

# Polished Markets

## Fancy Color Diamonds Identified as Stable, High Growth Alternative Asset Class

### New Price Trend Index Marks Launch of The Fancy Color Research Foundation

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**Press Release:** A new index by The Fancy Color Research Foundation (The FCRF) shows that fancy color diamonds have delivered strong and consistent price increases, outperforming key global asset indices since 2005.

Fancy color diamonds, predominantly yellow, pink and blue diamonds, have always been highly prized and rare assets. They are found randomly and unpredictably in diamond mines throughout the world and are enjoyed by sophisticated jewelry buyers and gem collectors alike. Consistent recent growth in values has reflected the changing dynamics of global wealth notably the fast paced growth of emerging markets and the appeal of fancy color diamonds as an investment product.

The Fancy Color Diamond Index (The Index) has been developed by The FCRF from proprietary access to tens of thousands of fancy color diamond transactions since 2005 and will be updated on a quarterly basis. The Index provides greater knowledge and understanding of fancy color diamond pricing trends to jewelry retail, wholesale and mining industries.

Fancy color diamonds, across pinks, yellows and blues, have increased in value by 167 percent on average since January 2005, outperforming other leading assets in a similar period, for example, the Dow Jones industrial average has increased 58 percent, Standard & Poor's 500 has increased 63 percent and London house prices have increased 82.1 percent.

Looking in more detail the Index shows that pink diamonds have shown the greatest growth in value, up by 360 percent in the last nine years, with blues showing less dramatic but equally consistent growth of a 161 percent by value. Crucially, both pink and blue diamonds were unaffected by the global financial crisis with blues keeping their value and pinks still increasing through 2008 to 2010.

The publication of the Index marks the launch of The FCRF, which is an independent, non-profit organization formed to promote fair-trade, ethics and transparency in the fancy color diamond retail, wholesale and mining industry.

The FCRF activity will encompass:

- Developing innovative research and digital tools that will support the fancy color diamond retail selling process for consumers, retailers and collectors;
- Promoting fair trade in fancy color diamonds throughout the value chain underpinned by reliable data analysis to create a uniform knowledge base across all industry layers;
- Authoring publications to clarify the complex methodology for evaluating fancy color diamonds;
- Correcting common misconceptions about evaluating fancy color diamonds.

The FCRF expects that together these activities will enhance consumer demand and retail understanding of fancy color diamonds.

The FCRF was initiated by Eden Rachminov, author of "The Fancy Color Diamond Book" and winner of the NCDIA education award. Ambitions and activities of The FCRF will be guided and evaluated by an experienced board of advisors that work throughout the diamond pipeline.

Rachminov, a member of the board of advisors for The FCRF, commented, "The launch of The Fancy Color Research Foundation is in response to the growth in fancy color diamonds transactions and the resulting need for greater education, understanding and clarity in the industry.

"The process and skills for evaluating fancy color diamonds are unique to this exceptional product. As a result there is a need to clarify misconceptions and to highlight the differences to evaluating colorless

diamonds.

“In addition to publishing the Index, The FCRF is developing and publishing a series of practical tools, targeted at retailers. We are confident that The Fancy Color Research Foundation will be a significant influence on increasing demand within the fancy color diamond industry.”

Membership of the FCRF is open to retailers, auction houses, wholesale traders/manufacturers, financial institutions, insurance appraisers and mining companies. Organizations interested in membership of The FCRF should visit [fcresearch.org](http://fcresearch.org) to register details.

**About the Fancy Color Diamond Index:**

The Index is a first of its kind tracker of changes in the market prices of yellow, pink and blue fancy color diamonds, the three most commonly traded fancy color diamond categories (a market price is a wholesale transaction taking place in one or more of the global diamond trading centers).

The Index is a composite representation of changes in price points gathered since 2005, based on a statistically significant sample size. It offers insight into variations in the appreciation of diamonds of different colors and sizes.

The Fancy Color Research Foundation oversees proprietary prevalence and pricing data aggregation and production of the index. A third party New York-based audit firm reviews the development of The Index from the various data points gathered.

The Index can be used to understand and track the historical price behavior of different rare fancy color diamonds.

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