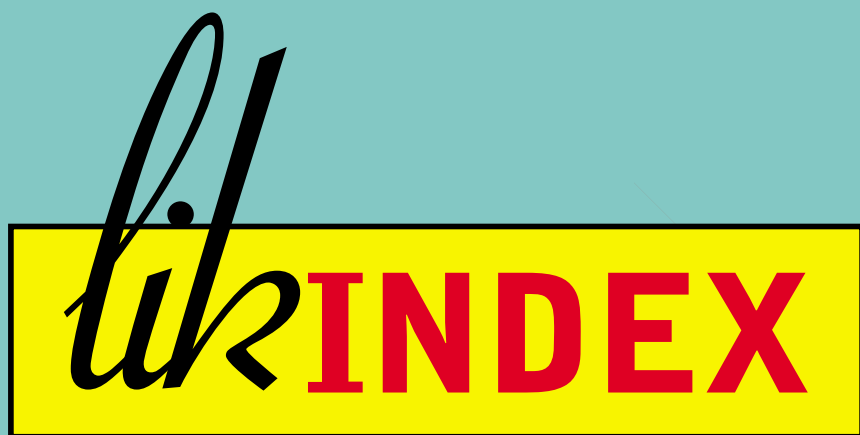


1.0
ABOUT THE LIX INDEX



Lucy Kimbell
December 2000

1 Introduction

This document is aimed at investors, analysts, traders, curators and critics.

1.1 Rationale

The LIX Index is a new index tracking the performance of the artist Lucy Kimbell. Like other indicators, it aggregates a range of data, weighted appropriately based on underlying assumptions, from the following areas of the artist's life: financial, physical, emotional, mental, and spiritual.

It is expected that the LIX will be widely adopted as a way of benchmarking the performance of, and trends in, the artist. It is, of course, an exercise in self-valuation by the artist in a competitive and fragmented marketplace. In creating the LIX, it is also the artist's intention to increase the transparency of her performance and underlying value to the wider market.

It is proposed that the LIX Index will be calculated from January 1, 2001.

Like other indices,

- > the index will be published regularly in an appropriate format, with appropriate graphical representation to show variation of the LIX over time
- > the index will be reviewed regularly to reflect whether the constituent elements are still relevant
- > the index may become a tradeable financial instrument (eg LIX futures for a specific time in the future) thus allowing the market to extract value from its expectations of future performance

1.2 About this document

This document will outline the underlying components, and then the calculation that aggregates them into the LIX Index.

This document will also show some historic fluctuations of the LIX for information only. Investors should note that past performance is not a guide to future performance. The value of the LIX may go up or down.

This document also aims to assist users to understand why components of the index go up or down.

1.3 Statement of principles

The underlying data components have been selected because they are

- > readily available
- > easy to understand
- > (mostly) 100% quantifiable
- > relevant

2 Constituent data in index

This section describes the constituent data components that together make up the LIX Index, divided into their respective groupings.

Most of the indicators are monthly or weekly figures. Some are figures that will be pulled dynamically from appropriate information sources; these are indicated with an asterisk (*).

Some of the data are absolute (a number of events that happen per month or week); some are percentages.

2.1

Financial indicators

- F1 sums available in current and savings account*
- F2 current estimate for value of home based on property market
- F3 factor indicating likelihood of paying of mortgage
- F4 percentage annual increase in value of home
- F5 savings rate (monthly amount saved/monthly income)
- F6 daily charge out rate for work as consultant
- F7 value of existing art works on open market
- F8 amount of art funding awarded per year to the artist, for solo or collaborative work
- F9 factor indicating the likelihood of the artist creating objects that are more easily tradable on the art market place than other things she has made; the likelihood of a commercial gallery taking an interest; and the likelihood of there being a market for this kind of work

2.2

Physical indicators

- P1 body fat percentage
- P1 cholesterol count
- P1 (resting) blood pressure average
- P1 no. of exercise sessions over 30 minutes per week
- P1 no. of units of alcohol per week
- P1 no. of times the artist goes to tai chi classes per month
- P1 no. of miles walked per week

P8 factor indicating how healthy the artist's diet is based on the advice of a qualified nutritionist she consulted in October 2000

2.3 Emotional indicators

E1 no. of social events with close friends or family per month

E2 no. of times the artist bursts into tears per month

E3 no. of evenings spent on own per week

E4 no. of orgasms per month

E5 amount of money spent on non-essential ¹ items per month

E6 no. of gratuitous swear words used per day

2.5 Mental indicators

M1 ratio of art time to day job per week

M1 ratio of creativity and innovation in day job compared with the sum of all activities within day job

M1 no. of cultural objects consumed per week

M1 percentage of waking time spent on own per week

M1 no. of dreams in which the artist dreams she is being hunted and murdered, per year

M1 no. of meals cooked by the artist at home per week

¹ Non-essential implies purchase of clothes, shoes and apparel and home shopping items beyond the normal consumption patterns of the artist.

2.5 Spiritual indicators

M1 no. of times per week the artist thinks outside of her day-to-day preoccupations and considers global and local poverty

M1 no. of public talks or lectures attended per month

M1 percentage of junk TV to worth TV watched per month

S1 no. of hours spent walking but not in too much of a hurry per week

S1 average no. of hours of sunlight in central London per week

S1 ratio of dark clothes to colourful clothes worn per week

S1 no. of times per month the artist feels connected to a wider whole

S1 no. of times per month the artist dreams about moving house

3 Calculation

This section shows the method by which the LIX Index is calculated.

The LIX Index value itself is simply a number that represents an aggregation of all component data within the index at a particular point in time compared to a comparable calculation at a starting point.

In preparing the calculation formula, some attention has been paid to resolving the conflicts between different logical classes. Some indicators are pure indicators and many are indicators that are themselves subtle or more direct influences on performance. Some are factors on which the artist herself has an influence, others are not. There is also the intention of evening out the influence of weekly fluctuations so that dramatic good fortune or good moods one week do not sent the LIX Index to irrationally exuberant heights.

3.1

Calculation formula

$$\Sigma (\text{indicator}_{\eta} * \text{indicator}_{\eta} \text{ weighting})$$

	INDICATOR	WEIGHTING
FIN		
F1	cash avail	0.007
F2	home	0.005
F3	pay off likelihood	0.8
F4	increase in value	1.2
F5	savings rate	0.45
F6	charge out rate	1000
F7	existing work value	10000
F8	funding pa 3000	0.045
PHYS		
P1	diet	200
P2	fat	-2000
P3	chole	-250
P4	bp	-2
P5	exercise	50
P6	alc units	-15
P7	tai chi	70
P8	miles	150
EMO		
E1	social events	50
E2	tears	-70
E3	eves on own	30
E4	orgasms	75
E5	spend	0.25
E6	swear words	0.2
MENTAL		
M1	ratio art/work	300
M2	day job innovation	250
M3	cultural objects	0
M4	time on own	700
M5	dreams	-500
M6	meals at home	40
M7	poverly/global	15
M8	lectures	80
M9	TV junk	200
SPIRIT		
S1	flaneur	120
S2	sunlight	10
S3	ratio of colour	20
S4	connectivity	50
S5	moving dream	-250
LIX current value		2362.1 (as of 15.12.00)

4

Underlying assumptions

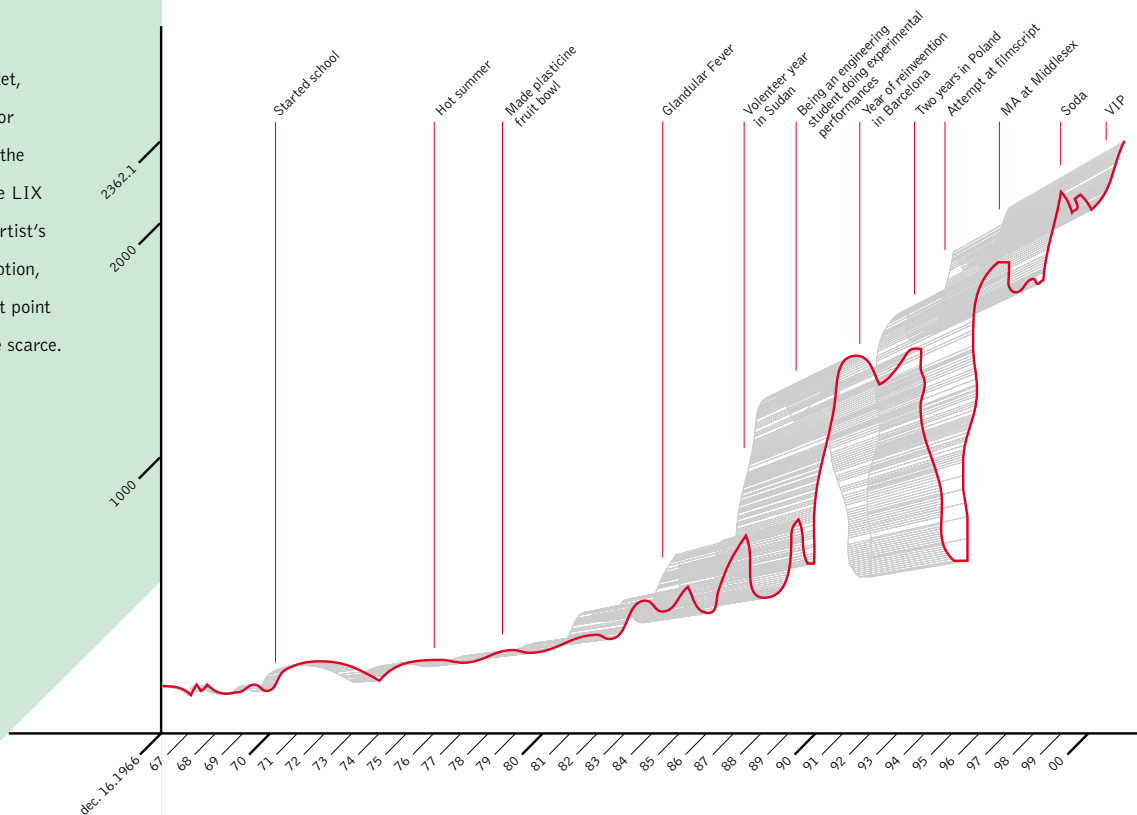
- > The artist is unlikely to make enough money from her art work to make a living.
- > She will continue to have a day job.
- > The day job will be demanding and stimulating, offering plenty of opportunities for innovation and creativity.
- > The artist remains in good health and so do her close friends and family.
- > The artist will continue to seek to balance creativity and intellectual stimulation with her emotional and physical well-being, rather than going off on a bender.
- > There continue to be a range of stimulating and engaging cultural products available to the artist at reasonable market rates including literary, visual, film, music, performance, dance, radio and TV works and forums for critical discussion such as talks at the ICA and the AA.
- > Nothing dreadful happens to the artists' flat.
- > The UK economy will perform as outlined in Chancellor Gordon Brown's 2000 Budget.

5

Historic data for reference

NOTE:

In a rational market, there is no place for speculation about the performance of the LIX Index before the artist's both before conception, and data from that point up to the birth are scarce.



6

Further information and acknowledgements

The LIX Index was developed by Lucy Kimbell as a commission by Film and Video Umbrella (details below), for its Slipstream programme during autumn 2000. Some of the original ideas were developed with R&D funding from London Arts Board. Other projects in Slipstream can be found at xxxxxxxxurl.

Film and Video Umbrella <http://www.fvumbrella.com>

Rugby Chambers, 2 Rugby Street, London, WC1N 3QZ

Telephone 020 7831 7753 E-mail info@fvu.co.uk

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