

ART ADVISORY E-BULLETIN

SUMMER EDITION 2011 Edition 14

The World's
Biggest Art
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WISH

*Hot Beauties,
Great Returns:*
the Financial
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Qatar Revealed as the World's Biggest Contemporary Art Buyer

Rothko, Koons, Warhol, Lichtenstein, Fontana and Hirst are just a few of the artists whose works are believed to be in the recently amassed collection of the world's biggest Contemporary art buyer. It has been revealed by *The Art Newspaper* that Qatar has been behind most of the major Modern and Contemporary art sales over the past six years. Georgina Adam and Charlotte Burns of *The Art Newspaper* share with us who the driving force behind Qatar's passion for collecting really is. www.theartnewspaper.com/articles/Qatar-revealed-as-the-world-s-biggest-contemporary-art-buyer/24185 We would like to thank *The Art*

Newspaper for their support of the 1858 Ltd E Bulletin.

New Tax Relief for Major Art Donations

The Government has published proposals for consultation on a new scheme to incentivise collectors to donate pre-eminent objects or works of art to the nation. In return for their generosity donors will receive a reduction in their tax liability of 25% of the agreed value of the object donated. In addition to bolstering national heritage and enhancing public art collections, a donor can also enjoy a tax relief of up to £20 million per tax year. There is a £20 million cap that will be shared with the existing "acceptance in lieu" scheme. This is a scheme

where the government accepts pre-eminent works of art (and also heritage properties) in lieu of inheritance tax when the owner dies. If the agreed value of an artwork is, say, £100,000, the donor will be able to take £25,000 off their tax bill for that year. Although the donor cannot stipulate in which museum the object ends up, they can make a request.

Justine Greening, Economic Secretary to the Treasury, said: "We want to make it easier for people to give in a range of ways and at different stages in their life, whether through the charity bucket, by volunteering their time, through legacy giving or by lifetime donations of works of art or historical objects to the nation. In this way, we hope to create

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a culture of philanthropy across society”.

For more information on how our advisers can provide you with valuations, philanthropic advice, specialised tax and estate planning around your art collection, please contact Edward Shipton | London eshipton@1858ltd.com

Fine Art Risk Management

The chance of putting one's elbow through an expensive painting, as happened to Steve Wynn five years ago, with his painting by Picasso, *Le Rêve*, 1932, is perhaps a more unlikely event than the risk of financial loss through, fire, theft and water damage, but all risks, however small, are important to address with a comprehensive risk management program. Steve Wynn suffers from retinitis pigmentosa which interfered with his peripheral vision causing the expensive misjudgement. However, the failure to regularly carry out an overall risk assessment for your art collections and to implement either the appropriate risk management or risk transfer strategies may prove equally expensive.

On July 3rd, the Barnes Foundation in Philadelphia, an institution owning over 2500 objects, including 800 paintings estimated to be worth about \$25 billion closed its doors and begun the process of transporting its art collection to a new building down the street from the Philadelphia Museum of Art, next to the Rodin Museum. The museum's collection could be among the most valuable physical assets relocated in American history. The logistics surrounding this move may differ in scale to the transportation of private art collections, however the principles remain the same and the need for specialist advice, planning and risk management are paramount to ensure damage in transit and loss prevention.

Recent Art Loss Register statistics show that the number of stolen items of art increased by 12% in the year to January 2009 and by nearly 50% since 2004 and more of it is stolen in the UK than anywhere else in the world.

With nearly 95% of stolen items recorded in the Art Loss Register remaining unrecovered, there is a strong need for individuals and organisations to

ensure they have proper and sufficient protection strategies in place.

1858 Ltd is pleased to provide specialist risk management advice and guide clients along with our specialist Private Client Services partners in the areas of insurance, loss prevention and risk assessment. Whether the issues are around shipping, storage, site security and display or around the more mainstream risks of fire, theft and water damage, a pre-emergency/disaster plan is vital to protect against these risks, even the unlikely eventualities such as putting one's elbow through a painting.

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We are delighted to share with you an extract from Mitchell Oakley-Smith's interview with Viola Raikhel – Bolot, Managing Director of 1858 Ltd for the latest WISH Magazine in Australia. The magazine is a guide to life-enhancing experiences, celebrating the rewards of hard work, creativity and success for which we are privileged to be a part of. Thank you to David Meagher, WISH Editor.

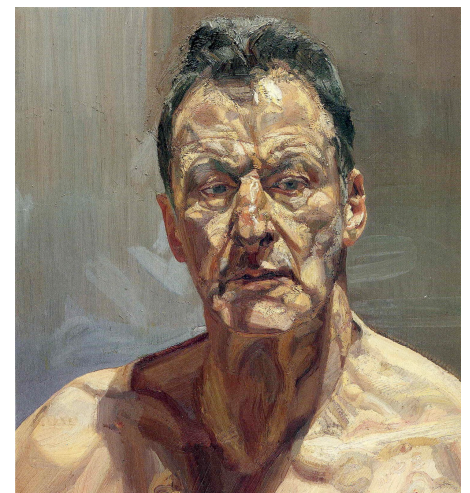
"A lot of what we do is advise clients what not to buy," says Raikhel-Bolot. "They must love it. An artwork must evoke some emotion for the buyer." So what, then, does she and her team do? Beyond educating clients on their potential purchases by taking them to museums and galleries, they also handle the tricky stuff. "At this end of the market it's important that everything is handled with expertise and care, particularly in light of the GFC." Having gained such status in the upper echelons of the financial and artistic worlds, 1858's team is as well acquainted with the primary market (private collections rather than auction houses, dealers and galleries, which are known as the secondary market) as they are good at bidding at a public auction. "As a result of the work we've done, we know where a lot of pieces are," explains Raikhel-Bolot. But beyond this, it's an organisation privy to the sale of such works, given many clients don't want to be seen selling pieces. "Sometimes clients will want the works they purchase to be in the newspaper; others will want us to bid over the phone or place works on the market discreetly."

Although Raikhel-Bolot doesn't think "there's one particular style or genre one must follow as a sure-fire investment", some signs of an investment-worthy artist include the status of their host gallery and their work having been purchased by major or public institutions. But she doesn't endorse buying artwork as a financial instrument; rather as something that will evoke emotion and passion and, by chance, appreciate in value. "A good work of art will keep you intrigued for years to come," declares Raikhel-Bolot, "and that's why it's the ultimate luxury: the idea, the genius behind it, can't be duplicated. Most luxury goods can't. It elevates your understanding and appreciation of culture so much".

For the full article and links to the publication, please visit the 1858 Ltd press archives for this and other exciting features. <http://www.1858ltd.com/press.php>

In Memoriam: Lucian Freud

Lucian Freud, the grandson of Sigmund Freud and the foremost figurative painter of his generation died at the age of 88 in his London home on July 20th 2011. In 2008, his depiction of a large, naked woman on a couch – *Benefits Supervisor Sleeping* – sold at auction for £17 million, a record price for a work by a living artist. *‘My work is purely autobiographical.. It is about myself and my surroundings. I work from people that interest me and that I care about, in rooms that I know’. Lucian Freud*



Freud, Reflection (*Self Portrait*), 1985. Private Collection; Image: Lucian Freud Archive © Lucian Freud

Art Calendar Highlights

Masterpieces of Royal Faberge

Buckingham Palace
London
1 August – 25 September
www.royalcollection.org.uk

Robert Mapplethorpe

Albertina Museum
Vienna
Until 18 September
www.albertina.at

Turkish Taste at the Court of Marie Antoinette

Frick Collection
New York
Until 11 September
www.frick.org

Ileana Sonnabend: an Italian Portrait

Peggy Guggenheim Collection
Venice
Until 2 October
www.guggenheim-venice.it

Constantin Brancusi and Richard Serra

Foundation Beyeler
Basel
Until 4 September
www.fondationbeyeler.ch

Money and Beauty: Bankers, Botticelli and the Bonfire of the Vanities

Palazzo Strozzi, Florence
24 September – 22 January 2012
www.palazzostrozzi.org

Masterpieces by Botticelli, Beato Angelico, Piero del Pollaiuolo, the Della Robbia family, and Lorenzo di Credi- the cream of Renaissance artists-show how the modern banking system developed in parallel alongside the most important artistic flowering in the history of the Western world. The exhibition also explores the links between that unique interweave of high finance, economy and art, and the religious and political upheavals of the time.

Money and Beauty. Bankers, Botticelli and the Bonfire of the Vanities recounts the birth of our modern banking system and of the economic boom that it triggered, providing a reconstruction of European life and the continent's economy from the Middle Ages to the Renaissance. Visitors can delve into the daily life of the families that controlled the banking system and perceive the ongoing clash between spiritual and economic values that was such a feature of it. The saga of the art patrons is closely linked to that of the bankers who financed the ventures of princes and nobles alike, and indeed it was that very convergence that provided the humus in which some of the leading artists of all time were able to flourish.

The exhibition takes the visitor on a journey to the roots of Florentine power in Europe, but it also explores the economic mechanisms which allowed the Florentines to dominate the world of trade and business 500 years before modern communication methods were invented, and in so doing, to finance the Renaissance.

The exhibition analyses the systems that bankers used to build up their immense fortunes, it illustrates the way in which they handled international relations and it also sheds light on the birth of modern art patronage, which frequently began as a penitential gesture only to then turn into a tool for wielding power.

Curated by art historian Ludovica Sebregondi, author of Iconography of Girolamo Savonarola, 1495-1998, and Tim Parks, writer, translator and author of Medici Money – Banking, Metaphysics and Art in Fifteenth-century Florence, the exhibition aims to provide the visitor with an opportunity to look at art from a cross-disciplinary perspective involving economists, politicians and diplomats. It examines the story of how the Florentine Renaissance grew from the supposedly open, but more often actually hidden, relationship between art, power and money.

1858 Ltd Art Advisory

- Buying
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