

Quarterly Factsheet – Q2 2017

NAV: 1,073.01 (US\$ 20,168,644) | Portfolio: US\$ 20,602,656 | Leverage: 2.15% | Return since inception: +21.70% | 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

The spring quarter turned out to be very strong. The Art Fairs reported very strong activity with Art Basel, the crown jewel of fairs, reporting the strongest year ever. The auctions were equally strong with the highlight being the sale of Basquiat's "Untitled" from 1984 for more than \$110 million. This sale exemplifies several underpinnings of the current state of affairs in the (hyped?) art market: The work was acquired by Yusaku Maezawa, a 41 year old Japanese fashion tycoon that set Basquiat's auction record twice in the past year, and who is a prime example of a *new generation of super-buyers dominating the market*. He posted the acquisition on his *Instagram* which went viral in minutes, a far cry from the traditional secrecy the high echelons of the art market have previously operated in; *Brand names are everything*: People now talk more about buying at Gagosian/Zwirner/White Cube etc... than the artist they bought, explaining the squeeze on mid-level galleries; *Art can be a remarkable investment for those with patience* – The Basquiat was bought at auction in 1984 for \$18'000, netting the seller circa \$100'000'000 33 years later. The fund is now in its holding and consolidation period, which means it is closed to new investors and the focus shifts to promoting existing artworks and occasional selling to meet redemption requests, the first of which is currently being processed. May 2017 saw Sotheby's African contemporary art auction, in which we realized 11 works, with 3 of those achieving *new world auction records* - David Goldblatt, Yinka Shonibare and Pascale Martine Tayou. Our sell through rate was above 90% by value (> 1.1 million GBP), much better than the overall auction result. [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	--	--	--	--	--	--	2.38%

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

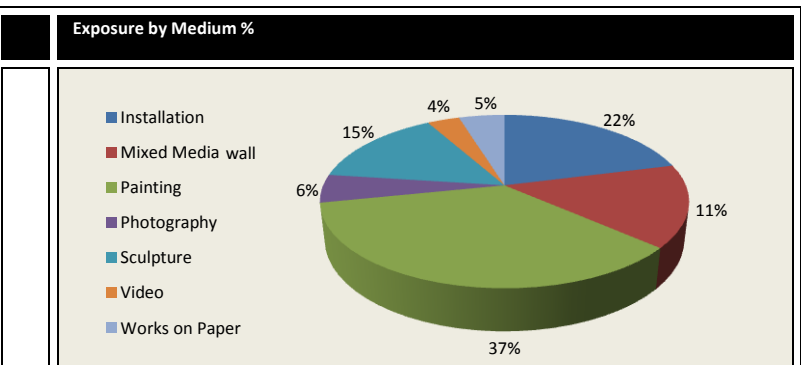
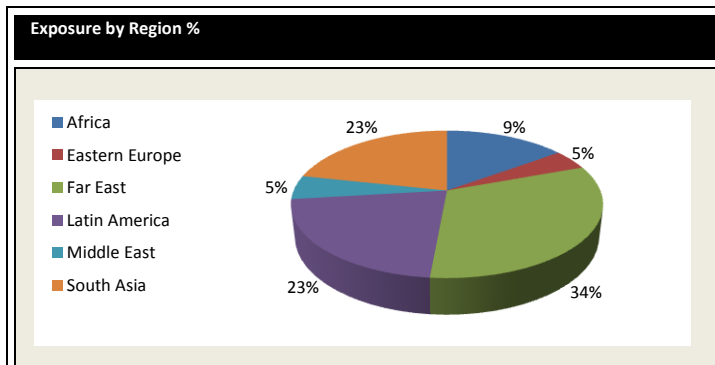
Top 10 Artworks as % of NAV	
Ai WeiWei, China 'Forever'	5.70%
Liu Xiaodong, China 'The Fire of 1841'	3.63%
Ai WeiWei, China 'Grapes'	2.85%
William Kentridge, South Africa 'Anti-Entropy'	2.33%
Gabriel Orozco, Mexico 'Samurai Tree'	2.33%
Marina Abramovic, Yugoslavia 'Rhythm 0'	2.07%
I Nyoman Masriadi, Indonesia 'Great Daddy'	2.07%
Ronald Ventura, Philippines 'Carne Carnivale'	1.69%
Hyung Koo Kang, Korea 'Self Portrait'	1.56%
Os Gemeos, Brazil 'Dentro do arco-iris, é assim'	1.47%

Metrics from Jan 2012	YTD Return	Total Return	Volatility (monthly)	Correlation	Sharpe Ratio
Tiroche DeLeon Collection	2.38%	8.94%	5.98%	1.000	0.061
Skate's Art Stock Index*	0.00%	-41.90%	22.06%	0.054	-0.102
3 month Libor (US0003M)	0.58%	2.61%	0.08%	-0.148	0.000
World Bonds (SBWGU)	4.29%	0.19%	5.38%	0.013	-0.016
World Equities (MXWO)	9.43%	62.03%	10.76%	-0.172	0.239
Gold (GLD)	7.67%	-22.35%	16.52%	-0.038	-0.065
Real Estate (IYR)	3.68%	40.42%	12.79%	-0.163	0.147
Hedge Funds (HFRIFOF)	2.59%	21.35%	4.56%	0.050	0.199

* Index of publicly traded Art stocks – ceased publishing its returns since March 2016

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
Armand Boua, Ivory Coast 'Untitled (Diptych)'	\$6,297	0	Jun. 2017
Pavel Pepperstein, Russia 'And From Granddad...'	\$7,272	-6	Jun. 2016
Aboudia, Ivory Coast 'Grigali'	\$9,155	-11	Jun. 2017
# of artworks sold	54		
Total value of sold works	\$7,016,642		
IRR on all realized artworks	+19.97%		
Average premium vs. Book value	+12.4%		

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



Administrator	Grant Thornton, 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	Ruth Lubashevsky +972-3-5169599	Management Fee	2%
E-mail	Office@art-vantage.com	Performance Fee	20% (subject to high watermark)