



RISKS OF TAT

Buying art can be costly and risky:

All works of art are insured against the usual risks (all risk insurance) during transport and storage by global insurance companies according to international artwork standards.

1. Basics

The value of the art collection reflects the value of all TheArtTokens (TATs). The art collection is accumulated with the utmost care. The selection of the individual works of art, transportation and storage as well as their insurance are provided by a network of excellent experts specialized in their respective field; and is accompanied and realized by them. Care is taken for a very heterogeneous collection of different artists without special geographic focus at different price levels. In the unlikely event that the TAT may be dissolved and all works of art sold to pay out the TAT holders the following parameters may influence the amount of the proceeds to be achieved.

2. Time

The period of time for selling the entire art collection cannot be defined. The interaction of supply and demand basically considerably influences the time period of the possible divestment.

3. Supply and demand

At the point in time of the potential sale, there may possibly be no demand for certain artworks. In this extreme case, this means that no works of art could be sold. The risk of total loss can therefore not be completely ruled out. But there is the option to transfer the works of art in the amount of the last valuation pro rata to the TAT holders according to a fixed procedure. Additional costs for the handling and any transport and customs costs must be borne by the TAT owner.

4. World economy

Economic, geopolitical, legal, tax and monetary conditions of the entire world economy influence the price.

Art is traded worldwide and is subject to price fluctuations (positive as well as negative). Depending on the supply and demand situation, the point in time chosen for purchasing or selling may be disadvantageous for the buyer. This may result in adverse deviations from expected performance. This would be the case if the works of art were purchased at a higher purchase price and/or sold at a lower selling price.

5. Currency/foreign exchange rate risk

Art is valued and traded worldwide in different currencies. As a result, there is a currency risk of e.g. USD against other currencies. In the case of sales, this risk has the effect that the price of the works of art may rise or fall depending on the exchange rate of USD to other currencies. The price obtained by selling the works of art may therefore be influenced by the exchange rate, depending on the acquirer.

6. Key persons risk

The success of the purchase of the individual works of art/fine art photography essentially depends on the expertise of TheArtToken or individual persons working there as well as the experts and service providers involved. There is a risk of misjudgment of the aforementioned persons as well as the risk of one of these key persons departing, which could negatively affect a possible resale.

For further information please contact TheArtToken via mail: contact@thearttoken.com