



54 Art Fund Series 1:

Post-war and
Contemporary African
Artists

54 PROJECTS

JULY 21, 2023

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This presentation is for discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to buy an interest in 54 Art Fund LLC (the “Fund”). Any offer to sell or solicitation of an offer to buy an interest in the Fund may be made only by the delivery of relevant Fund placement documents (the “Documents”) including to but not limited to the Limited Liability Agreement, specifically addressed to the recipient thereof. If the terms of this document and the Documents are conflicting, the Document’s terms shall control. You must be an “accredited investor” to receive a copy of the Memorandum, but only investors that meet the Fund’s investor suitability requirements will be allowed to invest.

In deciding to invest in any securities of the Fund, prospective investors should rely only on the Documents for such securities and not on these materials, which contain preliminary information that is subject to change and that is not intended to be complete or to constitute all the information necessary to adequately evaluate the consequences of investing in such securities. No representation or warranty (express or implied) is made with respect to the information contained herein (including, without limitation, information obtained from third parties) and 54 Projects (the “Manager”) expressly disclaims any and all liability based on or relating to the information contained in, or errors or omissions from, these materials; or based on or relating to the recipient’s use (or the use by any of its affiliates or representatives) of these materials; or any other written or oral communications transmitted to the recipient or any of its affiliates or representatives in the course of its evaluation of the Manager or any of its business activities. The Manager undertakes no duty or obligation to update or revise the information contained in these materials.

The recipient should conduct its own investigations and analyses of the Manager and the Fund, and the information set forth in these materials. Nothing in these materials should be construed as a recommendation to invest in any securities that may be issued by the Fund or as legal, accounting or tax or other advice. Before deciding to invest in the Fund, a prospective investor should carefully review information respecting the Manager and the Fund and consult with its own legal, accounting, tax and other advisors in order to independently assess the merits of such an investment.

The limited liability company membership interests in the Fund are speculative securities and their purchase involves a high degree of risk. You should consider all risk factors set forth in the Memorandum before investing in the Fund. Specifically, you should be aware that:

- The Fund will rely on third parties not affiliated with the Manager to meet its investment objectives.
- There may be significant potential conflicts of interest between the Fund and the business interest of the Manager and its Art Expert.
- The Manager will control the operations of the Fund.
- The Manager or its Members may from time to time learn of investment opportunities or make investments for their own account or on behalf of others that may also be suitable for the Fund. In such cases, there will be a conflict of interest in determining how to allocate the investment opportunity. In such event, the Manager will allocate such opportunity in a manner it reasonably believes to be fair and equitable.
- You could lose a substantial portion, or even all, of your investment.

Tax-exempt investors should consult their tax, legal and financial advisers regarding the specific tax consideration of an investment in the Fund. Withdrawals and transfers are restricted; no market exists or is expected to exist for the limited liability company membership interests. The Fund is not a mutual fund and is not subject to regulation under the Investment Company Act of 1940, as amended.

Opportunity

The global art market in 2022 was estimated at \$67.8 billion (Art Basel & UBS Report) and valued overall at \$1.7 trillion (Deloitte) including collectibles.

Post-war and contemporary African art is among the fastest growing segment of the \$6.7 billion post-war and contemporary art market. It offers opportunities for superior long-term returns and prospects of continued rapid growth relative to other available investments. According to UN estimates, Africa represents 16.72% of the world's population but today less than 1% (Art Basel & UBS Report) of the market for post-war and contemporary art.

The art market over the past two decades has become more structurally efficient with online auctions houses, databases, real time market data, catalogues, fairs, and artist websites. The internet and digital technology are the catalysts for these trends which have increased transparency and market opportunities. Art today is now within reach for more people than ever and is fast becoming a new alternative investment category.

The 54 Art Fund seeks to offer a relatively low base entry point by comparison to other potential avenues for investors willing to invest and to wait as the nascent market develops and values appreciate long-term.

NB: Contemporary art is work by living artists, or those who have died in recent years. Modern art typically applies to work from 1880s to the 1970s.

Investment Strategy

The 54 Art Fund Series I will seek to achieve attractive risk-adjusted investor returns through acquisition of post-war and contemporary African art works in the primary and secondary art markets for long-term appreciation and short-term gains as appropriate.

Investment Objective

The Fund's target annual return is 10% to 14% (1). The Fund's art collection may be selectively exhibited and loaned where the Manager believes this may enhance the value of the collection and returns.

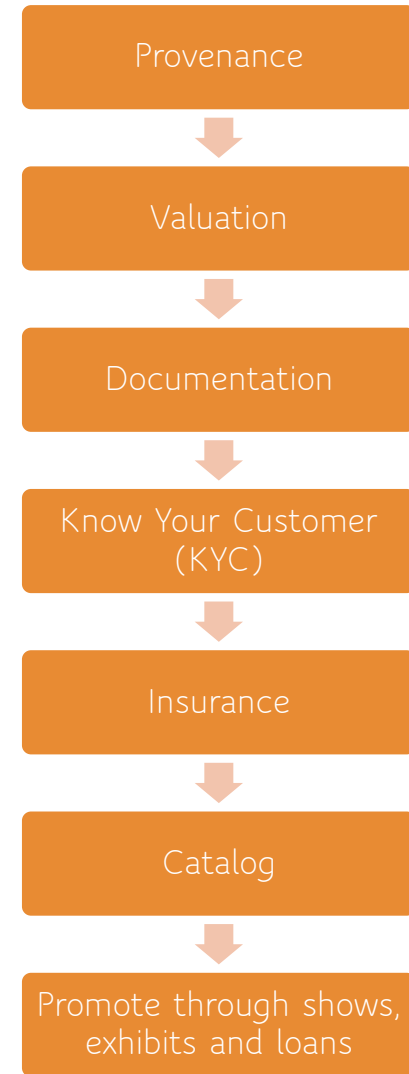
1. Projected returns are based on management projections; actual returns may differ. Certain assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the hypothetical returns presented.

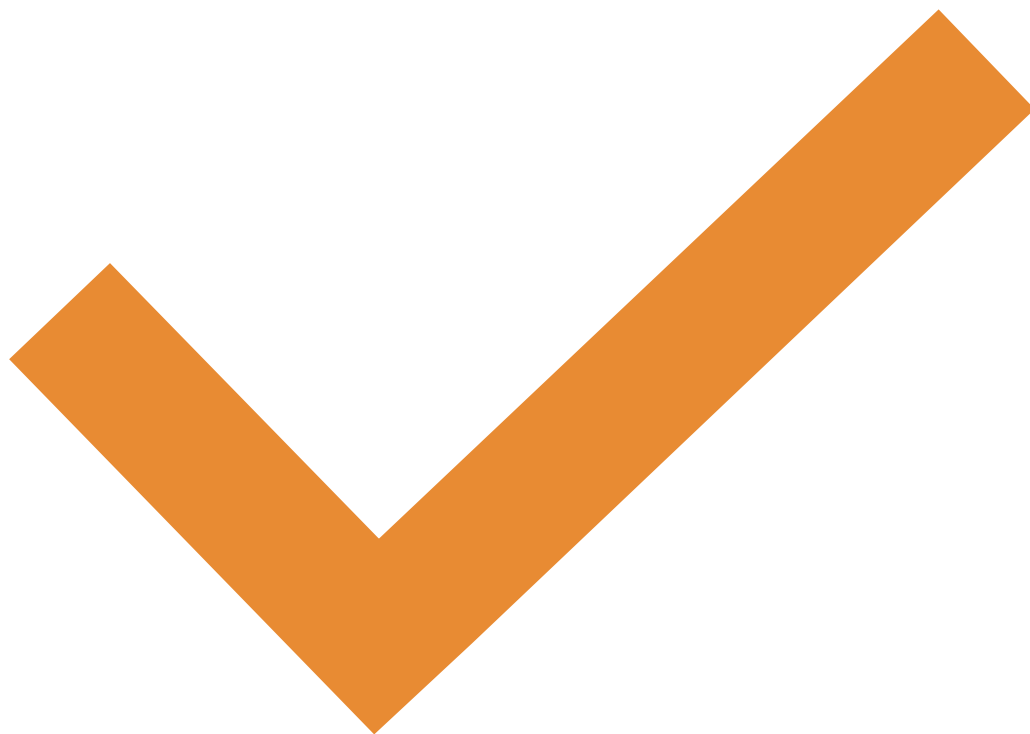
Benefits for Investors

- Portfolio selected by managers with substantial experience in post-war and contemporary art market
- Low correlation to traditional debt and equity markets
- Participation in art market without the high ownership costs of physically holding artworks (e.g., insurance, storage, transportation, handling, and other costs)
- Dedicated gallery space to showcase the art



Thorough Investment Process





Compelling Value Proposition

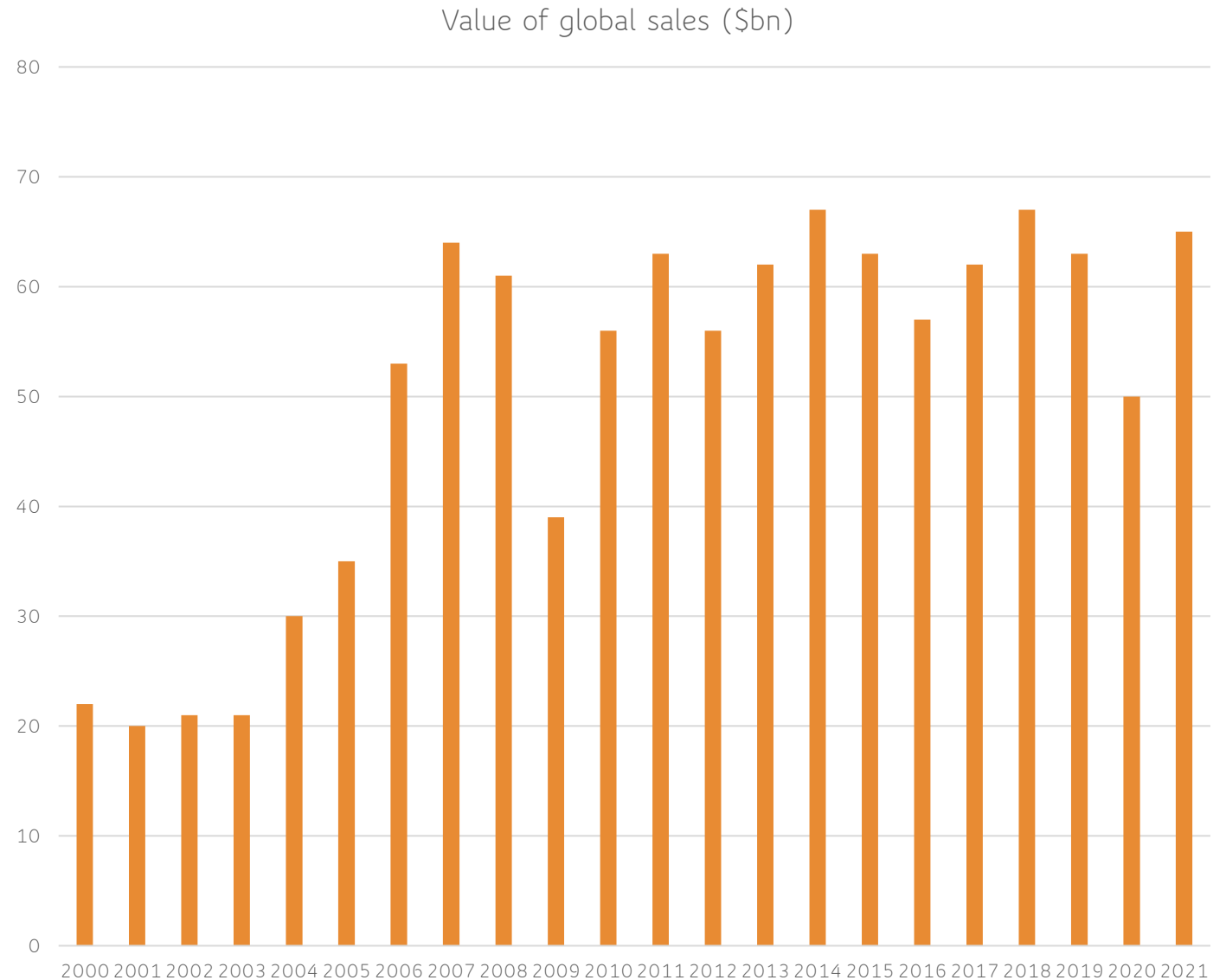
54 ART FUND

Art Market Demonstrated Resilience with Post Covid-19 Recovery

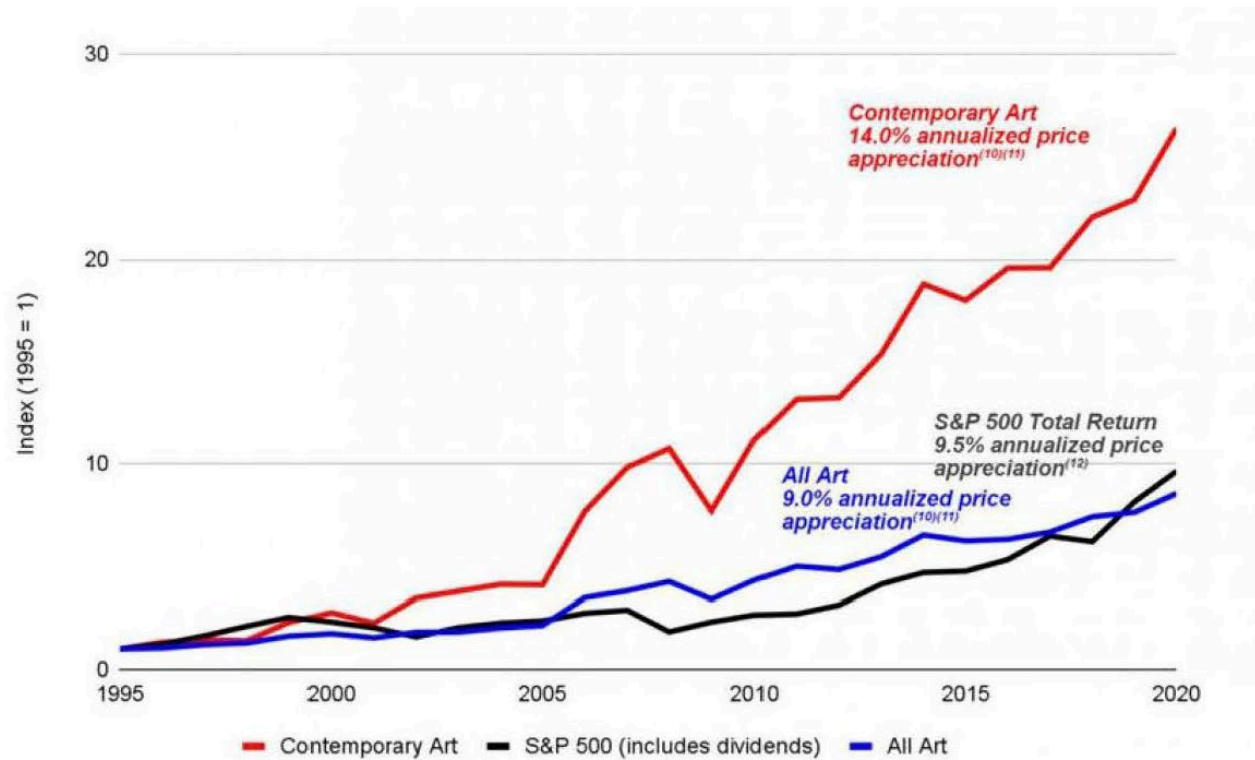
Robust and resilient—market
hedge against volatility of global
debt and equity markets.

A smart alternative investment
vehicle.

Source: Art Basel & UBS



Outperformance: Contemporary Art



Value-Weighted Art Indices vs S&P (Total Return) Indices Since 1995
Based on repeat sales from 1995 to 2020

“Generally, appreciation in the blue-chip art market is driven by three key global factors: 1) growth in the purchasing power of the ultra-high-net-worth community, 2) the diminishing supply of available artwork (as it is acquired by museums and permanent collections), and 3) the international marketability of the asset. These macro drivers are global and somewhat unique to art, which has resulted in the asset class being generally uncorrelated to traditional investment markets like stocks and bonds.”

Source: CAIA

Low 25 Year Correlation of Art to Other Markets: 1995 to 2020

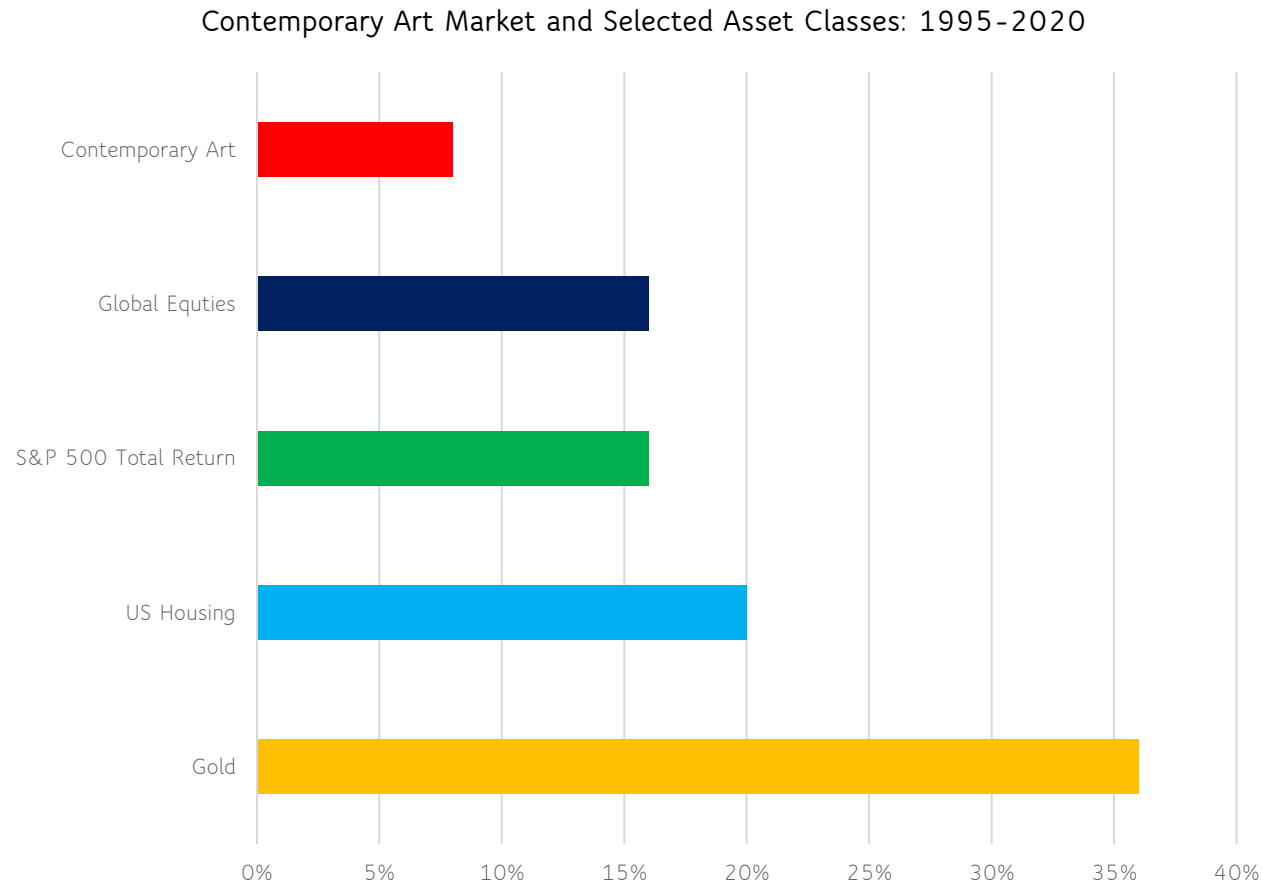
	Contemporary Art	S&P 500	Global Equities	US Corporate Bonds	US Housing	Gold
Contemporary Art	1.00					
S&P 500	(0.06)	1.00		Correlation < 0.1		
Global Equities	(0.01)	0.95	1.00			
Bonds	(0.09)	0.35	0.34	1.00		
US Housing	(0.08)	0.28	0.32	0.10	1.00	
Gold	0.20	(0.10)	0.10	0.39	(0.23)	1.00

Source: CAIA Associates

Low Loss Rates for Contemporary Art

Contemporary art has demonstrated relatively low loss rates, experiencing realized losses only approximately 8% of the time, as measured over a 2-year investment horizon. The maximum net loss over this time was 11.4%. These low loss rates are in part attributable to low transaction volumes during unfavorable market conditions. The lack of correlation, combined with Contemporary art's strong preservation of capital characteristics, make it an attractive risk diversifier asset class that can help improve the downside protection of a portfolio.

Observed Loss Frequency Over 2 Year Horizon



Source: CAIA

Art Market Overview

54 ART FUND

Art Market Eco-System

Art Galleries - Select and promote portfolio of artists, i.e., the link between artist and collectors (Galleries help artists build their careers and livelihood as professional artists by providing commercial infrastructure to support the artist and their work)

Art Fairs- Convenient venues to buy and sell and compare prices

Auction Houses (Bonhams, Christie's, Phillips, Sotheby's and others) - Source of price transparency

Art Advisors- Help collectors navigate market by defining strategy, bidding tactics, negotiating price/terms, collection management, and funding, if required

Primary Market

Where artwork is sold for the very first time either directly by the artist or through a gallery. It is the first time a price is set for the artwork. The price is typically based on the artist's exhibition history, sales history, if any, career stage, and size of the artwork. The greater the demand for an artist, the higher the possible price in the primary market

Galleries are in direct contact with collectors who are the first owners of the art

Artist reaps proceeds and gallery earns a commission

Secondary Market

Prices for artworks on the secondary market are determined by factors such as condition, provenance, and the significance of the artwork within the artists' body of work or "oeuvre." If an artist is associated with a top gallery or represented in an influential public or private collection, it can have a positive impact on the price

Source: Artland Magazine



Pricing Metrics

Stage	Primary Market	Secondary Market	Comments
Emerging artists	\$1 to \$10,000	\$1,000 to \$100,000	First foray into the art market. Goal to have exhibits around the world.
Mid-Career artists	\$10,000 to \$75,000+	\$50,000 to \$500,000+	Established branded medium and aesthetic. Already featured in renowned collections, publications, or exhibits by noted institutions
Blue-chip artists	\$25,000 to \$500,000+	Up to \$300 million or more	Artists that are collected by major institutions with steady demand and selling history as well as pricing consensus in the market

NB: Sources of publicly available art price data include: Artnet, ArtPrice, ArtTactic, Art Basel, Deloitte Luxembourg, as well as major auction houses (e.g., Christie's, Sotheby's, Phillips) and other auction houses.

Selected Post-war & Contemporary African Artists

Opportunity

Known

Growth Potential

Peju Alatise



Amoako Bafo



El Anatsui



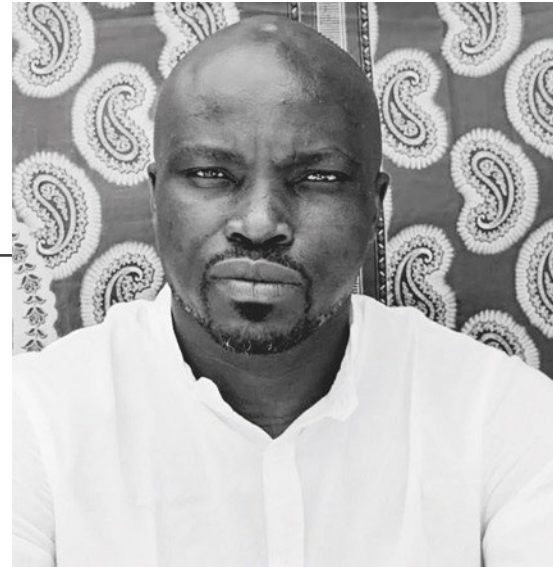
Aboudia



William Joseph Kentridge



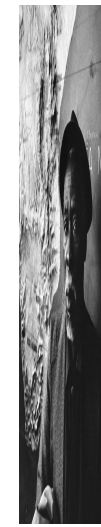
Soly Cissé



Gonçalo Mabunda



Frédéric Bruly Bouabré



Zanele Muholi



Cheri Samba



Njideka Akunyili Crosby



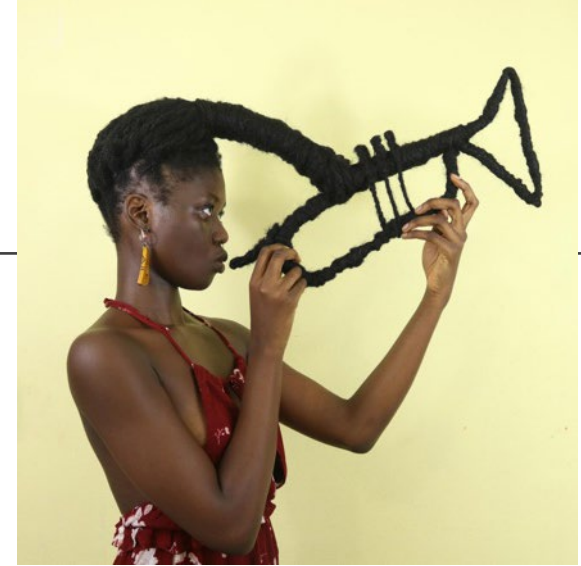
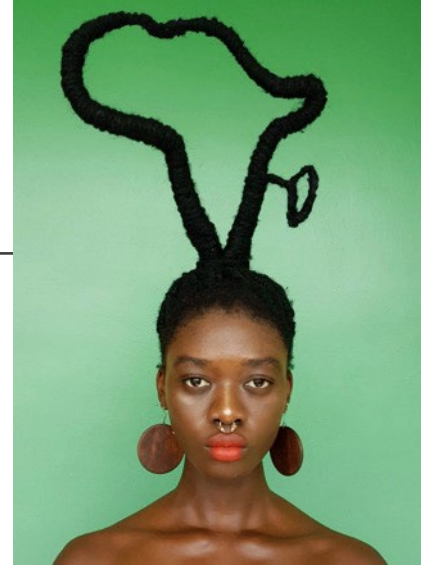
Marlene Dumas



Adel Abdessemed



Laetitia Ky



Adétomíwá A. Gbadébò



Catheris Mondombo



Kine Aw



Armand Boua



Kendall Geers



Michael Armitage



Market Performance

LEADING AFRICAN POST-WAR AND CONTEMPORARY ARTISTS

Snapshot art talk in January 2016

“British auction house [Bonhams](#) has seen average lot prices increase 5-fold -- to about \$50,000 -- since it started specializing in contemporary African art in 2007.

[ArtHouse Contemporary Limited](#), an auction house based in Lagos, Nigeria, notes that pieces bought at their very first auction, back in 2008, have increased up to 10-fold in value today.

The trend falls within a general rise in value for African art as a whole -- [Sotheby's](#), whose auctions currently combine African and Oceanic art, took in [an "outstanding" \\$84 million](#) in 2014, compared to just \$4 million a decade ago. They are now considering specialized sales for African art alone.”

Source: CNN

Fast Forward: 2020/21

Top 50 artists born after 1980 by auction revenue

Rank	African Artists	Auction turnover	Lots sold	Top auction result
5	<u>Amoako BOAFO (b. 1984)</u>	\$11,500,042	33	\$1,146,819
11	<u>Aboudia Abdoulaye DIARRASSOUBA (b. 1983)</u>	\$4,107,626	66	\$231,337
17	<u>Jadé FADOJUTIMI (b. 1993)</u>	\$2,334,398	13	\$730,693
19	<u>Toyin Ojih ODUTOLA (b. 1985)</u>	\$2,190,212	8	\$832,748
26	<u>Njideka Akunyili CROSBY (b. 1983)</u>	\$1,412,249	2	\$1,330,349
29	<u>Kudzanai-Violet HWAMI (b. 1993)</u>	\$1,319,104	6	\$486,747
31	<u>Otis Kwame Kye QUAICOE (b. 1990)</u>	\$1,199,071	9	\$250,000
44	<u>Michael ARMITAGE (b. 1984)</u>	\$643,580	2	\$574,280
48	<u>Joy LABINJO (b. 1994)</u>	\$594,289	6	\$208,008

Source: Artprice.com

Top 10 Under-40 Artists by Auction Turnover in H1 2022

Rank	Artist	Turnover
1	Matthew WONG (1984-2019)	\$ 21,326,103
2	Ayako ROKKAKU (1982-)	18,619 \$531
3	Flora YUKHNOVICH (1990-)	\$ 12,531,092
4	Aboudia DIARRASSOUBA (1983-)	\$9,177,854
5	Avery SINGER (1987-)	\$ 9,170,591
6	Amoako BOAFO (1984-)	\$ 8,263,929
7	María BERRÍO (1982-)	\$ 7,556,877
8	Anna WEYANT (1995-)	\$ 6,455 422
9	Christina QUARLES (1985-)	\$ 5,598,272
10	Loie HOLLOWELL (1983-)	\$ 5,519,154

Source: Artmarket.com

NB: Also, Jade Fadojutimi \$12,234,837 (Born 1993, British of Nigerian heritage) in 2022.

Fast Forward: 2021

“Young Contemporary African creatives market also set an all-time high in sales, generating \$24.9 million in 2021, a surge of 121% in comparison with 2020.”

Fast Forward: January 2022

“Emerging African Artists Have Amassed Nearly \$65 Million at Auction Since 2019. Some of Them Don’t Even Have Galleries Yet.

Artists such as Ismail Isshaq and Emmanuel Taku are igniting bidding wars at auction before they’ve even had a major New York gallery show.”

Source: Katya Kazakina, January 14, 2022, from artnet

Fast Forward: March 2022

"In March, Sotheby's again exceeded presale estimates by 40%, selling \$3.7 million worth of art from 34 countries. O'Leary says that since the African art auction's inception in 2017, the company has broken 90 world records."

"The contemporary art market in Ivory Coast and across sub-Saharan Africa has captured collectors' imaginations on a global scale, translating into profits for many artists like Saint-Etienne. He says the average value for individual pieces of his work increased from roughly around \$8,000 to \$60,000 in his seven years as an artist."

October 2022

"There are works by African artists that are fetching over £1m, and other works by African artists fetching £500,000 that a few years ago were only fetching £10-15,000."

"At the very top of the market, the auction prices can be even greater. For instance, a painting by Ghanaian artist Amoako Boafo sold for \$3.4m in Hong Kong at the end of 2021 - more than 10 times the expected price."

"The best and the finest works tend to appreciate the most," said Giles Peppiatt, director of post-war and contemporary African art at auctioneers Bonhams

What's Driving the Market?

Giles Peppiatt, director of post-war and contemporary African art at auctioneers Bonhams notes that major international institutions like the Tate in London, and the Metropolitan Museum of Art in New York, are racing to make up for years of neglecting the sector.

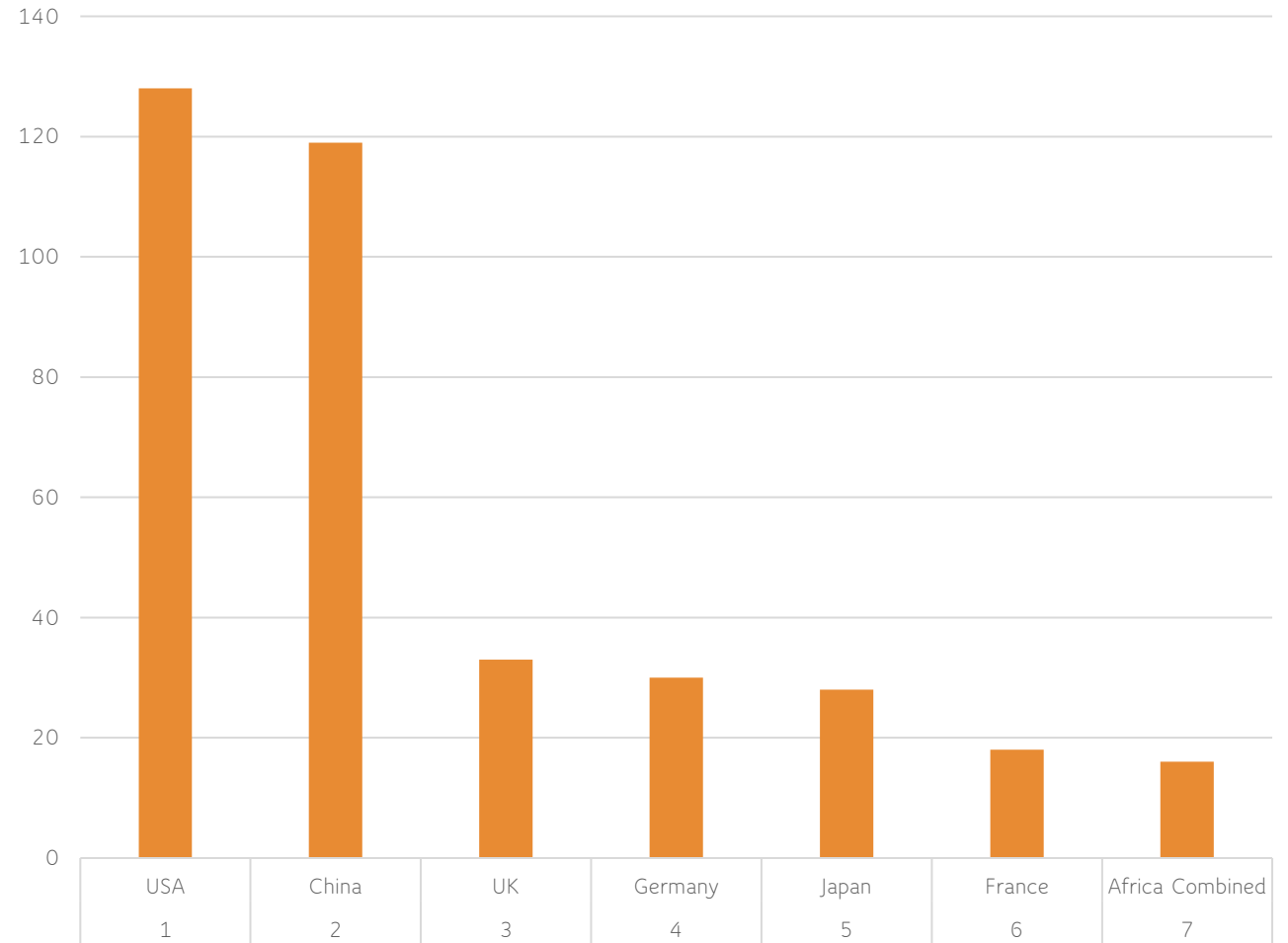
"When a museum buys, it's a great signal to private collectors," he explains. That in turn helps boost prices.

Source: BBC

Today African artists represent a growing segment of annual auction market turnover

And an even larger segment if the diaspora is included (e.g., African American, Afro-Brazilian and Afro-European art)

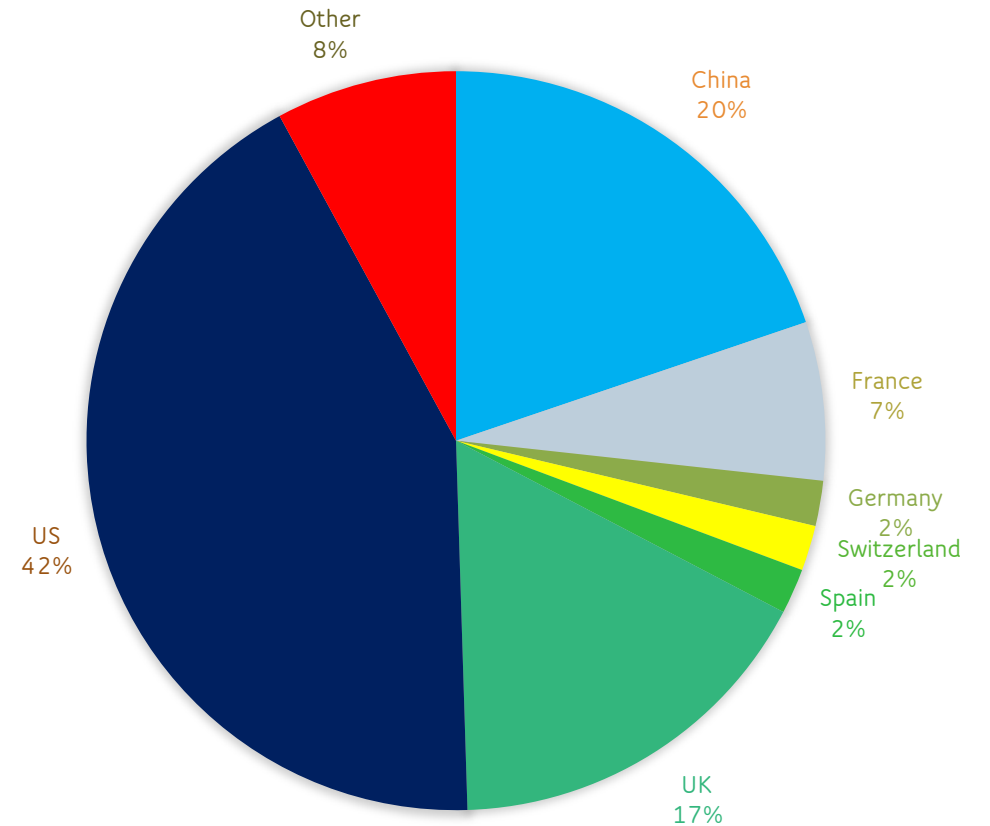
African Artists in 2021 Ranked 7th Globally in Contemporary Artists in the Top 500 by Country of Origin



Post-war and contemporary African art is poised for growth

The Fund will seek to identify Emerging Artist Talent

GLOBAL ART MARKET SHARE BY VALUE IN 2021



➤ LUMPED IN “OTHER” TODAY, AFRICAN ART HAS SIGNIFICANT OPPORTUNITY FOR GROWTH

Source: Art Basel & UBS

Artist Focus

Aboudia

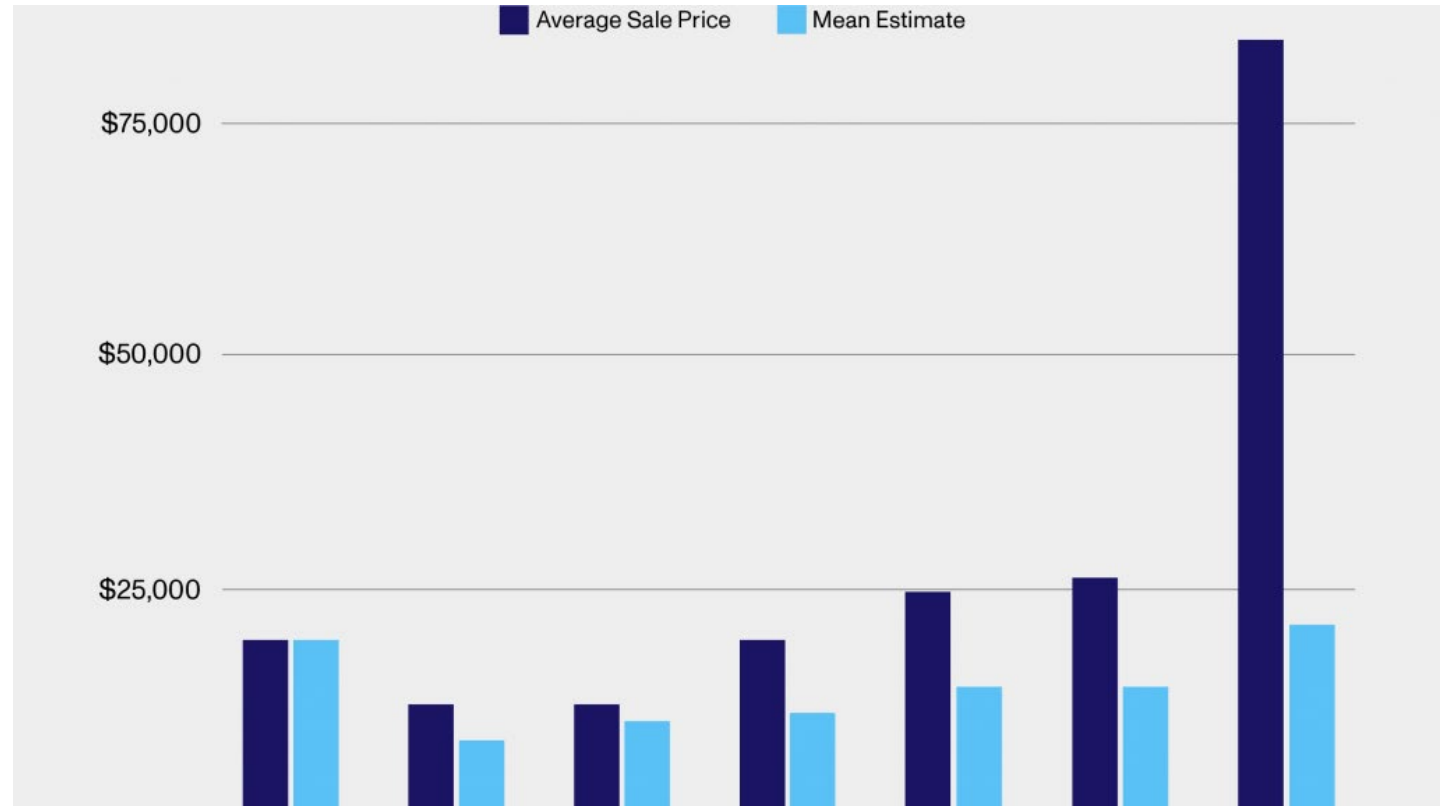
Aboudia



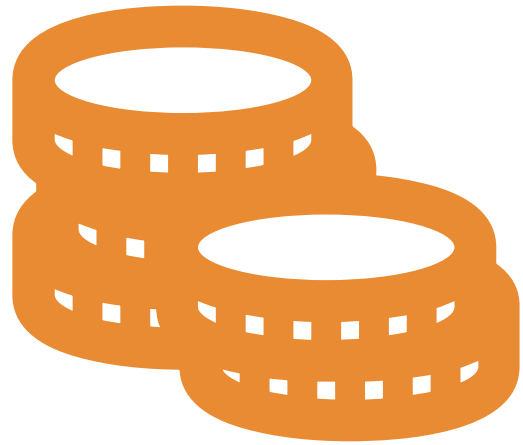
“Aboudia” Abdoulaye Diarrassouba (Ivory Coast)

His works consistently sell above mean estimate at auction which is indicative of high demand. The fund intends to focus on emerging talent like Aboudia.

Source: Artnet Price Database (2021)



Source: Artnet Price Database (2021)



Future Opportunities

NON-FUNGIBLE TOKENS (NFTS)

Confluence of Art & Technology

Non-Fungible Tokens (NFTs)

Traditional works of art such as paintings are valuable precisely because they are one of a kind.

With NFTs, artwork can be "tokenized" to create a digital certificate of ownership that can be bought and sold.

As with crypto-currency, a record of who owns what is stored on a shared ledger known as a blockchain. The records cannot be forged because the ledger is maintained by thousands of computers around the world. NFTs can also contain smart contracts that may give the artist, for example, a cut of any future sale of the token. In many cases, the artist even retains the copyright ownership of their work, so they can continue to produce and sell copies.

Blockchain

A blockchain is a transparent and secure information storage and transmission technology. The information contained in this "chain of blocks" - transactions, title deeds, signatures, contracts - are protected by cryptographic processes which make the token near immutable.

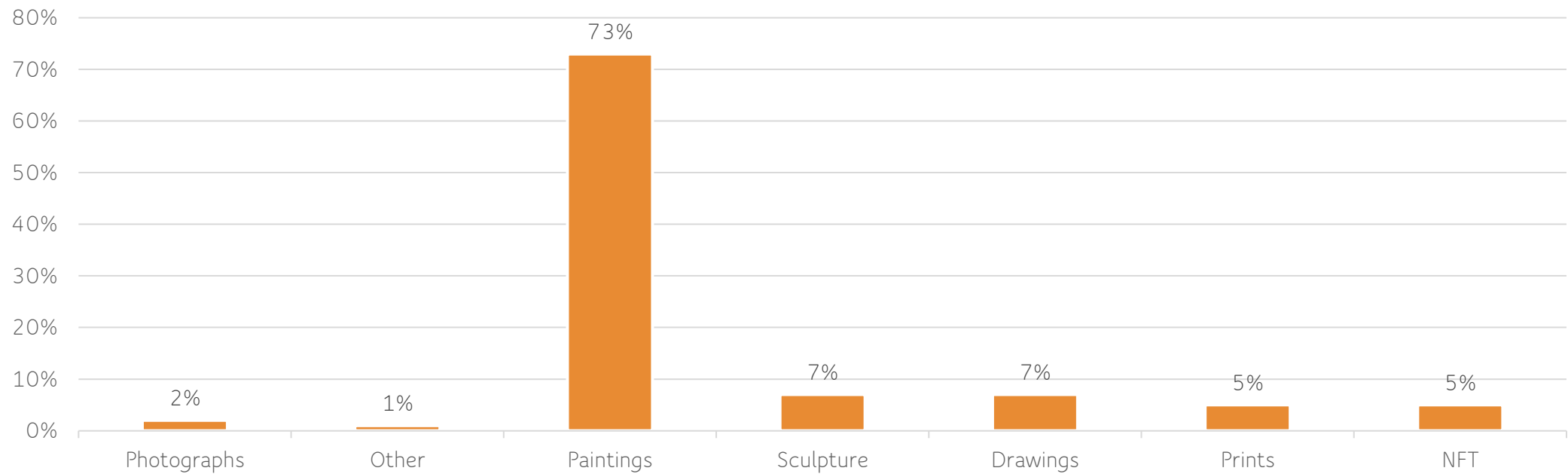
The blockchain has been used for cryptocurrencies for years. It simplifies buying and selling, enables fast, direct and inexpensive transactions, while providing a secure chain of provenance and authenticity.

Source: BBC and Artprice.com

Non-Fungible Token (NFT) Market

- Some NFT's have sold for millions of dollars and the medium has provided a means for African digital artists to join the global market for post-war and contemporary art.
- NFT have made digital art created by artists allover the world accessible to collectors in all corners of the planet.
- NFT sales volume hit a peak in 2021 at \$24.9 billion up from \$94.9 million the previous year (*source: DappRadar*). **African artists have been able to play a role in this nascent market with artists like, Osinachi, Anthony Azekwoh, and Odion Tobi.** So far in 2022, the market has retrenched significantly from its 2021 peak but remains buoyant.
- The largest NFT markets platforms in 2021 were: OpenSea, Rarible, Mintable, Foundation, SuperRare, Nifty Gateway, Makersplace, and KnownOrigin.
- The highest NFT sale achieved to date was for a work by Beeple which sold for the staggering sum of \$69.3 million.at auction at Christie's in March 2021

Contemporary art sales by medium: 2020/21



Source: Artprice.com

Fractionalization

NFTS

A fractional NFT is an NFT that has been divided into fractions. This allows broader participation in the ownership of a piece of the same NFT related to a work of art. The NFT is fractionalized using a smart contract that generates a set number of tokens linked to the indivisible original NFT. These fractional tokens give each holder a percentage of ownership of the NFT, and can be traded on the secondary market

ART FRACTIONALIZATION FUNDS

Companies like Masterworks are also creating fractional interests in works of art as fund securities that can be tokenized.

It is worth noting that fractionalized NFTs may like the above be considered securities and therefore subject to regulation

Manager of 54 Art Fund LLC (Series)

54 Projects LLC, a Delaware limited liability company, is the Manager of 54 Art Fund, a Delaware limited liability series company formed in March 2023.

The role of the Manager

The role of the Manager includes:

- Identifying potential acquisitions
- Raising capital for the funds managed
- Investor relations management
- Investment strategy development
- Asset management; storing, maintaining, and insuring the artworks
- Art market monitoring
- Showcasing the assets through exhibitions and museum loans
- Managing the disposition of fund assets

Team

54 PROJECTS LLC



Gus Udo

Gus is a director and founder of Udo Partners Limited, the Sponsor of the fund. He has over 35 years of experience as a financial innovator and fintech entrepreneur. Gus has dedicated his career to building markets for new alternative asset classes, e.g., illiquid emerging market debt, invoices, and art. His most recent client was Airbus SAS, the world's largest aircraft manufacturer. He is a keen follower of post-war and contemporary African art. He co-hosted with Ethan Cohen one of the first post-war and contemporary African art exhibits in New York in 1990, at the Ethan Cohen Gallery. Gus was co-portfolio manager for the Nigeria Emerging Market Fund, the first ever offshore country fund for Nigerian debt and equity. He is a graduate of Harvard College and the London School of Economics and Political Science.

Gus will be responsible for the day-to-day management of the fund's operations and will make and monitor investments of the fund.



Ethan Cohen

A gallerist and collector, Ethan is a graduate of Harvard College and has represented both emerging and internationally renowned artists for over thirty years. Many of the emerging artists have now become household names. Ethan Cohen advises private, public, and corporate clients and is a certified appraiser with the Appraisers Association of America, specializing in contemporary Asian art and contemporary African art.

Ethan Cohen Gallery occupies a distinct place in contemporary art as a center of innovation across disciplines and countries. It serves artists and clientele through global art fairs, curatorial projects with top institutions, and as a center for seminal cultural events. Today Ethan Cohen Gallery has two gallery locations, one in Chelsea in the heart of New York City and the other in Beacon, New York.

Ethan will participate in art selection and will be responsible for artwork management for the Fund. In certain instances, due to conflicts, he will not make the ultimate selection decision.

For additional information

info@54projects.com