

Skate's Art Market Research

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November 21, 2010

Dear Speakers and Guests,

I look forward to welcoming all of you at the Shore Club Hotel in Miami Beach on December 2 (1:00pm) to participate in a discussion of **art securitization today and in the future**. This is a hot topic for both the global collective investment industry and for the art market.

Now that the event is less than two weeks away, please allow me give you a sneak preview on what to expect at this forum.

Audience

There are 75 people registered to date, and we expect close to 100 guests. Approximately 40% of those in attendance will be collectors and investors, another third are art industry professionals (many of whom are collectors and investors as well) and the balance will be media professionals and artists. There are some major figures that we cannot disclose for discretion purposes but whom you will immediately recognize.

We will have a strong community of Russians at the event, but on the whole it will be a very international crowd coming from the United States, the UK, Sweden, Israel and Austria – to name just a few of the countries represented.

Agenda & Conversation Topics

I'll start the event at 1:00pm with an overview of the art market's performance in 2010. This has been a fantastic year for higher-valued art, with strong returns delivered to art investors and the bottom line of the industry's leading businesses lifted. In my 15-minute overview I will present the latest statistics and results, including key takeaways from the recent financial reports of Sotheby's, Artnet, Collectors Universe and MCH Group (the operator of the Art Basel fair). The art industry is booming, and I will share some hard facts with you to support that.

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We will then begin our first panel discussion, which will focus on the track record of those art market professionals who have been operating in the art securitization industry for years. I will have the privilege of presenting:

- *Philip Hoffman*, the CEO of The Fine Art Fund Group, the world's largest and longest-running art investment fund management group that is open to outside investors;
- *Serge Tiroche*, Chairman of the Artist Pension Trust, a pioneer organization in the art securitization industry which introduced the first public and clearly structured scheme to swap art into art fund ownership units; and
- *Professors Hans van Miegroet and Neil De Marchi* of Duke University – the leading academics in the field of art economics.

With the help of these distinguished speakers, we will look into what has worked and what has not in the collective art investment practices of the past and why institutional art buying is still rare. We will look into the most important features of art as an investment asset, which they have discovered within the years of practical investing experience and academic study. I will also ask the panelists about their views on how the art investment industry will evolve in the near future.

We will give our speakers 30-40 minutes to cover these topics and will then leave another 10-15 minutes for questions.

After a short 5-10 minute break we will launch the second panel discussion and focus our conversation on innovations in the art investment industry and changing structure of the auction market and financing. Speaking on this panel will be:

- *Asher Edelman*, the legendary financier and art dealer who recently launched a new art finance venture Art Assure Ltd;
- *Valeria Pankova*, a young and brave pioneer in Russia's brand new onshore art fund industry who managed to launch the first Russian art fund to securitize a collection of Karl Brullov art, which beat more established Russian asset management groups like Leader and Alfa in the time to market race; and
- *Emilia Kabakov*, the inexhaustible energy source of the exceptional artist tandem of Ilya & Emilia Kabakov, the world's most valuable living Russian artists (based on the value of their artworks listed in Skate's Top 5000).

We will ask our panelists to speak about their vision for where new sources for capital are and will be available for investment in art, as well as how they see the complex relationship of money and artist

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talent (and legacy) evolving over time. We will also talk about new money flowing into art and how it affects the valuation of art and the structure of the art market.

We will conclude with 15 minutes of questions and answers and should end our panel discussions at 2.30-3pm, leaving plenty of time for our guests and speakers to network and enjoy cocktails after the event.

Please request a special Skate's IPAD application and Skate's Art Investment Handbook demonstration at the event!

Our partners and sponsors:

*Mayi de la Vega of ONE Sotheby's International Realty cordially invites you to a **private cocktail reception at The Residences at W South Beach** to view the special art installation curated by the renowned Arts Fund*

Friday, December 3rd, 2010

7pm to 9 pm

The Residences at W South Beach

Model Residence 1204

2201 Collins Avenue

Miami Beach, Florida

ONE Sotheby's International Realty would like to extend a special invitation to Skates guests interested in attending a property tour through Miami's most exclusive and prestigious neighborhoods.

We will be visiting private estates and Miami's most sought after residential developments in Miami Beach, Bal Harbour, Sunny Isles, Downtown and Coral Gables.

Date: December 3rd

Time: 10:00am to 3:00pm

ONE Sotheby's International Realty will be coordinating transportation for the property tour so please make sure to RSVP if you are interested

An agenda will be provided during the tour with property description and details!

Please RSVP for ONE Sotheby's International Realty property events at ezavelev@indexatlas.com

*Ilya & Emilia Kabakov, 3 Installations exhibition. Wolfgang Roth & Partners Fine Art, Miami. **Save the date! November 30, 7pm to 10pm.***

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Please join us for an informative happy hour with Art Solutions leader Peter J May at **the Shore Club Hotel December 2, 3pm to 4pm.**

Please visit **Asher Edelman's booth at Art Basel Miami Beach.** Asher Edelman is the legendary financier and art dealer who recently launched a new art finance venture Art Assure Ltd.

I look forward to seeing you on December 2.

Sincerely yours,
Sergey Skaterschikov