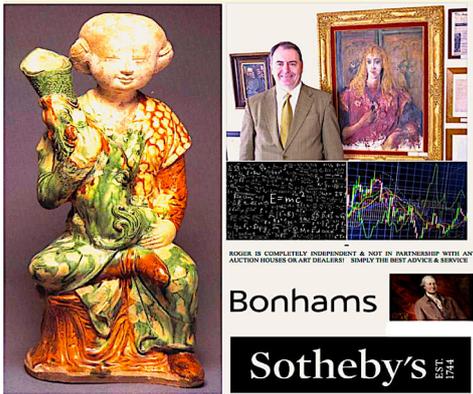


## JSSB Feature of the Month

Art Market Solutions are experts in Art Econometric Valuation, Forecasting & Investment Advisory for Fine and Decorative Art.



Art is receiving increasing recognition in the investment world. Investors have come to see art as a hedge against inflation, with long-term return potential which can on occasion outperform the stock market. High quality art is an international currency, immune from local market and economic conditions. Growing global wealth and new buyers continue to drive demand for art and price appreciation. Art shows low and negative correlations with stocks and bonds which suggest that art can effectively diversify an investment portfolio.

There have been two art market recessions, firstly in the early 1990's and secondly in 2008, when prices fell substantially. In the past, uninformed buying has seen art sectors rise and fall sharply in value, due to investors spending large sums on mediocre paintings by famous names. An art index takes a general reading of the art market. At Art Market Solutions, we go deeper, from the general to the specific. We go across art sectors, schools and artists, employing 'Art Econometrics', literally meaning 'economic measurement'. This is a highly effective investment tool.

We construct investment portfolios of fine and decorative art using a mixture of traditional art valuation techniques and the best econometric valuation, analysis and forecasting methods to manage risk and returns. We measure the performance of art works and their relationship to economic variables and other asset classes. Using financial/statistical models we analyse, value and forecast the art markets. We use data to predict and calculate art investment portfolio optimisation and assess the crucial difference between art price and value in the market to determine whether an artwork is fairly valued, undervalued or overvalued. This allows us to decide whether to buy, sell or hold artwork and also means we can spot mispriced works and take full advantage!

Tastes are slow to change in well-established art markets with broad collecting bases. However, changes in economic and financial markets, which greatly underpin art prices, are not. This is why auctioneers' forecasts show less volatility than hammer prices. After our Econometric calculations, we source and negotiate the sale or purchase of an artist's specific work. We transform the latest art market research into top performing art investments for our clients. Our focus is to offer outstanding value and service. Our services improve decision-making, reduce risk and give our clients a competitive advantage.

Over the years increasing levels of capital and competition have energised the international art market. Uninformed buying and the inflationary excesses of the late 1980's propelled art prices to volatile levels. People often refer to the art market in the singular when in reality there are many art markets each offering their own blend of risk and reward. Today art is more liquid with the use of financial engineering such as art loans, auction sale advances and auction price guarantees. We arrange financial loans using art as collateral, auction sale advances and art price auction guarantees. We offer a high level of personal service and attention to detail. Our mission is the provision of innovative art market solutions to your individual needs.

Art Market Solutions is an independent organisation. We give objective, independent advice and can consider all options concerning our clients' art before adopting the right plan of action. We handle a wide range of art including Contemporary art, Modern British art, Impressionist & Modern art, Old Master Paintings, sculpture, Chinese works of art, English & French furniture, Vintage & Rare Guitars and other antiques. We can advise you on the optimal amount of money to bid at auction for an art work or we can act as agents on your behalf. With our advice, we make sure that you do not overpay or undersell art at auction or through private sources.

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