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**Worldwide first ART PHOTOGRAPHY FUND bears up against difficult market environment and gains + 6% since its launch in March 2008**

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Vienna / George Town – The world's first art photography open fund, the ART PHOTOGRAPHY FUND SPC, has successfully demonstrated its ability to earn money amidst turmoil in financial markets.

The fund, which started trading in Mid-March this year, was up 6.1% by the end of July, keeping its performance in line with expected annual return. "We expect an annual increase of 10-15%," said fund co-director and advisor Alexander Spuller. The majority of the investments are vintage prints of classic modern art photographs, with a broad diversification across artists and eras. The fund portfolio contains primarily works of renowned photographers, such as Man Ray, Henri Cartier-Bresson and Ansel Adams, but also includes pieces from emerging artists. "The international art photography market is an upcoming new investment possibility. Compared with the traditional fine arts, photography is still at the beginning," claims Johannes Faber, art dealer and advisor to the Art Photography Fund.

The fund has no classical benchmark, but there is an art photography index known as the Comparative Auction Index published by "Photograph Collector" magazine. That index indicates the potential of a market that has experienced an annual growth rate of more than 14% since 1976! Friedrich Kiradi, one of three directors of the Fund, a managing partner at Merit, and an Austrian alternative investment specialist is optimistic about the fund's potential to attract interest: "Our investors are primarily large institutions such as insurance companies, pension funds, and banks. The product is especially attractive for private bankers who make it a part of their clients' asset allocation." Indeed, one of the fund's unique features is a service that allows investors to borrow works from the fund's stock to display them in their offices. According to Kiradi, "This unique feature has attracted quite some interest, since clients can also enjoy an emotional yield by surrounding themselves with world-class pieces of art!"

**Investing in "Blue Chip" photography**

The investment policy of the fund is to achieve capital gains by investing in high quality art photography - the "Picassos", "Monets" and "Cezannes" of the photographic world - with an emphasis on the classic modern period. Up to 75% of the company's assets are invested in recognized classic modern photography and up to 25% is reserved for modern art and/or other funds (art funds, hedge funds, etc.). Up to 25% of the net asset value of the company is kept in cash or money market funds in order to provide flexibility for buying opportunities.

Investors can subscribe and redeem every calendar quarter. The minimum investment is EUR 70,000. MERIT Alternative Investments GmbH, a part of the MERIT Group, acts as investment manager, the fund's administrator as well as the banker, UBS, are based in Zurich. All works are fully insured and securely stored in bank safes.

The fund's directors are:

**Johannes Faber**

Johannes Faber was born 1952 in Vienna. Mr. Faber worked as a Freelance photographer before founding a gallery in 1983 for contemporary photography, the Galerie Johannes Faber. Since 1994, it has specialized in classic modern photography. Johannes Faber also works as an appraiser and curator of art photography. Since 1995, the gallery has participated in leading art fairs throughout Europe and the U.S.A. The gallery is a member of AIPAD (Association of International Photography Art Dealers) and of the Association of Austrian Art Galleries, where Mr Faber served as a member of Board and its CEO between 2004 and 2006. Web: [www.jmcfaber.at](http://www.jmcfaber.at)

**Alexander Spuller**

Alexander Spuller is Junior Director of the Gallery Johannes Faber. Mr. Spuller began collecting photography in 1998 and began specializing in collecting works of the classic modern period in 1999. Born in Vienna, he completed a civil engineering degree before going to work for his family's construction business. Under his management, the company grew to complete projects from the Czech Republic to Vietnam. Mr. Spuller, now 38, joined Johannes Faber in 2005.

Web: [www.artphotographyfund.com](http://www.artphotographyfund.com)

**Friedrich Kiradi**

Friedrich Kiradi is one of the managing partners of the Merit Group. Mr. Kiradi, born in 1964 in Vienna, studied economics and business administration at the Vienna University of Economics before going on to work from 1988 to 1995 in the field of commodity brokerage and consulting. In 1995, he founded Merit Alternative Investments GmbH, a specialized asset management company. Since 2000, Mr. Kiradi has lectured at several universities and training centres. Between 2003 and 2007, he also served as the executive chairperson of the Alternative Investments Forum Austria (AIFA), a lobbying platform for the hedge fund industry in Austria. Web: [www.meritgroup.at](http://www.meritgroup.at)

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