivier Bourdelas for the creation of the FrenchArtFund, the first Art Investment fund regulated by the AMF. This launch corroborates in all respects our observations and predictions: the financialization of the art market, investment in art as an alternative investment and safe haven, and the interest of financial institutions. All this would not have been possible without the standardization of the art market and the production of reliable and long-term indices produced by Artprice by Artmarket since 1997, and which now provides value-added data & indices to FrenchArtFund.

We will be closely monitoring the progress of FrenchArtFund with keen interest. Given the founder's extensive knowledge of the Art Market and their remarkable success in the world of finance through Inocap Gestion, which oversees €700 million in assets, the impressive launch only adds to our anticipation.

The Parisian financial marketplace should welcome this intelligent initiative which confirms the rise of France in the global Art Market over recent years, becoming number 1 among European countries in 2023 with more than a billion dollars in turnover. In addition, both Christie's and Sotheby's are owned by the French people, respectively by François Pinault and Patrick Drahi.

The information and econometric studies produced by Artmarket.com are presented uniquely for the purpose of analyzing and understanding the statistical realities of the art market and should in any way be considered as advice or a suggestion or a solicitation to invest in the art market.

Images:

[<https://imgpublic.artprice.com/img/wp/sites/11/2024/02/image1-Artprice100copyright-vs-SP500-vsSTOXX50-2000-2023.png>]

[<https://imgpublic.artprice.com/img/wp/sites/11/2024/02/image2-FRENCH-art-FUND-by-INOCAP-Gestion.jpg>]

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Discover Artmarket and its Artprice department on video: www.artprice.com/video

Artmarket and its Artprice department was founded in 1997 by its CEO, thierry Ehrmann. Artmarket and its Artprice department is controlled by Groupe Serveur, created in 1987.

See certified biography in Who's who ©:

https://imgpublic.artprice.com/img/wp/sites/11/2023/04/2023_2_Biographie-thierry-Ehrmann_WhosWhoInFrance.pdf

Artmarket is a global player in the Art Market with, among other structures, its Artprice department, world leader in the accumulation, management and exploitation of historical and current art market information (the original documentary archives, codex manuscripts, annotated books and auction catalogs acquired over the years) in databanks containing over 30 million indices and auction results, covering more than 825,000 artists.

Artprice by Artmarket, the world leader in information on the art market, has set itself the ambition through its Global Standardized Marketplace to be the world's leading Fine Art NFT platform.

Artprice Images® allows unlimited access to the largest Art Market image bank in the world: no less than 180 million digital images of photographs or engraved reproductions of artworks from 1700 to the present day, commented by our art historians.

Artmarket with its Artprice department accumulates data on a permanent basis from 7200 Auction Houses and produces key Art Market information for the main press and media agencies (7,200 publications). Its 7.2 million (‘members log in'+social media) users have access to ads posted by other members, a network that today represents the leading Global Standardized Marketplace® to buy and sell artworks at a fixed or bid price (auctions regulated by paragraphs 2 and 3 of Article L 321.3 of France's Commercial Code).

Artmarket, with its Artprice department, has twice been awarded the State label "Innovative Company" by the Public Investment Bank (BPI), which has supported the company in its project to consolidate its position as a global player in the art market.

Artprice by Artmarket publishes its 2023 Contemporary Art Market Report:

<https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2023>

Artprice by Artmarket's Global Art Market Report, “The Art Market in 2022”, published in March 2023:

<https://www.artprice.com/artprice-reports/the-art-market-in-2022>

Index of press releases posted by Artmarket with its Artprice department:

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