

Quarterly Factsheet – Q1 2018

NAV: 1,073.72 (US\$ 19,819,147) | Portfolio: US\$ 20,119,691 | Return since inception: +21.78% | Bloomberg: [ARTVANT:TL](#) | ISIN: GI000A1W4DS8

Fund Objective

The investment objective of the Tiroche DeLeon Collection (the “Fund”) is to generate growth through investment in contemporary art from developing markets. By investing in the Fund experienced investors may diversify into an uncorrelated asset class with proxy exposure to emerging market growth. The Fund is suitable for experienced investors who can tolerate illiquidity and a degree of volatility. Akin to a private collection, the Fund invests in the long-term prospects of leading contemporary artists from new markets, anticipating increased demand for these artworks over the medium to long term. The objective is to generate net investor returns over the 10 year life of the Fund in excess of 10% per annum. This is achieved by combining long-term market exposure with an active management strategy. [Read More](#)

Quarterly Commentary

In my last newsletter from Jan 21st, I opened with remarks on the bullish sentiment in financial markets and cryptocurrencies and why it felt to me like “a major correction is on the horizon”. Since then the Dow has dropped circa 8% and Bitcoin (the least volatile of cryptocurrencies) plunged 40%. I also said the correction would be “starting off in capital markets with possibly a spill over to the art market if the correction persists.” So far, the art market seems to be holding up fairly well judging by the recent spate of London and Hong Kong auctions. NY auctions are next up in May and some major sales are expected, particularly at Christie’s who will be auctioning for charity the Peggy and David Rockefeller Collection. Even if financial markets transition from the current ‘correction’ to official bear market territory, this sale should do very well. What happens after that is what I am extremely curious, and cautious about. In this light, it makes sense for the fund to try to sell works that have matured and where the markets for those artists are robust. We are trying to do that with certain works via private placement, direct selling and auctions. Our most significant attempt at direct selling took place at Art Stage Singapore at the end of January. We also placed a couple of works in the 2nd African art auction at Sotheby’s. The Fund’s Board reviewed the activity, year-end valuation, regulatory framework, performance and financial reports and the overall state of the art market. We also spent significant time discussing the potential effects of Brexit and Gibraltar’s bid to become Europe’s first regulated exchange for crypto-currencies and ICOs. [Read More](#)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Cum
2011	--	--	--	--	--	--	--	--	--	--	--	--	11.72%*
2012	1.05 **	0.47 **	0.40	0.24	0.25	0.38	0.35	0.41	0.41	0.34	0.39	(0.44)	4.33%
2013	0.45	0.45	0.42	0.54	0.44	1.86	0.65	0.43	0.40	0.37	0.40	2.63	9.39%
2014	0.37	0.50	0.41	0.56	0.40	0.42	0.37	0.30	0.36	0.83	0.55	0.02	4.99%
2015	0.33	0.42	0.39	0.40	0.44	0.41	0.40	0.38	0.61	(8.27)	0.54	(3.68)	-7.77%
2016	0.43	0.50	0.51	0.63	0.52	0.51	0.56	0.52	0.52	0.48	0.90	(9.39)	-3.72%
2017	0.68	0.59	0.62	0.54	(0.50)	0.43	0.53	0.46	0.57	0.37	0.54	(4.00)	0.74%
2018	0.58	0.46	0.63										1.68%

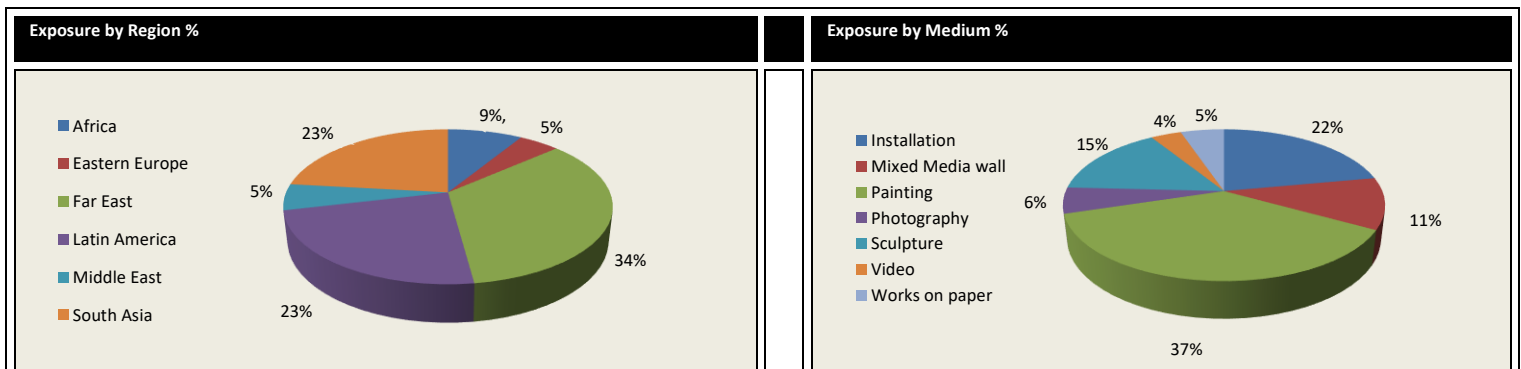
* Audited track record prior to establishment as an experienced investor fund on 1 March 2012. ** Unaudited

Top 10 Artworks as % of NAV	
Ai WeiWei, China ‘Forever’	5.58%
Liu Xiaodong, China ‘The Fire of 1841’	3.55%
Ai WeiWei, China ‘Grapes’	3.45%
William Kentridge, South Africa ‘Anti-Entropy’	2.28%
Gabriel Orozco, Mexico ‘Samurai Tree’	2.28%
Marina Abramovic, Yugoslavia ‘Rhythm 0’	2.28%
I Nyoman Masriadi, Indonesia ‘Great Daddy’	2.08%
Ronald Ventura, Philippines ‘Carne Carnivale’	1.77%
Hyung Koo Kang, Korea ‘Self Portrait’	1.52%
Os Gemeos, Brazil ‘Dentro do arco-iris, é assim’	1.39%

Artnet Art Statistics	Volatility	Correlation with Global Equities (MSCI World Index between 2003-2016)	Correlation with Real Estate (MSCI World REITs 2007-2016)	Correlation with Commodities (S&P GSCI between 2008-2016)	Correlation with Fixed Income (S&P 500 Bond Index between 2008-2016)
Global Contemporary	19.80%	14.51%	-4.23%	25.66%	5.48%
Global Modern	15.66%	25.36%	36.13%	30.83%	36.61%
Global Post-War	15.54%	49.05%	52.03%	16.55%	28.95%
Global Impressionist	12.28%	23.77%	57.44%	7.08%	69.01%
European Old Masters	14.06%	21.00%	20.69%	16.52%	24.45%
20 th -Century & Contemporary Chinese	29.31%	15.96%	21.93%	71.68%	27.93%
Fine Chinese Paintings & Calligraphy	29.01%	39.50%	29.91%	61.72%	27.78%

Realized Artworks (Top 4, Bottom 3)	Proceeds	IRR % (Gross)	Date
Mona Hatoum, Lebanon ‘Plotting table’	\$153,023	60,802*	Jan. 2012
Mona Hatoum, Lebanon ‘Undercurrent’	\$293,309	3,766	Jan. 2012
Aboudia, Ivory Coast ‘Untitled’	\$15,226	155	Nov. 2015
Rodel Tapaya, Philippines ‘Creation of the Bat’	\$20,121	126	May 2013
Pavel Pepperstein, Russia ‘And From Granddad...’	\$7,272	-6	Jun. 2016
Aboudia, Ivory Coast ‘Grigali’	\$9,155	-11	Jun. 2017
Pavel Pepperstein, Russia, ‘The Dying Gangster’	\$26,400	-12	Nov. 2017
# of artworks sold	60		
Total value of sold works	\$7,102,046		
IRR on all realized artworks	+18.78%		
Average premium vs. Book value	+11.9%		

*69% return in 1 month (Formula compounds this 12 times).



Administrator	Juno Fund Services Limited, Gibraltar	Date Launched	29 February 2012
Auditor	KPMG, Gibraltar	Starting NAV (1 March 2012)	US\$ 1,000
Investment Director	TD Ventures Limited, BVI	Theoretical NAV at Inception 1 February	US\$ 881.65
Bloomberg Ticker / ID	ARTVANT:TL / BBG005687V99	Minimum Subscription Amount	US\$ 500,000 equivalent
Currency	USD	Liquidity	Semi Annually from June 2017 (5% gate)
Contacts	Mariella Schantl +972-3-5169599	Management Fee	2%
E-mail	Office@art-vantage.com	Performance Fee	20% (subject to high watermark)