

*Maryfair*

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WEALTH MANAGEMENT

presents

**“ART REDEFINED”**



## We provide clients with 4 options for monetizing their Art holdings

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- Outright Sale
- Digital Asset Options\*
  - NFT Sales
  - Fractional Asset  
Securitisation and Sales
- Art Monetization

\* Generate income without letting go of the artwork





## When required, we also assist clients with evaluation & due diligence of their art

- **Art Evaluation & Valuation**

- Connoisseurship
- Provenance & Ownership
- Expertise

- **Due Diligence**

- **Verification of the origin of a work** through investigations in international databases, e.g. databases of the Carabinieri Command for the Protection of Cultural Heritage and the Art Loss Register;
- **Verification of the attribution**, studying the type of work, the name of the author, the title, the date of execution, the technique or medium, the dimensions;
- **Verification of the authenticity of the work** by examining the Certificate of Authenticity and documentation relating to the exhibition history of the work (exhibitions and exhibitions, presence of the work in the artist's catalog raisonné);
- **Verification of the conservation status of the work** certified by the Condition Report drawn up by an expert Art Restorer.



# Outright Sale

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- We can arrange sales to private clients with utmost discretion
- We can assist clients with due diligence on buyers / sellers
- We work with our clients (whether on buy or sell-side) through the entire process
  - receipt and storage of acquired works
  - delivery of sold works







# NFT\* Sale

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This option provides a risk-free means of generating some income from Art.

The process is as follows:

- Create a Digital Twin of the underlying artwork
- Perform a valuation of the digital asset
- Create a token based on the digital asset
- Market and Sell the NFT

\* Non-Fungible Token





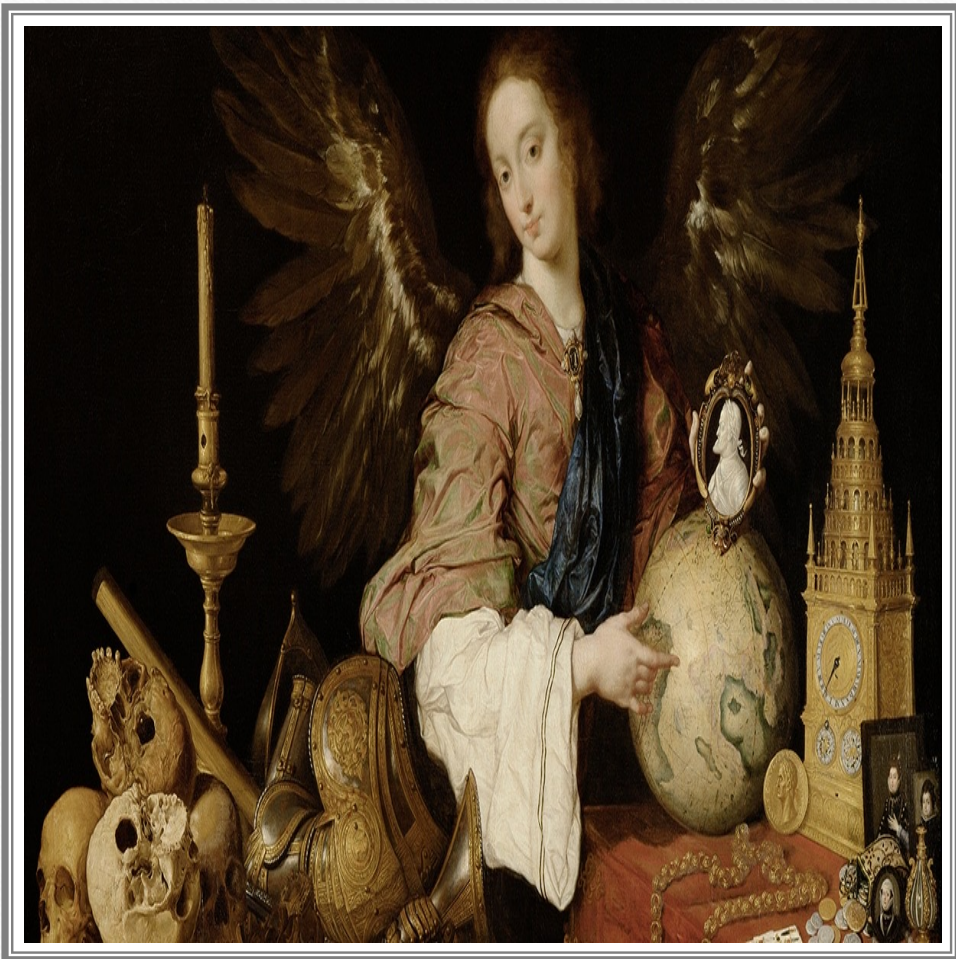
## Why should we use NFTs to protect Art and Luxury?

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- Provenance
- Ownership
- Sustainability
- Utility
- Short term profitability

Protecting art helps us to preserve artworks for future audiences.





## The Use of Digital Twins in Art Defense

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“Advanced technology not only allows governments to detect authentic from false artifacts,, but it also provides new life to assets that would otherwise not be visible to us all, being them in remote museums or even having undergone massive destruction. Thanks to specific research tools and devices as well as digital, virtual and augmented reality, today we can have a deeper understanding of these objects and of the importance of keeping on fighting against illicit trafficking of cultural heritage.”

- Venice Science Gallery



# NFT – Other Considerations

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## ...To NFT

- NFTs allow most people to hold an item for value. At Mayfair Wealth Management, we find this to be limiting to the consumer.
- They can't enjoy the artworks/digital artifact
- They have finite utility (ownership, that's all)
- They forget that they have the items after a while
  - no problem for the art owner, but a huge problem for the NFT owner if they want to utilise what they own)

## How Much Do NFTs Sell For?

- We are not permitted to suggest pricing for you. However, a good guideline is to look at NFTs not as auctionable products, as you might usually find in the world of art commerce. Moreover, it is prudent to assume that a valuable piece could fetch between 10% and 25% of its physical auctionable value as a guideline\*.
  - The rule and etiquette of NFTs is simple: There will only ever be one NFT per physical object.





# Fractional Ownership

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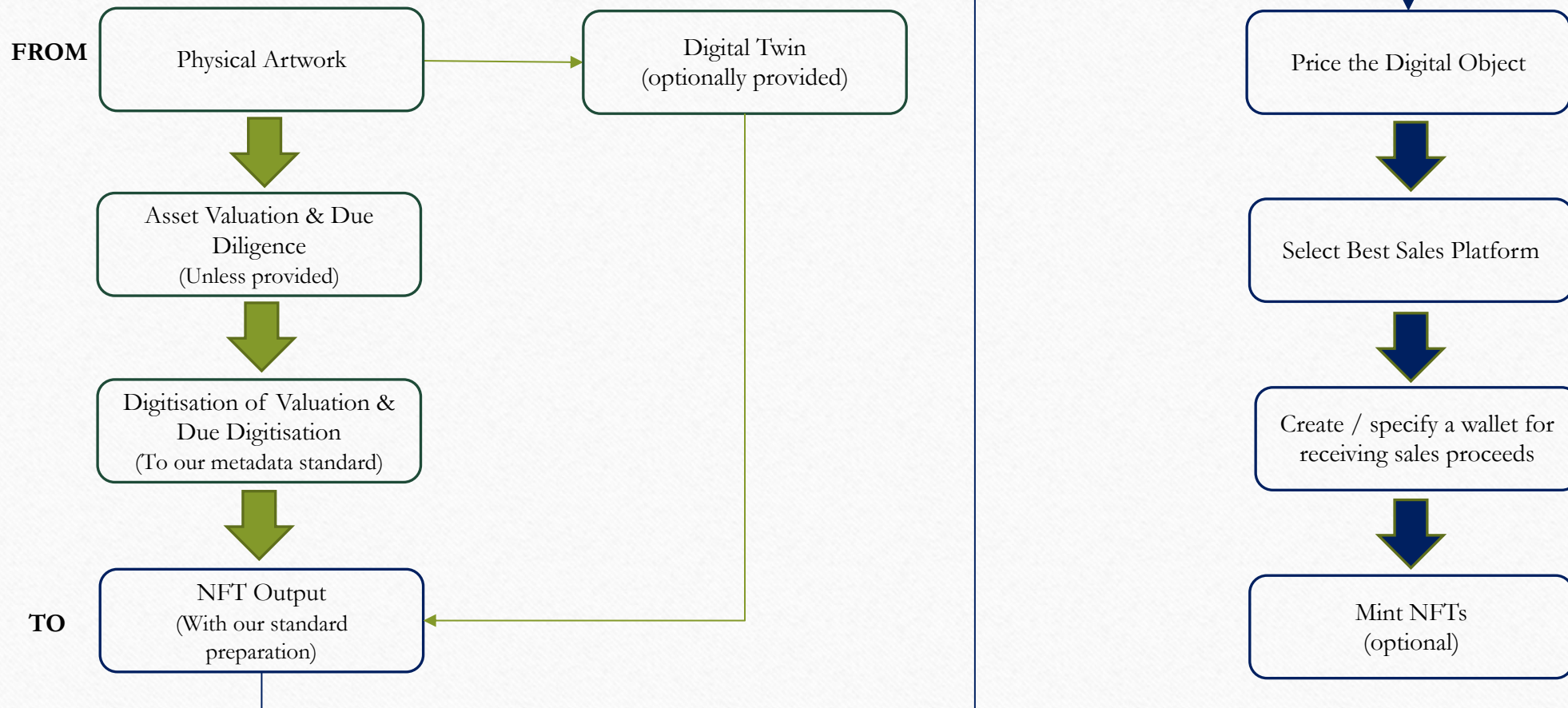
This option provides a means of securitising and trading a digital asset based on the underlying artwork. With this option, the security represents an agreed percentage of the physical artwork.

The process is as follows:

- Create a Digital Twin of the underlying artwork
- Perform a valuation of the digital asset
- Create a token based on the digital asset
- Issue a security, linked to the digital asset, on the appropriate exchange
- Market and Sell the security on primary and secondary securities markets



# How We Work





# NFT Costings and Calculations

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Expect digital twin costs to vary based on size of object and volume of data captured:

E.g. A small portrait size of Portrait of a Lady by Gustav Klimt will cost between \$500 and \$5000 per scanned object. Our NFT costs also vary to accommodate the amount of data being created per smart contract.

Expect this to be a flat fee for consultation (to evaluate the object being developed for NFT) followed by an average mint and gas rate to NFT of \$1 up to \$500 (prices as of April 2022)





# Art Monetization

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- Our program allows for the safe retention of the asset while leveraging its value in an income -producing program. The Program combines the monetization and the revenue-generation into one program that does not risk the asset.
- In order for an asset to qualify for monetization, it must meet all of the following criteria to certain minimums, which must be established and/or confirmed by internationally recognized third party experts.
  - **It must be marketable.** There must be a sufficient market so that a realistic valuation can be established.
  - **It must be owned free and clear.** The asset's chain of title and provenance to the client must be well established. The asset cannot be hypothecated, liened, mortgaged, or have any other liability against it.
  - **It must be secure.** The item must be stored or otherwise held under an appropriate level of security and have sufficient, current insurance against loss.





# Comparison Table

	Outright Sale	NFT Sale	Fractional Ownership	Art Monetization
<b>Retain ownership of Art</b>	No	Yes	Partial	Yes
<b>Income Potential</b>	Highest	Lowest	Median	Above Average
<b>Linkage to Underlying</b>	N/A	No Link	Each token represents a fraction of the underlying artwork	Lien on Artwork
<b>Resale Benefit</b>	None	A percentage of resale income	None	None
<b>Income from physical art sale</b>	Full	None	Partial – holders of securities earn their percentage of the underlying art	None





# Summary

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We assist our clients along the full art monetization journey

- Evaluation /Verification
- Due Diligence
- Valuation
- Revenue Generation options
- Ongoing portfolio management, alongside existing asset classes

At Mayfair, we continue to explore innovative solutions for our cherished clients



# Conclusion

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- Classical artworks are in demand (see further reading) but need to be handled with care.
- If NFTs are about short term profitability, they must also be about utility. The use cases presented are lost artworks which were found or re-discovered - that's how art can be preserved for future audiences.
- Supporting the profitable nature of ownership but a shared outlook of new and discoverable objects is how NFTs should create value for all parties.







# We are ready to help

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**Thank You**



# Further Reading

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- <https://www.theguardian.com/artanddesign/2022/feb/22/want-to-buy-da-vinci-eternalising-art-history-review>
- <https://news.artnet.com/market/ukrainian-galleries-liste-basel-2132639>
- <https://www.theflorentine.net/2022/02/23/michelangelo-three-pietas-museum-duomo-Florence/>
- [https://www.pymnts.com/nfts/2022/vaticans-art-content-to-be-housed-in-vr-and-nft-gallery/?utm\\_source=dlvr.it&utm\\_medium=twitter](https://www.pymnts.com/nfts/2022/vaticans-art-content-to-be-housed-in-vr-and-nft-gallery/?utm_source=dlvr.it&utm_medium=twitter)
- <https://www.dailymail.co.uk/news/article-10931531/Jeff-Koons-send-125-sculptures-moon-Elon-Musks-SpaceX-sells-NFTs.html>
- <https://www.theartnewspaper.com/2021/04/01/leonardo-da-vincis-salvator-mundithe-worlds-most-expensive-work-of-artto-be-turned-into-an-nft>

