



The Renaissance of Diamond Investing By Alan Bronstein, Aurora Gems Inc.

Large fine diamonds and fancy color diamonds have long been a financial darling of European and Asian cultures. With the potential of political upheavals, social unrest and inevitable natural disasters, rare diamonds have always been considered a wise investment as a portable store of value. In Middle Eastern society, the sheiks have traditionally sought after large and unusual diamonds as jewelry for their families, not just as adornment but also a form of savings.

Today the concept of diamonds being part of a diversified portfolio is developing strong roots as it





evolves into an international form of cash. The genie is out of the bottle with the launch of two new investment funds targeting diamonds as a long term investment. This according to a recent article on Bloomberg.com:

(<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aKVjxYejpss0>) or (<<http://www.auroragems.com/articles.html>>
See: Diamonds Attract Funds as Largest Gem Prices Surge 76% in Year.

As traditional investments once considered safe havens, like real estate and stock equities, have shown their vulnerability over the last 12 months, diamonds of the greatest rarity (and beauty) have shown amazing resilience in appreciation and demand. Adding to the 5-year spike in diamond value and a solid 25-year track record, values have been fueled by the aspirations of the ultra wealthy in emerging markets of Russia, China and India for tangible luxury assets. Art and jewels have become the passion of these nouveau riche. These collectibles have now established a global clientele, enhancing international liquidity options.

It should not come as a surprise that the world's wealthiest jeweler, billionaire Laurence Graff, has made his fortune selling these jewels over the last 25 years.

And while most people in the loop would endorse rare diamond as an investment vehicle, it is still buyer beware, as there are



many variables and pitfalls to know about before you take the plunge. With that caveat in mind, there are great opportunities for long term value growth in rare diamonds if you follow due diligence.