

WE LOVE DIAMONDS

LOOSE CUT INVESTMENT DIAMOND GUIDE

What to consider when buying loose cut investment diamonds

EXCLUSIVELY FROM WE LOVE DIAMONDS

NAJ GIA





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WHY BUY LOOSE CUT DIAMONDS AS AN INVESTMENT?

There are many pragmatic and smart reasons why people buy loose cut diamonds as an investment (assuming they're the right diamonds and GIA Graded as all of our diamonds are).

PERHAPS YOU WANT A SMALL, PORTABLE AND EASILY TRANSPORTABLE CURRENCY THAT'S A LOT SAFER AND EASIER TO HOLD/STORE/PROTECT THAN OTHER COMPARABLE COMMODITIES LIKE GOLD OR EVEN CASH? MAYBE YOU NEED AN INVESTMENT WHICH YOU CAN IMMEDIATELY LIQUIDATE VALUE FROM ANYWHERE IN THE WORLD (AND DO SO MUCH MORE EASILY COMPARED TO AN INVESTMENT LIKE PROPERTY)? MAYBE YOU'RE ALREADY BLENDED IN YOUR APPROACH OR SIMPLY LOOKING TO DIVERSIFY YOUR INVESTMENT PORTFOLIO FROM MORE INTANGIBLE AND VOLATILE PRODUCTS LIKE STOCKS AND SHARES INTO PHYSICAL, APPRECIATING ASSETS WITH A VERY LOW-RISK INVESTMENT PROFILE? THESE ARE JUST A FEW OF THE MANY REASONS WHY HIGH QUALITY LOOSE CUT DIAMONDS MAKE A COMPELLING INVESTMENT.

WHY ARE LOOSE CUT DIAMONDS A VERY ASTUTE INVESTMENT?

Diamonds have always been an astute investment choice. These are just a few of the many benefits of buying loose cut stones as an investment in you and your families financial future:



Diamonds are virtually indestructible and practically maintenance free (and especially so compared to alternative investments like real estate). Diamonds can literally be held in your hand. Unlike intangible investments like stocks and shares (and even crypto-currency), they are tangible, physical assets that really are forever.



IT'S TRUE THAT DIAMONDS GENERALLY DON'T OFFER THE SAME KIND OF RAPID AND IMMEDIATE VALUE GROWTH AS A POTENTIAL HIGHGAIN STOCK INVESTMENT BUT YOU'D BE COMPARING APPLES WITH ORANGES BY EVEN DOING SO AS LOOSE CUT DIAMONDS DON'T HAVE THE SAME KIND OF RISK POTENTIAL. SLOW AND STEADY WINS THE RACE IN A DIVERSIFIED PORTFOLIO. DIAMONDS LACK OF VOLATILITY AND RISK MAKE THEM A VERY ATTRACTIVE "SAFE HAVEN" PROPOSITION.



Diamonds have consistently increased in value by 3% to 5% annually for the last decade despite various issues in the global economy. Back in 1960, the average price of a 1.0 carat diamond was about US \$2,700. By 2015 that figure had increased more than tenfold to an average price per carat of around US \$29,650. Diamond prices per carat continue to show an ever-increasing upward trend and this is very unlikely to change. Global diamond reserves are being depleted parallel to big increases in global demand creating a major shortfall in supply versus diamond demand. De Beers have controlled a huge portion of the global diamond market since 1888 and recently stated that diamond supply has already peaked. They claim there's just 20 to 50 years of stable supply remaining unless major new diamond mines are discovered.



Consequently, it's highly probable that the price per carat will continue to spiral upwards for natural diamonds. As we write this in 2022, this glaring gap in diamond supply has been further exasperated by the global political situation with Russia who have the largest diamond reserves in the world. Sanctions are squeezing supply to such an extent that the supply of rough diamonds will be cut by >25%. Russian owned mining company alrosa (the world's largest diamond producer by volume) has already been placed on the sanctions list at corporate and individual levels and they are responsible for 90% of Russia's diamond production and 28% of global supply. This will invariably inflate values.



Irrespective of of geo-politics; natural diamonds HAVE VERY HIGH INTRINSIC VALUES AND ARE ALWAYS IN high demand anyway. Loose cut stones are small, very portable and incredibly easy to store and Transport. Like most gems and precious metals THEIR PAST, CURRENT AND PREDICTED PERFORMANCE DEMONSTRATES THEY WILL LIKELY ALWAYS INCREASE IN value over time. Diamonds are typically protected FROM DROPS IN INFLATION TOO AND/OR FROM CURRENCY VALUE DECREASES. THEY'RE SOMETHING YOU Can wear and there are few investments you can PHYSICALLY AND DISCREETLY TAKE WITH YOU ANYWHERE in the world on your person. Ask yourself - how much space would £100k cash take up in your safe OR PACKED INSIDE A SUITCASE (IF YOU COULD EVEN CARRY THAT MUCH CASH)? COMPARE THAT TO THE ultra-minimal space required by the same EQUIVALENT VALUE OF LOOSE CUT DIAMONDS.



Diamonds make incredible presents and can easily be gifted to loved ones without the hassle of lawyers. They can be crafted into your own piece(s) of bespoke jewellery any time you wish making them an incredibly versatile investment.



When it comes to resale, your market isn't limited to the trade. Many private individuals buy loose cut stones to later have an item of jewellery made for them bespoke or to retain as an investment. Buy high-quality diamonds from us with mass-market appeal and they'll be desirable to trade buyers and private individuals alike.





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ARE THERE ANY RISKS IN BUYING LOOSE CUT STONES?

The primary risk is simply not using the right provider or buying them on the high street at an exorbitant rate. We'll help you navigate the best route to value and enable you to understand all the innovative options we exclusively make available whether you're looking to invest a little or a lot. We insulate your investment diamond purchase at every stage and have eliminated virtually all of the potential pitfalls of buying investment diamonds. We've built-in all the 'must-have' components needed to make an intelligent purchase. Regardless, we would still urge you to consider these points:



TRADITIONAL HIGH STREET JEWELLERS (AND MOST ONLINE JEWELLERS) JUST DON'T SELL THEIR LOOSE DIAMONDS ANYWHERE CLOSE TO THEIR WHOLESALE PRICE ON ACCOUNT OF GREED, EXCESSIVE MARK-UP, COMPLACENCY AND THEIR NATURALLY HIGH OVERHEADS - ALL OF WHICH COMBINE NEGATIVELY TO NATURALLY PRECLUDE THEM FROM DOING SO. A HIGH STREET JEWELLER SIMPLY CANNOT AND WILL NOT EVER BE ABLE TO SELL THEIR DIAMONDS AT ANYTHING LIKE A TRADE RATE AND MOST OF THE ONLINE DIAMOND JEWELLERY RETAILERS ARE MERELY COMMISSION-BASED, WHITE LABEL RESELLERS OF DIAMOND PRODUCTS FROM OTHER MAJOR DISTRIBUTORS SO THERE'S ALWAYS SEVERAL MIDDLEMEN INVOLVED. VERY FEW PROVIDERS OFFER CUT STONES DIRECTLY ANYWAY AND FEWER STILL DO SO IN THE MEASURED, STRUCTURED AND INCREDIBLY WELL-DEVISED WAY WE DO.



WITH NO BRICKS AND CLICKS PRESENCE, MANY ONLINE PROVIDERS DON'T ACTUALLY HAVE MUCH OR EVEN ANY DIAMOND EXPERTISE AND FEW ARE ABLE TO PACKAGE AND RETAIL LOOSE CUT DIAMONDS AT THE HIGHLY COMPETITIVE AND TRADE RATES OF WE LOVE DIAMONDS. WE CUT OUT ALL THE MIDDLEMEN AND ARE A LEAN AND AGILE ONLINE BUSINESS WITH MINIMAL OVERHEADS. THIS IS DOVETAILED WITH OUR ENORMOUS ECONOMIES OF SCALE.



MOST HIGH STREET AND ONLINE PROVIDERS POSITION THEIR DIAMOND JEWELLERY ITEMS AS THE ACTUAL INVESTMENT INSTEAD OF THE LOOSE CUT DIAMONDS. WHILE THIS IS CORRECT TO A LARGE EXTENT WITH LUXURY DIAMOND JEWELLERY (ESPECIALLY IF YOU CAN ACCESS IT AT OUR WHOLESALE PRICES), YOU DO HAVE TO REMEMBER THAT THE PRICE YOU ARE PAYING FOR THAT DIAMOND JEWELLERY INCLUDES THE PRICE OF THE SETTING (E.G. 18 CARAT GOLD). YOU THUS NEED TO BE AWARE IN THIS SCENARIO THAT WHEN YOU GO TO SELL THAT JEWELLERY THEN THE SETTING IS GENERALLY ONLY WORTH THE PREVAILING SCRAP METAL PRICE. IF YOU'RE LOOKING FOR AN OUTRIGHT INVESTMENT PURCHASE THEN INVESTING IN LOOSE CUT DIAMONDS IS A MORE ADVANTAGEOUS AND DEFINED APPROACH TO REALISING BEST AND APPRECIATING VALUE.



ULTIMATELY, IF YOU BUY A LOOSE DIAMOND FROM A HIGH STREET JEWELLER IT'S ALMOST GUARANTEED YOU WILL LOSE MONEY - ESPECIALLY AS THEY WILL HAVE TO ADD TAX (SOMETHING WE ABSORB FOR YOU IN OUR ALREADY BELOW MARKET PRICES) AND THEY WILL ADD A HUGE MARK-UP.

WHAT'S IMPORTANT IN LOOSE CUT DIAMOND INVESTING?





GIA Grading / Certification. This guarantees the diamonds absolute authenticity and is crucial in you being able to maximise its future resale value and adequately insure your item(s). All our loose investment stones are GIA Graded with the original report/certificate available.



We recommend in most cases (there are exceptions to this rule with a larger investment budget) that you should only purchase loose cut diamonds that weigh between 0.50 carats and 2.0 carats each. There are three good reasons for this:

- (1) DIAMONDS HAVE AN ENVIABLE TRACK RECORD OF MAINTAINING THEIR VALUE WITHIN THIS SPREAD OF CARAT WEIGHTS.
- (2) EVEN ON A RELATIVELY SMALL BUDGET, THIS CRITERIA ALLOWS YOU TO BUY MORE DIAMONDS. THIS THEN ALLOWS YOU TO SELL ON PARTS OF YOUR INVESTMENT INSTEAD OF HAVING TO SELL ALL OF IT. BUY ONE BIG DIAMOND AND YOU CAN'T JUST SELL HALF OF IT!
- (3) A HIGH-SPEC EXPENSIVE DIAMOND IS BY NATURE NICHE AND WILL ONLY APPEAL TO A SELECT GROUP OF BUYERS. THIS MAKES IT HARDER TO SELL, AT LEAST QUICKLY, UNLESS IT HAS UNIQUE APPEAL. THERE ARE SCENARIOS WHERE A HIGH-SPEC AND REALLY SPECIAL SINGLE DIAMOND (PERHAPS SOMETHING HIGHLY COVETED LIKE A LARGE FANCY CUT PINK DIAMOND) IS INDEED WORTH BUYING AS AN INVESTMENT AS THE SUBSEQUENT PROFIT ON THE RESALE COULD BE VERY HIGH INDEED AND IT WON'T BE DIFFICULT TO SELL, EVEN WITHIN A SMALLER AUDIENCE.



The individual merits of a diamond are very important. Gold is valued on weight and purity. Diamonds on the other hand are more subjective since they don't have a universal price per carat (as no two natural stones are ever the same). This means every diamond has to be judged on its individual merits which are primarily cut, colour, clarity and carat weight. Some diamonds are easier to value and re-sell than others and the right diamonds are a lot easier to value and get future value from than others. Round brilliant cut diamonds are the most popular diamond cut and represent about 75% of all diamonds sold worldwide so their resale market is much larger than other cuts. Consequently, outside of the specific and very high-value loose cut diamonds that we may acquire for specific clients based on their likely above average future values; we usually only sell round Brilliant cut diamonds in our investment packages (although occasionally, we do recommend other popular shapes like Princess cut diamonds if they're particularly outstanding value across all the key benchmarks including carat, cut, colour and clarity).



With investment diamonds you should only ever buy the best quality mix i.e. the optimal carat size combined with a very good cut grade, good colour and clarity. You don't need to buy the biggest and best quality diamond, just diamonds that are strong across all the key indicators so as to give them mass-market appeal. All our premium investment diamonds are usually round brilliant cut, weighted between 0.50 carats and 2.0 carats, D to M in colour and F to VS2 in clarity. We hand-pick every diamond and take many other factors into account including symmetry, girdle, culet, depth, table and fluorescence. Ultimately, we discuss this and consult with you at length once you have made your purchase.



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LOOSE CUT DIAMOND INVESTMENT GUIDE

SHOULD I BUY A LAB DIAMOND AS AN INVESTMENT?

Absolutely not - they are a scam. Do not get conned into buying a lab diamond (fake diamond) for any reason because they literally have zero future resale value. None. They are the Emperor's New Clothes.



Real, natural and authentic diamonds are incredibly rare, timeless and individually unique. Natural diamonds are up to 3.5 billion years old, they form up to 500 miles deep in the Earth's mantle and are one-of-a-kind, eternal items with immeasurable beauty. They have a completely tangible and APPRECIABLE VALUE AND ARE A PORTABLE AND RELIABLE CURRENCY. DIAMETRICALLY, LAB-CREATED DIAMONDS (SYNTHETIC/ARTIFICIAL/ FAKE DIAMONDS) ARE MERELY LAB-GROWN AND MASS-PRODUCED IN NO MORE THAN A FEW WEEKS. THEY LITERALLY HAVE ZERO RESALE value. Buying a lab diamond is like buying a cheap imitation Louis Vuitton handbag as an investment. It isn't. You know IT'S FAKE, OTHERS KNOW IT'S FAKE AND THE FACT IS THAT NO HOW GOOD AN IMITATION IT IS OR HOW YOU MUCH YOU PAID FOR IT - YOU cannot sell it on as a genuine Louis Vuitton handbag as it's intrinsically worthless. It's a fugazi. It's hardly romantic to BUY SOMEONE A FAKE DIAMOND ANYWAY IS IT?

The costs to buy lab diamonds are plummeting because THEY'RE BEING ABSOLUTELY CHURNED OUT AND THE COST TO manufacture them dramatically decreases every day. This MEANS BY THE TIME YOU ATTEMPT TO RESELL THEM THEN BRAND NEW ONES CAN BE MANUFACTURED FOR LESS THAN THE PRICE YOU BOUGHT YOUR ORIGINAL LAB DIAMOND FOR IN THE FIRST PLACE. This is a critical reason why they have no genuine resale value. You wouldn't buy a new build house as an investment IF YOU KNEW THE SAME HOUSE COULD BE BUILT A FEW YEARS LATER FOR A FRACTION OF THE PRICE AND WAY LESS THAN WHAT YOU ORIGINALLY PAID FOR IT WOULD YOU? IT'S A HOUSE OF CARDS. THERE IS QUITE LITERALLY NOTHING RARE, ROMANTIC OR EVEN REMOTELY DISTINCTIVE ABOUT AN ARTIFICIALLY AND MASS-PRODUCED LAB- GROWN DIAMOND AND SINCE THERE IS NO LIMIT TO HOW MANY OF THEM CAN BE MADE AND SOLD (COMPARED TO THE FINITE AND EVER-DWINDLING RESERVES OF REAL, AUTHENTIC DIAMONDS) THEN THEIR PRICE WILL ONLY EVER CONTINUE TO PLUMMET DUE TO OVER-COMMERCIALISATION. LAB DIAMONDS DO NOT REFRACT AND reflect light the same way as a natural diamond does and THEIR (ARTIFICIAL) GEMMOLOGICAL CHARACTERISTICS ARE OFTEN manipulated with techniques like laser drilling (to remove INCLUSIONS), THE APPLICATION OF SEALANTS (TO FILL CRACKS) AND THE USE OF OTHER TREATMENTS TO IMPROVE THEIR OTHERWISE yellowy colour grade. Their very creation requires the use OF ENORMOUS AMOUNTS OF ENERGY, CHEMICALS AND HARMFUL WASTE SO DESPITE THE HYPE FROM PRODUCERS, THEY'RE CERTAINLY NOT GENUINELY ECO-FRIENDLY IN ANY WAY, SHAPE OR FORM.



The bottom line is this - natural diamonds and diamond jewellery have perpetual value and beauty. Lab grown, fake diamonds have no future value at all. You may as well go buy an imitation diamond made from materials like cubic zirconia and silicon carbide for less than the price of a cup of coffee instead because at the end of the day a fake is a fake.

Unless you're happy to live in a state of denial then just say no to fake, artificial lab diamonds.



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WHAT'S INCLUDED IN MY INVESTMENT DIAMOND PURCHASE?

FIRSTLY, WE OFFER A HIGHLY DISCREET AND COMPLETELY CONFIDENTIAL SERVICE SO YOUR PERSONAL PRIVACY IS ALWAYS ABSOLUTELY ASSURED.

YOU WILL ALWAYS GET LOOSE CUT DIAMONDS THAT COMPLETELY MATCH YOUR BUDGET AND THE PRECISE BRIEF AGREED WITH YOU, ESPECIALLY IF YOU HAVE SPECIFIC REQUESTS AS TO THE PRECISE COMPLEXION OF YOUR DIAMOND PORTFOLIO.

ALL DIAMONDS ARE SECURELY DELIVERED TO YOU IN A FULLY INSURED AND EXPEDITED FASHION AND ARE SUPPLIED IN A LUXURY VELVET POUCH.

WITHIN YOUR PACKAGING YOU WILL GET THE OFFICIAL GIA CONFIRMATION FOR YOUR DIAMOND(S) AND INDIVIDUAL VALUATION CERTIFICATE(S) FROM US WHICH WILL SHOW YOU THE DIAMONDS TRUE (HIGHER) VALUE.

You will also receive an exclusive 10% off voucher which can be used against any future purchase of diamond jewellery from We Love Diamonds (including

bespoke made items should you decide to turn any of your investment stones into a piece of jewellery).



HOW DO I BUY & PAY FOR INVESTMENT DIAMONDS FROM WE LOVE DIAMONDS?

Firstly, we will need to discuss your brief with you, privately, as well as your budget. Before you spend a penny; we will have agreed everything with you from the complexion of the diamonds you are adding to your portfolio right through to their delivery and beyond. We always do so in a completely confidential manner. Once you have ordered from us then everything will be expedited to your precise and exacting standards, all underpinned by our guidance,

When it comes to payment then whatever the total value of your purchase (or purchases) is/are then you can pay by cash, credit card, debit card or any of the many other methods listed on our website such as Clearpay, PayPal or Klarna (depending on the order value). If you wish to pay by cash, cheque or even cryptocurrency then this is completely acceptable but we'll need to facilitate this with you either by phone and/or in person. **Please note** that for individual unique cash transactions above EU €10,000 we may need to complete identity checks before accepting your order so as to comply with anti-money laundering regulations. Equally, we accept cash orders below that amount (per purchase0 without the need for more onerous checks, In all cases, diamonds are never released until we have possession of (or bank confirmation of) cleared funds



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DISCLAIMER



We have taken incredible time and care to compile this content and do so in a fair, considered and authoritative way. We have performed extensive market research and used our decades of top-echelon, expert experience in the diamond trade. Where relevant, our content is based on sources we believe to be empirically accurate and fully complete but we cannot always guarantee the accuracy or completeness of any of the information we publish.

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Diamonds are a commodity and, like any commodity, their value can potentially go down as well as up. Based on past performance, diamonds have always gone up in value but past investment performance is never truly a definitive guarantee or predictor of future performance and there are always risks associated with any investment, not least the risk of loss. Given the nature of investing your capital in loose cut diamonds compared to something like investing in stocks and shares, you should clearly not automatically expect to make enormous profits in the short term as that is just not the point of buying investment diamonds as they instead offer many other compelling benefits and advantages as described. If you want the highest rewards from an investment then you will always have to shoulder the highest risks and risk is just not the investment profile of a diamond investment as it is a more slow, steady and risk-mitigated proposition. You can read our full terms and conditions of business on our website. At www.welovediamonds.co.uk.

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