# Arth

# Discover. Collect. Invest.

Unlock Bluechip Art with Artfi on BRC20 - Where Immutability Secures True Ownership!

Real-world Asset Tokenization and Artificial Intelligence are at the forefront of tech progress. Artfi combines key aspects of Blockchain Technology and AI, reshaping how we invest and collect art.

# The Current Market

### Fine Art

\$1.70 T

Total Market Cap Of Art & Collectibles

\$65.10 B

Global Sales Of Fine Art In 2021

Sotheby's Has Launched a Sacha Jafri's NFT Artwork Banksy's "Love is in the Air" Secondary Marketplace for NFTs, Christie's launches curated art was fractionalized into 10,000 Sold For Almost \$1 Million In Allowing Artists to Sell Digital Ethereum NFT marketplace NFTs in December 2021 **Under A Minute Works Directly to Collectors** Hefty Art brings MF Husain's 'I Was Reborn': Artist Takashi Banksy's 'Love Is in the Air' to Be Damien Hirst launches his paintings to the metaverse; Murakami on How NFTs Helped Fractionalized into 10,000 NFTs own NFT 'Currency' Him See the Art Industry Anew exclusive partner for NFTs

### Real World Asset Tokenization (RWA)

\$16 T

Total Market Cap (Predicted To Reach)

JPMorgan tests tokenized portfolios with Avalanche blockchain tech

Tokeny and Klaytn Foundation
Unite for Massive RWA
Tokenization Adoption in Asia.

Tokenization of Real-World
Assets Gains Momentum,
Predicted to Reach \$16 Trillion
Industry

Federal Reserve Releases
Working Paper Exploring
Asset Tokenization and RWA

### The Problem

### Buyer/Collector



The fine art market exclusively serves High Net Worth Individuals.

### Large Upfront Investment Required

Blue chip artworks require over a million dollars in investable capital.

## Long Holding Period

Artworks are illiquid and the gallery system discourages selling

### Seller/Artist



The seller does not have the option to sell 90% of a canvas and retain 10% ownership.

### No Royalties

Neither the artist nor collector receives royalties after the work has been sold.

### Lack of Global Exposure

Many artworks are kept in storage or private homes, never to be appreciated by the public.

## The Artfi Solution

### Buyer/Collector



### Access to Blue Chip Artists

Artfi will consign the most prominent living artists like Sacha Jafri as well as masters like VS Gaitonde.



### Low Minimum Investment

Retail investors can fully participate.



### Secondary Market Liquidity

Fractions are liquid and can easily be traded on the secondary market.

### Seller/Artist



### Partial Selling Opportunity

Sellers can opt to sell the majority of a canvas, and retain the remaining portion for themselves.

### Royalties Earned on Every Transaction

Neither the artist nor collector receives royalties after the work has been sold.



### Massive Global Exposure

Artworks will be widely celebrated and publicly exhibited.

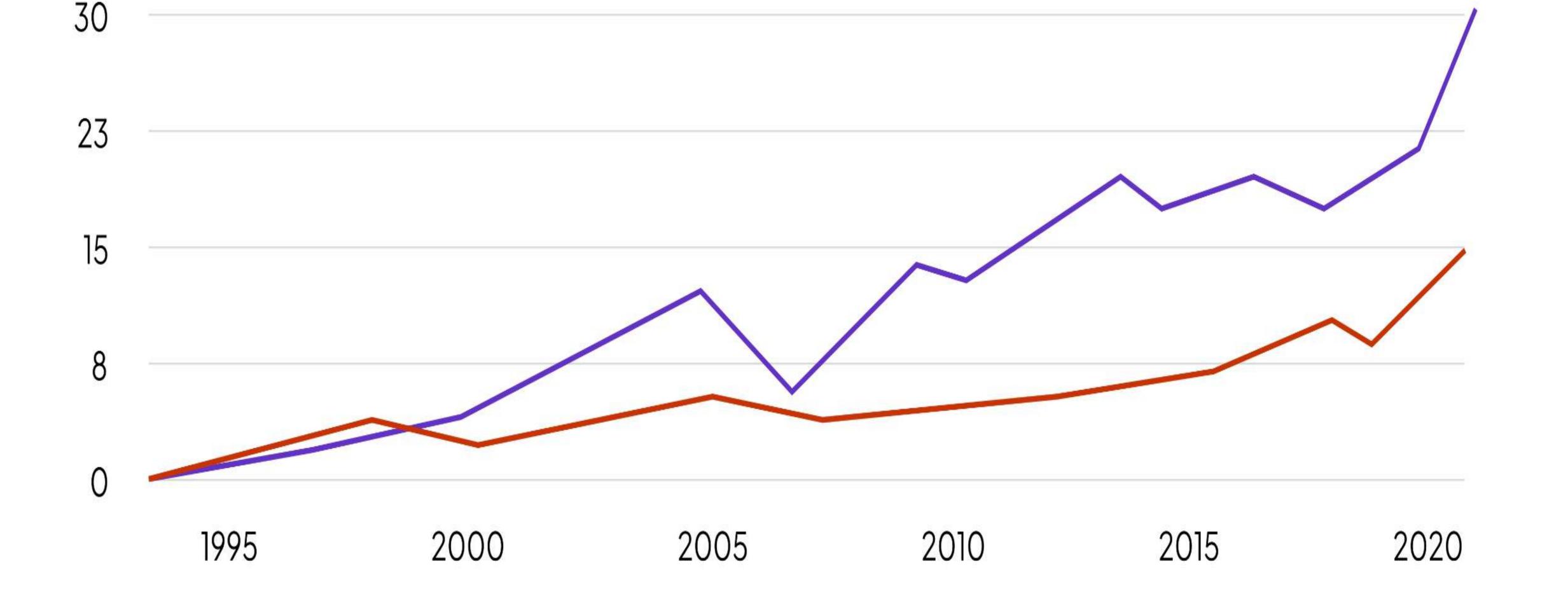
# Why Art?



Contemporary art has outperformed the S&P 500 over the last 25 years, offering a 14% annual return versus the S&P 500's 10% annual return.



Fine art has historically exhibited low correlation to other asset classes such as equities, commodities, real estate and cryptocurrency.



86% of wealth managers surveyed recommend investing in art.

14%

Contemporary Art Annual 23 Appreciation 10%

S&P 500 Annualized Return (with dividends)

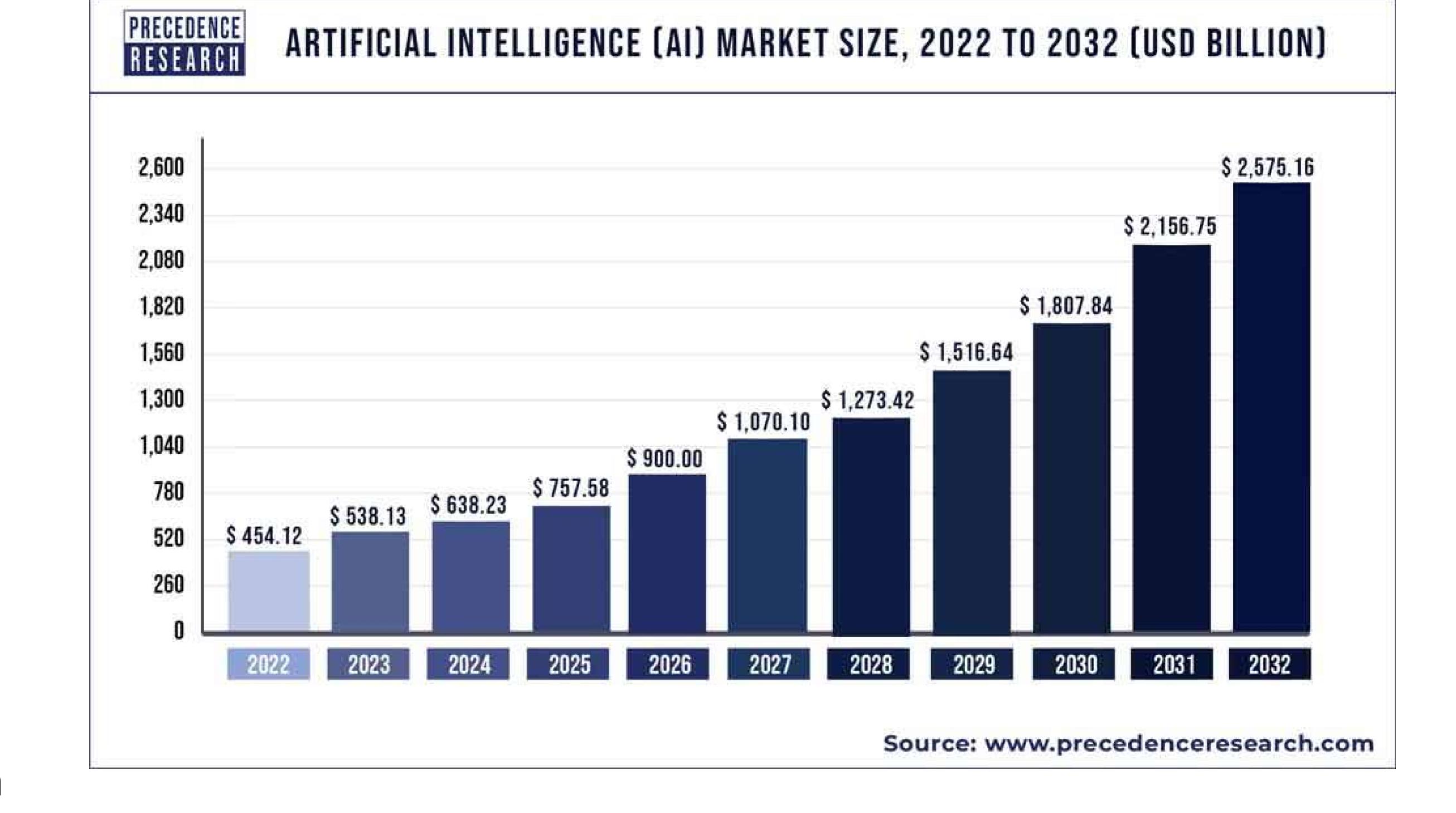
# Artificial Intelligence

# Welcome to the world of art investment powered by Artificial Intelligence on our platform!

Dedicated to providing institutional-grade infrastructure, educational materials, and a historical price appreciation record database, we're here to guide you. In response to the accelerated shift to remote art sales during COVID-19 lockdowns, collectors are embracing tools like AR simulators and online viewing rooms, signaling a new era for the art market. As we integrate Web3 and AI, this is just the beginning – not only facilitating market growth but creating a comprehensive ecosystem to learn about art as an asset class.

Al acts as your companion, navigating trends with reliable data, opening up Web3 opportunities for billions.

Artfi goes beyond democratizing art investment; we're leveraging blockchain and AI to build a connected ecosystem for people in the art world.

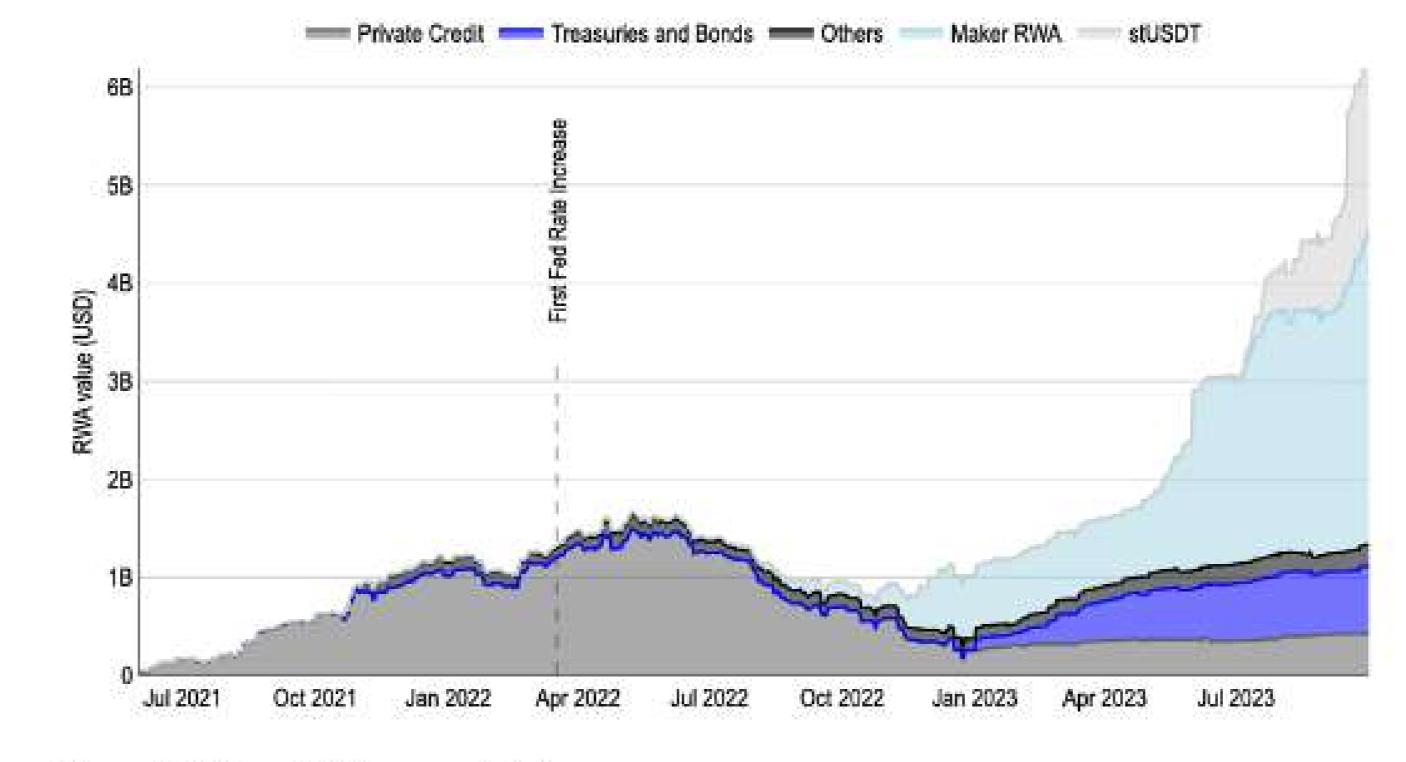




# Tokenization of Real World Asset

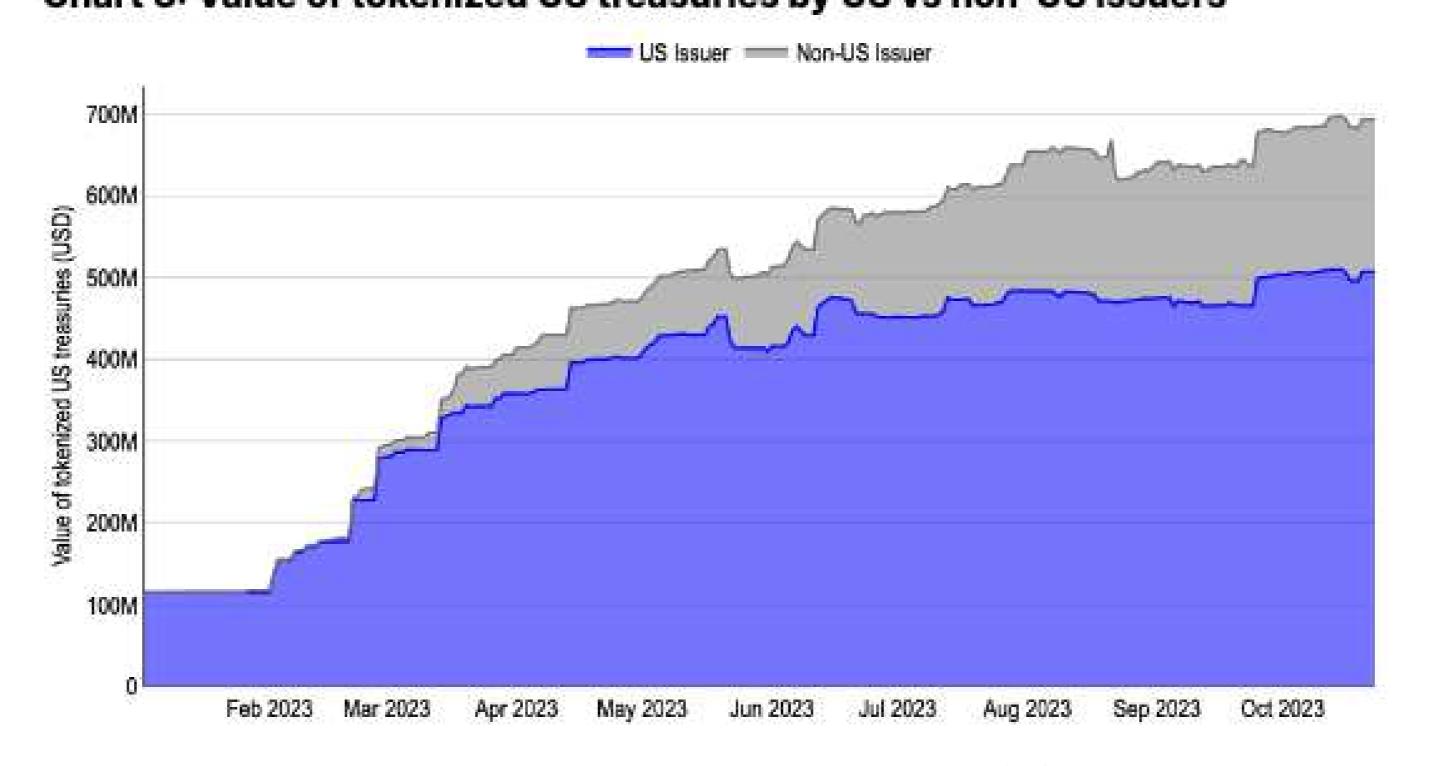
Real-world assets (RWAs) refer to tangible and intangible assets in the physical world (e.g., Art, real estate, bonds, commodities, etc.). The tokenization of RWAs brings these off-chain assets onto the blockchain, thereby opening new possibilities and potential use cases. Tokenized RWAs can be stored and tracked onchain, thereby increasing efficiency and transparency while reducing the potential for human error.

### Chart 1: Total value locked in RWA protocols



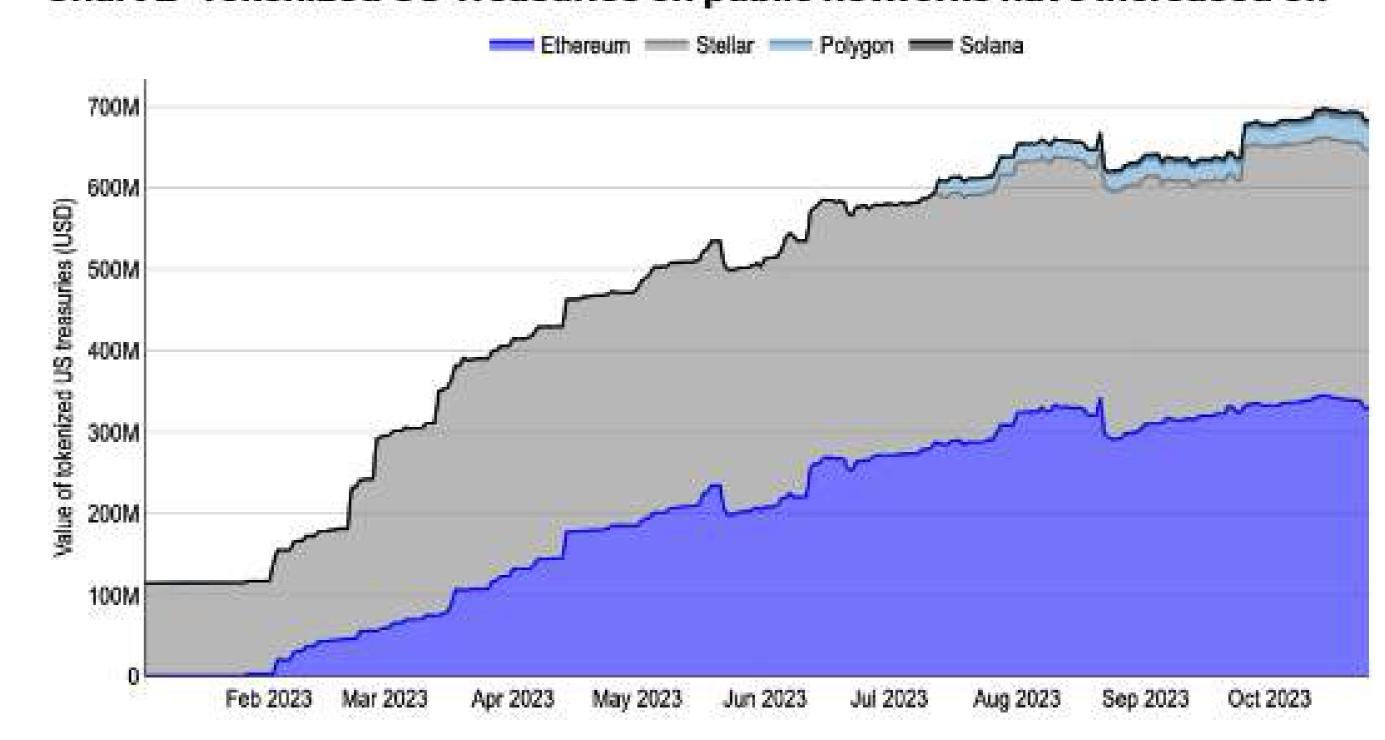
Source: DefiLlama, RWA.xyz and Coinbase.

### Chart 3: Value of tokenized US treasuries by US vs non-US issuers



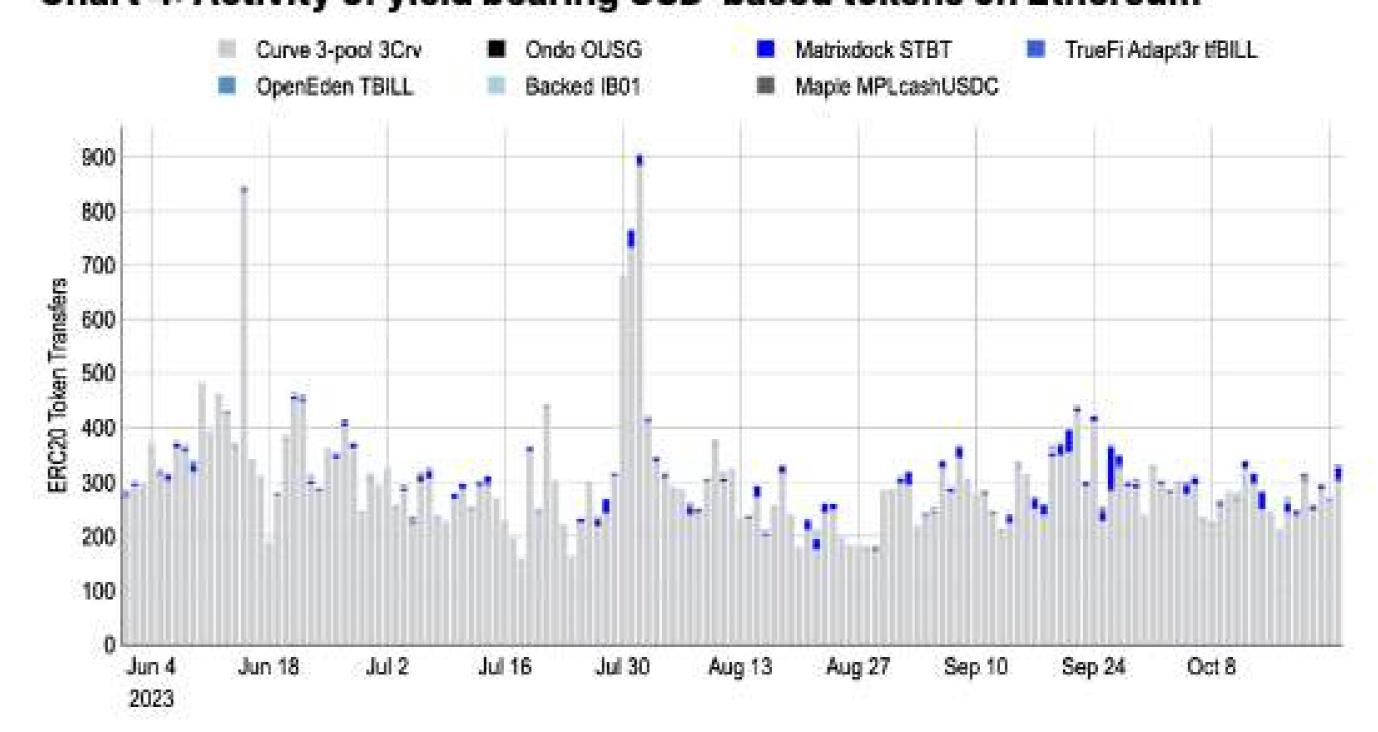
Source: RWA.xyz and Coinbase. Does not include US Treasury tokens minted for the usage in a single protocol like those in Maker Vaults.

### Chart 2: Tokenized US Treasuries on public networks have increased 6x



Source: RWA.xyz and Coinbase. Does not include US Treasury tokens minted for the usage in a single protocol like those in Maker Vaults.

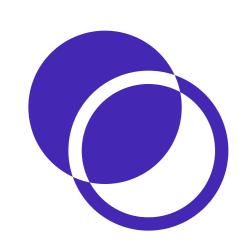
### Chart 4: Activity of yield bearing USD-based tokens on Ethereum



Source: Coinbase

# Mission & Objective

Artfi is on a mission to democratize the art market so that people from all walks of life can access the world's most prestigious asset class.



### Transparency

Demystifying the art world by putting provenance and sales history on a public ledger. This leads to a more transparent process of price discovery.



### Widening Participation

Allowing more people to participate in the financial upside of fine art.



### Fine Art on Blockchain

Bringing real-world assets on chain for a smarter, more efficient art market.

# **Execution Strategy**

### 01. Sourcing

We exclusively source artwork of the highest value and most trusted provenance. Artfi's team of experienced art professionals identifies and accepts pieces that are determined to have the highest potential to maximize investor returns.

Artfi's core business deals exclusively in blue chip art that has a market value of over \$1 million because the world's best-selling artists produce the most consistent returns.

### 02. Consignment

We accept the work on consignment at fair market value.

The consignor is given the option to sell the entire canvas or to sell only a portion of it. Artfi charges a commission fee to the consigner below what is charged by the legacy auction houses.

### 03. Fractionalization

We fractionalize the artwork into limited edition fractions which are sold to the public.

Anyone with a Web3 wallet who meets Artfi's KYC requirements can purchase fractions from the public sale.

The fractions can then be openly traded on the Artfi Marketplace or other secondary fraction marketplaces.

### 04. Exhibition and Preservation

The physical artwork is exhibited in the Artfi Museum in Dubai where it will be preserved on behalf of the Artfi community. Artfi fractions act as VIP tickets to the Artfi Museum and its special events.

### **05.** Sale

We sell the artwork and return the proceeds from the sale to the fraction holders.

Artfi will use its expert knowledge of the art market to determine when and how to resell the painting at a profit. The company takes a commission fee on the final sale.

# Proof of Concept

Raise (2021): \$110 million in Series A funding at a valuation north of \$1 billion.

The company has bought more than 100 paintings worth \$475 million.

200,000 15,000

\$30,000

Average user investment

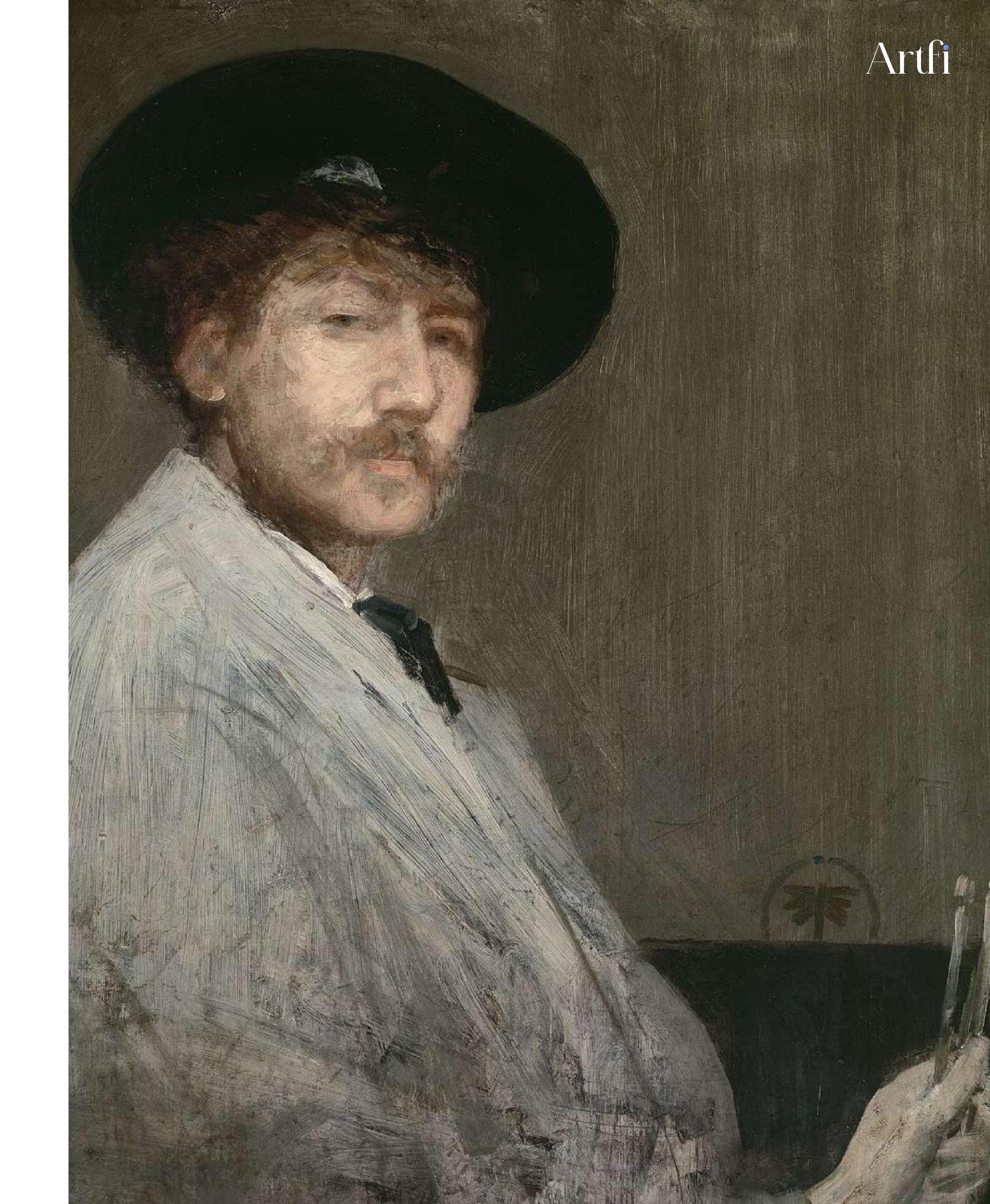
# MASTERW ORKS

# Future Expansion



An artist is not paid for his labor but for his vision.

- James McNeill Whistler



# Our Vision

As the world continues to evolve and technology advances, Artfi's expansion plans position the company to become a global leader in the art industry

Our expansion consists of four new major verticals in the art industry.

Artfi's Dedicated Marketplace for Traditional Art

Subscription Model

Auto-Invest in Art on Exchanges

Social Media Platform for Artists and Art Collectors

# 01. Artfi's Dedicated Marketplace for Traditional Art

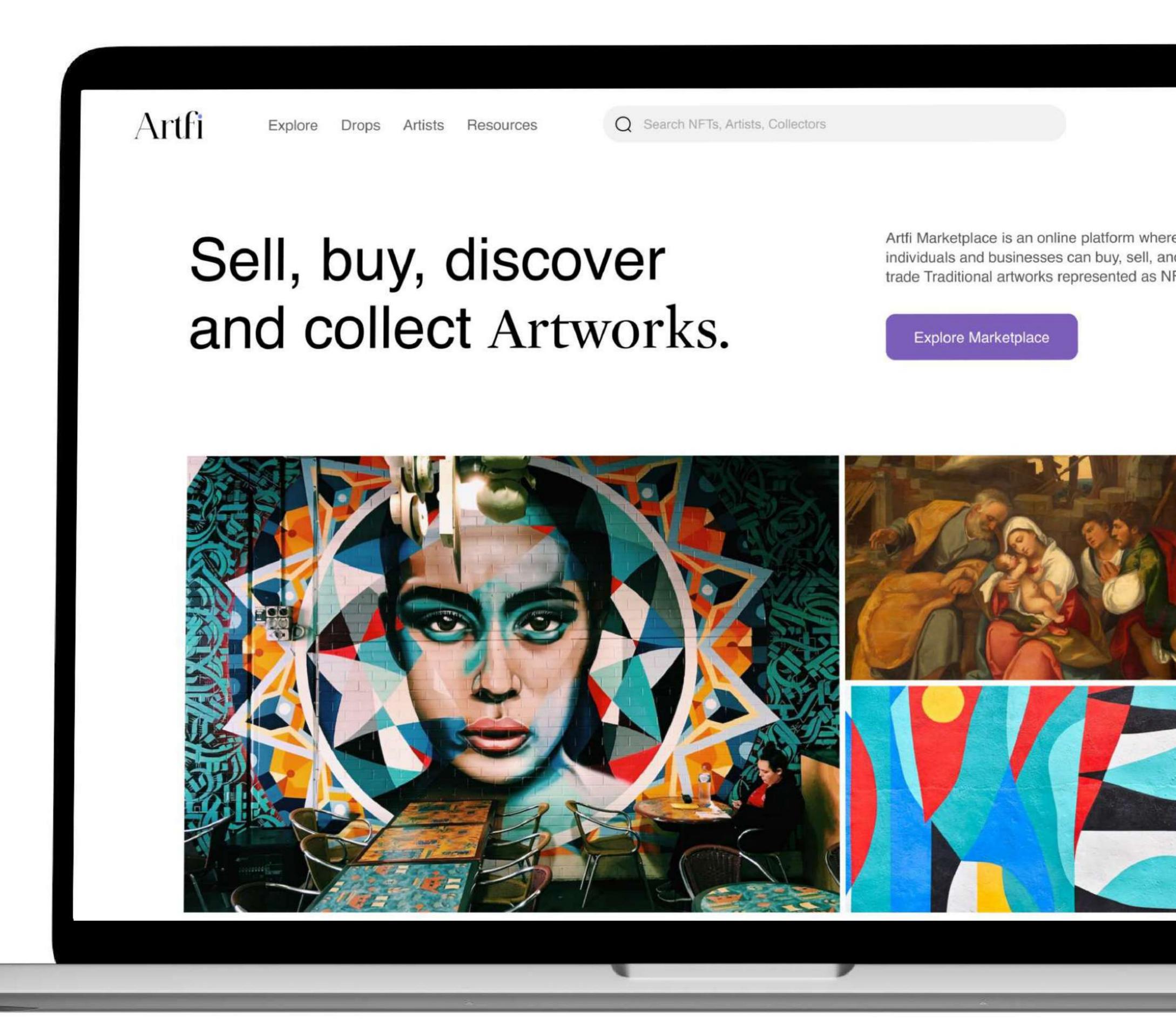
### Marketplace for Fine Art

Existing fraction marketplaces are overloaded with cartoons and memes. They are not suitable spaces for the exhibition and sale of art.

It is high time that fine art has an online marketplace of its own. That's where Artfi comes in.

The Artfi Marketplace is exclusively dedicated to the buying and selling of fine art ownership tokens (fractions) which are backed by physical art.

This highly curated venue will adhere to the highest aesthetic standards of the art world and will become the default marketplace to conduct art transactions in the Web3 ecosystem.

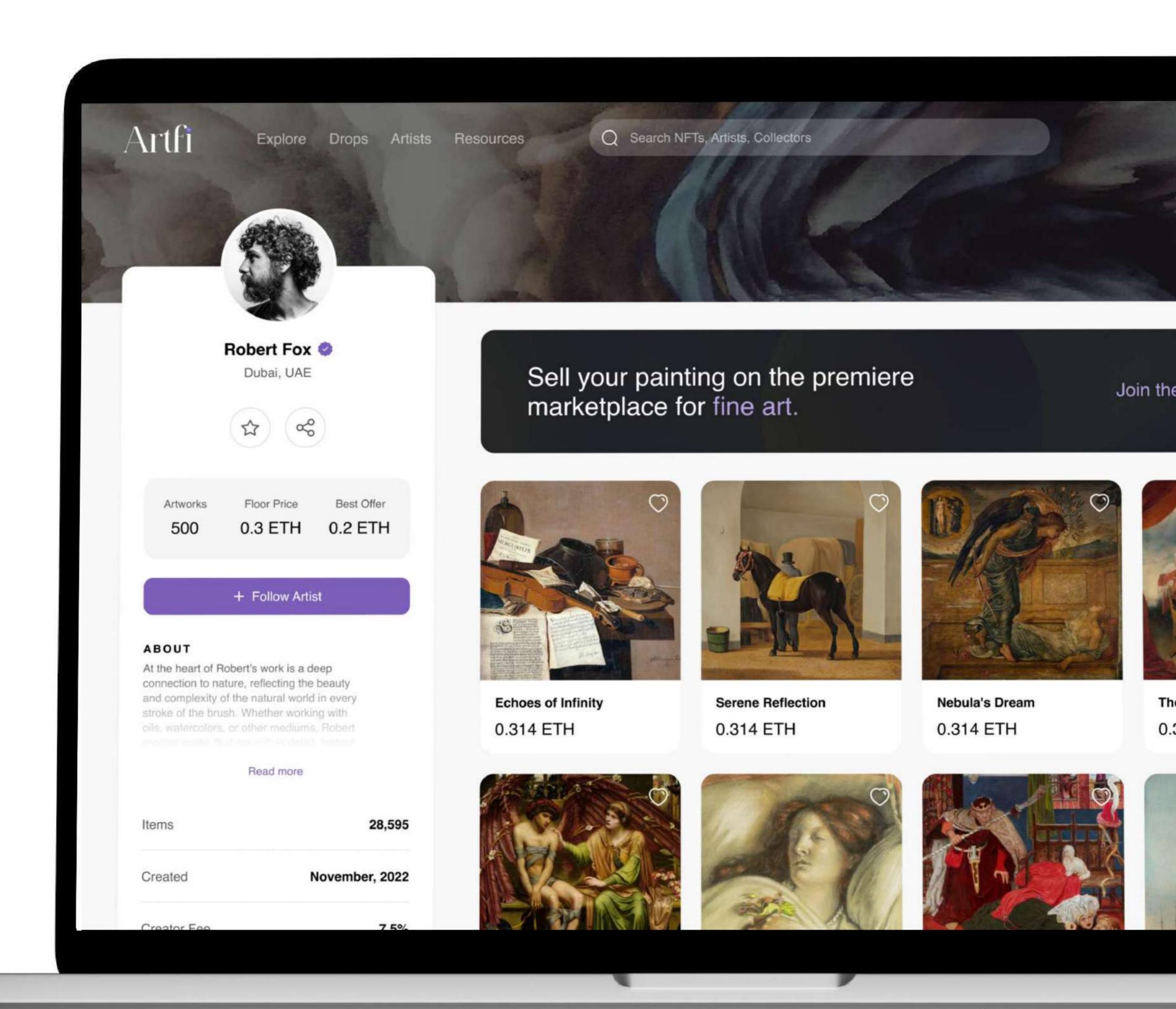


### The Artfi Marketplace will feature:

- Advanced browsing functionality
- User-friendly interface
- Deep liquidity
- Artist profiles
- KYC'd trading

The Artfi Marketplace eliminates the logistical complications associated with legacy methods for buying and selling art online.

On the Artfi marketplace, there is no need to call and negotiate with an art gallerist, none of the costs or risks associated with shipping, and no lingering concerns around the artwork's authenticity.



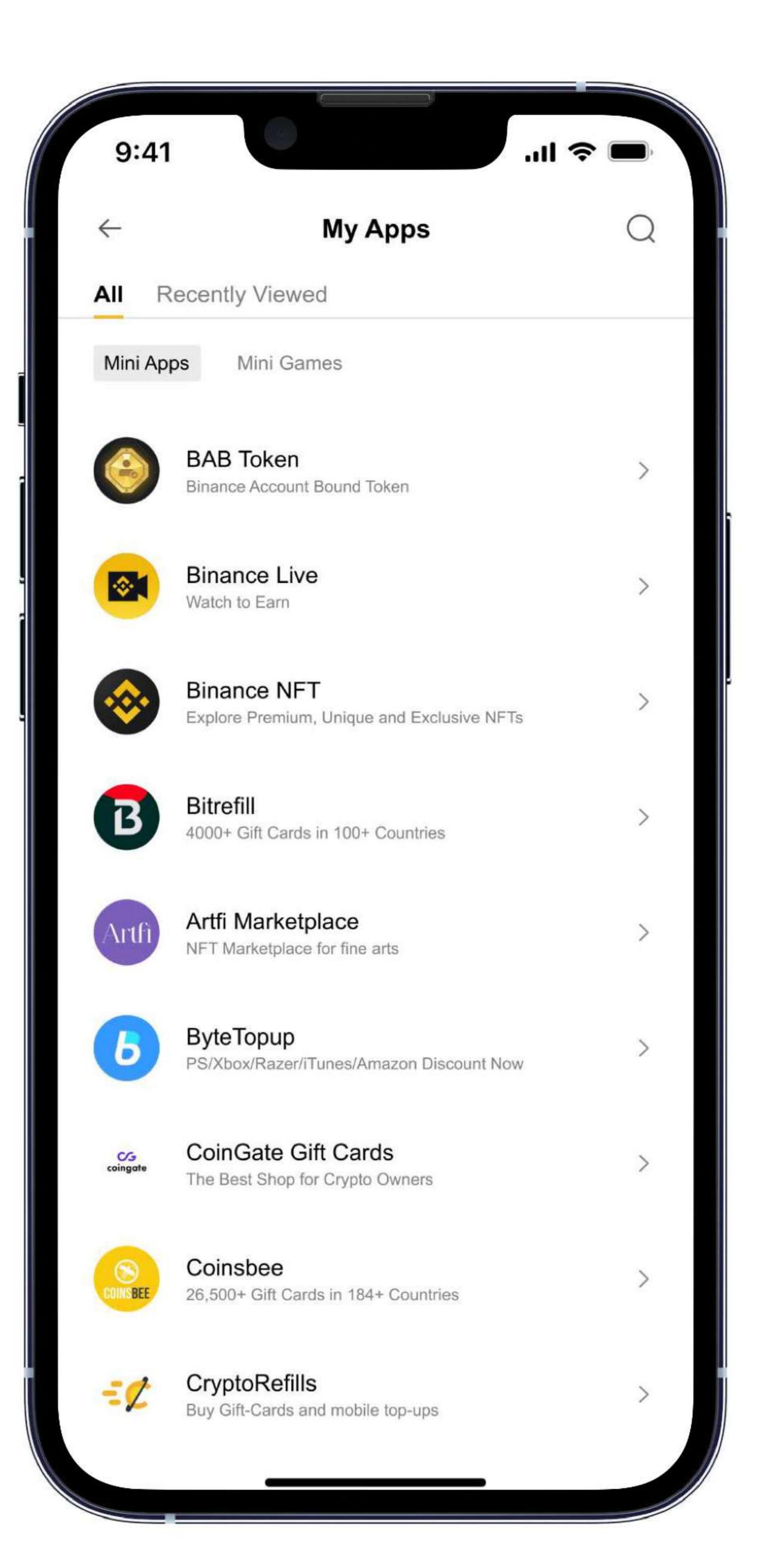




### Artfi Marketplace Exchange Widget

The Artfi Marketplace will be integrated on leading exchanges so that exchange users can automatically start collecting and participating in the art market.

The widget will lead users directly to the Artfi Marketplace from their favorite exchange.



# 02. Subscription Model

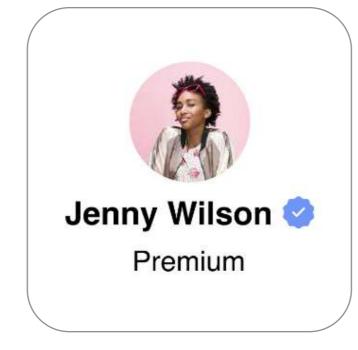
### "Breaking geographical borders and the four walls of the gallery."

With an Artfi subscription, artists will find a collector base of patrons to support them along their journey. Now artists can imagine a whole new way of placing their artworks.



### Curated

These blue chip artists are automatically subscribed by virtue of their works being fractionalized through Artfi's primary offerings.



### Premium

Independent artists can subscribe to an Artfi Premium membership to sell their art directly to Artfi's customer base.



### Premium Plus

High-performing artists who subscribe to Premium Plus are eligible to be selected by Artfi Studio, an incubator that fosters emerging artists.

The spotlight option will ensure that the artist's work appears as a recommended result in user searches.



### Gallery

Art galleries will be able to sell works by artists on their rosters directly through the Artfi Marketplace.

Sales can be made in 1:1 edition or according to Artfi's fractionalization model.

Paintings will be shipped to Artfi and custodied by the Artfi Foundation on behalf of the buyer(s).

# 03. Auto Invest in Art on Exchange



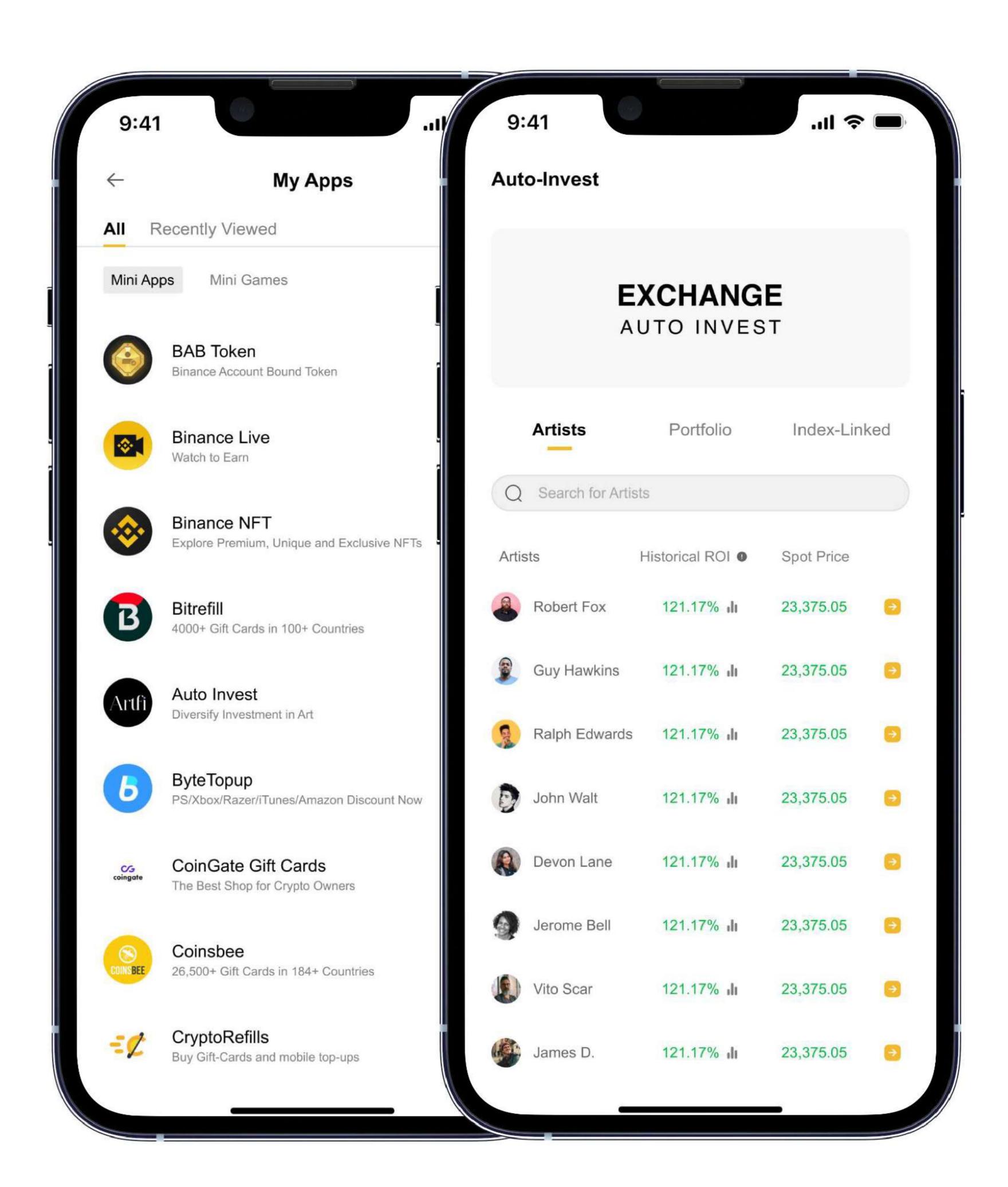
### Auto Invest

Diversify Your Digital Assets into Art

Artfi Auto Invest will allow exchange users to diversify their digital asset portfolio into art on a consistent schedule, just as they can with Bitcoin, Ethereum and other cryptocurrencies.

Automated investing is a powerful tool that helps investors to execute a dollar-cost averaging strategy.

Users can conveniently set up recurring investments in single paintings or an index of paintings by Top 100 artists with the click of a button.



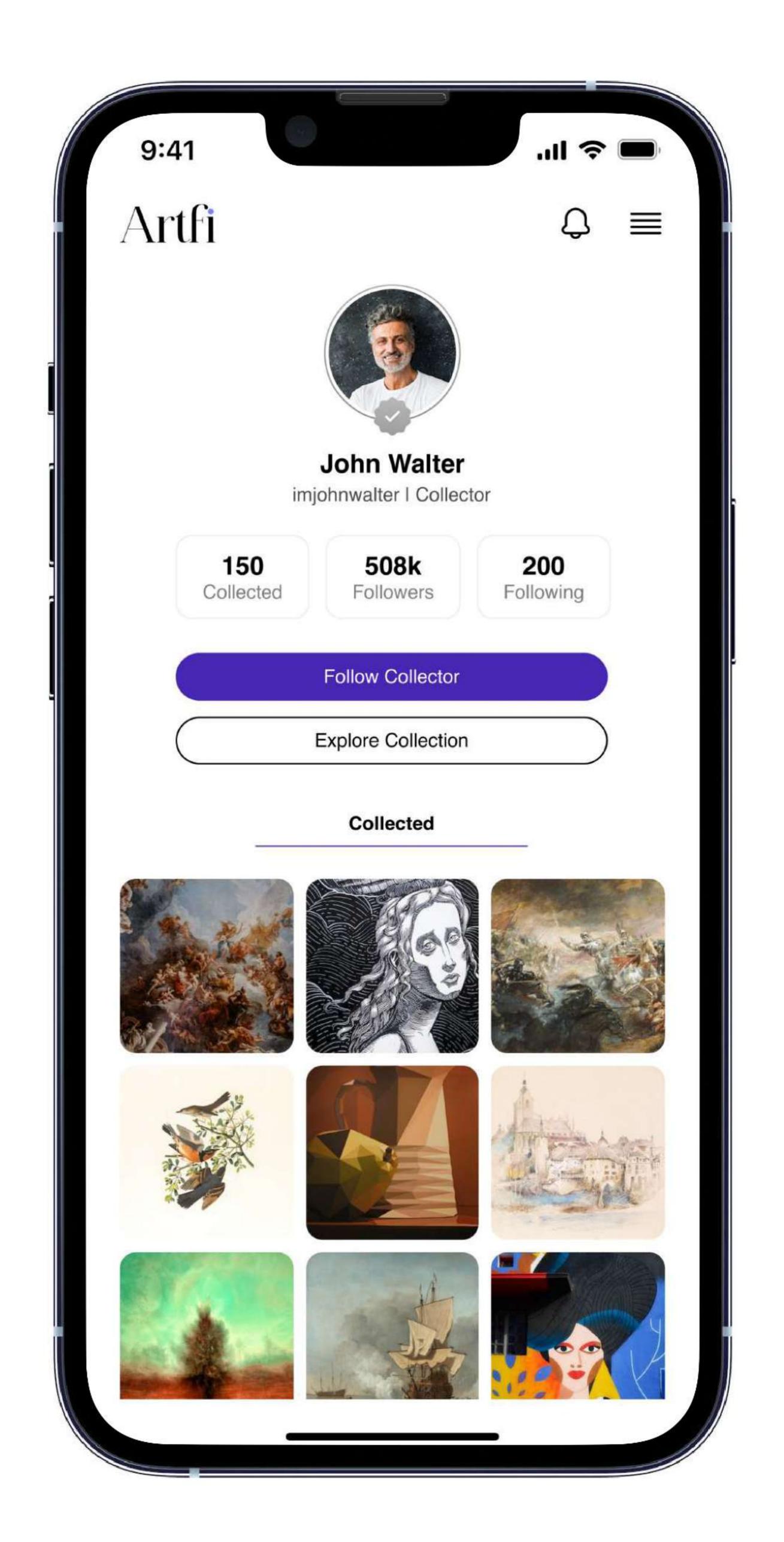
# 04. Social Media for Artists & Art Collectors

### Collector Profile

Artfi Marketplace collectors will have a dedicated profile page which proudly displays their art collection to the world.

Collectors will be able to communicate with their favorite artists and gallerists, befriend other collectors and set trends through their activity in the marketplace.

Collectors can directly purchase art from the artists and galleries they follow, in addition to having the opportunity sell art from their collection to other collectors.



# Competitive Analysis

	Retail Participation	Low Ticket Sizes	No Holding Period	Royalties	Secondary Marketplace	On-Chain Authenticity	Community	NFT- Functionality	No Shipping Costs	Social Media	Dedicated NFT Marketplace for Traditional Art	Global Exposure of Artworks
Artfi												
Sotheby's		<b>(X)</b>	× ×			(X)			8	8		
CHRISTIE'S			×			(X)			×	×		
MASTERWORKS				×						×		
ARTSY			× ×	×		× ×				×		
artnet				<b>(X)</b>						×		

# Traction



### Assets Under Management

Paintings consigned worth a total of \$20 million from Sacha Jafri, VS Gaitonde and MF Husain.



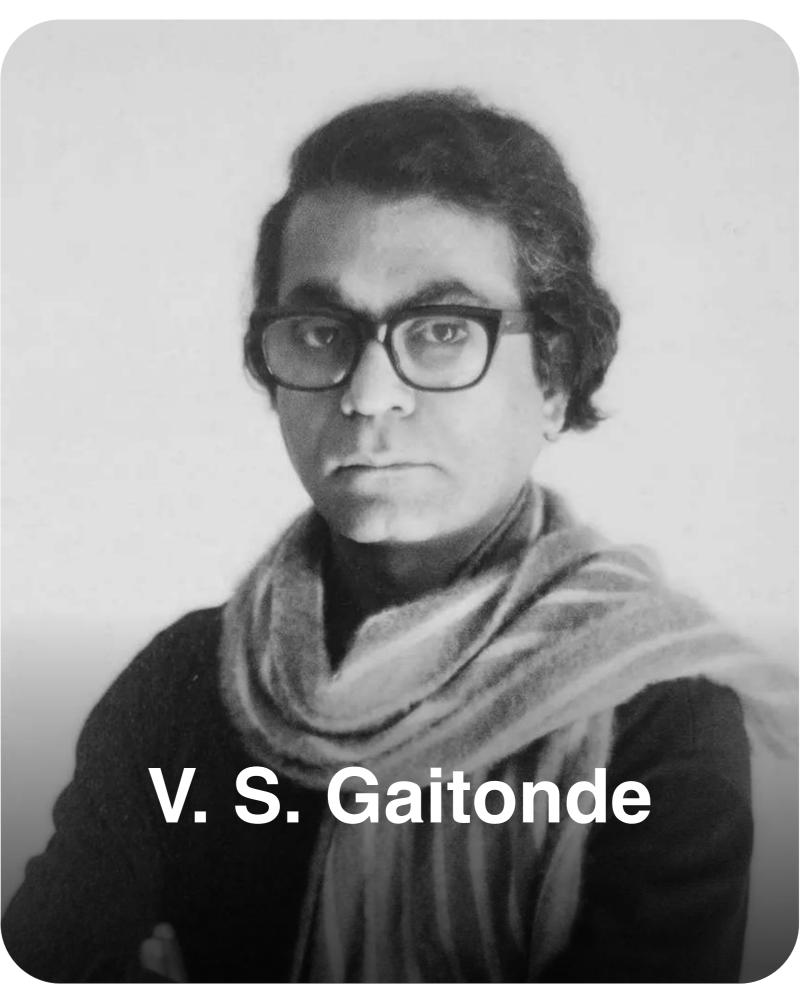


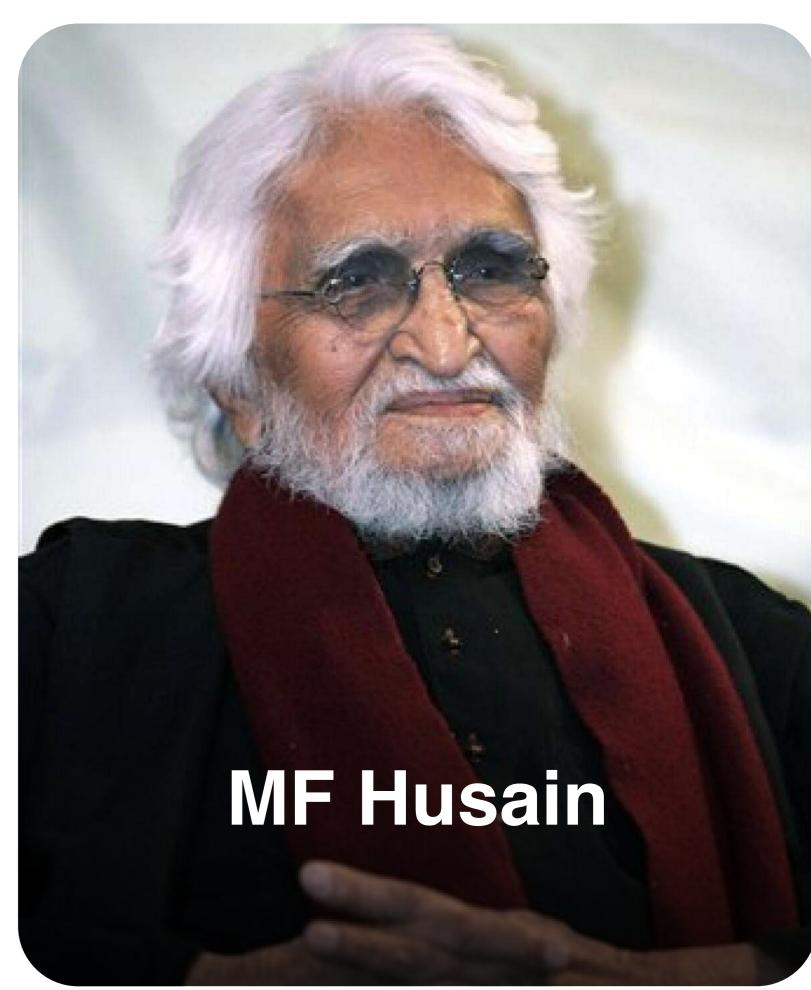


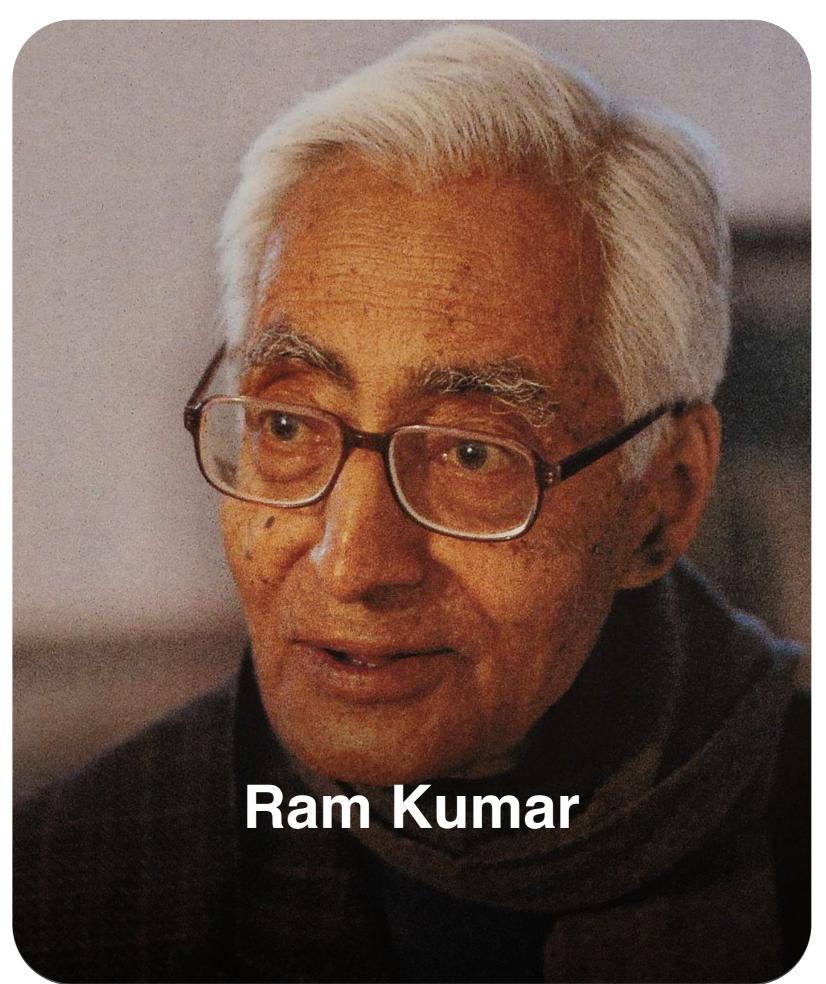


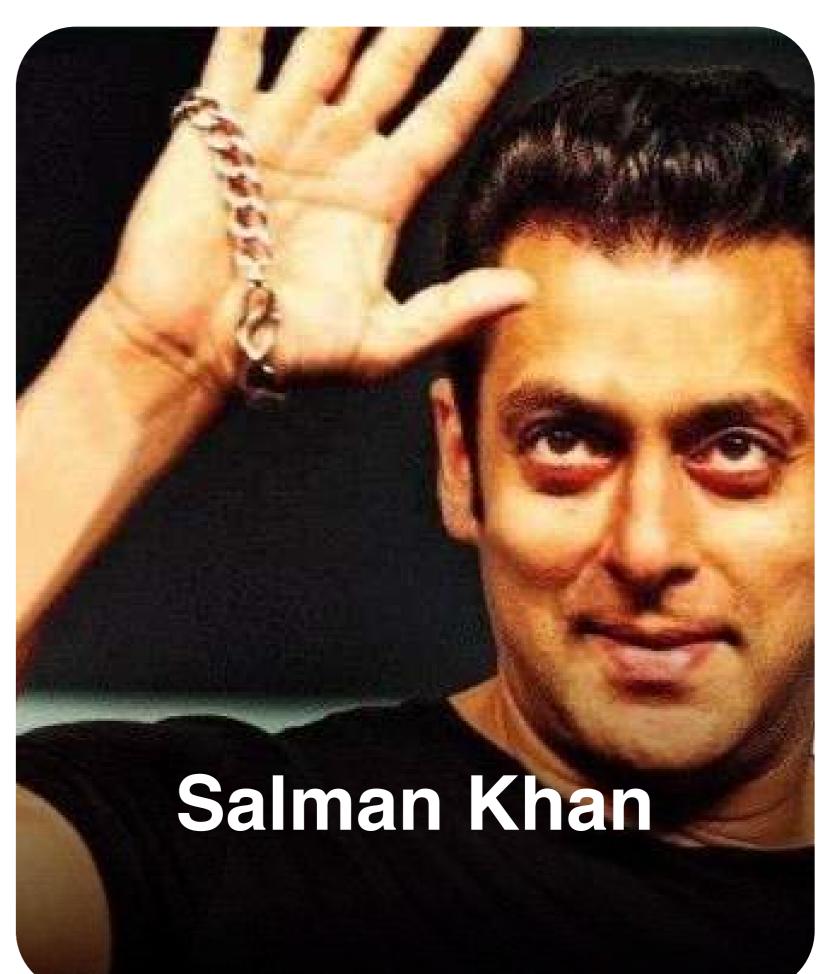
### Artists Onboarded











## Our Partners



















### Value of Product for Users



### Own a Masterpiece

Own an artwork by one of the world's most eminent artists through the power of fractional ownership.



### Immediate and Aroundthe-Clock Liquidity

Artfi fractions can be traded 24/7. Never before has it been possible to buy or sell the highest value art with such flexibility.



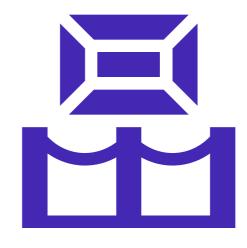
### Portfolio Diversification

Financial advisors recommend investing in blue chip fine art. Artfi makes it possible to diversity the traditional investment portfolio beyond equities, bonds, commodities and cryptocurrency.



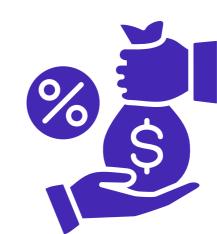
### Security

Owning a multimillion-dollar canvas requires security and insurance. Artfi takes care of this so that the community of collectors has total peace of mind.



# Access to Historically Uncorrelated Asset Class

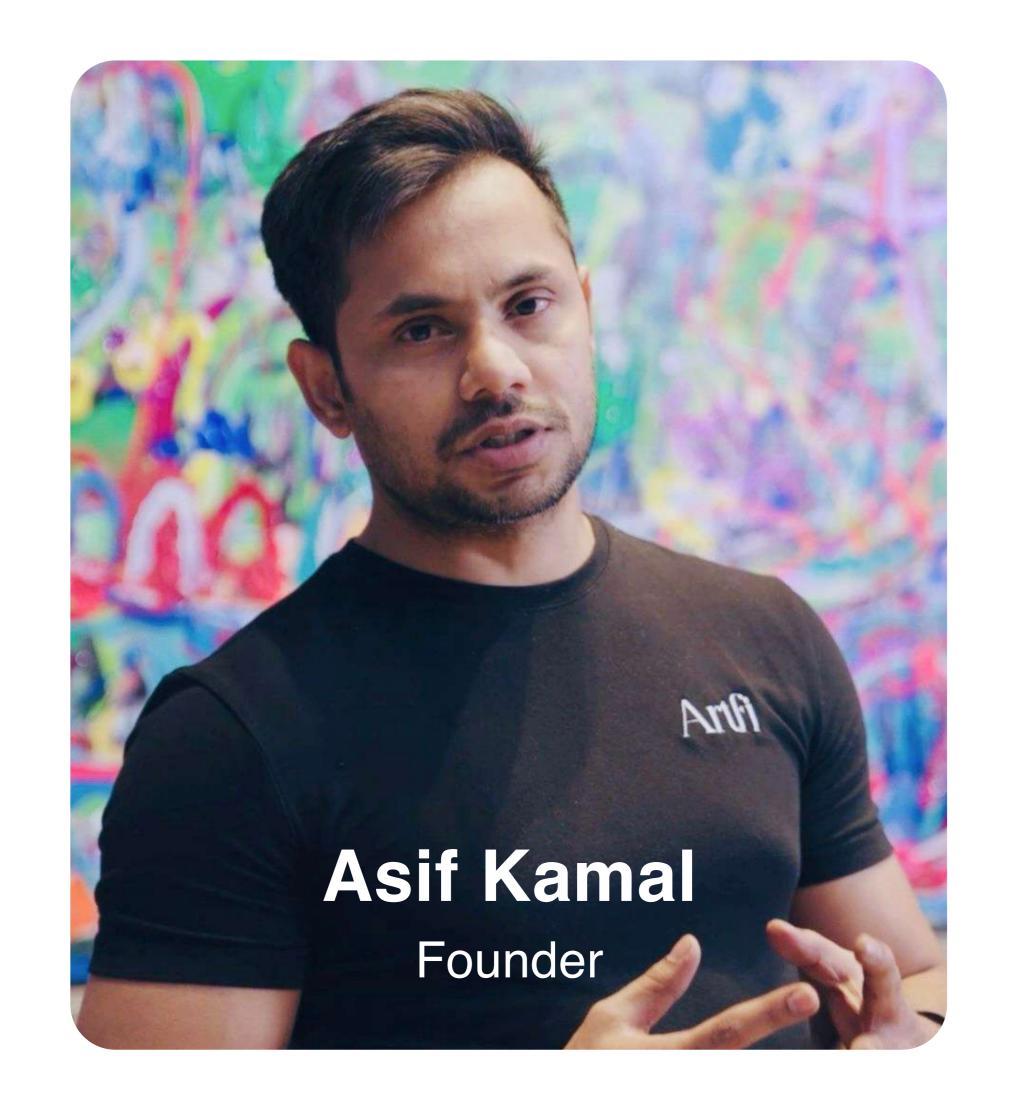
Fine art is historically uncorrelated to other asset classes and has outperformed the S&P 500. This makes it especially valuable in a recessionary environment of increased correlation and downside momentum.

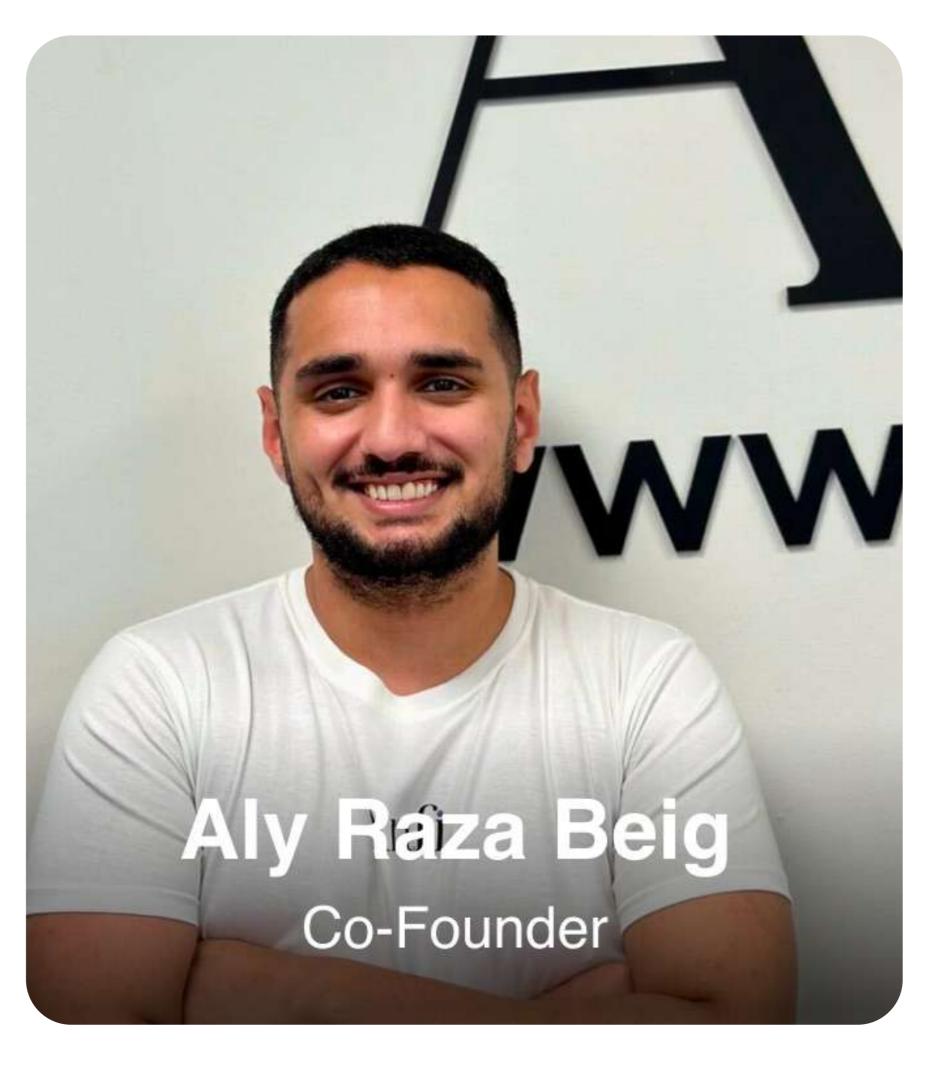


### Collateralized Borrowing

Artfi fractions can be used as collateral for loans at attractive interest rates.

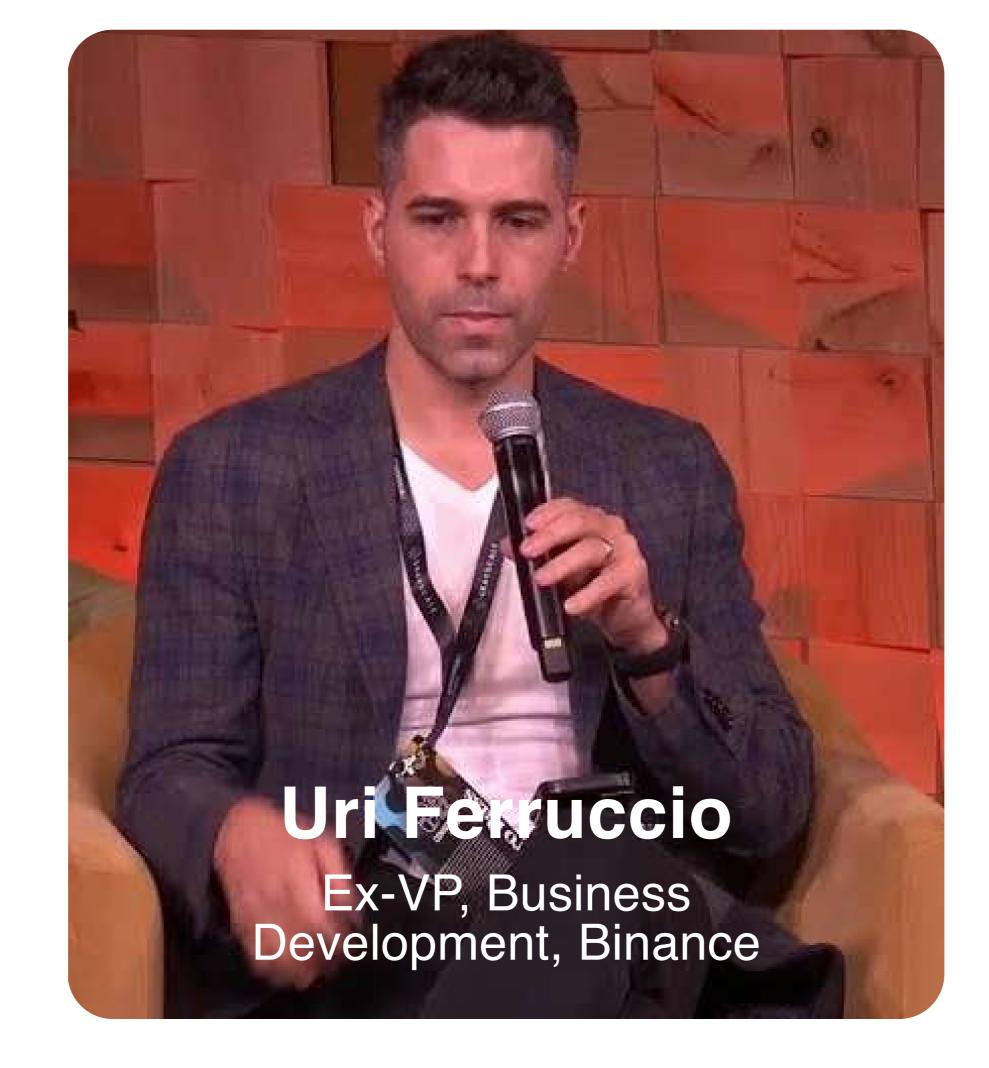
# Our Team















# Media Coverage























































# Thank You

www.artfi.world

## End Notes

- i. McAndrew, Clare. UBS Art Basel Art Market 2022 Report. Page 14.
- ii. Deloitte, ArtTactic: Deloitte Art and Finance Report 2019. Estimated based on surveys of wealth allocation to art and estimates of total wealth held by individuals. Estimated value of artwork held by individuals.
- iii. CoinMarketCap.com. Accessed February 28, 2023. iv. NFTgo.io. Accessed February 28, 2023.
- v. Angelica. "Online Art Investment Platform Masterworks Gets Boost from Investors and Over \$1 B. Valuation." Art News. October 5, 2021. <a href="https://www.artnews.com/art-news/market/online-art-investment-platform-masterworks-gets-boost-from-investors-1234605673/">https://www.artnews.com/art-news/market/online-art-investment-platform-masterworks-gets-boost-from-investors-1234605673/</a>.
- vi. Artificial Intelligence Market <a href="https://www.precedenceresearch.com/artificial-intelligence-market">https://www.precedenceresearch.com/artificial-intelligence-market</a> Page 7.
- vii. Tokenization of Real World Asset <a href="https://www.coinbase.com/institutional/research-insights/research/market-intelligence/tokenization-and-the-new-market-cycle">https://www.coinbase.com/institutional/research-insights/research/market-intelligence/tokenization-and-the-new-market-cycle</a> Page 8.

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