

Quarterly Factsheet – Q4 2017

NAV: 1,055.87 (US\$ 19,614,723) | Portfolio: US\$ 19,755,460 | Leverage: 0% | Return since inception: +19.76% | Bloomberg: [ARTVANT:TL](#)

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

2017 brought roaring new records in the art market from "Salvador Mundi" - a questionable Leonardo da Vinci - that sold for over \$450 million, obliterating any previous artwork price; to a poppy Jean-Michel Basquiat that sold for more than \$110 million, setting a new auction record for an American artist; to a Qi Baishi ink-brush "12 Landscape screen" work that sold for over \$140 million, becoming the most expensive Chinese work to sell at auction. As we enter 2018, stock markets continue to rally and hit new record highs and crypto-currencies are the new rage. The bullish talk and sentiment in the art market in the first weeks of 2018 is no different and it feels to me like a major correction is on the horizon, starting off in capital markets with possibly a spillover to the art market if the correction persists. During 2017, the fund has taken advantage of the strong interest in the African market and has sold down almost 50% of this portfolio, with a few more sales anticipated in Q1 2018. This is not a reflection of a lack of commitment to this market, but rather a necessity of the fund that has entered the second stage of its life cycle, needing to raise liquidity levels through measured sales. In total the fund sold 18 artworks in 2017 for a total of over \$1.5 million, resulting in a trading profit of \$375'000. This representing a 32% return on investment and a gross IRR of 6.74%. The IRR is markedly below our since inception Gross IRR on realized works which stands at 18.78%, and is primarily due to the sale of an El Anatsui work, which realized \$873'000 net, generating a 7% Gross IRR. Africa remains one of the markets we are most interested in and the majority of the final acquisitions we made in Q4 2016 and Q1 2017 were of artists from the region. [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	(4.01)	0.74%

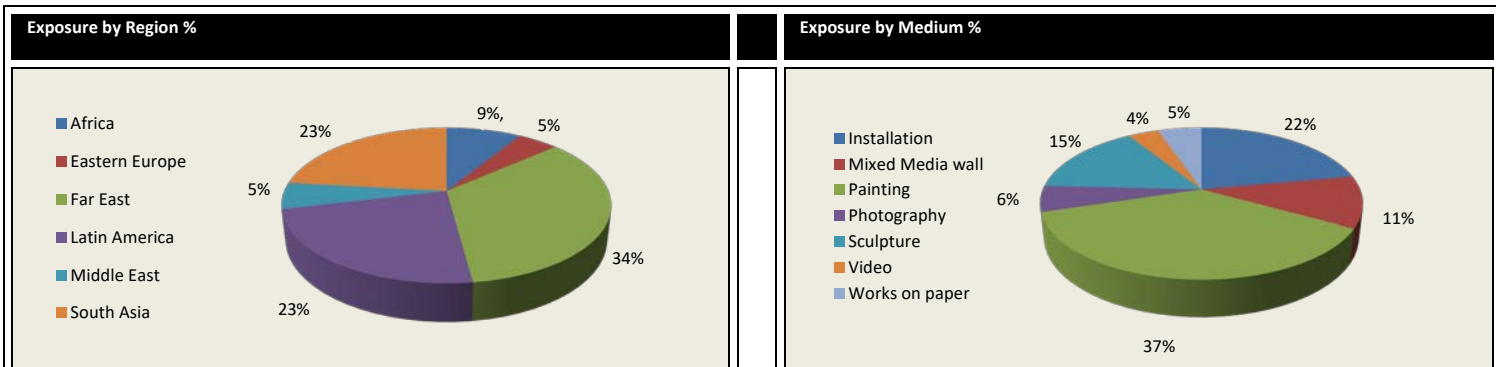
* Audited track record prior to establishment as an experienced investor fund on 1 March 2012. ** Unaudited

Top 10 Artworks as % of NAV	
Ai WeiWei, China 'Forever'	5.97%
Liu Xiaodong, China 'The Fire of 1841'	3.80%
Ai WeiWei, China 'Grapes'	2.98%
William Kentridge, South Africa 'Anti-Entropy'	2.33%
Gabriel Orozco, Mexico 'Samurai Tree'	2.44%
Marina Abramovic, Yugoslavia 'Rhythm 0'	2.17%
I Nyoman Masriadi, Indonesia 'Great Daddy'	2.017%
Ronald Ventura, Philippines 'Carne Carnivale'	1.76%
Hyung Koo Kang, Korea 'Self Portrait'	1.63%
Os Gemeos, Brazil 'Dentro do arco-iris, é assim'	1.49%

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)