

## A COLOURFUL FANCY

Ranging in colour from the palest hues through every colour of the spectrum to jet black, these are the so-called "Fancy" diamonds, the rarest and most sought-after of all.

White diamonds are the most popularly known, but Fancy diamonds are the coloured variety, very much rarer and, of course, a lot higher in price. For every 100,000 "white" diamonds only one coloured diamond is found.

No one was surprised recently when a bidder paid 880,000 per carat for an extremely rare reddish-pink diamond at Sotheby's.

Even "white" diamonds vary in colour; the Gemological Institute of America has sixteen classifications of white diamond on its international colour scale. For coloured, or Fancy, diamonds no such classification exists, instead only the intensity of colour is graded, from Faint to Fancy, and even Intense Fancy.



### Unique colours

All diamonds are rare, but each coloured diamond is unique, which makes them an interesting, if somewhat adventurous investment.

The rarest and most valuable are red diamonds, of which there are only two or three in existence. One of these red beauties, estimated to be worth \$50 million, was recently shown to the Japanese public by the Hollywood actress Brooke Shields.

### Good taste

Colours like cognac, cinnamon, champagne, coffee and chocolate are also on the Fancy menu. And even black diamonds, less transparent than their lighter-coloured counterparts, but with great refractive powers nonetheless.

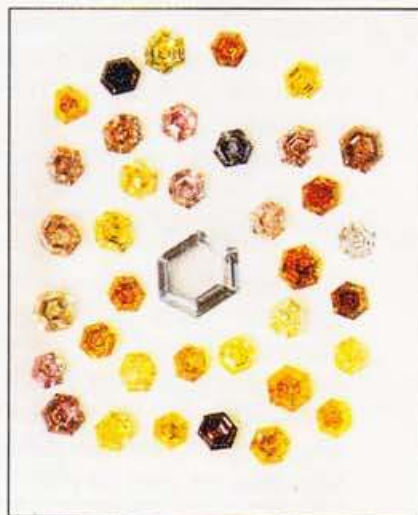
Serious collectors, and of course many investors, value Chameleon diamonds most highly of all. When warmed to between 50 and 100 degrees centigrade these stones turn yellow, slowly turning green when exposed to daylight.

Coloured diamonds come in most sizes, and coloured Fancies lend themselves well to fancy cuts.

### Hard-hearted

Nowadays pink diamonds are in great demand, from palest pink to violet, with orange reflections. Heart-shaped and cut to reflect its full brilliance, what could be a more romantic demonstration of your love? Or a blue or grey diamond to match her eyes?

The fifteenth century King of France, Charles VII, broke the taboo, dating back to St Louis - that women should not wear precious stones - by giving his young mistress, Agnes Sorel, a 5 carat pink diamond.



### Fancy that

How much do you want a special colour, with that particular clarity, to tickle that distinguished fancy? A demonstration of love, the possession of that magical stone you yearn for, but the most convenient of all - it is a Fancy which is an investment that you can both covet and trust!

# INVE\$TMENT INSIGHT

by George Khoury

I hope that you found my first INVESTMENT INSIGHT interesting and informative, and I would like to thank all of you who sent in your positive reactions and ideas for subjects you would like me to cover in further issues of DIAMOND EXCLUSIVE.

As we all know, every new step is difficult, especially the step towards a new investment. And it is a fact that most people know far too little about investing in diamonds. In my previous article I promised to include some figures in this issue to show you that when you have time to spare, this "time" can earn you a handsome sum of money.

The Central Selling Organization (CSO) is controlled by De Beers, the company that handles 90% of all the world's diamond trading in both industrial and cut diamonds. The CSO publishes regular official statistics. Based on these statistics I can give you an example of how you can grow rich in your sleep!

For example, if you had bought US\$1,000 worth of diamonds in 1945, in December 1977 their value would have been US\$6,478. And in 1989 their value would have been around US\$20,000! This shows you what time can earn for you!



Also based on these statistics you can see, that from 1945 until today, diamonds have ignored all crises and crashes and have only risen in price. For those who are interested, these statistics can be sent on request from Blanes & Son.

Now I shall return to a question often asked by our readers: How can I get a true valuation of a diamond?

Firstly, a reliable valuation can only be given if the diamond is accompanied by an official certificate from a laboratory recognized by a Diamond Bourse in Antwerp or New York. Without a recognized certificate you can never tell if your diamond satisfies the information you were given on its purchase.

Secondly, if you are considering

buying a diamond from a jeweller or at an auction you should always ask what the price is for such-and-such a colour, size and quality. Then you will get an idea of the difference between the price you pay a jeweller or at auction and the price you pay if you buy the same type of diamond for investment.

My motto is: buy jewels at a jeweller's, but if you want to invest in diamonds, only buy from an officially recognized dealer who is a member of one of the above-mentioned Diamond Bourses.

A jeweller will always buy your diamond at the lowest possible price and sell it at the highest possible price. You don't need me to tell you that you wouldn't buy Phillip's shares from your local radio shop, but only from a recognized broker! As this article was going to press I read a few very worrying reports about taking risks in the financial market. For instance, the big scandal in Japan concerning the Nikkei, which fell drastically, and the disaster with one of the world's biggest banks, BCCI, where practically all the branches were closed overnight. This emphasises my (other) motto: Always have part of your investments in hard assets, to have and to hold, and if you are thinking about assets, then the "hardest" assets in the world are, of course, diamonds!

## SUN, SEA, SAND AND - A "DIAMOND"

Some lucky holidaymakers on beaches as diverse as Australia, Brazil and Florida have been lucky enough to find what they think are diamonds - only to be disappointed. What they have found are zircons, not diamonds. This silicate mineral however has important scientific ap-



plications. Zircons are the source of zirconium which has been a significant engineering material for nuclear energy. Could that pulsating glow from your local power station have once been the radiating smile of the girl on the beach that you gave your new sparkling find to?

Oh Diamond!

Sir Isaac Newton (1642-1727), the great English scientist who first described the laws of gravity, must have been a patient man. When his little dog knocked over a candle and set fire to his papers he merely reprimanded him with: "Oh Diamond! Diamond! Thou little knowest the mischief done!"

*Those  
little  
gems*

Diamantaire

"A diamantaire, whether from New Delhi or New York, is type cast. And it is a very attractive type. Because he is dealing with something of great value there is an element of the artist in him; he must have the ability to see the inherent beauty in a piece of rough. But there must also be something of the street trader in his nature. If he loses this he will lose everything." Nicholas Oppenheimer

# DIAMONDS NATURE'S MOST PRECIOUS GIFT

Despite diamonds being one of the rarest gemstones, their geological composition is one of the simplest. Diamonds are made up of carbon - like the graphite in pencils.

To say the two are the same however is to say that water is the same as ice.

Thousands of years ago, far below the Earth's crust carbon was transformed into diamonds by the forces of heat and pressure within the cauldron of boiling magma. The volcanic mass in which the crystallization took place was then thrust upwards towards the Earth's surface - settling in the Kimberlite pipes - where most diamonds are mined from today. Not many diamonds survive the



hazardous journey from the Earth's core to the surface - hence contributing to their rarity.

To produce a one-carat diamond of gemquality approximately 250 tons of ore must be mined from the Kimberlite pipes. Amazingly it has been estimated that throughout the history of diamond mining, going back over two thousand years to the Indian Subcontinent, as little as 350 tons of diamonds have been extracted.

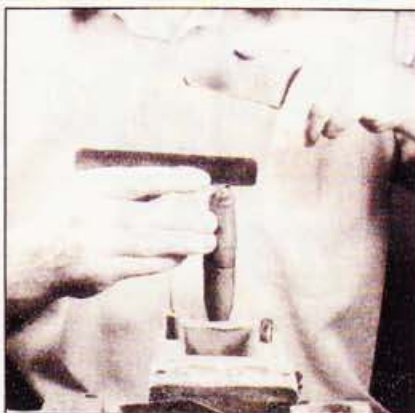
To mine one and a half carats (or 300 milligrams) of gem quality diamonds takes on average the removal of as much ore that is equivalent to all the known quantities of diamonds ever mined!

A rough diamond is dull looking, and bears little resemblance to a cut and polished stone. A succession of different processes must be undertaken to turn it into a sparkling gem.



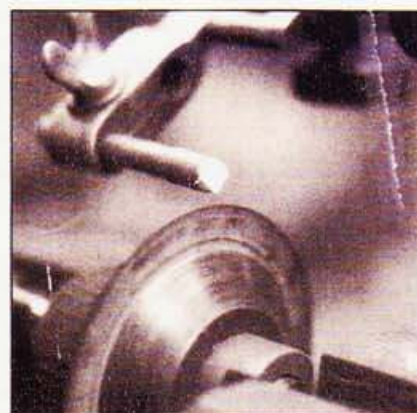
#### MARKING

No two diamonds are the same. Each stone must be studied in detail to determine the best way to work with it, ensuring the smallest loss of weight and the greatest clarity.



#### CLEAVING

Cleaving is the process where a stone is split into two or more pieces. Another diamond is used to make a groove and then a sharp blow with a mallet is used to split the stone.



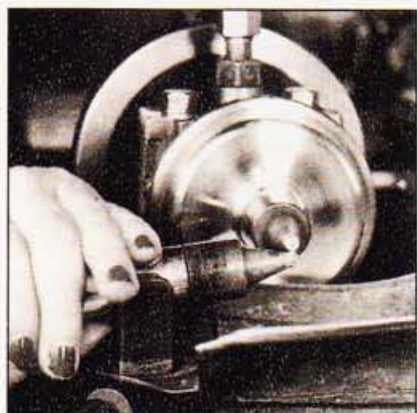
#### SAWING

The cleaved diamond is set against a high-speed vertical 15,000 rpm blade and sawn very slowly. The thin saw is made of phosphor bronze coated in diamond dust and oil.

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DIAMOND EXCLUSIVE

# From rough to smooth...



#### GIRDLING

Girdling is the rounding of the base of the cleaved stone so that it has the rough form of a polished diamond. This is done with a lathe coated in diamond dust.



#### FACETING

Finally the diamond is faceted on a polishing wheel. The consists of a circular, cast-iron wheel which is coated with diamond dust. On the crown (the part above the girdle which is the plane with the greatest diameter) and on the pavilion (the section under the girdle) four facets are made. This process is repeated on the ribs of the other facets by re-setting the dop.



#### BRILLIANT

In total a brilliant diamond has 57 facets: the table (the large central facet), 32 facets on the crown, and 24 facets on the pavilion. This is the process through which a rough diamond becomes a smooth, glittering brilliant.