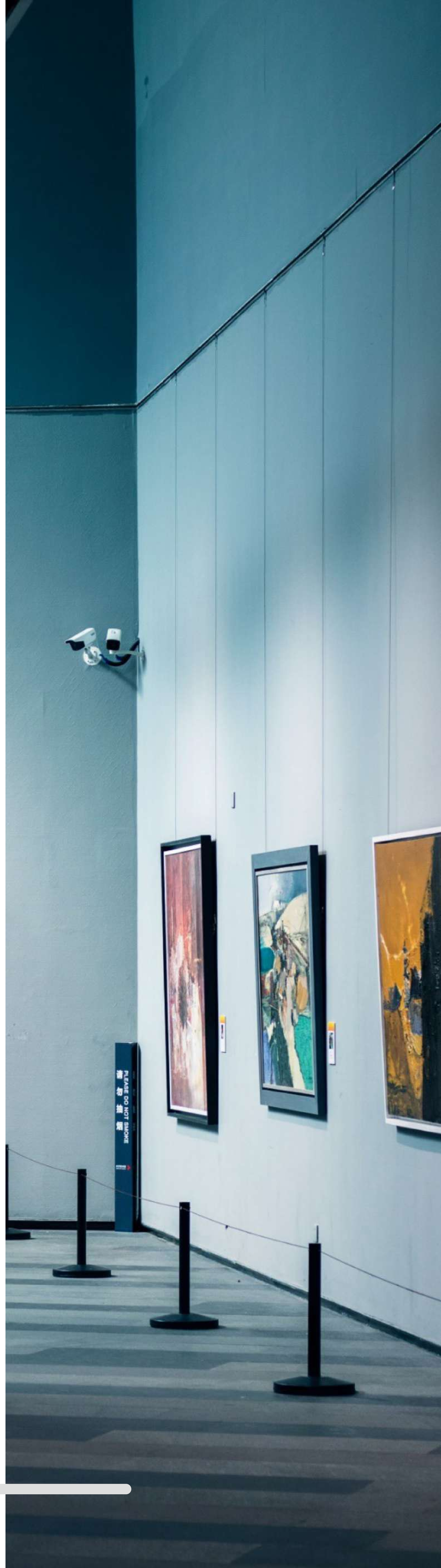


Artfi

DISCOVER, COLLECT, AND 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.



Abstract

About Artfi

Artfi is a financial and art technology company that aims to democratize investing in high-value works of art that have previously been available only to ultra-wealthy collectors. By harnessing the power of fractions and blockchain technology, Artfi's mission is to make it possible for retail investors to collectively own the world's most sought-after works of art.

Artfi is run by a renowned team of experienced art and technology professionals with the bold vision of ushering in a new paradigm for collecting, owning and investing in art.

How It Works

Artfi is a Web3 solution for fine art collecting. The company fractionalizes prominent high-value artworks into multiple NFTs which are sold to the public. Collectors who own Artfi NFTs gain access to the exclusive blue chip fine art market and diversify their portfolios – all through the speed, security and comfort of the Polygon\$ blockchain.

- **Selection:** Our world-class art experts utilize their deep knowledge and expertise to select distinguished works of art for Artfi to acquire.
- **Acquisition:** Artfi acquires the artwork on consignment from the seller. Only works of impeccable provenance are accepted as part of the Artfi collection.
- **Fractionalization:** All of the artworks acquired by Artfi will be fractionalized and sold as NFTs. This allows for multiple people to own a fraction of the high-end artworks on offer. The Artfi team will determine the amount of fractions (NFTs) available for each artwork, which directly determines the price of each NFT. The physical artwork will be displayed in the Artfi museum in Dubai after all NFTs are sold.
- **Trade or Hold:** The NFTs are liquid and can be traded on the dedicated Artfi marketplace at any time. Users also have the option to stake their NFTs, which allows them to receive a portion of royalties from secondary market trades.
- **Sale:** After an extended period of time, and when the market conditions are advantageous, Artfi's team of experienced market professionals may approach the community for its permission to sell an artwork. When this happens, each NFT holder can redeem their NFT for their share of the revenue generated by the sale of the artwork.

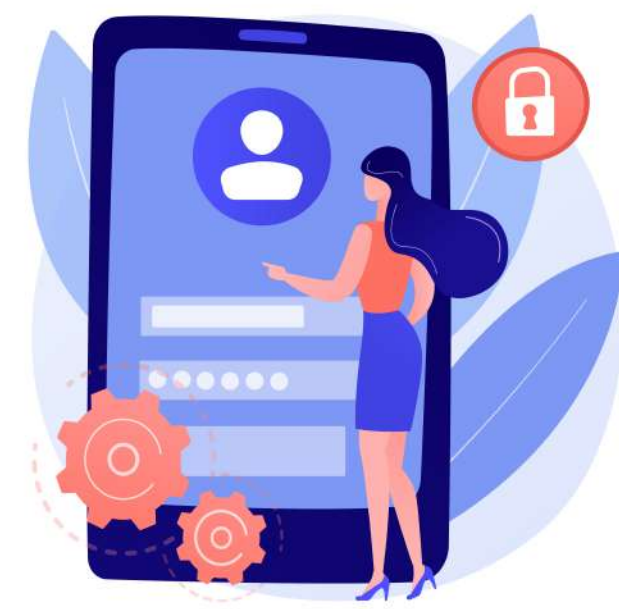
Royalties

Every sale on the secondary market includes a percentage of royalties.

- ↳ **Community Royalties:** A part of these royalties will go to the community of Artfi NFT holders.
- ↳ **Minter Royalties:** A part of these royalties will go to the minter who originally bought the Artfi NFT during the primary sale.
- ↳ **Artist & Collector Royalties:** A part of these royalties will go to the artist or collector who consigns the artwork with Artfi to be fractionalized as NFTs and sold to the public.

— Artfi Ecosystem

Artist Onboarding:



Artists visit the Artfi platform and register for an account.

↓
Provide necessary information and verify their identity through a decentralized identity (DID) system.



→ Artists create a detailed profile, including a bio, portfolio, and links to their previous works.

↓
Upload high-resolution images and additional metadata about their art.

↓
Post approval by Artfi art connoisseurs, Artist is onboarded.



Artists submit their art for tokenization, providing details like provenance, creation date, and any historical significance.



← Upon successful onboarding, a blockchain wallet is automatically created for the artist.

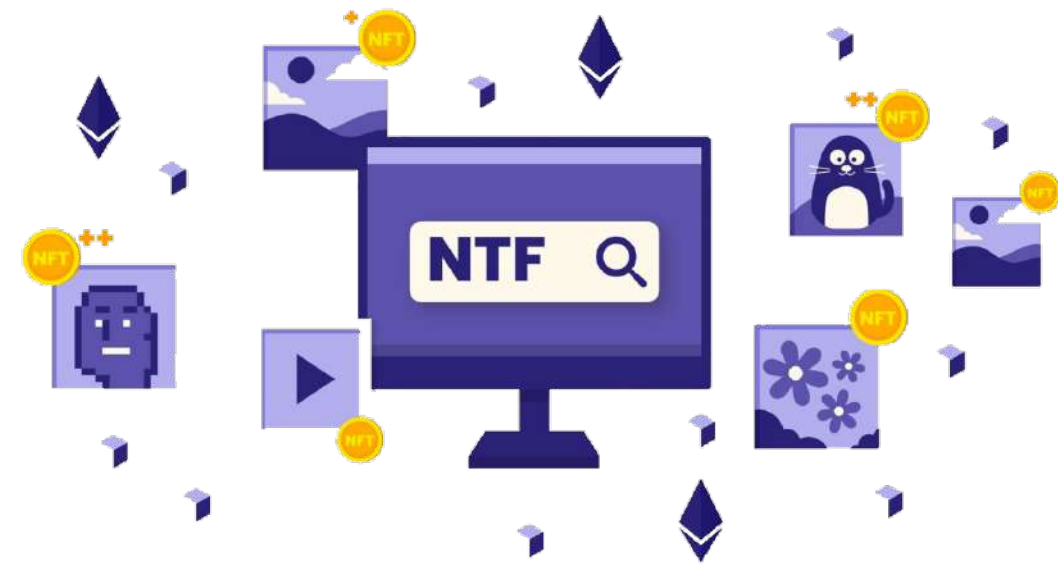
↓
Artists receive their wallet address linked to their profile.



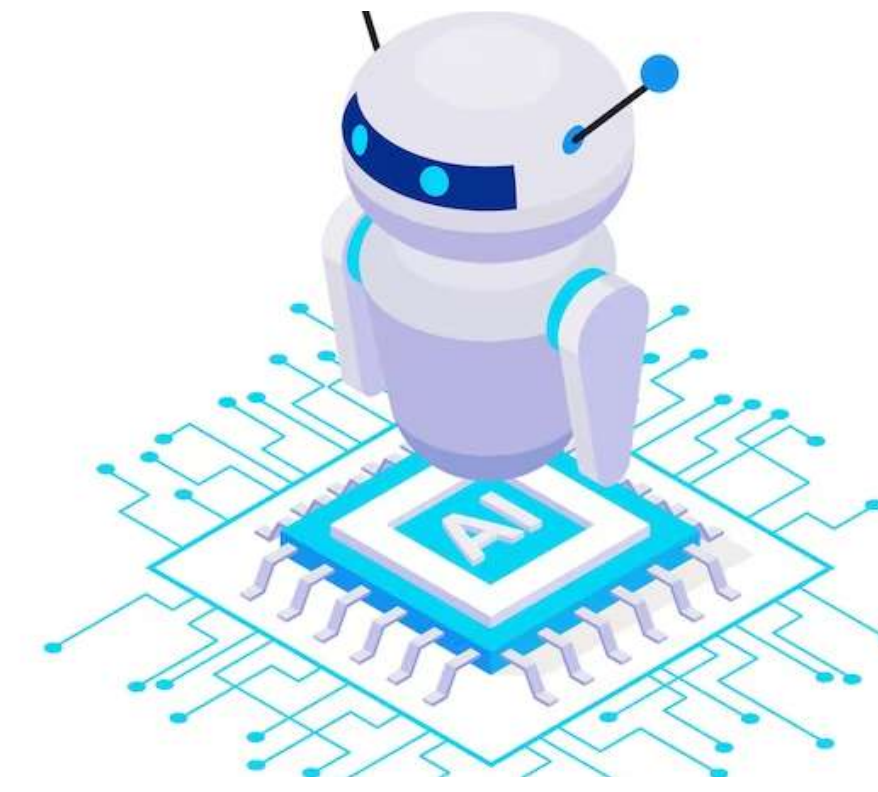
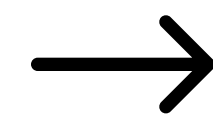
→ Smart contracts tokenize the submitted art into non-fungible tokens (NFTs) on the Ethereum blockchain.

↓
Artists can track the tokenization progress and confirm the details associated with their art.

Art Token Marketplace:



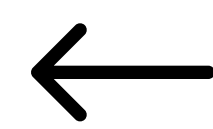
Users (investors) browse the Artfi marketplace to discover tokenized art available for fractional ownership.



The AI recommendation engine suggests artworks based on user preferences, investment history, and market trends.



Users click on an artwork to view detailed information, including the artist's profile, historical performance, and current valuation.



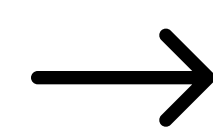
Users decide to invest in an artwork and choose the amount to invest.

The selected artwork is fractionalized into NFT's, representing ownership shares.



Users choose their preferred payment method:

1. Debit/Credit Card
2. Cryptocurrency (multiple options supported)
3. Binance Pay

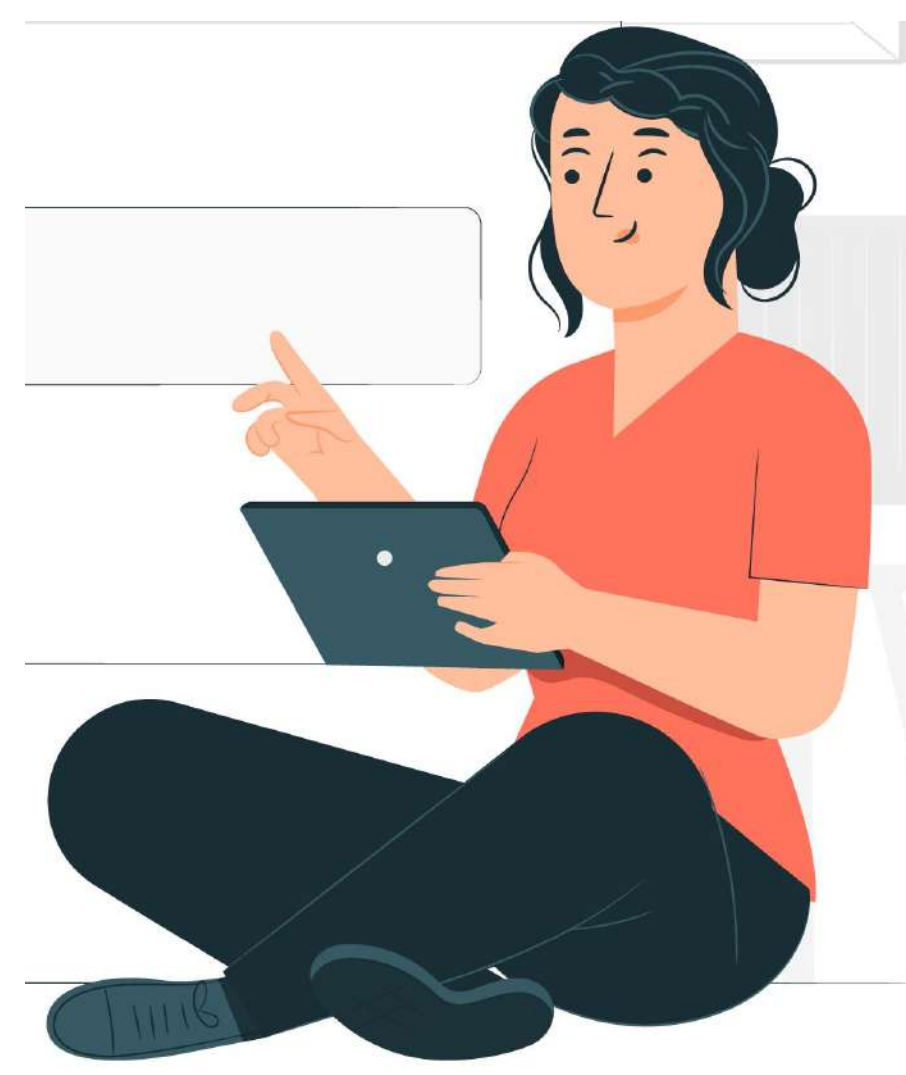


After successful payment, users receive confirmation of their fractional ownership.

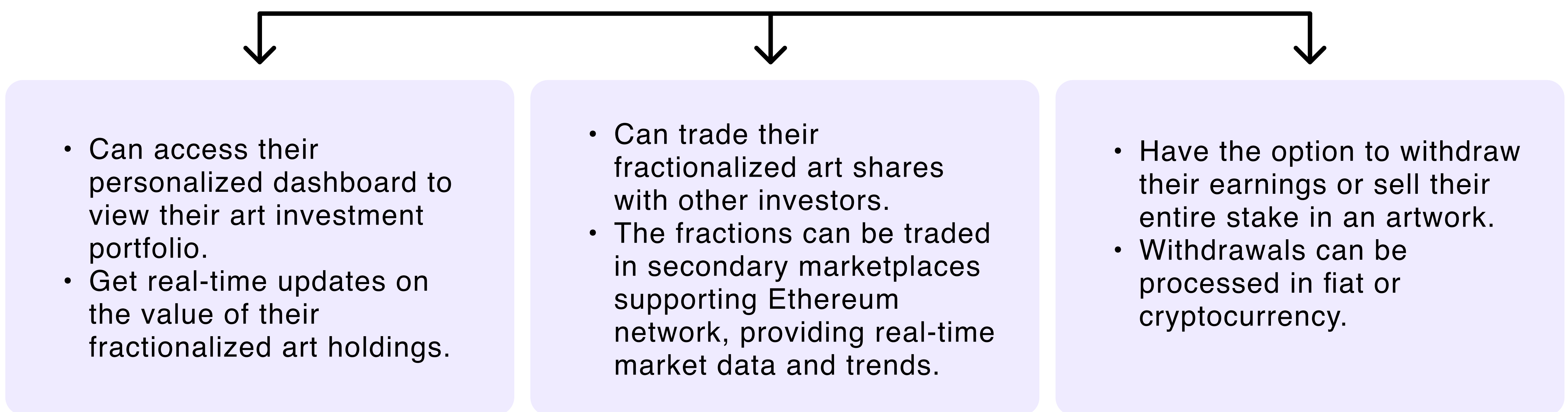
The ownership details are updated on the blockchain, reflecting the new shareholders.



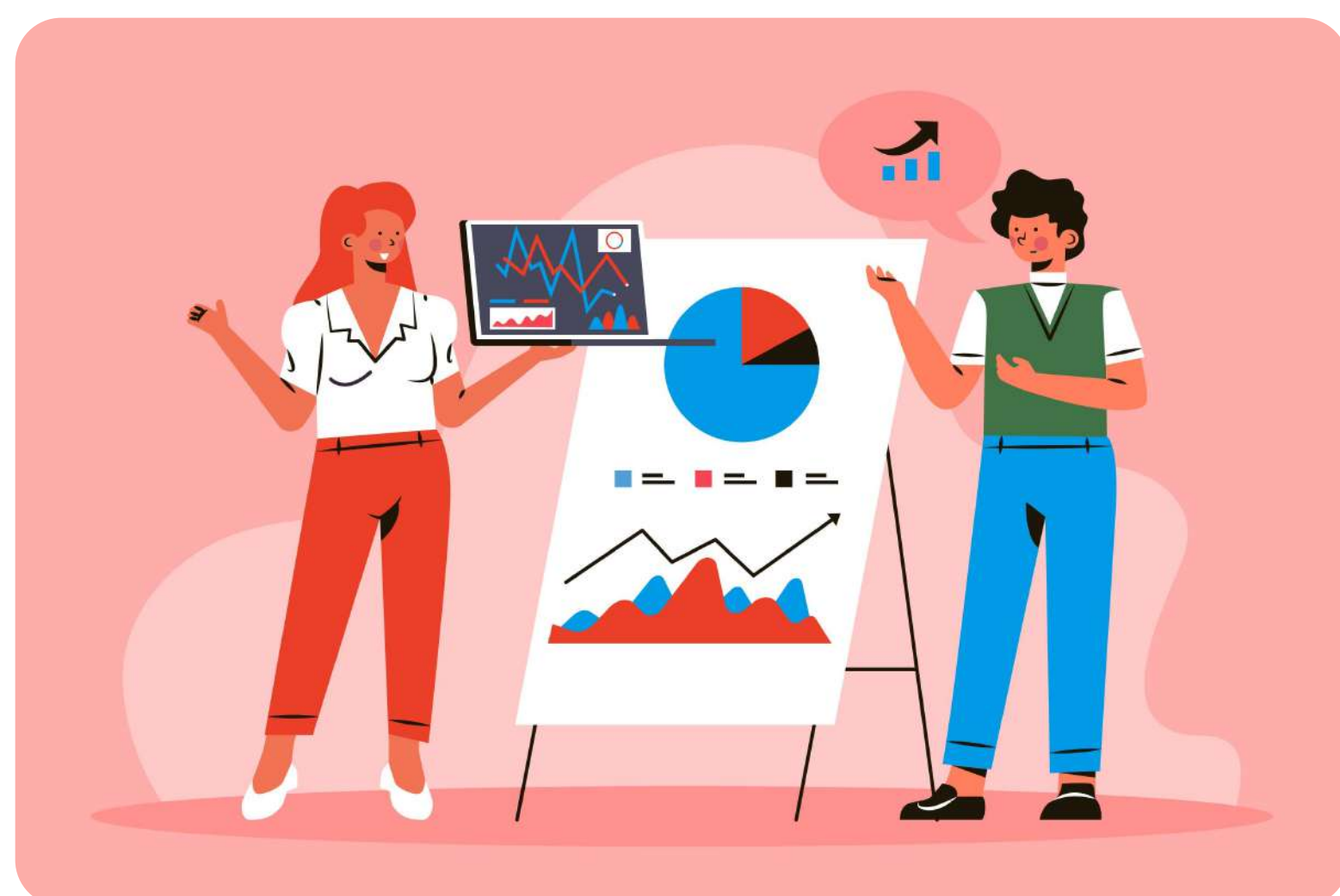
Investor Dashboard:



USER



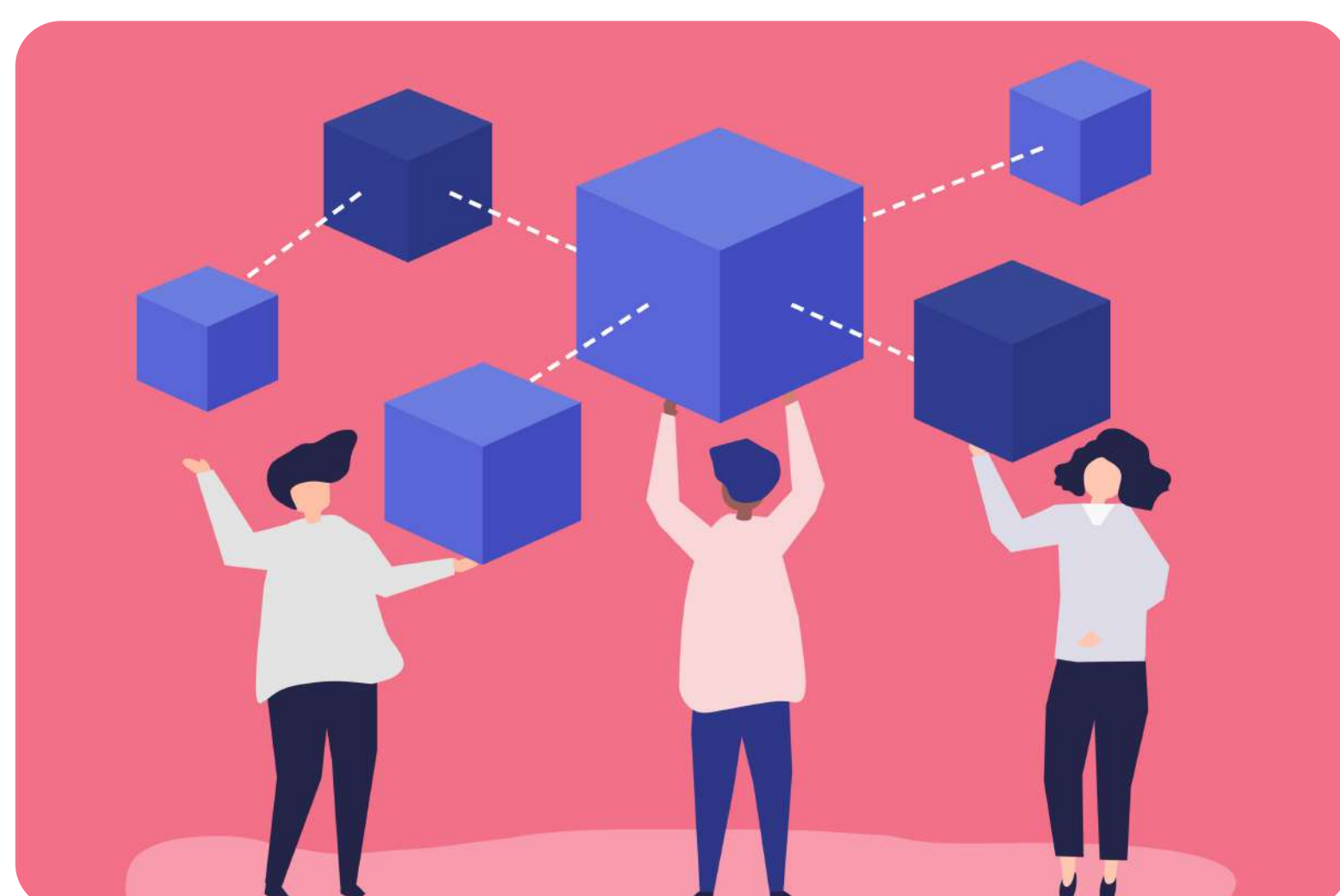
Additional Features:



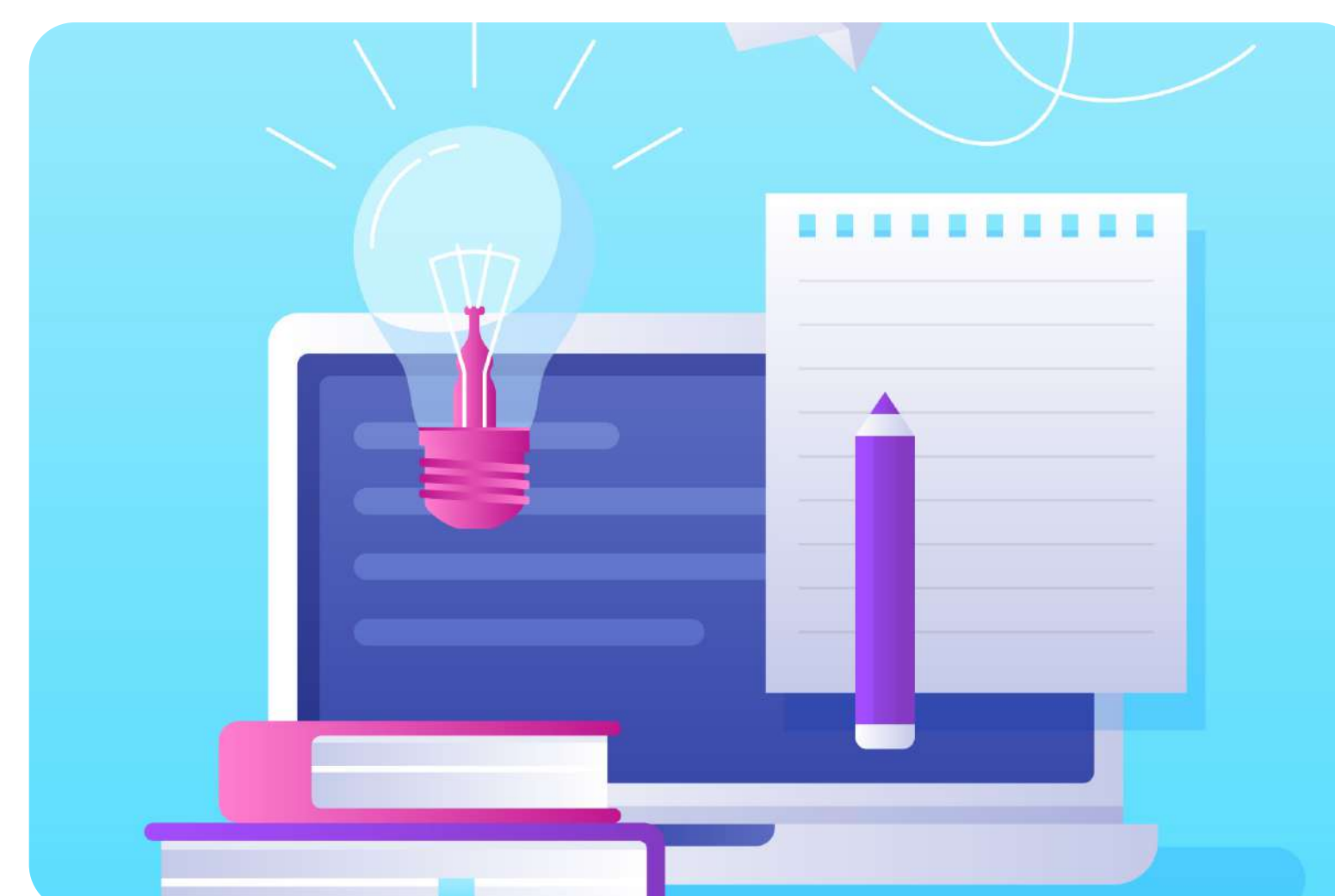
Users can access detailed analytics on the historical and predicted performance of their art investments.



A community forum or social space for artists and investors to interact, share insights, and discuss art-related topics.



Introduce a decentralized governance mechanism where token holders can vote on platform changes, new features, or artist collaborations.



Provide educational content about art investment, blockchain, and the intersection of technology and fine arts.



Democratizing Art

With \$65 billion^[1] in annual transaction volume and a total estimated global value of \$1.5 trillion^[2], art represents a massive asset class. Art is comparable in size to other major private markets, all of which have participation from hundreds or thousands of institutions.

Relative Market Sizes for Private Assets

Asset Class	Private Debt ^[3]	Art & Collectibles ^[2]	Private Real Assets ^[4]	Private Equity ^[4]
Asset Class	\$1.2	\$1.5	\$2.4	\$6.3
# of Firms	160+	10+	500+	9,000+

Despite the size and longevity of the art market, participation has been almost entirely limited to ultra-wealthy individuals buying and selling physical artworks. High barriers to entry and a lack of available research have historically made it difficult for retail investors to participate in the value appreciation of this asset class.

Artfi is determined to change this. Investment in the art market is currently experiencing a shift in investor access and demand driven by blockchain technology. Tokenization is making the asset class more accessible by enabling investors to gain exposure without having to purchase and store entire works of art.

Artfi expects that the total market cap of the art ecosystem will expand once a wider spectrum of investors starts participating and exercising its demand for uncorrelated market returns.

[1] UBS 2022 ArtMarketReport, p .14

[2] Deloitte Private and ArtTactic Art & Finance report 202, p.19. Estimated value of artwork held by UHNWIS

[3] Preqin Global Private Debt Report 2022, Bloomberg

[4] McKinsey Global Private Markets Review 2022, p.10.

— Business Model

The company accepts high-value artworks on consignment from sellers who historically have only had the option of consigning their artworks with an auction house or conducting a private sale. It then offers the artwork for sale to the public at a pre-determined price in the form of 10,000 fractions. These fractions represent ownership in the artwork on consignment. Once the fractions have sold out, Artfi gives the proceeds to the consignor and takes a commission percentage, which is below the average of 20% commission usually charged by the legacy auction houses.

Since the Artfi transaction fractionalizes the artwork into 10,000 fractions, it provides consignors with the option to retain a portion of their artwork and only sell their desired percentage. Artfi will hold the physical artwork on behalf of the fraction holders in an art gallery in Dubai where it will be exhibited to the public. Eventually Artfi may sell the artwork in the future and give the proceeds back to the fraction holders, at which point in time there will be another commission charged on the transaction.

— Fractional Art Investing

Artfi offers a fresh take on investing in blue chip fine art that has a market value of over \$1 million. Through fractional art investing, Artfi allows all classes of investors with as little as \$1,000 to enter the market.

Since blue chip fine art has historically outperformed the S&P 500^[5], Artfi is of the belief that the majority of its consignments should appreciate in value over the long term, since the paintings available for investment on Artfi are specifically selected for maximum potential price appreciation.

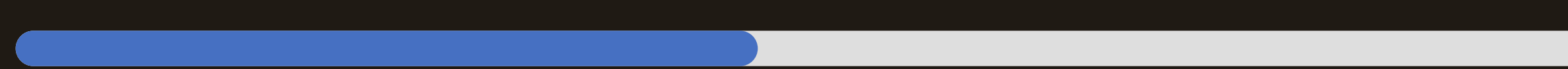
If the total market cap of the fractions were to fall below the professionally-appraised market price based on their corresponding artwork, it would represent an arbitrage opportunity for opening new long positions in Artfi fractions by market participants, including Artfi itself.

Artfi fraction holders have two primary ways to potentially profit from exposure to blue chip fine art: 1) By selling the fraction on the secondary market at their own discretion; and 2) By waiting for Artfi to sell the painting and burn their fraction in exchange for the proceeds.

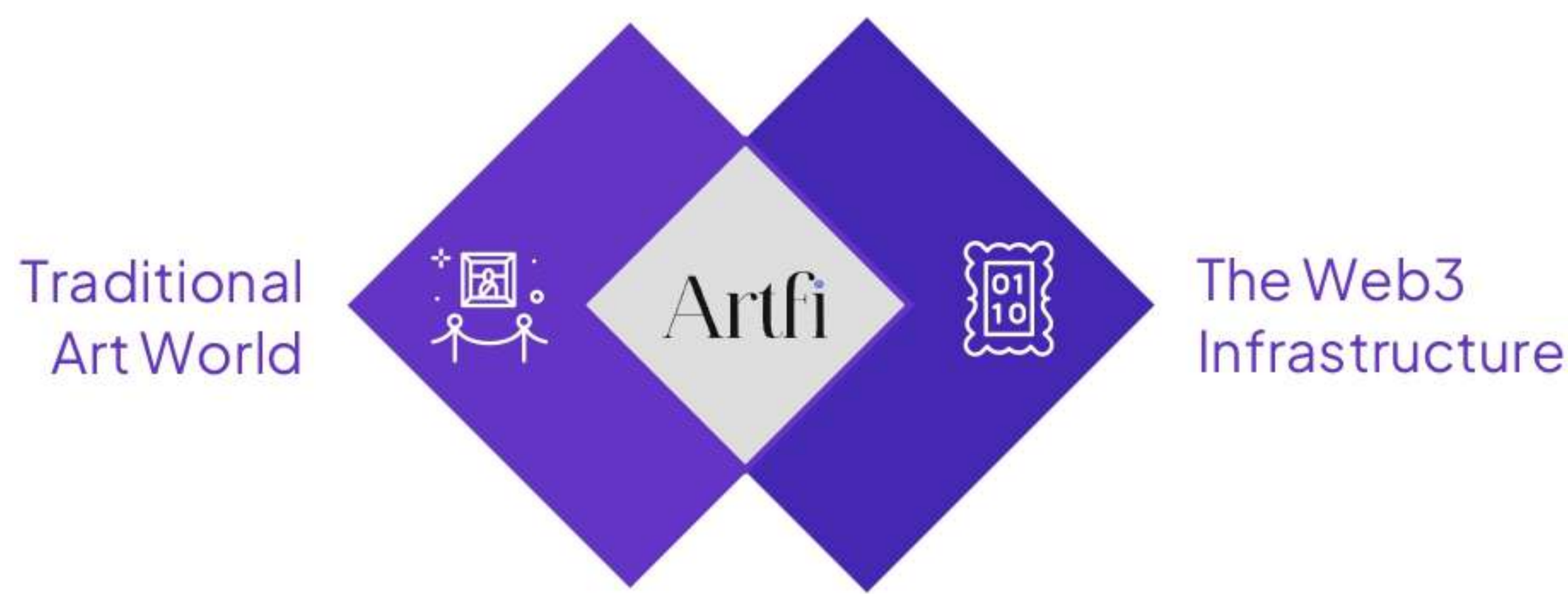
Artfi fractions will cater to fine art investors who are generally looking for consistent annual returns of around 15%.

[5] [The Artprice1000 index](#)

Artfi, Behind The Scenes



What We Stand For



Artfi creates a bridge between the old and the new, the physical and the digital world, **Blue Chip Fine Art** and the **Fraction Ecosystem**.

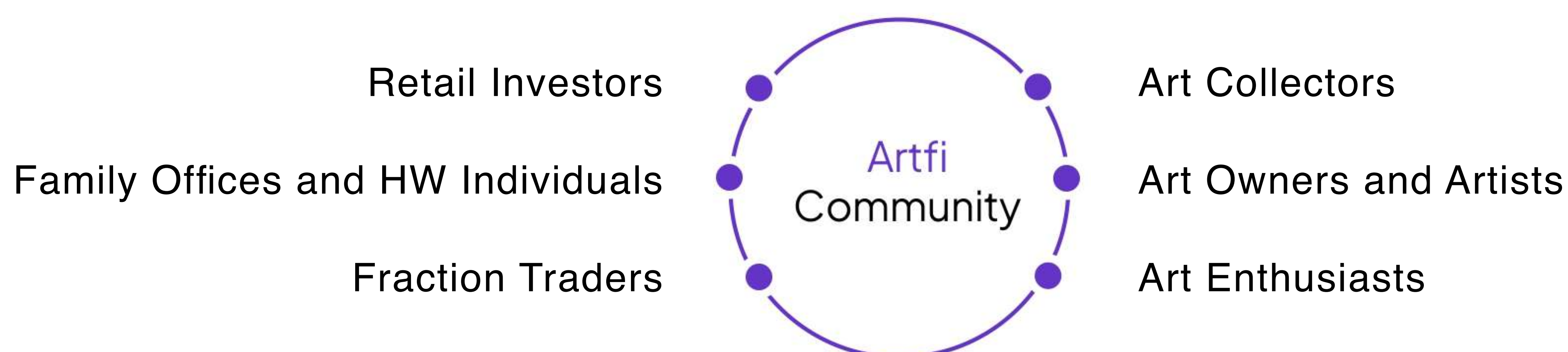
What Is Artfi?

Artfi is an investment platform that allows purchasing (and trading) of fractions representing an investment in iconic blue chip artworks of world-famous artists. **Artfi** is on a mission to democratize the \$1.5 trillion fine art and collectibles market. **Artfi** is making it possible for nearly anyone to enjoy the financial benefits of investing in million-dollar works of art and having access to an alternative asset class for portfolio diversification.

Why invest in Artfi Fractions?

	Artfi	Art Auction Houses	Art Galleries	Fine Art Investment Funds
Commission Fees	~10%	Up to 25%	Up to 50%	2% Annual Fee +20% on Profits
Co-Investing	✓	✗	✗	✓
Collateralized Art Lending	✓	✗	✗	✗
Art Investment Portfolio	✓	✗	✗	✓
Speculative Investing	✓	✗	✗	✗
Exclusive Access to Artworks	✓	✓	✓	✗

Who is Artfi for?



What We Offer

For Buyers	For Sellers
<p>Access to Masterpieces Affordable investments in multimillion-dollar blue chip artworks by the most famous artists</p> <p>Portfolio Diversification Low correlation between contemporary art and other asset classes (close to zero or negative)</p> <p>Exclusive membership benefits Artfi fraction ownership can unlock access to special promotions and rewards</p> <p>Liquidity on Secondary Market Fractions owners have the option to sell their fractions on the secondary market (OpenSea, LooksRare, etc.) at any point in time</p> <p>Verification of Authenticity and Provenance Extensive due diligence of every artwork, including its full history and ownership from the time of its discovery or creation to the present day</p>	<p>Partial Selling Opportunity Access to liquidity, in the form of cash from the sale, while still maintaining portfolio exposure to the work of art</p> <p>Much Lower Commission Fees Approximately 2X times lower commission compared to the legacy auction houses</p> <p>Perpetual Fraction Royalties Royalties are earned on each subsequent sale of the fractions</p> <p>Access to Mass Investment Capital Selling the artworks in an efficient and secure manner</p> <p>Effective Preservation Program The Art Foundation will dedicate substantial resources to the preservation, protection, and safe display of its collection</p>

Artfi Promotions And Rewards

By staking their Artfi fractions for a pre-established period of time set by the company, fraction holders will also be able to unlock additional benefits. Here are some of the benefits which will accrue to long-term Artfi fraction stakers:

Collectables commissioned by the fraction artist

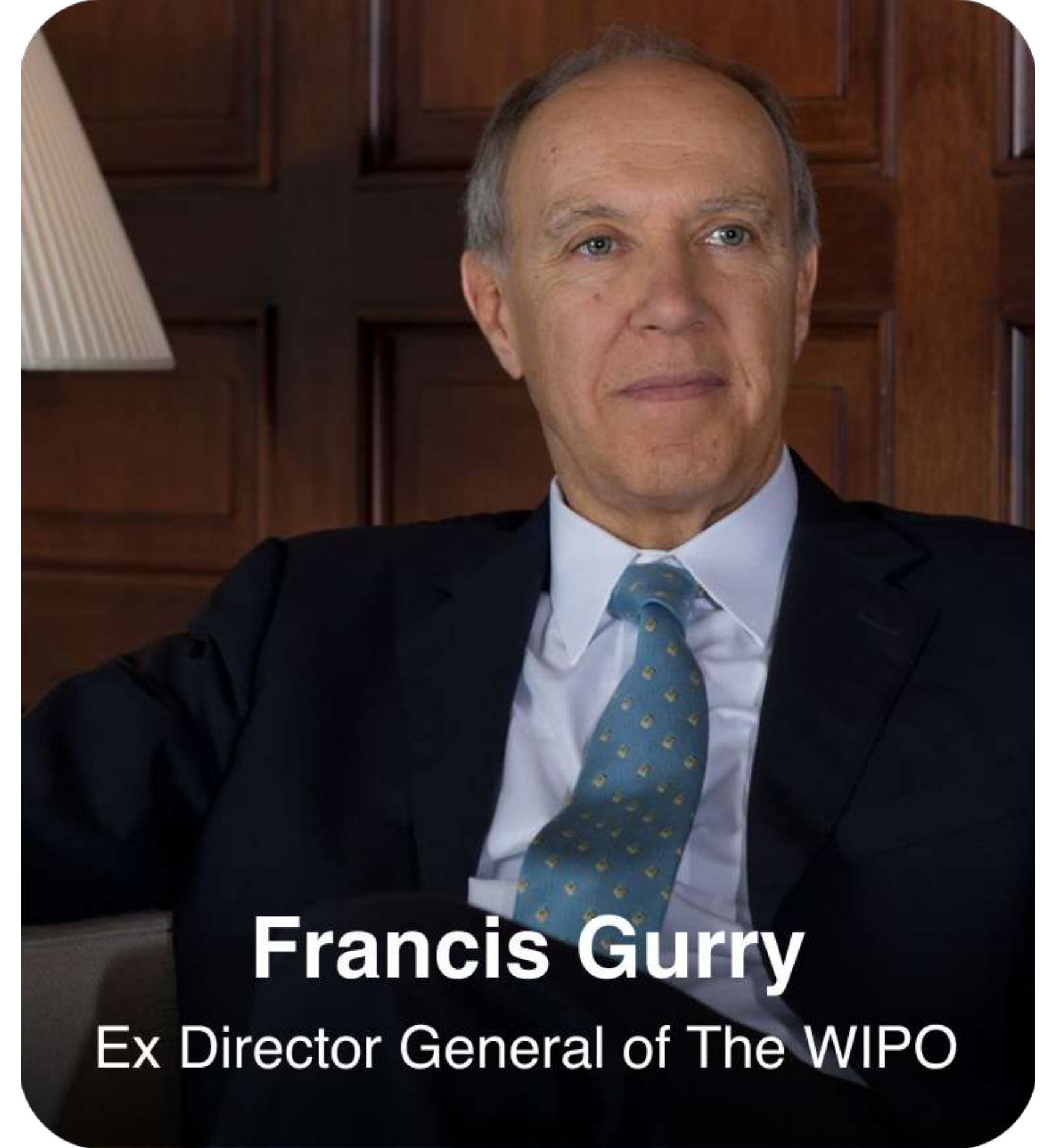
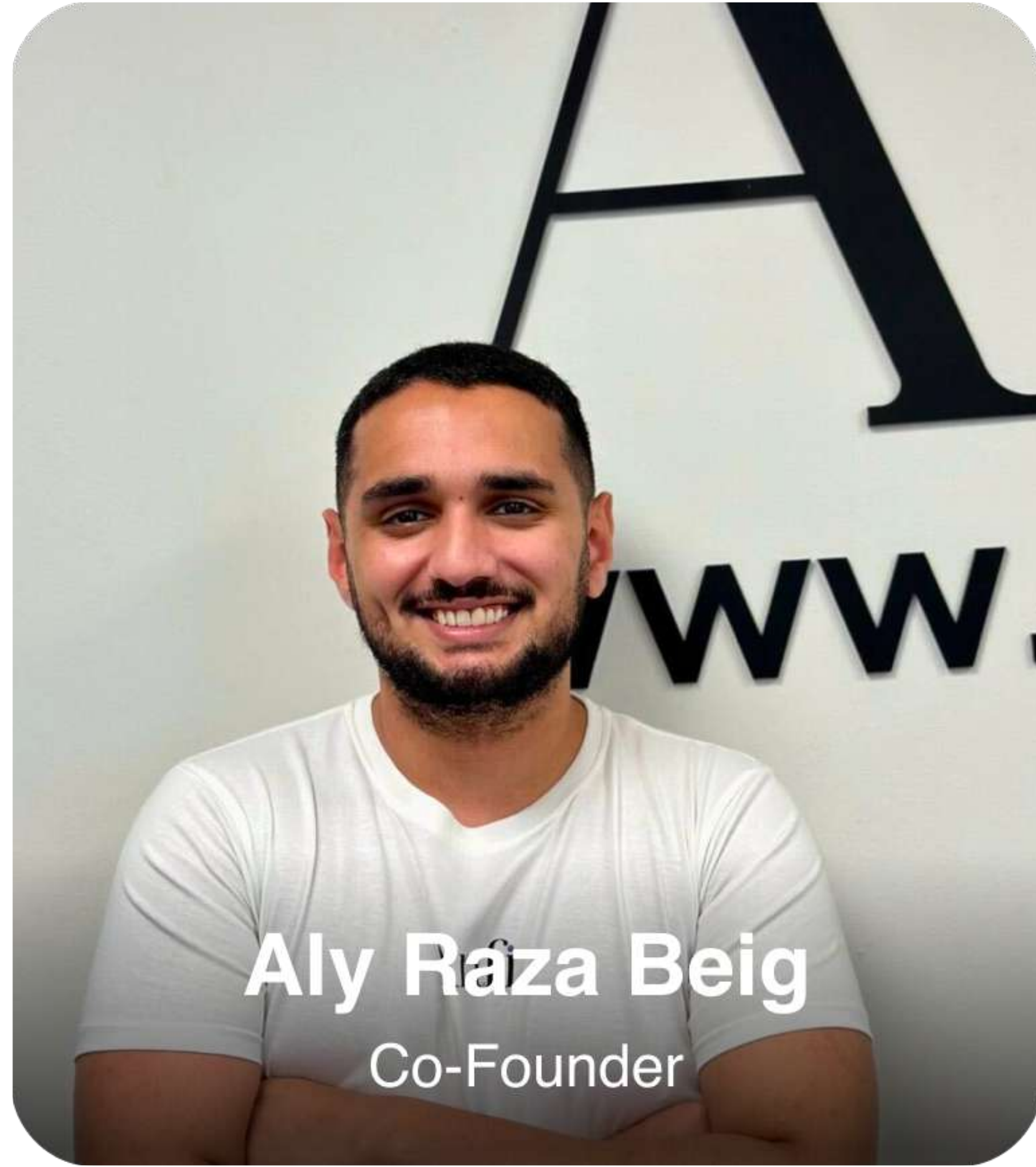
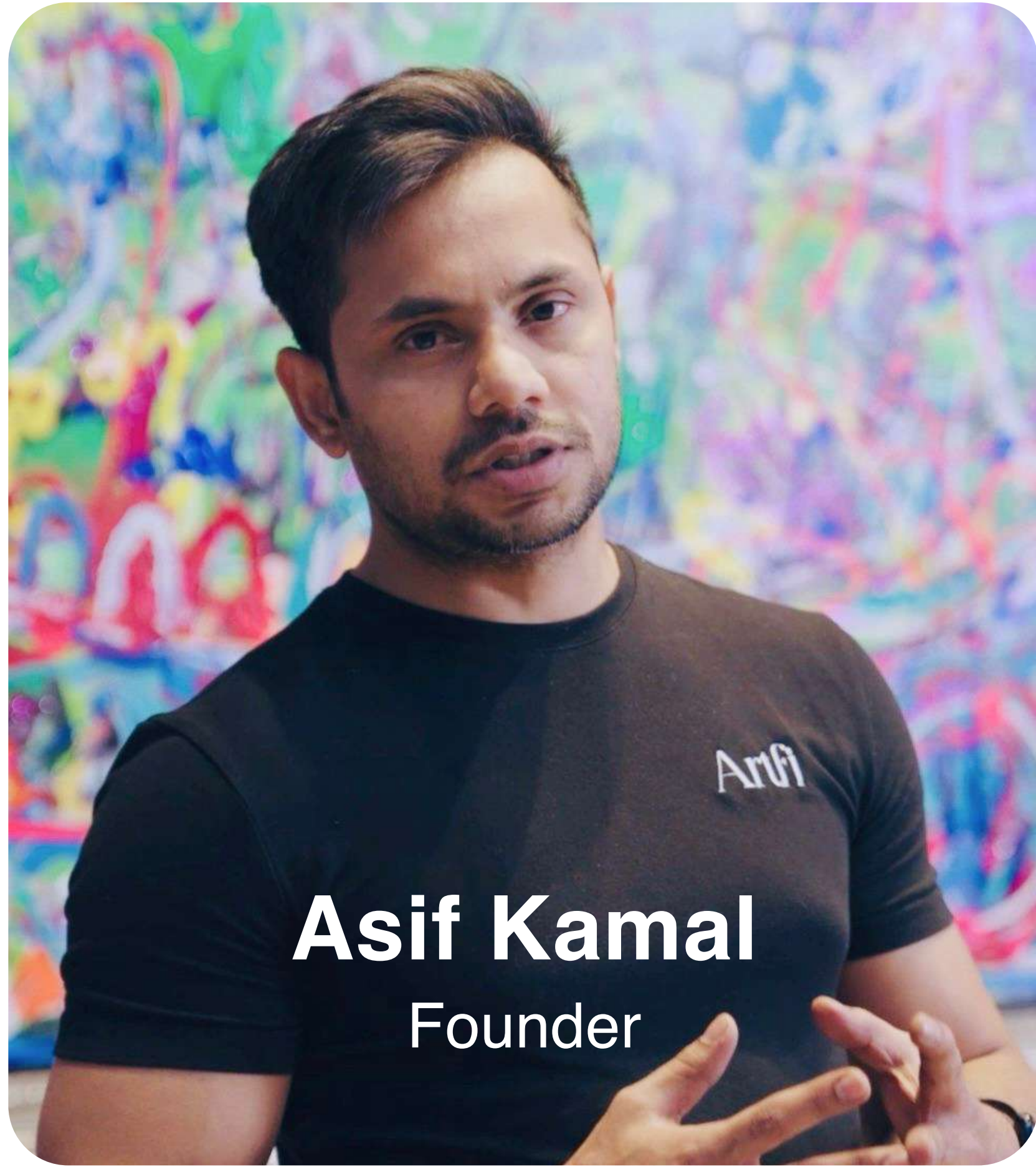
Tickets to Cultural Events

Fraction airdrops representing ownership of minor works by related emerging artists

VIP Whitelist privileges for future Artfi fraction primary sales

Premium Discounts

Artfi fraction holders will also have permanent free admission to the **Artfi Museum in Dubai**, and access to all Artfi events, regardless of whether or not their fractions are staked. Their fractions will act as tickets to these venues.



Featured In



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