

Mei/Moses Art Index Announces Year 2000 Update and new Semi Annual Art Index

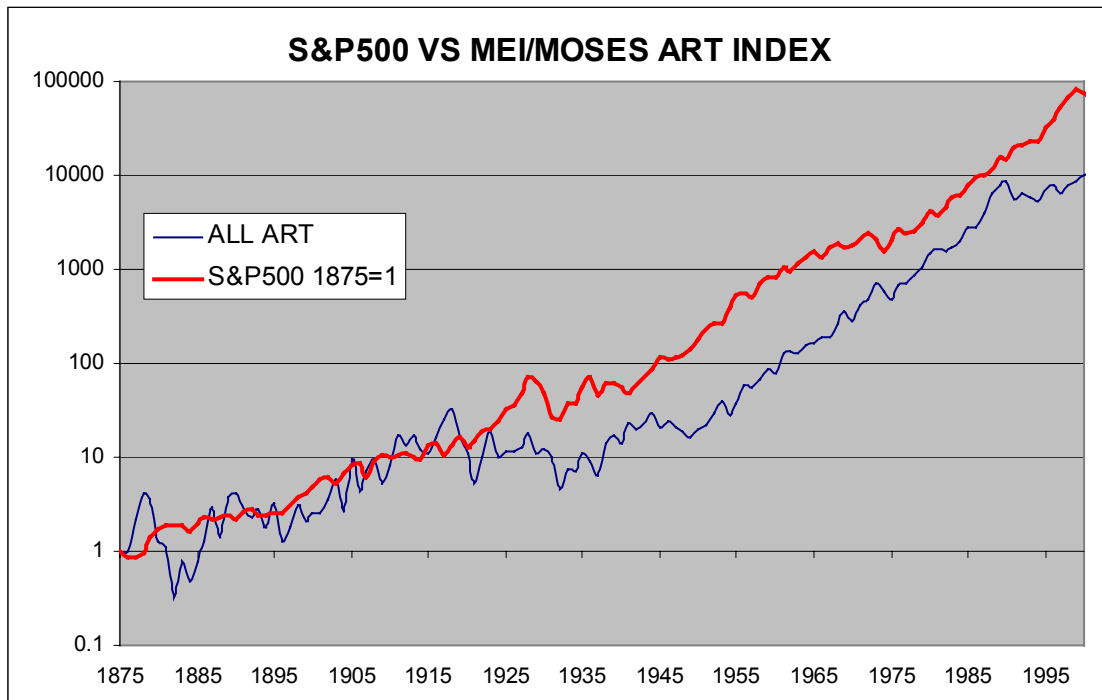
Last spring we introduced a Fine Art Index from 1875 through 1999 based on a proprietary set of repeat sale auction data. We have now updated our information with three additional auction seasons (spring and fall 2000 and spring 2001). Our database now has over 5000 repeat sale pairs. We can now issue our updated index through the year 2000 for our All Art Index as well as those for the specialized collecting categories of American Paintings; Impressionist and Modern Painting; and Old Master and 19th Century Painting. In addition this extra data allows us to publish for the first time anywhere a semi-annual art index. We only have enough observations to allow us to model the period starting with 1960. We also only have sufficient data at this time to create a semi-annual index for our All Art category. We also now make available direct graphical comparisons between our art indices and the S&P 500. All our indices have been recalculated to have a starting value of one and have been changed to correct a compounding error found in the original series.

As in our previous study "Art as an Investment and the Underperformance of Masterpieces" (available from our website www.meimosesfineartindex.org) the All Art Index has an average annual appreciation, which outperforms bonds in the 1875 through 2000 time period. It out paces inflation by 4.9% but under performs the S&P for this period as can be seen on graph one. The year 2000 was a strong year for the art market. The All Art Index rose 16% compared to a loss of 9.1% for the S&P 500.

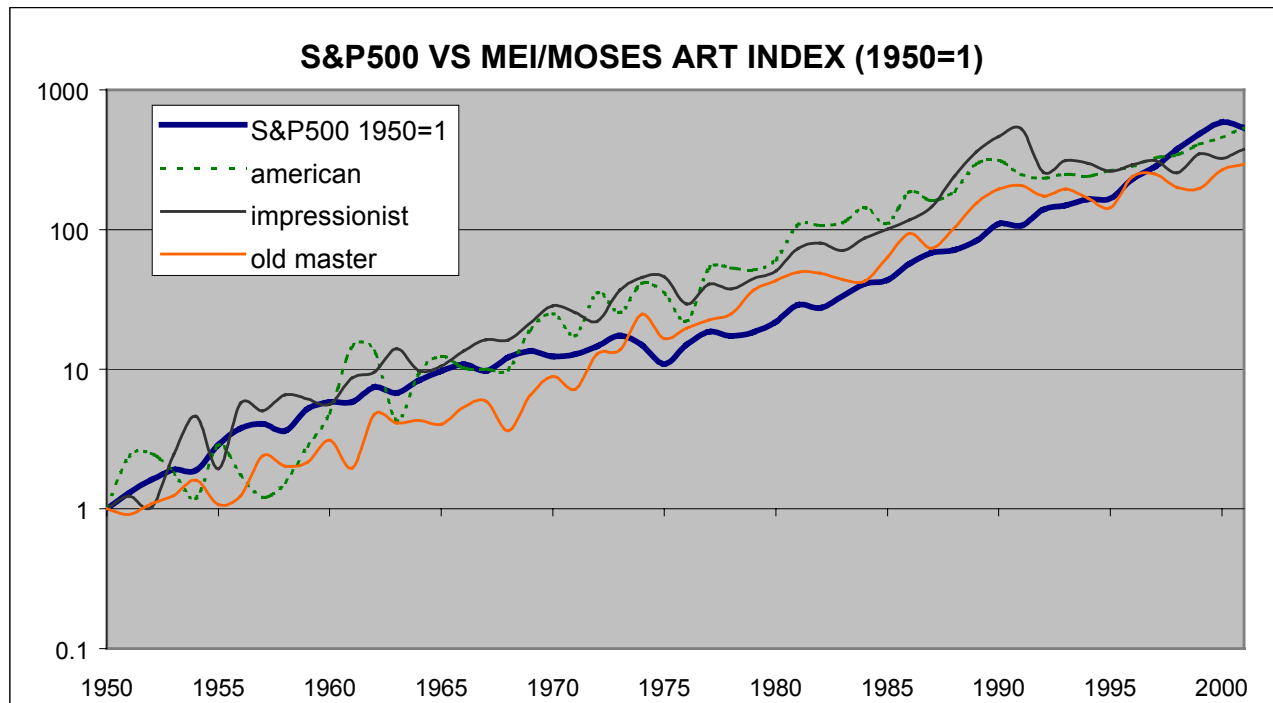
For the more recent time period of 1950 through 2000 and for our three individual collecting categories a slightly different picture arises. For the first time a single collecting category, American Paintings, has slightly outperformed the S&P 500 over the entire time period. Graph two shows this result as well as an even more interesting result that for most of the 2nd half of the 20th century Impressionists and American Paintings have consistently outperformed the S&P500, assuming a base year of 1950.

Graph three illustrates the new semi annual All Art index. Its base year is 1960 and its annual growth rate has been 11.5% until mid year 2001. By comparison the S&P 500 grew at a rate of 11.7% for the same period. It is also interesting to note that as of June 2001 the semi-annual index had still not shown the decline suffered by the S&P 500 over the last two years. Our studies have consistently showed that there is a lag of about a year before the art market turns down after the stock market turns down.

Graph One



Graph Two



Graph Three

