HSBC Private Bank

The Art of Preservation
The similarities between art and private markets

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Transcript

Investing in art is investing in private markets. It's a subset of the asset classes available and therefore it shares a lot of the same characteristics.

It can provide diversification benefits and therefore diversified returns across a portfolio. It can also help to establish a legacy, and importantly, people invest in art because it's a very personal investment. It can be driven by a passion theme or even the social impact of that artist.

When investing in a piece of art or investing in a private business, typically you are buying into a story. You're buying into the story of the artist and what has driven them to create this piece.

And often the investor when it comes to private market investing sees this as more than a financial investment.

They can often see it as a quasi strategic one where they can, if they've been successful in a particular sector, they can use that knowledge to help to drive that business further.

So a lot of the time these families that are investing are doing, because they have a passion, they have an interest.

And I think when it comes to looking at art collections as well, you tend to notice that there's some similarities across a collection that a family may have built up because of that knowledge base and that interest in a particular style.