

ART ADVISORY E-BULLETIN

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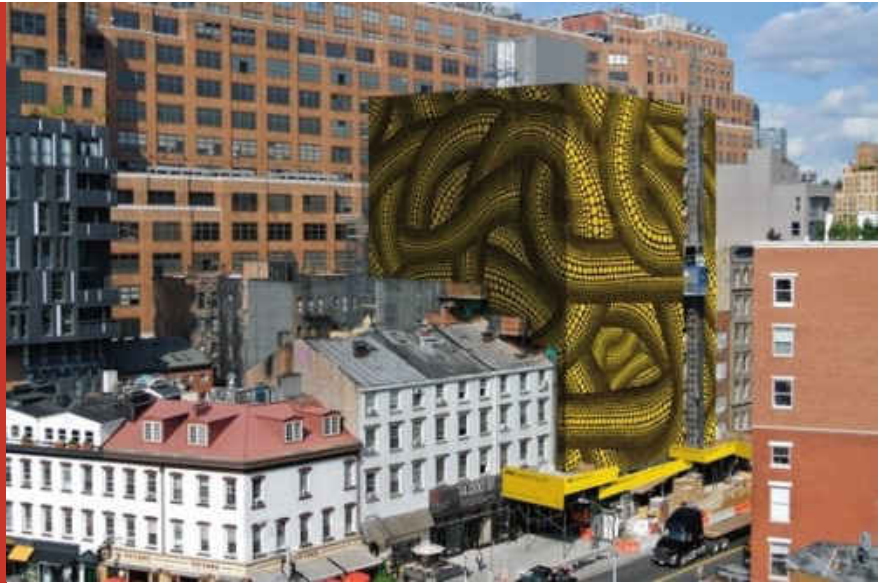
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Dot Mania

If you have been wondering what the dot motif taking over Louis Vuitton store windows and street corners the world over is, look no further. The dot mania sweeping street fronts is Louis Vuitton's most recent artist collaboration with Yayoi Kusama, the legendary Japanese polka-dot painter. The previously lesser-known 82 year old artist has now as a result of the collaboration become a household name. Creative Director for Louis Vuitton, Marc Jacobs has had tremendous success with previous artist collaborations since his beginning with the brand in 1997. Previous collaborations include Richard Prince, the late Stephen Sprouse and Takashi Murakami, who transformed the brand's distinctive monogram with animated and brightly coloured flowers, and cartoon eyeballs. Kusama will be the first female artist to collaborate with the brand.

Louis Vuitton stores the world over have all adopted the dot theme for the release of this latest collaboration, and Kusama's work has now become distinctly recognisable, from yellow and black spotty pumpkins, to red and white polka dot mannequins of herself. The most notable of these, is a 13ft fibreglass statue sitting above the portico of Selfridges department store on London's Oxford Street.

Although Kusama talks about the affinity between art and fashion, saying they "communicate with each other and influence each other", her art can be seen in more than just your local Louis Vuitton store. A chess set she designed in 2003 as part of 'The Art of Chess' project is currently on show at the Saatchi Gallery in London whilst in New York's Meatpacking district, an entire construction site has been covered with her signature motif.



Yayoi Kusama at Louis Vuitton, Selfridges, courtesy of RD Magazine, www.raredelights.com

Andy Warhol Foundation Selling Up

On September 5th, the Andy Warhol Foundation for the Visual Arts announced its plans to sell its entire collection of Warhol artworks, including paintings, prints, drawings and photographs through auction house Christie's. The purpose of this sale, whose combined value has been estimated at over \$100m, is to raise money for its endowment that is currently worth an estimated \$225m. Michael Straus, the chairman of the foundation's board said that they "have chosen to mark the Foundation's 25th anniversary year by expanding the scope of our art sales in order to increase our future grant-making capacity".

The collection will be sold through a mixture of private, online and auction sales, the first of which will be held at Christie's New York on November 12th 2012.

The foundation recently closed its authentication board after a series of lawsuits were brought against it, costing them upwards of \$7m in legal fees. The main focus will now be on its endowment program, which since the foundation's beginnings in 1987, has made grants of around \$250m to museums, non-profit organisations, artists, the Andy Warhol Museum in Pittsburgh, and its sister organisation Creative Capital. The foundation also plans to donate "significant works" to various museums as a further celebration of its 25 year anniversary.

Chinese Art Market: Still One To Watch

The major boom that took place in the Chinese auction market in 2010 and 2011 has turned it into the largest in the world. However, not only has this fact been contested by art market specialists, but a drop in sales at this year's spring auctions, has left many wondering about this market's future.

The overall drop in sales this spring was due to a reduced volume of work, said François Curiel, President of Christie's Asia, who said that there had been no drop in demand, merely in supply. Despite this, there were nonetheless some record breaking sales, such as Fang Lijan's '1993.4' which sold for \$3.7m at Sotheby's Hong Kong. A mixture of factors including the current economic climate and increasingly knowledgeable buyers means that collectors of Chinese art are both holding on to what they already own, whilst also being more selective and careful when buying. In addition to this, there is growing concern about the reliability of the Chinese market, with a recent publication in Forbes confronting issues of severe corruption including fakes, non-payments and fraudulent price adjusting. Despite these factors, which will no doubt play a major role in the future of this market, Christies' recently recorded a 31% increase in registered Asian clients in Europe and the US, and both Sotheby's and Christie's recent 'Asia Week' sales in New York exceeded the two companies' expectations.

Also of interest is that China Guardian, the fourth largest auction house in the world, is holding its first ever series of auctions outside of mainland China this October. The auctions, which will take place in Hong Kong, are stocked with impressive works by Chinese traditional modern painters including Qi Baishi, Xu Beihong and Li Keran. However, critics will be watching to see how the auction house will fare against its main competitors Sotheby's and Christie's. As well as the move to Hong Kong being deemed a lucrative business move, it also aims to improve China Guardian's credibility and reputation globally. It is unquestionably better respected than its main competitor in China, Beijing Poly International, which in spite of being the third largest auction house in the world is fraught with accusations of corruption. However, China Guardian will still have to challenge these accusations that are currently tarnishing the reputation of the Chinese art market players. It remains to be seen whether this relatively young auction house, which only opened in 1993, can upset the current dominance held by Christie's and Sotheby's in Hong Kong.

It is this dominance that has led to Hong Kong becoming the world's third largest art auction venue after New York and London, but this too is set to be challenged in the near future. Until now, foreign auction houses have not been allowed to hold auctions in mainland China due to stringent local regulations. Sotheby's, however, signed a Joint Venture agreement earlier this month with Chinese company Beijing GeHua Art Company, itself part of a state-owned enterprise called GeHua Cultural and Development Group. Although it is yet to be approved by the Chinese government, it would allow Sotheby's to organise auctions and selling exhibitions in the currently under-development Tianshu Free Trade Zone in Beijing. The ten-year agreement would see them invest \$1.2m in return for 80% ownership. If it is approved, it may well mean that closer control of the Chinese market will be conducted due to increased activity in mainland China including by foreign companies who are already closely followed by the press.

Even if not for the same reasons, the Chinese art market is still making headlines, and the continued fervent activity taking place means it is still one to watch closely, with potentially interesting developments due to take place in the coming years.



Fang Lijan, '1993.4', 1993, courtesy of www.artmarketmonitor.com

Picasso's 'Child with a Dove': Export Ban On Cherished British Heritage

Painted at the tender age of 19, Picasso's 'Child with a Dove' is deemed to be one of his great early works and of huge importance to the study of his artistic development. The work, which has been in British hands since 1942 and has been privately owned by Lady Aberconway since 1947, is now up for private sale by Christie's. Britain's Culture Minister Ed Vaizey, placed an export ban on the artwork last month, a recommendation from the Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest. It has

been on public display in Britain since the 1970s and this has given it an "iconic status", says Aidan Weston-Lewis, a committee-member, making it, he says, "of outstanding importance to our national heritage". The ban is therefore a bid to keep the painting in British hands and on British soil. In place until 16th December, and deferrable until 16th June 2013 should anyone show a serious intention to buy the painting, it essentially gives time for money to be raised – £50m being the recommended price.

The export ban fulfils the necessary criteria for such a bold move, but is an upsetting one for foreign buyers. Some art critics have also suggested that it may devalue the painting if it were ever to be put on sale again, because these same foreign buyers may be deterred from bidding. However, the recent export ban on Manet's "Portrait de Mademoiselle Claus" despite having already been sold to a foreign buyer, saw it end up in Oxford's Ashmolean Museum, a hopeful sign, that regardless of its price, 'Child with a Dove' is more likely to stay in Britain as a result of the ban.



Edouard Manet, 'Portrait of Mademoiselle Claus', 1868, courtesy of www.bbc.com
Pablo Picasso, 'Child with a Dove', 1901, courtesy of www.bbc.com

Last Ever And Sole da Vinci Statue Created 500 Years After Master's Death

A beeswax model 'Horse and Rider' made by Leonardo da Vinci in 1508 for his friend and patron Charles d'Ambroise was unveiled at the Greystone Mansion in Beverley Hills, California on 27th August. The half-millennium-old artefact was thought to be a model for a much larger commission of the same subject which was never completed. Instead the beeswax model remained in the family of one of da Vinci's apprentices, Francesco Mezi, until the 1930s, at which point it was moved to Switzerland for safekeeping as war broke out. Its whereabouts were then unknown until businessman Richard Lewis sought it out in the 1980s, finally buying the model and more importantly having it authenticated by da Vinci scholar Dr. Carlo Pedretti in 1985.

Today the model has been restored and, incredibly, cast for the first time by The American Fine Arts Foundry in California – a process which apparently took three years and created what is thought to be the only surviving example of da Vinci's sculpture work. In addition to the master cast, a limited number of replicas will be created and reportedly sold for \$25,000 – \$35,000 each with Lewis agreeing to donate \$1m of the proceeds to the Salvation Army.



Beeswax model of 'Horse and Rider', courtesy of www.bbc.com

Investments Of Passion

With a growing number of family office clients, 1858 is delighted to be featured in the latest edition of Family Office Review, discussing the topic of 'Investments of Passion'. Also known as treasure assets, these investments are growing in popularity among wealthy young investors, including those from emerging markets. Capgemini's and RBC Wealth Management's 2012 "World Wealth Report" showed that for the first time that Asia-Pacific had more millionaires than North America and that the wealthy are now increasingly looking to combine their investments with their passions in life.

These discerning investors are discovering that life's luxuries can also make profitable investments but equally can provide emotional and social returns. With traditional financial markets still unpredictable and interest rates at record lows, investments of passion being uncorrelated with the broader financial markets makes them appealing to investors. Coupled with a mistrust of obscure financial products, it is no wonder that a growing number of investors have increased their exposure to art, wine and other collectibles.

Because passion is not always synonymous with rational thinking, potential investors should tread with caution given that the art market is riddled with inefficiencies, is unregulated, not known for its transparency, illiquid and is not without its risks. Seeking advice is integral to help mitigating risk, reducing transaction charges and avoiding expensive mistakes that may only be visible when you look to sell your investment of passion.

<http://www.familyofficereview.com/family-balance-sheet/investments/article/518/investments-of-passion>

1858 Ltd Art Advisory

Buying
Selling
Authentication
Valuations
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Art Philanthropy Advice
Art Finance
Art related Tax and Estate
Planning

Art Calendar Highlights

Pre-Raphaelites: Victorian Avant-Garde

12th September – 13th January 2013

Tate Britain, London

www.tate.org.uk

Bronze

15th September – 9th December

Royal Academy of Arts

www.royalacademy.org.uk

How an 1858 advisor can help you:

- **Exclusive Access** to works of art in private collections that are not available on the market
- **Impartial Advice** being independent of auction houses, galleries and dealers, we provide impartial advice when buying and selling on behalf of our client
- **Time Savings** as we are able to manage all areas of the collecting process on our clients behalf, we are able to build or sell complete collections with as much or as little involvement from the client as they wish
- **Direct Savings** due to our buying and negotiating capabilities we significantly reduce transactional charges which in turn we pass directly on to our clients
- **Reducing Risk** by undertaking thorough due diligence on all transactional decisions, we ensure that potentially costly mistakes are avoided and the client has complete confidence in the decision made.

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The Modern Art Club

19th September – 6th January 2013
Musée du Luxembourg
www.museeduluxembourg.fr

Impressionism and Fashion

25th September – 20th January 2013
Musée d'Orsay
www.musee-orsay.fr

Canaletto in Venice

19th September – 10th February 2013
Musée Maillol
www.museemaillo.com

30th Sao Paulo Biennial

7th September – 9th December
www.biennialfoundation.org/biennials/sao-paolo-biennial/

La nuit blanche (White Night)

6th October
<http://nuitblanche.paris.fr>



Image Credits - From Top to Bottom:

Cover Image: Yayoi Kusama netting at 345 Meatpacking, New York, courtesy of DDG Partners: Sir John Everett Millais, *Ophelia*, 1851-2, currently on show at the Tate Britain's 'Pre-Raphaelites: Victorian Avant-Garde' exhibition, courtesy of www.tate.org.uk