

INVESTING IN PHOTOGRAPHY



BONHAMS

BY TAN ZHAI YUN

Photography as an art form has grown in popularity among collectors and investors. Established investors now include such works in their art collections while novice collectors see it as an entry point into art investment.

Galleries and auction houses such as Sotheby's are increasingly exhibiting photographic works in the light of the demand. And the values of these works have been rising steadily.

In 2011, the record for the most expensive photograph was broken twice in a space of six months. *Untitled \$96*, a self-portrait by American photographer Cindy Sherman, sold for US\$3,890,500 at a Christie's auction. Then, German photographer Andreas Gursky's *Rhein II*, which is an altered photograph of the German river, surpassed that by fetching US\$4,338,500, also at a Christie's auction. That record was bro-

ken in 2014 by Peter Lik's *Phantom* — a photograph of the Antelope Canyon in Arizona, the US — which sold for US\$6.5 million.

Art fairs that only exhibit photographs are increasingly common. They include Photofairs in Shanghai and San Francisco, Photo17 in Singapore, the F11 Photo Museum in Hong Kong and Taiwan's 1839 Contemporary Gallery.

"We believe that photography is the medium of our generation. It is the way we consume information. It is part of everyone's life and I think it is important to show where photography has come from and to acknowledge where it is going as well as provide education to show the different techniques," says Photofairs group fair director Georgia Griffiths.

"We believe in the medium and potential for growth. It is definitely still a developing market in Asia-Pacific, which is very exciting for us to be a part of.

"I think there is still a huge amount of potential in Asia because there is a lot of un-



WEI-LING GALLERY

tapped communities and regions that have not yet looked into buying photography. We are in the region because there is a lot of potential for galleries to meet new clients and for clients to develop into serious collectors.”

Collecting photography may be a form of diversification for experienced art collectors as well as a foray into contemporary art. After all, according to a September report by UK private bank Coutts, the prices of paintings by Old Masters and 19th century artists had fallen by more than 40% since 2005 while the prices of post-war and contemporary art had risen by more than 60%.

“We have very established collectors coming to the fair. For example, this year, we did an exhibition on collecting photography that brought together four major contemporary

sell in Malaysia and requires — as with all collecting — aesthetic appreciation and technical knowledge,” says Ganendra.

The pricing for photography is relatively reasonable and may be ideal for both new and established collectors, she adds. Some of the photographic works her gallery has exhibited include *Tin Mine Landscapes* by Eric Peris, *Seascapes* by Eiffel Chong, the *Living Series* by Sujeeva Kumara and some works by Minstrel Kuik.

WHY INVEST IN PHOTOGRAPHY?

Photography has been touted as an affordable art investment because of the relatively lower prices compared with traditional artworks. That is because photographs can be reproduced and multiple copies may be available in the market.

According to Photofairs, the photographic



SHALINI GANENDRA FINE ART

art collectors — Adrian Cheng of the K11 Art Foundation, Thomas Shao of the Modern Media Group, Jenny Wang of the Fosun Foundation and David Chau of the Cc Foundation. They mostly buy paintings, but they also purchase photographs and videos. We really wanted to show people that they could buy photography and be serious collectors and have really interesting and diverse collections,” says Griffiths.

The most expensive photograph sold at its fair this year was by Japanese artist Masahisa Fukase, which sold for US\$800,000. The price range of the works exhibited by the galleries at the fair was between US\$2,000 and US\$200,000.

“If you go to any fair, whether it is Frieze or Art Basel, you will see a significant amount of photography. So, it is not separate from the contemporary art market,” says Griffiths.

“It has been an exciting four years for us at Photofairs because we have really seen a change in engagement. Each year, it grows more.

“There has been a shift in buying patterns since we first started. People tended to buy a lot of fashion photography, a lot of big names. But in the last four years, people have become a bit more ambitious in terms of what they are buying.

“They are buying new young artists, larger pieces and more ambitious works. People are buying more conceptual work. They are buying a lot more contemporary pieces, not just historical ones.”

This trend of collecting photography has already arrived on our shores. Shalini Ganendra, owner of Shalini Ganendra Fine Art gallery, says collecting photography has been around for decades, but it has become more popular in recent years.

“As a recent appointee to one of Tate Gallery’s [in the UK] acquisitions committees, I can say that leading institutions such as museums are looking at photography, with dedicated curatorial and technical expertise. Collecting photography has been in fashion for decades and more recently, the inclusion of photographs into general collections or as a focus area in Malaysia. Photography is a hard

works of a young artist tend to fetch between US\$1,500 and US\$5,000. “It offers a very interesting entry point for young collectors and buyers because there are lower price points for younger artists. So, you get great prices. It is a great way for new collectors or buyers to enter the scene and build their interest and profile,” says Griffiths.

However, there are people who are wary of collecting photography. Some question whether photography can be considered art while others have misgivings about the value of these collections as photographs can be easily reproduced. Also, anyone can take a photograph nowadays, so how does one identify a truly valuable photograph?

Paul Gadd, founder of photography studio and gallery The Print Room in Kuala Lumpur, says this is the reason photographic works have been overlooked and photographers are doing their best to change this perception.

“Photography is a medium that has always been undervalued, primarily because the images can be replicated. Art lovers and buyers want pieces that are supposedly unique. Some photographers try to capitalise on this desire for rarity by doing only one print of their image and then destroying the negative. Yet, once an artist has become famous, people are more open to buying editions of the original print,” he says.

“I think people should stop categorising art — people tend to think in genres such as sculptures, paintings, installations and photography. They arrange these genres in a hierarchy, with some floating to the top and others dismissed out of hand.”

Photography has always been a collectable art, especially in the West where photographic societies originated and people understand the difference between signed or limited edition photographs and mass-produced ones, says Gadd.

This is a point that Lim Wei-Ling, founder of the Wei-Ling Gallery in Kuala Lumpur, agrees with. The art collecting community is still young in Southeast Asia, so the appreciation for photographic works as a medium is less mature.

Lim says photography should not be seen as something separate from traditional art forms.



SAM FONG/THE EDGE



Photography is something you can discuss.
> Peris



Instead, collectors should look at photographic works just as how they would evaluate other artworks such as paintings.

Some artists dabble in photography and many works exhibited in galleries may not have been produced solely with a camera. Some are collages of photographs while others are photographs that have been painted on, for instance.

“As a gallery owner, my interest is always in the artist, who has done a project or created an artwork that has an interesting concept, or a project that documents a place in time that is no longer here. My interest is not necessarily in photography, but in presenting artists who work on such projects,” says Lim.

She has exhibited photography in her gallery many times. An example is the work of Diana Lui, whose photographs include one that depicts ordinary people wearing exotic costumes in a natural setting.

“I think her first work went for about RM20,000 and the first edition went as high as RM50,000 or RM60,000. It is not a normal photo. You wonder about the sitter, where it is taken, whether it is natural — you question, whereas with some of the other photographers, you may not,” says Lim.

Photography may not just be in the form of prints. For instance, Lim recently held an exhibition by Malaysian artist Dr K Azril Ismail called *Thirty Pieces of Silver*. He had used an old technique of printing photographs on metal plates, which was once used by people to put pictures in lockets.

A key difference between photography and other art forms such as paintings is its ability to capture a moment in time. This is a reason photographic works may increase in value over time.

For instance, the *Golden Gate Before the Bridge* — a black-and-white photograph of the site of the famous bridge in San Francisco before it was built — was sold for US\$162,500 at a Bonhams auction in New York last month. It was taken by famous American photographer Ansel Adams, whose most expensive photo is a mural-sized one of Yosemite National Park at the end of a winter storm, which sold for US\$722,500.

This unique quality of photography is a reason people are attracted to the art form. Peris, who holds at least one exhibition every year at Sutra Gallery, says some of his customers reflect this sentiment to him. He once sold a black-and-white photograph of a buffet car in a train, taken back in the days when there was a chef on board.

Clockwise from top left: Golden Gate Before the Bridge; Seascapes; Eric Peris with his train photograph and one of the photographs of the graffiti at Pudu jail

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Hard to determine future value of photographs

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"There is always a *kicap* bottle, a chilli bottle and a pepper bottle on the table next to the window. This is iconic. This is something you would see in the early days. The buyer said this took him back to the days of travelling by train," says Peris.

Photography, he adds, is something you can discuss. "For example, the picture of the train. You can discuss it with many people or tell them this was how you travelled, whereas paintings are abstract."

Peris, who sells his works for RM1,800 to RM2,000 each, says customers have resold his works for a few thousand ringgit more. One work of his, which he had painted over a black-and-white photo of Kyoto, garnered quite a bit of interest because of the nostalgia it evoked.

"My friend said in a note that my hand-coloured work depicting an autumn scene, which was only sold for US\$600 in the 1980s, fetched US\$4,000 in New York the following year. The whole thing was in black and white except the tree, which I had coloured. Maybe it reflected some interest in the buyer, who must have been to Kyoto before," says Peris.

It can be hard to determine just how much a photograph could be worth in the future. Such works could be priceless, especially if the photographer had captured a time or situation that nobody had thought of remembering, says Lim. For instance, Ismail once had a series that examined the walls of the old Pudu jail, which no longer exists.

"Many years ago, he photographed the graffiti inside Pudu jail because a lot of the cells were covered in graffiti drawn by the inmates. Who really cared about the graffiti? No one. But eventually, the prison was demolished. He has 100 to 200 photographs that captured the hopes and fears of those imprisoned. These photographs are priceless because you cannot replicate them," says Lim. "The value of the photographs will definitely increase because they are of something that the artist captured or documented in a time that has gone by. The documentation has become a social anthropological look at how the world has changed and he focused on these people when no one was interested."

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> **Lim**

HOW TO CHOOSE GOOD PHOTOGRAPHS

There are a few things new art collectors should take note of when buying photographs. An often emphasised point is the number of editions that have been printed. Since photographs can be reproduced, it is important to ensure that only a limited number of them have been issued. The larger the number of editions in circulation, the lower the price of the photograph.

"Photography is an edition medium. I get it that it makes people nervous. Any good gallery or serious artist would never run wild with editions because they just become posters; they are not really artworks. So, when people buy photographs, they should look at the edition number. Personally, I think it is better to buy under 10 or 20 in terms of the edition number," says Griffiths.

Unique photographic works — such as those that have been painted on — tend to have higher values since they cannot be replicated. These include photographs on which rare techniques have been used, such as the Ilfochrome print, which could increase the value of the works. Ilfochrome, which is often used for archival prints, is known for its image clarity and colour purity.

"You may have seen a lot of artists disfiguring their work in some way. So, whether they are painting on a photograph or stitching onto it, there are a lot of unique photographic works out there," says Griffiths.

Another way to pick a good photograph is to focus on the artist. If the photograph is an important piece in the artist's or photographer's career, it may have a higher value. The reputation of the artist or photographer is also very important.

"I think it has more to do with the artist than the medium. Chen Wei is a very good example. He has developed as an artist over the last few years and his price points have gone up. He is currently showing with Leo Xu Projects in Shanghai," says Griffiths.

"You can see this also in the works of Irving Penn, which cost about US\$200,000 each. It is very much at the same price point with major paintings and sculptures."

According to Leo Xu Projects, the price of Chen's works has almost doubled since the gallery started working with him six years ago.

Ganendra says hand-printed photos can

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> **Ganendra**

be more valuable than commercially printed ones and photographers who have had international showings and museum collections may be good artists to check out.

According to Sotheby's, well-known photographers have auction records that can be tracked on sites such as Artnet or Artprice. As for newer photographers, collectors can find out if they have won awards or have been featured in exhibitions or magazines.

Collectors should also inquire about the print's history, says Sotheby's. The shorter the time between when it was made and when the photograph was shot, the greater the value of the photograph. It would be helpful if they understand the types of paper and printing processes that go into making the photographs.

Griffiths recommends that photography collectors, especially those in Asia, make sure that the works are not affected by the weather. "Make sure that the work is not exposed to direct sunlight because it can fade. I encourage people to have a conversation with the person who sold you the work. You should have a conversation on how to best look after the piece," she says.

"The important thing with photography is the type of framing and glass that you use, just like with paintings and sculptures. You have to make sure it has the right frame and glass."

If a collector wants to sell a photograph, he can approach galleries, says Griffiths. However, collectors have to bear in mind that selling their works through galleries and auction houses means a certain percentage will be taken as commission, says Gadd.

"However, galleries are the ones that know who to sell the works to and for how much. It is a win-win for everyone — you get your cut and the galleries gets theirs; also, the artist's reputation and the value of his works goes up a notch," he adds.

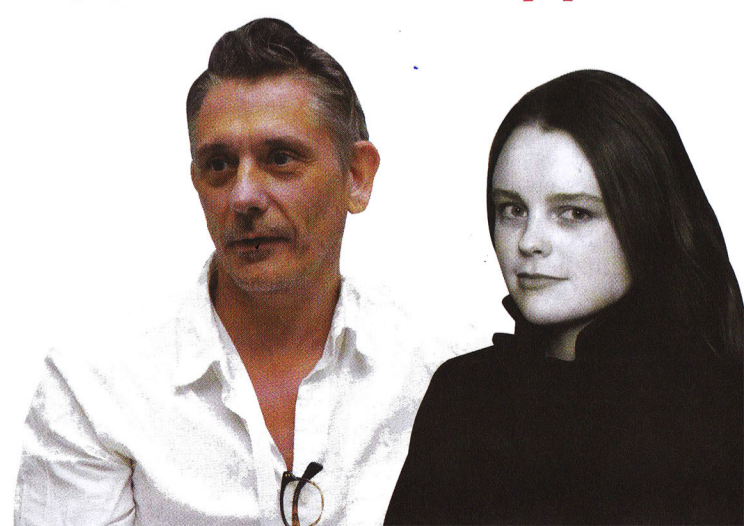
Lim suggests that collectors check out Asian artists such as Azri, Kuik, Yee I-Lann and Sohei Nishino. Griffiths recommends Chen; Birdhead, who is showing with ShangART Gallery in Shanghai, Beijing and Singapore; Fukase, who is showing with see+ gallery in Beijing; and Cao Fei, who is showing with Vitamin Creative Space in Guangzhou. According to ShangART Gallery, the price of Birdhead's works ranges from RMB10,000 to more than RMB1 million, depending on the number of pieces in the collection.

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ent. The bank has put together a set of products and services that reflects people's busy lives, says Fawcett.

"The emerging affluent are working very hard and they may be young working professionals who are getting on with their careers. They want to have the ability to save, but it also has to be at their convenience. That is why we have launched our premium banking service, which creates a value proposition and a journey for these individuals to get their investments and savings on the right track," she adds.

This group is somewhat underserved, says Fawcett. "They do not have enough money to have a dedicated relationship manager, but they know they deserve more. Premium banking gives them access to fully dedicated premium executives who can serve them and help them with their savings and investment needs."

She adds that the whole point of the premium banking approach is not to force customers into certain asset classes, but to offer them a range of more "all-weather" products and services.

"I think you will find that many of the emerging affluent are time-poor. They are looking for something that provides steady savings over time so they don't need to worry too much. They are not the group that trades online all the time. Instead, they want a sensible spread of their assets to give them diversification and better returns than a basic savings account, one that can offer them peace of mind all around."

The new premium banking service offers video and chat banking for clients' convenience. It is aimed at creating a dialogue on how clients can save and invest.

Loo says the premium banking programme is similar to an airline's frequent flyer programme. It provides clients with better services, preferential pricing and greater rewards. "The services include on-call assistance and financial advice from a dedicated team of specialists via a dedicated premium banking hotline, access to specially created market reports via their mobile devices or laptops, as well as total relationship reward points for every credit card

spend, deposit, investment and home loan financing balances maintained with the bank."

Over the past few years, there have been instances of wealth advisers pushing products that reward them with higher commissions. This has raised concerns about whether clients can truly receive objective and independent advice and product recommendations.

Fawcett says the way to determine whether an adviser is well trained and has the client's interests at heart is to ask questions. "[Good advisers] listen to the needs of their clients, understand what they need and then offer a range of options. The job of the investment adviser is to talk the client through the options available.

"So, it is not saying, 'This is the portfolio you should have', but rather, 'Here is a range of investments you can look at.' Talk about the past performance, who the fund managers are and what the likely returns are. It is about setting out the choices.

"Ask the banker questions until you feel comfortable. Ask what the commission is, why he thinks this is the better option and what types of clients have invested in this. Have that conversation."

Fawcett provides an example. "If you look at our strategy as a bank, our whole focus is serving the affluent and emerging affluent clients with a full range of banking products, which StanChart provides directly. However, with our fund options, we have a very wide range of providers from across the world, so we are not pushing our own products. The broader the range of products you have, the better the ability to offer more stuff according to the needs of the clients. On our insurance side, we have selected some of the best providers such as Prudential and Allianz."

Loo says the team of dedicated premium bankers will help to roll this out. "We are very particular about finding out the needs of clients. We have a needs-based questionnaire that helps discover their investment profile. If the adviser takes a lot of time trying to understand your profile, you get a sense that he is there to help you and not push products." **E**

play an even greater role in helping senior citizens better manage their wealth and plan for their future."

In the area of financial technology (fintech), the bank expects to see more cooperation between banks and fintech start-ups, blurring the lines between traditional products (retail, payments and insurance) and the convergence of technologies such as AI and the Internet of Things.

"To expedite this convergence, StanChart opened its innovation lab – the eXellerator – in Singapore last year. Looking at clients'

pain points, the eXellerator uses methodologies such as rapid prototyping and human-centred design to implement solutions that improve the client experience," says Fawcett.

The bank has sponsored the SuperCharger FinTech Accelerator programme since 2015. It has identified promising fintech start-ups with proof-of-concept projects such as robo-advisory solutions for wealth management (Bambu) and regulatory technology that utilises distributed ledger technology (KYC Chain).

SimplyCJ

BY ONG SHI JIE



Attack of the fine print

In April, a video of a United Airlines passenger who had been beaten bloody by security guards for refusing to give up his seat to accommodate some of the airline's employees in an overbooked flight from Chicago to Louisville went viral. The video of Dr David Dao, who had a bloodied mouth and was being dragged up the aisle on his back, created outrage online.

It is unfathomable in this day and age that a company can treat a paying customer like carry-on luggage to make space for its employees. Airlines often overbook flights based on the likelihood that some passengers will not turn up for their flight. However, in the event that everyone shows up, according to its contract of carriage, United Airlines can deny boarding on oversold flights if the passengers do not accept the compensation offered. (Note: The fine print does not say anything about "deplaning" someone after they have boarded though).

This incident is a dramatic reminder of the morally scandalous fine print organisations can hide in, which we as consumers do not find out until it is probably too late. We live in a world of terms and conditions. It is almost a reflex that when we see an asterisk, we immediately check the fine print to see what the catch is. As the saying goes, "What the bold print giveth, the fine print taketh away".

Whether it is using our smartphones, accessing our email accounts, logging into our social media accounts, purchasing an airline ticket, making a banking transaction or even parking our cars, never have we signed or agreed to so many terms and conditions. It is not surprising that people tend to tune out the fine print when they sign that 50-page loan agreement or click "I agree" on that 3,000-word online user agreement.

While it can be quite an effort wading through a swamp of tiny typefaces, it may pay to heed the following when it comes to your finances.

1. YOUR LIABILITY ON UNAUTHORISED CARD TRANSACTIONS

With scams being rampant nowadays, you may wonder just how liable you are if your credit or debit card is used without your knowledge. Most of the terms and conditions governing the use of such cards state that the cardholder is not liable for unauthorised transactions of up to RM250, provided that the cardholder has not been negligent or acted fraudulently.

While most of us understand fraudulent actions, what defines negligence? It mostly covers the safeguarding of your personal identification number. Your PIN is sacred and divulging it to anyone is viewed as being negligent.

Another key determinant of negligence is failing to inform the bank of the loss or unauthorised use of the card. Most banks today send out SMS notifications after a card transaction. If you notice an erroneous transaction and fail to report it as soon as possible, it could work against your favour.

The moral of the story is, keep your PIN safe and make a report or seek clarification with your bank quickly if there are any doubts. Otherwise, you may have

to bear the cost of those unauthorised transactions.

2. DORMANT DEPOSIT ACCOUNTS

Most deposit accounts in Malaysia that have not seen transactions for one year is considered dormant. This means that until the account is reactivated, you will not be able to make deposits or withdrawals such as banking in a cheque, withdrawing cash via an ATM, or transferring or receiving funds online. If your account remains dormant for seven years, any funds in the account will be classified as unclaimed money and transferred to the Registrar of Unclaimed Money.

You can reactivate your account by going to any branch personally with a valid identification document and requesting that your account be activated. So, if you have an account that you have forgotten about and are thinking of emptying it out, a trip to your bank branch is most certainly required.

3. HOW CRITICAL MUST YOUR ILLNESS BE TO BE COVERED?

We commonly hear that we are covered for 36 critical illnesses, including cancer. However, carcinoma in situ is excluded. If this sounds like gobbledygook to you, carcinoma in situ means abnormal cells that have yet to invade the surrounding tissue. This normally tends to be cancer detected in the early stages but has not gone beyond the point of origin.

Unfortunately, cancer in the "in situ" phase still requires surgery or treatment such as radiotherapy or chemotherapy, which most policies do not cover. Some policies do allow claims for early-stage cancer, so please check your policy to understand what you are covered for.

4. BANKS' RIGHT TO SET-OFF

If you hold more than one deposit account with your lender, it usually reserves the right to take money out of your other accounts to cover any late payments. This includes joint accounts. So, both you and your joint account holder should be up to date with your respective loan payments.

5. IF THE FINE PRINT GETS TOO MUCH, DON'T WORRY – YOU HAVE TIME

This is one of the few things in fine print that is in the customer's favour. Sometimes, it takes a bit of time to go through the fine print. So, for unit trust investments, there is a "cooling-off" period of six business days, during which you have the right to cancel your investment and get a refund. However, this is mostly limited to first-time investors with a financial institution, which makes sense as each organisation has its own terms and conditions and this is the first time the investor is going through them. For a life insurance policy, the policyholder is given up to 15 days from the date of delivery to examine the document. **E**

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