



Artful investment: Warren Joel says superannuation funds are seeking to profit from art. Picture: DARREN TINDALE

Super funds drawn to art

By MARK PHILLIPS

SHARES and property are being joined by fine art and antiques as company and do-it-yourself superannuation funds seek to diversify investment portfolios, according to a leading Melbourne auction house.

Personal and company superannuation funds are now regular participants in the market, said Warren Joel, general manager of Leonard Joel auction house in South Yarra.

He said art and antiques were being viewed as a shrewd investment for super funds that wanted to diversify their portfolio.

Mr Joel has come to this conclusion after going back through his company's books and finding a surprising number of super funds among purchasers in recent years.

"I think you can look at a whole lot of different reasons for that," he said, surrounded by works that will be auctioned at Leonard Joel's rooms in the former Hawksburn Primary School tomorrow.

"Money in the bank isn't worth a lot interest-wise — that's a fair assessment.

"Many people see the stock market as one of their primary investment areas, but I think they're getting nervous and they're starting to look around for alternatives. Art and antiques have the potential to bring in a good return."

While there is no such thing as a totally safe investment, art and antiques — like property — have an intrinsic value which protects them to an extent from the volatile swings of the stock market.

Mr Joel said the key to a worthwhile investment in art or antiques was to avoid fad buying.

"Over a five-year period at the minimum entry level, I would think you could be looking at at least a 10 per cent return per annum," he said.

"If you've bought well, you could be looking at a 25 per cent return."

Mr Joel said company super funds mostly participated at the "high end" of the market where paintings are usually a minimum price of \$25,000 and antique furniture starts at \$10,000.

The work will typically gather value while it is on display in the company boardroom or head office.

However, Mr Joel concedes that one of the pitfalls of investing in fine art is that owners become emotionally attached to a piece and are unable to realise its market value.

"You don't have that problem with a share scrip," he said.

Leonard Joel will hold its winter decorative arts and jewellery auction tomorrow. It is one of four major auctions the 79-year-old business holds each year.

Antiques, jewellery, porcelain and other collectables valued at about \$1.5 million will be auctioned in two sessions starting at 10 am and 7 pm.

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