

G**o** Gabriel Fine Arts

Connectivity in Diversity



WELCOME TO GABRIEL FINE ARTS

It's my absolute pleasure to give you a warm welcome to art investment. My name is Beata Maria Rzepecka and I'm CEO and Gallery Director here at Gabriel Fine Arts.

As a professional artist myself, I view art both as a testament to human talent and beauty as well as a unique investment opportunity. That's why we've made it our mission at Gabriel Fine Arts to connect exceptional artistic talent with investors and collectors like yourself.

One of the most rewarding aspects of art investment is securing work by up-and-coming emerging talent that has the potential to grow in value significantly. Recent analysis by Citi showed an impressive annualised return of 14% for contemporary art over the last 25 years as of December 2020. In comparison, the S&P showed an annualised return of 9.5%. Investing in art can offer serious financial reward and ought to be considered as a serious alternative to more traditional investment vehicles.

Unlike many investment-oriented galleries, we partner with emerging and established artists from all over the globe and from all backgrounds. The Israeli photographer Amir Chodorov, Indian artist Akshita Gandhi, and Russian painter Konstantin S are just a few of the artists who call Gabriel Fine Arts their London home.

It is this spirit of inclusivity that makes Gabriel Fine Arts such a dynamic and forward-thinking gallery. It also gives us a strategic advantage when it comes to identifying and partnering with exciting emerging artists operating beyond the borders of the traditional art world. Discovering new talent before anyone else ensures excellent growth potential for your investment as well as the chance to support an artist as their career develops. We often see our artists double and triple their prices within 48 months.

If you're new to art investment, you'll find plenty of advice and market analysis within these pages to help you decide if it's the right investment for you. My door is always open, and I strongly encourage you to get in touch should you have any further queries.

Yours sincerely,
Beata Maria Rzepecka
CEO, Gabriel Fine Arts



INTRODUCING BEATA MARIA RZEPECKA

Beata Maria Rzepecka began her career as a professional artist and completed an MA in Image and Communication at Goldsmiths before opening her first gallery in 2014. Since then Gabriel Fine Arts has blossomed into a thriving art gallery with an impressive network of private clients and partner artists. Her insider knowledge of the art market is a key asset within the gallery team, enabling her to spot exciting investment opportunities as well as giving emerging artists the support they need to thrive and establish their careers.

ART AS AN INVESTMENT

Considering investing in art? Let's look at the key reasons why art can be a very attractive investment both for seasoned and newer investors.

Why You Should Invest In Art

1. Significant Potential Returns

Auction turnover for contemporary art has rocketed over the past couple of decades from around £66 million in 2000 to £1,448 million in 2019, the equivalent to a 2,100% increase. The sector has also performed well against the stock market over this period, delivering an annualised return of 14% over the last 25 years as of December 2020 against 9.5% for the S&P 500 according to the Citi Global Art Market chart.

2. Asset-Backed Investment

When you invest in art you receive a physical asset which is yours to do with as you please. The tangible nature of this investment vehicle can be reassuring in times of turbulence on the global markets.

3. Diversification

The art market has very low correlation to global equities, so it can be a great way to diversify your investment portfolio. Work by blue chip and many established artists also tends to hold its value well during periods of economic uncertainty. Citi's 2020 Global Art Market Report notes that even during the first seven months of 2020 Contemporary Art averaged a 6.7% return, beating all other asset classes.



Finally, one truly unique benefit of art investment is the aesthetic enjoyment it can bring. Your artwork won't yield an annual income, but a well-chosen artwork can change the feel of your space and spark joy on a daily basis. If you choose to invest in emerging talent, you also get the added satisfaction of helping to support a young or new artist's career and be part of their journey as they grow and develop.

OVERVIEW OF THE GLOBAL ART MARKET

Art has long been considered a useful investment vehicle for portfolio diversification. Not only can artwork act as a hedge against inflation, it also typically retains its value during economic downturns and regularly delivers impressive mid-to-long-term returns.

The key trends for the art world in recent years include the dramatic rise of the contemporary art segment and the growing influence of online art marketplaces like Artnet and Artsy. The pandemic has also encouraged more younger art buyers to make their first purchases, reflecting a wider trend towards greater diversity and inclusion in the art market.

Growth has been particularly strong in China, which surpassed the US to become the world's largest art auction market in 2020. In that year alone the country accounted for 36% of public auction sales by value. The three most important art markets, China, the US and the UK, together accounted for 80% of the total art market by value in 2020.

ART MARKET'S RAPID RECOVERY FROM COVID-19

Prior to the COVID-19 pandemic, Deloitte's 2019 Art & Finance Report gave the total value of the art and collectibles market at US\$1.7 trillion, with projections to reach US\$2.1 trillion by 2023. There's little doubt that the pandemic has impacted auction and gallery sales, but according to the latest Art Basel and UBS Global Art Market Report, the art market is expected recover fast:

"Global sales of art and antiques fell from \$62 billion in 2008 to \$39.5 billion in 2009 but returned to its pre-crisis levels by 2010. The bounce-back was fuelled by a stimulative fiscal and monetary response similar to what we've seen this year. We expect the art market to take a similar path forward."

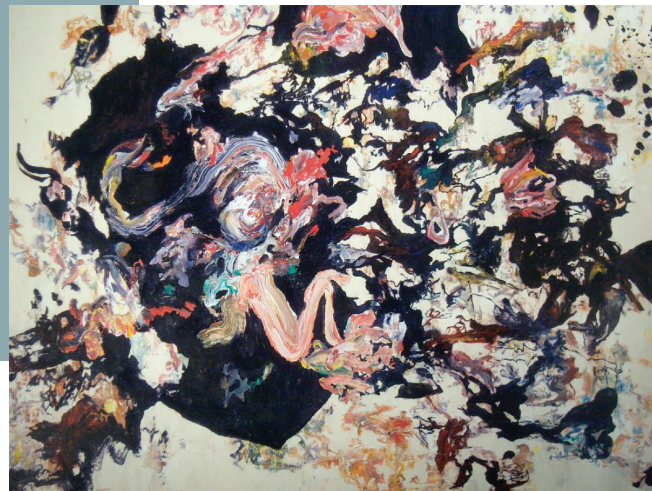
Also mentioned in the report was the fact that the pandemic had actually increased 66% HNWI individuals' desire to collect fine art, with 33% reporting a significant increase. Banks and other big corporate collectors have reduced expenditure. Yet still 78% of the International Association of Corporate Collections of Contemporary Art (IACCCA)'s 56 members continued buying art during the COVID-19 pandemic.

Art dealers are also optimistic about growth into 2022 according to the Art Basel and UBS mid-year review for 2021. 91% estimate that their sales would either increase or remain stable, with only 9% predicting a decline.



WHAT DETERMINES THE VALUE OF AN ARTWORK?

When evaluating an art investment opportunity, there are several factors which need to be considered. These range from the artist's reputation and existing collector base to their exhibition track-record and even their social media presence. Below you'll find an overview of the key factors which determine the value of an artwork.



Gallery Reputation

Gallery representation can be a key indicator of potential for emerging artists. A long-term relationship with a well-respected gallery is a sign that a particular artist is on track to thrive in their career. Galleries help support emerging artists by introducing them to big collectors and investors as well as holding exhibitions of their work and marketing them to the wider art world.

Collector Demand

Supply and demand principles apply to the art world just as much as any other market. Indicators that an artist is in high demand and their artwork is thus likely to rise in value include interest from multiple galleries, selling a high proportion of work at exhibitions, and a waiting list for commissions.

Auction Sales

A strong track record at auction is a good gauge of investment potential. Record sale prices for more established artists can help generate significant press coverage and visibility, and increase prices even further. For emerging talent auction sales tend to be less important, although they can be a way to gauge potential. It is very difficult to predict future growth, though, just from auction sales of emerging artists.

Press Coverage & Social Media

Today media coverage is one of the most important drivers of the art market. This broad category includes everything from dedicated TV programmes and national newspapers to Youtube vlogs and Instagram accounts. Examples of artists whose careers have benefitted hugely from press coverage include Tracey Emin, Banksy, and Yayoi Kusama whose "Infinity Mirrors" has featured in countless Instagram posts.

Public Display

Another sign of an artist with excellent investment potential is consistent demand from top public galleries and museums. These institutions select work by popular artists to draw in good visitor numbers. The acquisition habits of private collections can also be a useful indicator.

Corporate Collections

Corporate art collections are a testament to how attractive this alternative asset is as an investment. Some of the largest collections are owned by Deutsche Bank, which has some 70,000 pieces, and Bank of America which has over 60,000 artworks. These big corporations benefit from associating themselves with the trendy contemporary art scene, and their collecting habits can in turn help drive prices.

Art Fairs

Art fairs like Art Basel enable buyers to view large amounts of artwork in one place. They're a great place for emerging and established artists to make connections and boost their public profile.

Art Reference Books & Magazines

Being featured in key art reference books and industry magazines is an indication that an artist is considered well-established in their career. Having a magazine edition dedicated to a particular artist's work can also help increase prices



PRIMARY & SECONDARY ART MARKETS

Before you invest in art, it's a good idea to familiarise yourself with how the market works. One key aspect is the distinction between the primary and secondary markets.

Primary Art Market

The primary market refers to the first time an artwork is sold. This might be directly by the artist or from the dealer that represents them. Artworks can also be commissioned directly from the artist by the buyer.

Understanding the primary market matters because this initial price is a guide to the future value of the artwork. For emerging artists, this is often the moment when art experts start predicting whether the artist has the potential to become a well-known established artist and command ever-higher prices.

Secondary Art Market

Any subsequent sale happens on the secondary market. This could be via an auction house, gallery, or a private sale. This is where investors and collectors aim to make a profitable disposal when they're ready to sell their artwork.

The secondary market is critical as this is where artwork can increase in value dramatically. According to Artprice's Contemporary Art Market report, the average price of a contemporary artwork at auction has rocketed from \$7,340 in 2000 to \$25,140 in 2019.



STAYING SAFE IN THE ART MARKET

The art market can be an extremely rewarding place to invest. Here at Gabriel Fine Arts we help our investors stay safe in the market by making sure every transaction is thoroughly checked and verified according to the criteria below.

Authenticity & Provenance

Authenticity and provenance are critical when it comes to protecting your investment. Here at Gabriel Fine Arts every purchase you make is accompanied by a Certificate of Authenticity. We advise only purchasing works with a valid Certificate of Authenticity to minimise your financial risk.

Valuation

When you purchase artwork from us you will also receive a valuation. This document is required to insure your artwork, so you should make sure you receive one every time you purchase a new piece.

Storage & Delivery

At Gabriel Fine Arts we recommend clients consider displaying their artwork in their home or office space where you can enjoy its aesthetic appeal. We can arrange for your artwork to be delivered to you at a convenient time through one of our delivery partners.

Another option is to deliver your art to dedicated storage units where they can be kept in climate-controlled conditions to minimise the risk of damage. The artworks stored here can be delivered to you at any time if you should wish to display them in the future.

EXIT STRATEGIES

As with any investment vehicle, it's vital to have a solid exit strategy in place before you part with any capital. Here's an overview of the key exit strategies we recommend here at Gabriel Fine Arts. Our investors can rest assured that we take care of every aspect of your asset disposal and provide advice on the best strategy to meet your individual needs and financial goals.

Auction Houses

This route is typically used for blue-chip or established artists who have already made significant sales on the secondary market. Auction houses can be a great option to cash in on your investment, although it's worth bearing in mind that auction house fees can amount to up to 25% of the final hammer price.

Gallery Sales

A great alternative to auction sales is showing your artwork in a dedicated gallery space. This setting allows your artwork to be viewed at leisure by greater numbers of potential buyers and can help achieve excellent returns.

Online Sales

The impact of the COVID-19 pandemic has meant online art sales are booming like never before. Artwork may be listed online by a gallery or artist via their own website or a well-known platform like Artnet or Artsy.

Private Sales

Another popular exit strategy is to sell artworks directly to private buyers. Here at Gabriel Fine Arts we identify investors or collectors looking for specific works and facilitate the sale on your behalf. This can be a good option for owners of artwork that's in very high demand since private buyers may well be prepared to offer an excellent price to secure the artwork.

Exhibitions

Clients' artworks can be included in either solo or group exhibitions held at the gallery where appropriate with the aim of achieving a sale.



BLUE CHIP ARTISTS

Blue chip artists are those who have had a profound impact on the art world and are considered household names. Great examples include Andy Warhol, Mark Rothko, Jeff Koons, and Jean-Michel Basquiat. Their work is extremely collectible and typically sells for millions of pounds at auction. This means that blue chip artists tend to be the preserve of investors with very deep pockets.

Andy Warhol

Andy Warhol has dominated the art world for over fifty years and left an indelible mark on how the market is perceived. Born in Pittsburgh in 1928, Warhol became America's best-known 20th century artist, a legacy which has gathered pace and intensified since his death in 1987.

Synonymous with the Pop Art movement, today Warhol has the honour of being world's top-selling artist with total sales of \$4.96 billion across 18554 lots. Recent highlights include the sale of "Sixty Last Suppers", the largest of his works ever auctioned, for \$60.8 million in 2017, while "Silver Car Crash (Double Disaster)" sold for a record \$105.4 million at Sotheby's in 2013.

Warhol's enticing combination of iconic images with a fresh contemporary aesthetic and prolific output has made an indelible mark on the art world. Some of his most famous works have subjects as varied as Marilyn Monroe, Campbell's soup, and Elvis Presley styled as a cowboy and continue to enjoy huge popular appeal.

ESTABLISHED ARTISTS

The next category investors should be aware of is established artists. This group already commands impressive prices on the secondary market, but they tend to be more accessible than many blue chip artists. For example, originals by Banksy can sell for millions of pounds, but limited edition prints can be purchased for a much more modest sum. Key works by an established artist typically offer exceptional investment opportunities and they are likely to appreciate in value more quickly than works by emerging artists.

Banksy

Maverick British artist Banksy is known around the globe for his powerful presence on the contemporary street art scene. From humble beginnings on the back streets of Bristol in the 1990s, this secretive artist is credited with making graffiti and street art mainstream while preserving his alluring anonymity.

Banksy's origins as a much-admired but mysterious street artist quickly caught the eye of galleries with the first exhibition of his work held in 2002 at the 33 Gallery in Los Angeles. Following this his work started selling at auction, often without his permission or approval, and soon commanded significant prices and attracted interest from celebrities like Brad Pitt and Angelina Jolie, fellow artist Damien Hirst, and Kate Moss.

The artist's impressive reputation means his work tends to command record prices on the secondary market. During H1 2021 a total of 27 Banksy originals sold at auction for more than US\$80 million according to the website "Banksy Explained". That's the highest total ever achieved by Banksy to date, with the top performer being "Game Changer" which sold at Christie's London in March 2021 for £16,758,000. Prints have also performed well, growing from an average price of under £10,000 on the secondary market in 2011 to £60,000 in 2020 according to Artsy.

EMERGING ARTISTS

Emerging artists are in the early stages of their careers and are still making a name for themselves in the art world. Emerging artists' work is usually sold on the primary market via a dealer or by the artist themselves.

This can be one of the most exciting categories for investors since you can get in early before the artist becomes well-known and prices increase. There's potential for very large returns on



your investment. Emerging artists who are suitable for investing have usually won prizes, attracted some press coverage, and are starting to build a following of important collectors.

Do bear in mind that you may need to wait a while for works by emerging artists to increase in value as their career develops. If you are prepared to wait, these artists can offer excellent long-term investment prospects.

INVESTING WITH GABRIEL FINE ARTS

Whether you're a seasoned collector or you're just at the beginning of your art investment journey, Gabriel Fine Arts is here to help you every step of the way.

Personalised Service

Thanks to our extensive knowledge and insider contacts in the art world, we curate the very best art investment opportunities to meet your personal requirements and financial goals. Our fully-managed service includes sourcing work that is aesthetically-pleasing as well as having great growth potential.

Safe And Secure Investing

First-time art investors may not realise that the market does not have the same strict regulations imposed on other forms of investment. Working with a gallery like Gabriel Fine Arts minimises the risks of art investment, helping you avoid potential issues with forgeries, uncertain provenance, and ownership disputes. Wherever possible we source work directly from the artist themselves. When we do source work from another gallery or art dealer, we insist on rigorous provenance and authenticity checks.

Trust and Expertise

Our team has decades of experience in the art market and a broad network of industry contacts all over the globe. We pride ourselves on offering a first-class service to each and every one of our clients. That's why we like to take the time to get to know you and understand your particular needs before you invest with us. Our door is always open to you.

For more information about investing with Gabriel Fine Arts, please contact us at artinvestment@gabrielfinearts.com.



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