

New Art Funds Offer Slow but Steady Growth on Stock Market

By [The Moscow Times](#)

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The first major private art fund was launched on the MICEX stock exchange this week, hoping to attract investors keen for safe, if relatively low-growth, assets.

The Sobranie.PhotoEffect fund, created by the Agana fund manager, comprises nearly 300,000 original prints by 250 domestic and foreign photographers and is worth a combined \$467 million.

The fund, partly made up of Soviet Union collections with the potential for adding contemporary Russian photographers, will target foreign investors in the Russian market offering a safe "investment money shelter," said Yekaterina Alexandrova, Agana's deputy director general.

The portfolio included photographs of Russia's royal family, the Romanovs, and early paparazzi shots of Italian actress Sophia Loren.

"Art investment has proven over a century to be reliable, profitable and not volatile. Art indexes have been growing faster and falling slower than stocks in the S&P 500 index in past decades," Alexandrova said, adding that the 2008-09 financial crisis only affected sale volumes, not prices.

Photography was chosen for the fund because it is the fastest-growing segment of the arts market and more accessible to the less well off as most vintage photographs cost hundreds of times less than collectors' paintings, she said.

"Russia holds 20 percent of the world's photo market and is not as developed as the United States and Europe, which leaves a great growth potential in this country," said Serge Plantureaux, one of the experts evaluating the fund's collections.

In 2009, the volume of global photography sales reached 1.5 billion euros (\$2.17 billion), with more than a fifth of that sum coming from auction sales.

Sobranie.PhotoEffect will exist for 15 years, during which time it is expected to show at numerous museums around the world and sell 5 to 10 percent of its stock at auctions every year.

Art-rich Russia has only one other smaller art fund, the 133 million ruble (\$4.7 million) Atlanta Art, which began trading last month.

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