

Cost-Effective Fund Administration
for Every Fund Stage

AFO
Fund Administration

SIGN UP FOR
FINalternatives
Daily Newsletter

FINalternatives
HEDGE FUND & PRIVATE EQUITY NEWS

Tuesday, 7 October 2014
Last updated 3 min ago



Send us News Tips!

THE ALPHA PAGES

REAL TALK ON
ALTERNATIVE INVESTMENTS,
BUSINESS & FINANCE

Homepage | About Us | Directory | Events | Jobs | Advertise | FUTURES | HARD ASSETS | Videos | search
Hedge Funds | Private Equity | Liquid Alts. | People Moves | Regulation | Halls of Justice | Institutional | Tech & Services | Indices | In Depth | Contributors | Lifestyle

MacDonald-Korth Offers Insights Into Paintings Bought, Sold By Hedgies

Oct 7 2014 | 9:26am ET

Definitive and complete ratings require an in-person examination of an artwork, so expert **Emily MacDonald-Korth** could not rate these paintings, all of which have been either bought or sold for fabulous sums by hedge fund managers in recent years. She was, however, willing to offer insight into the works, their materials, and similar works that will inform people as to their stability.

Édouard Manet, *Self-Portrait with a Palette*, c. 1878-79, oil on canvas

Sold by 72Point Asset Management (formerly SAC Capital Advisors) chief Stephen A. Cohen at auction in June 2010 for \$33.2 million.

MacDonald Korth says: Impressionists, such as Manet, painted in an exciting time; during this period the range of paint colors grew wide. Their palette included brighter colors, and while those colors were brilliant when new, some have a tendency to fade. Thick applications of paint—called impasto—bring with them texture and a dynamic feel, but also contribute to stability issues. Thickly applied oil paint has a tendency to crack—particularly if the paint is applied over canvas. The canvas and paint react differently to changes in relative humidity and temperature, causing strain between and within the layers, eventually leading to cracking and flaking.

Information about the condition of Édouard Manet, *Self-Portrait with a Palette*, notes the painting was treated by conservators, at least once, and I suspect multiple times in its ~130-year life—this is normal for a painting of this age and prominence. It has cracks, retouching, and it has been lined—meaning a new canvas was applied to the back of the original canvas. This could have been the work of restorers or even the artist himself as Manet was known to sometimes line his own canvases. Another important point to make is: most Impressionist paintings were supposed to remain unvarnished—Pissarro even wrote on the back of one of his paintings “please do not varnish.” Most Impressionist paintings have been varnished by galleries and museums and it has caused the distortion of texture and color, and removal of these varnishes requires very refined cleaning methods. Without seeing the painting, I cannot give my opinion regarding the quality of restoration.



Emily MacDonald-Korth

- E-mail This
- Print This
- Order Reprints
- Twitter
- LinkedIn
- Facebook.
- SHARE



FINalternatives Trending

Griffins Trade Accusations In Divorce
Hedge Fund Madam Gets Two Years For Drug-Dealing
Ex-IKOS Exec. Hit With Huge Legal Bill
Largest Macro Hedge Fund Up 4.4% In September
Ex-Hedgies Indicted For \$34M Fraud

Videos

Mike McKitish Of Peddie School's Endowment Encourages Managers To Discuss Weaknesses

Sep 22 2014 | 4:15pm ET

“I tell people that everybody likes good news and so if you have good performance that’s wonderful,” explains Mike McKitish of Peddie School’s endowment, “but it’s the people that want to talk about the bad news or where they drifted and how they came back and how they stayed to their discipline...” that he wants to hear from. [Read more...](#)



Hard Assets Trending

Top 10 energy gluttons in the world
As the gold community sleeps a giant awakens
Bitcoin price swoon illustrates volatile, illiquid nature of trading market
Top 20 largest gold reserves by country (2014 Edition)
Gold prices in India remain stable

But, even with the information I listed above, I think this Manet has a good projected stability when exhibited and stored in a museum climate. It is old enough to have stood the test of time thus far, the painting was likely cared for by professional conservators, and the care and treatment of Manet's paintings are well understood in the preservation community. The painting is 130+ years old and, though it will continue to change throughout its lifetime, the major changes have already occurred. The first century of a painting is the most critical to its lifespan.

Martin Kippenberger, *Painting of two men walking arm-in-arm down a street*, 1981, acrylic on canvas

Sold at auction in May 2014 for \$5.5 million by Exis Capital Management founder Adam Sender.

MacDonald-Korth says: The Kippenberger painting is a great example of how little dealers and buyers know about artwork on the market—works that cost millions of dollars. It appears this painting has never been properly documented. I have found the painting listed under multiple titles, multiple dates and as both acrylic on canvas and oil on canvas.

Because acrylic was most recently listed as the medium during the Sotheby's sale, I will discuss based on that supposition, though I would never give a rating without having much more information. This painting has some known damage to the paint layer—a scratch, and an area of paint loss (where paint separated from the canvas for unknown reasons—could have been an accidental scrape, or it could be flaking). A conservator treated the scratch, and without looking, I cannot gauge the quality of conservation, but I assume that for a painting as exclusive as this, a qualified and professionally-trained art conservator was hired—this really should be true for all works of art regardless of their price, but that is another conversation.

Acrylic paint has a number of potential and predictable stability issues. Acrylic paint is made up of many different components, and over time some of these components begin to come back out of the paint layer and sit on the surface of the painting. Conservation can generally remedy these effects, but it does require treatment nonetheless. Acrylics often remain flexible over time, unlike harder oil paint layers, and this helps reduce cracking during relative humidity and temperature fluctuations that cause dimensional changes in the canvas. The paint also remains soft over time, which can make it vulnerable to scratches. Acrylic paint can be a good and stable choice so long as a high-quality brand is used such as Golden Artists Colors—there are generally fewer problems with artist-grade paints than lower quality, less expensive paints. However, artists commonly use a variety of paint brands within one painting—each type of paint has its own issues—and additives the artist might use to make the paint a more desirable consistency also add to the complexity of stability.

Kippenberger is widely known to have worked in many types of media, using all sorts of materials, so it is not possible for me to give an accurate opinion without carrying out more research.

Futures Trending

10 top global commodity trading firms: Smart money or bad boys?

8 reasons crude oil has fallen

Top 10 trading movies

7 best currencies for long term investors

Top 15 trading movies: 2013 edition

FINalternatives Most Popular

Blackstone Hires First Traders For Huge Concentrated Stock Fund

Ex-Harvard Endowment Bosses Make \$1 Billion In A Day With Biotech Bet

Third Point Re Shares Swooning

Rosenstein Buys \$147M Hamptons Estate

Tudor To Shut Quantitative Tensor Fund

Editor's Note



Must Attend Hedge Fund Charity Events For October

Sep 30 2014 | 9:29am ET

The crisp Autumnal days of October are upon us, and so are a few of the hedge fund industry's favorite charitable events. If you have never been to Rocktoberfest, well, you are missing out. And for a quieter evening of sipping and socializing, stop by HFC's Wine Soiree. [Read more...](#)



Upcoming Events

Hedge Fund Rocktoberfest - Chicago

HFA: Alternative Investing In An Era of Record Corporate Profits - Chicago

HFC Asia Inaugural Event - Hong Kong

Hedge Fund Rocktoberfest - New York

Sohn Canada Conference - Toronto

THE 5TH ANNUAL
**PRIVATE EQUITY TAX,
OPERATIONS AND
COMPLIANCE FORUM**
NOVEMBER 13-14
NEW YORK, NY
CODE FMP107 FOR 10% DISCOUNT

Jasper Johns, *False Start*, 1959

Purchased for \$80 million in a private sale in 2006 by Citadel Investment Group founder Ken Griffin and his wife Anne.

MacDonald-Korth says: Jasper Johns is perhaps the most famous of modern and contemporary artists to have used encaustic paint—paint made of wax. Johns is sometimes credited for reviving the ancient technique during the mid-1950s, and continues to use encaustic today. Johns is also one of the most expensive living artists, consistently ranking in the Top 3. Wax has a desirable appearance though it also has a surface that is susceptible to damage. I am not familiar with the construction of *False Start*, but much of Johns work is made using a collage technique—he dips paper or cloth into wax and applies them to a surface while molten.

Other techniques include sand in paint, and plaster casts —Johns does not adhere to one technique, and this inhibits my ability to give an opinion about *False Start* without examining the work. Many of Johns pieces have had serious stability issues due to the use of unstable and delicate materials, complexity in the artwork's construction and sometimes the sheer weight of the object. Conservation treatments can be very involved, hence very expensive. Buyers of Johns need to understand the risks and be willing to pay conservators to care for the piece.

- [Thinking Of Investing In Art? Q&A with Emily MacDonald Korth](#)

[< Previous Article](#)

[Next Article >](#)

More News

Mount Lucas Launches Global Macro Quant Fund With \$50M

[MacDonald-Korth Offers Insights Into Paintings Bought, Sold By Hedgies](#)

[Thinking Of Investing In Art?](#)

[Citadel Adds 4.4% In September](#)

[Hedge Fund Kerrisdale Shorts Globalstar](#)

[Hedge Funds Shed 1.48% In September](#)

[ACE IT Launches Cyber Security Website For Hedge Funds](#)

[An Open Letter To The SEC From The Hedge Fund Association](#)

[Avenue Capital Adds Pair To Asia Strategy Team](#)

[Electra Shareholders Reject Activist's Resolutions](#)

[Hedge Funds Trail S&P 500 In Q3](#)

[Griffins Trade Accusations In Divorce](#)

[Ex-IKOS Exec. Hit With Huge Legal Bill](#)

[Pacific Island Nation Wins Round Against Hedge Fund](#)

[Other Pensions Eye CalPERS Hedge Fund Investments](#)

In Depth



[Thinking Of Investing In Art?](#)

Oct 7 2014 | 9:18am ET

Lifestyle



[Griffins Trade Accusations In Divorce](#)

Guest Contributor

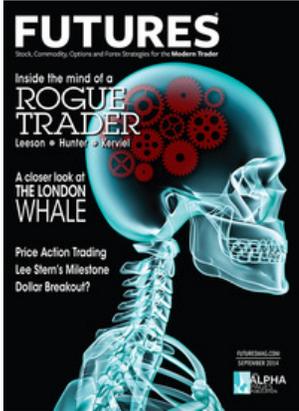


[An Open Letter To The SEC From The Hedge Fund Association](#)

If you pay \$86.9 million for a work of art (as did someone for Mark Rothko's 1961...

Oct 6 2014 | 12:10pm ET
Citadel Investment Group founder Kenneth Griffin effectively paid his estranged...

Oct 7 2014 | 6:36am ET
The Hedge Fund Association, an international not-for-profit trade organization,...



FUTURES MAGAZINE

High frequency market making

High frequency trading is not evil, it is not a conspiracy and it really is not new; it is the natural evolution of the professional trading community making markets, providing liquidity and hopefully...

- Read current issue >>
- View past issues >>
- Subscribe to the magazine >>



THE ALPHA PAGES

The Alpha Pages Interview: Senator Rand Paul

Senator Paul sat down in the debut series of the Alpha Pages Interview to discuss the broken tax code, regulation surrounding Bitcoin, and his plans for the 2016 Presidential election.

- Read current issue >>
- Subscribe to the magazine >>



- SUBSCRIBE
- FOLLOW
- MAGAZINE