



## NorthStar Art Invest N\*AI

### The art of securing assets

NorthStar's goal is to preserve and grow its clients' assets so that they can be transferred to future generations. To this end, NorthStar uses the oldest man-made tangible asset.

Art - professionally invested and managed.  
Transparent - stable in value - secure.

For decades, the rich and the very rich have trusted the material value of art to secure capital. On average, 20% of their assets are hedged in art - and the trend is constantly rising. More than 75% of asset managers see art as an important part of their portfolios.

In addition, the art investment, once initiated, realizes continuous capital inflows. The tax options, up to and including tax exemption, are another aspect. For us as one of the leading investment specialists, art investment is therefore an essential part of asset allocation. Exclusively realized with its own NorthStar label and NorthStar artworks.

NorthStar Art Invest  
"The art of securing wealth"

N\*AI



# THE ART MARKET

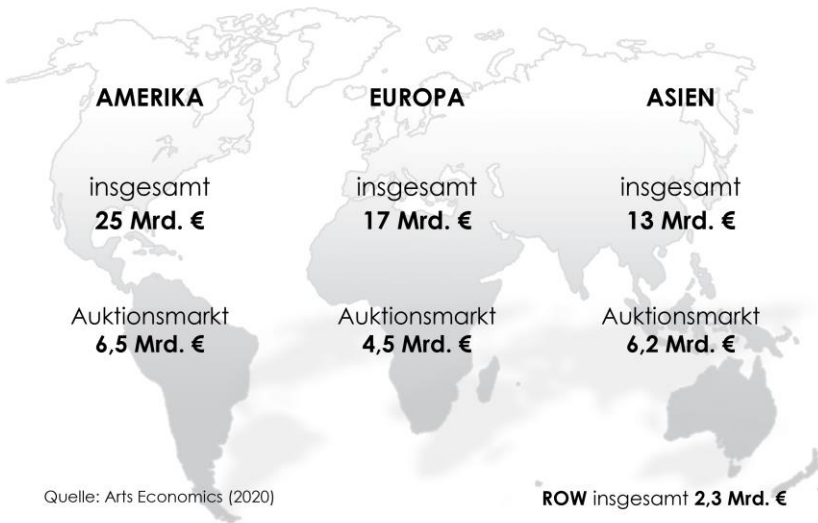
## ASSET PROTECTION THROUGH ART

Investments in art are not new, they have been common for decades. Wealthy people specially, but also banks and insurance companies, invest here on a grand scale. They secure their capital in art and thus act independently of fluctuations on the stock markets, the global debt problem or currency turbulences. NorthStar has set itself the goal of making art accessible to a broader public as an investment. Art is seen as a currency - at a time when alternative investments in tangible assets are enjoying ever greater demand.



Nastassja Kinski and the serpent, 1981 © Richard Avedon Foundation

**THE ART MARKET: ≥ EUR 50 BN TURNOVER P.A. (2019: 57,3 BN €)**



## SECURE AND HIGHLY SUCCESSFUL

The art market and especially the Post-War & Contemporary Art sector have developed very positively in recent decades. Compared to the financial markets, there were hardly any fluctuations. Experts even assume that there are no dependencies of the art market on the financial markets. In addition, the purchase of art can serve as an important factor for asset diversification and as well offers a high degree of positive emotionality.

### KEYFACTS: ART MARKET

- ✓ Stable in value over the centuries irrespective of wars and crises
- ✓ No correlation with the finance sector
- ✓ ≥EUR 50bn turnover p.a.

«Whoever seeks something stable should preferably purchase art.» Alan Greenspan

## PHOTOGRAPHY AS AN INVESTMENT

Photography is particularly suitable as a form of investment. One should consider small editions of internationally traded artists. As a "newer" art form, photography is very well documented, the number of images created is known and the origin of the images is attested. Photographic works of art are also characterized by the fact that they are still relatively inexpensive, despite high artistic quality and international importance, which allows a wide distribution.

## PERFORMANCE OF PHOTOGRAPHIC ARTWORKS



Robert Frank, Parade, hoboken, 1955

Price 1995	EUR	3,644
Price 2019	EUR	122,205

<b>INCREASE IN VALUE</b>	<b>EUR 118,561</b>	<b>Ø</b>
<b>per Year</b>	<b>+130,14</b>	<b>%</b>



Irving Penn, Blue Moon, 1970

Price 2001	EUR	12,567
Price 2019	EUR	53,191

<b>INCREASE IN VALUE</b>	<b>EUR 40,624</b>	<b>Ø</b>
<b>per YEAR</b>	<b>+17,01</b>	<b>%</b>

### KEYFACTS: PHOTOGRAPHY

- ✓ Emerging young art sector
- ✓ Significant value increase during recent years
- ✓ Transparent market through editions management
- ✓ Growing number of photography awards
- ✓ Moderate price level: Internationally established photographic artworks from €2,000 per photograph



# THE ART MARKET

## ART IN DIRECT COMPARISON TO STOCKS (20 YEARS)

Mei Moses World® & Collecting Category Indexes vs. Stocks

ART IN THE LAST 20 YEARS	
All Art Index	5.26%
Impressionist & Modern Index	5.04%
Old Master & 19 <sup>th</sup> century index	1.01%
Post war & Contemporary Index	10.71%
Traditional Chinese Works of Art Index	9.13%

VS.

STOCKS IN THE LAST 20 YEARS	
Dow Jones	7.54%
DAX	8.48%
Euro Stoxx	5.01%
MSCI World	7.74%
MSCI Emerging Markets	6.67%

The **Post War & Contemporary** Art Index has performed best over the past 20 years. NorthStar focuses on contemporary photography, which belongs to the category "Post War & Contemporary Art".

### MEI-MOSES-ART-INDEX

- Proceedings of the financial economists Jianping Mei and Michael Moses
- Evaluates auction prices of works that have been publicly auctioned more than once

The Mei-Moses-Art-Index created by the financial economists Jianping Mei and Michael Moses is one of the leading quantitative information sources in terms of analyzing the auction market results of repeated sales to improve price developments in the art market compared to other investment classes.

source: nzz.ch

### Mei Moses World and Collecting category indexes

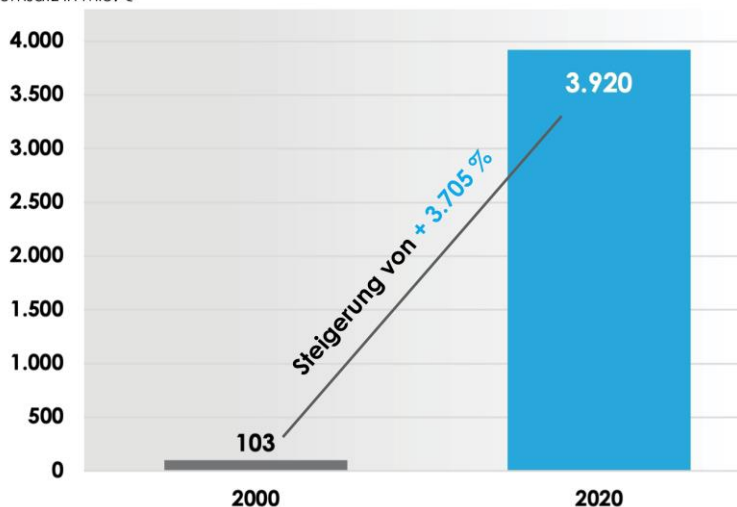
Years	All Art-W	IMPMOD-W	OM19-W	Post War and Contemporary-W	TCWA-W	S&P500 Total Return (TR)
<b>20 years</b>						
CAR	5.26%	5.04%	1.01%	10.71%	9.13%	8.33%
STDEV	10.67%	8.13%	14.59%	12.87%	18.95%	19.25%
COV	2.03	1.61	14.50	1.20	2.08	2.31
CORR-S&P	0.007	0.037	0.140	-0.132	-0.215	1
<b>50 years</b>						
CAR	7.89%	7.44%	6.63%	10.85%		9.70%
STDEV	15.89%	18.78%	17.50%	34.02%		17.03%
COV	2.01	2.52	2.75	3.13		1.76
CORR-S&P	0.001	-0.042	0.044	-0.317	-0.100	1

CAR=COMPOUND ANNUAL RETURN; STDEV=STANDARD DEVIATION  
COV=COEFFICIENT OF VARIATION=RISK PER UNIT OF RETURN

«Within art, photography is the "best performing" category.» Financial Times

## AUCTION MARKET: „POST WAR & CONTEMPORARY ART“ (= CONTEMPORARY ART) 2000 - 2020

Umsatz in Mio. €



AUCTION TURNOVER 2000:	€ 103m
AUCTION TURNOVER 2020:	€ 3.920m

>> Performance of + 3.705 % in 20 years  
oder + 185,25 % p.a.

Quelle: Artprice Contemporary Art Market Report 2021



Expected return p.a.:  
8 – 10%

Minimum investment:  
50.000 €

Type of installation:  
Direct investment

The Swiss Art Advisor Fine Art Invest Group (FAIG), together with its global team of art experts, creates individual art portfolios for each client and stores them properly and securely for the client in a Swiss bonded warehouse. The creation of the portfolios focuses on the value of the investment objects, that means the artworks, and increasing the security for the clients' capital. All works of art are insured all times with internationally active insurance groups and are valued for the client once a year and their value confirmed by an independent third party.

## HIGHLIGHTS

- ✓ **SECURITY** 100% asset, Direct-Investment
- ✓ **CURRENCY** Currency-independent
- ✓ **ACQUISITION** 100% VAT-free and 100% discreet
- ✓ **STORAGE** Access-protected in the Swiss duty-free warehouse
- ✓ **TAX** Tax-free profit after 1 year holding period
- ✓ **TRANSPARENCY** Annual, independent valuation
- ✓ **INSURANCE** 100% international insurance coverage
- ✓ **LIQUIDITY** Sale (even partially) possible at any time
- ✓ **CORRELATION** No correlation to stocks, bonds, etc.
- ✓ **HEIR** Individual allocation
- ✓ **SERVICE** All-round service from purchasing to sales
- ✓ **ACCESS** Diversified art portfolios from € 50,000



Antonietta & Simone, Barber Shop, New York 1962 © William Klein

## EXAMPLES OF PERFORMANCE OF ARTWORKS



August Sander, Drei junge Bauern, 1914

Preis 2005 EUR 3.600  
Preis 2020 EUR 11.000

**WERTZUWACHS** EUR 7.400  
**Ø PRO JAHR** + 13,71 %



Vivian Maier, January 9, Florida, 1957

Preis 2010 EUR 2.650  
Preis 2020 EUR 12.500

**WERTZUWACHS** EUR 9.850  
**Ø PRO JAHR** + 37,17 %



William Klein, Impala & Gas, NYC 1959

Preis 2017 EUR 15.000  
Preis 2020 EUR 30.000

**WERTZUWACHS** EUR 15.000  
**Ø PRO JAHR** + 25,0 %



Joel Meyerowitz, Salt Lake City, 1976

Preis 2018 EUR 15.000  
Preis 2020 EUR 18.000

**WERTZUWACHS** EUR 3.000  
**Ø PRO JAHR** + 6,67 %

## ENVISAGED INVESTMENT CONDITIONS

### Management Fee

1,5 %

The management fee includes the following services:

- Fees state Swiss bonded warehouse
- All risk insurance with international art insurer incl. annual valuation
- Management Art Portfolio





**Number of works:**  
ca. 2.000

**Number of artists:**  
65

**Minimum investment:**  
5 Mio. €

**Type of installation:**  
Collection/Art Trade

## KEY DATA OF THE AVAILABLE COLLECTION

- ✓ Photographic collection from 1950 to the present day
- ✓ Approx. 2,000 works by 65 international artists
- ✓ Annual return 8% net/net
- ✓ Includes extraordinary milestones in the history of photography
- ✓ Almost all works framed in high-quality frames behind museum glass
- ✓ Excellent provenance
- ✓ Compiled by an international team of curators
- ✓ Insured by two well-known insurance companies, Axa Art and Helvetia
- ✓ Stored in the Swiss duty-free warehouse and guarded by Swiss customs



Komplette „Mannequin“ Serie © Lee Friedlander

## MILESTONES OF PHOTOGRAPHY WITHIN THE COLLECTION (excerpt)

August Sander	<i>People of the 20th century</i>
Robert Frank	<i>Contact Sheets The Americans</i>
Larry Sultan & Mike Mandel	<i>Evidence</i>
Lee Friedlander	<i>America by Car, Mannequin</i>
Mitch Epstein	<i>New York Arbor, Recreation I/II</i>
Henry Wessel	<i>Night Walk &amp; Night Walk unpublished, Airport</i>
Bill Owens	<i>Suburbia</i>
Tod Papageorge	<i>Studio 54</i>
William Christenberry	<i>10 Southern Photographs</i>
Larry Sultan	<i>SF Society</i>
Broomberg & Chanarin	<i>Afterlife, War Primer 2</i>
Georg Gerster	<i>Staff of Life, Restless Earth</i>
Emmet Gowin	<i>Aerial Photographs</i>
Kanjo Také	<i>Nowhere or 36 views of Mount Fuji</i>
Claudia Rogge	<i>Ever After</i>
Sonja Braas	<i>The Quiet of Dissolution</i>



California, 1985 © Henry Wessel

## ICONS OF PHOTOGRAPHY WITHIN THE COLLECTION

Doug Aitken	Georg Gerster	J.D. `Okhai Ojeikere	Arsen Savadov
Diane Arbus	Stephen Gill	Bill Owens	Cindy Sherman
Richard Avedon	Emmet Gowin	Trevor Paglen	Malick Sidibé
Nikolay Bakharev	Jonathan Heyer	Tod Papageorge	Hiroshi Sugimoto
Lewis Baltz	Zhang Huan	Chi Peng	Larry Sultan
Julie Blackmon	Xiao Hui Wang	Zhang Peng	Kanjo Také
Sonja Braas	Eeva Karhu	Irving Penn	Miroslav Tichy
Balthasar Burkhard	Seydou Keita	Wang Qingsong	Andy Warhol
Broomberg & Chanarin	Ola Kolehmainen	Max Regenber	Henry Wessel
William Christenberry	Alberto Korda	Andrew Rogers	Miao Xiaochun
Zhang Dali	Oleg Kulik	Claudia Rogge	Cui Xiuwen
Mitch Epstein	Ryan McGinley	Rong Rong & Inri	He Yunchang
Robert Frank	Larry Sultan & Mike Mandel	Thomas Ruff	Liu Zheng
Lee Friedlander	Pushpamala N.	August Sander	Qiu Zhijie



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## KUNSTHANDEL AG

- ✓ The investor acquires a Swiss AG that deals with the international art trade
- ✓ The company is registered in the commercial register, fully paid-up, registered office in Baar, own account and can actively trade at any time. **Focus:** Building up the art collection/trade, Post War Contemporary Art
- ✓ Purchase and sale of the goods takes place (optionally) on behalf of a third-party company (FAIG AG) or on own account
- ✓ Upon acquisition of the company, an exclusive contract is also concluded with FAIG AG/NorthStar LLC with regard to the purchase of the works of art.
- ✓ The goods are generally stored in a state-secured duty-free warehouse and are 100% insured insurance by Chubb, Allianz, AXA, Helvetia and others
- ✓ Ongoing support of the art portfolio including all necessary operational activities

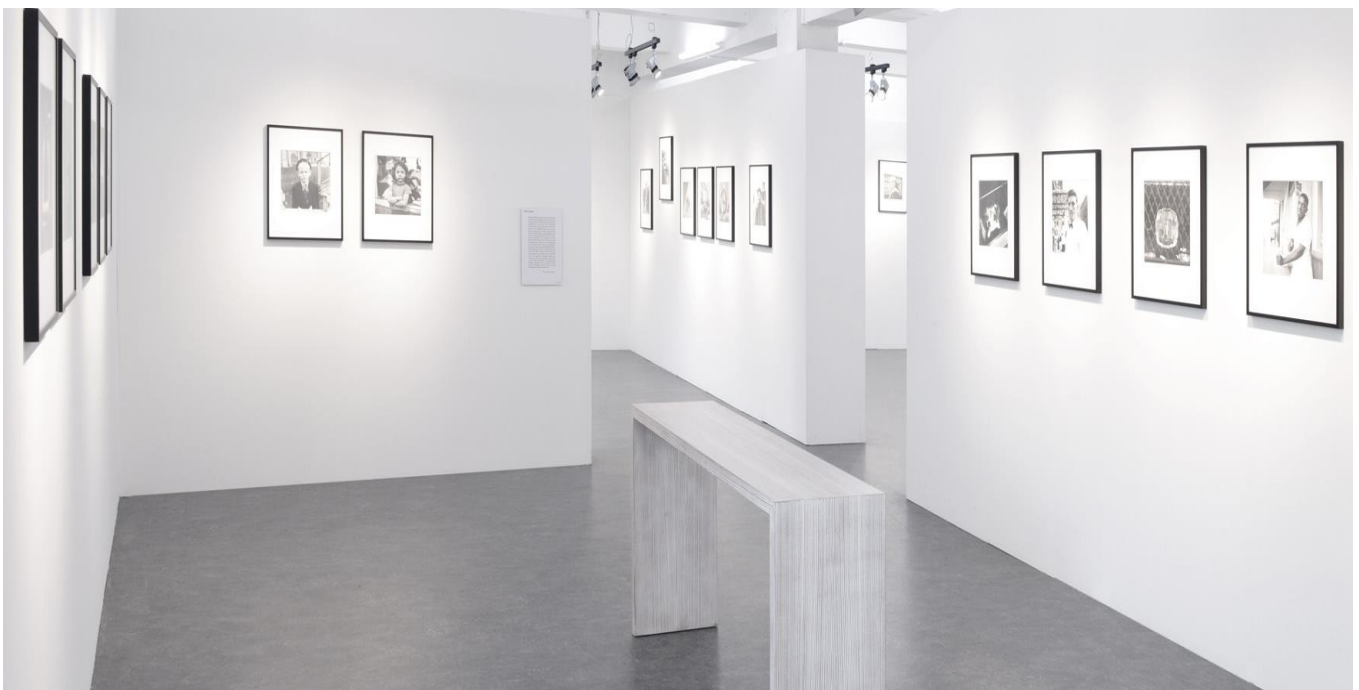
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- 





## USP ART INVEST

HNWIs invest +20% of their assets in the real value of art. For more than 50 years, it has had a constant track record of +10% p.a. and is not correlated with other asset classes (Deloitte Art& Finance Report 2020). In addition, high increases in value secure cash flow in the long term.

- ✓ Globally tradable without restrictions
- ✓ High-yield and low-risk real asset investment
- ✓ High market transparency
- ✓ Currently no competitors
- ✓ Market-determining from a volume of EUR 100 million
- ✓ Strongly prosperous global market
- ✓ Duty-free warehouse (no VAT)
- ✓ Cash purchases possible
- ✓ Tax
- ✓ License-free trading transaction
- ✓ Successful proof of concept
- ✓ Secure returns already through purchasing advantage
- ✓ Very low maintenance of max. 2% of the
- ✓ Investment volume (insured value)
- ✓ MFAA-tested return on investment
- ✓ Window of Opportunity of approx. 3 years



Ballston Beach, Truro, Cape Cod, 1976 © Joel Meyerowitz