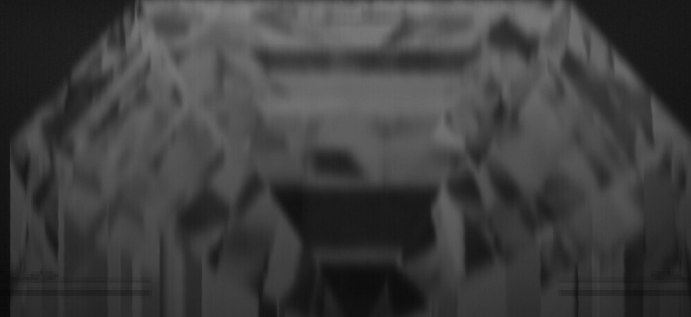




LUXUS

# An Investor's Definitive D Color Flawless Primer

White Paper #3



## CONTACT INFORMATION

📍 1270 Ave of the Americas, 7th Fl – 1071  
New York, NY 10020

📞 212.300.9890

✉ info@luxusco.com



# An Investor's Definitive D Color Flawless Primer

By: Jill Newman for LUXUS

*These ultra rare stones are the equivalent of a blue chip stock.*

When is a diamond more than just a beautiful jewel? When it is an investment quality D color flawless diamond. Recognized as the pinnacle of the diamond pyramid, D flawless diamonds are not just a status symbol, but they are a rock-solid investment.

Like a Rembrandt painting or a bottle of Romanée-Conti, sizable D flawless diamonds are exceedingly rare and in high demand among collectors and investors alike. Recent record-breaking diamond auctions underscore the growing interest and value of top quality diamonds as a desired alternative hard asset.

Historically, these prized diamonds are a proven fungible asset, both in good times and bad. During volatile periods of political upheaval and economic recessions, D flawless diamonds are a portable global currency. In bullish markets, investors diversify their portfolios with hard assets like art, real estate and, of course, investment worthy diamonds.

To help you navigate diamonds as an investment, we created the **Definitive D Flawless Primer**.

## How rare is a D flawless diamond?

A mere .001 percent of the world's diamonds are certified D flawless.

## What defines a D flawless diamond?

A stone certified D color is the purest white. While diamonds generally appear bright white, nearly all have subtle traces of color that aren't visible to the untrained eye. That is why a D rating is rare and unusual.

Flawless diamonds are free of any inclusions or blemishes under ten times magnification, and represent a miniscule portion of the diamond supply; fewer than one percent of all diamonds are classified as flawless.

Whereas an internally flawless (IF) diamond is also free of inclusions under the same magnification, it may show surface blemishes, which are generally undetectable to the untrained eye.

## What is a Type IIa (2a) diamond?

2a is a class of diamonds that are chemically pure with exceptional optical transparency. Type 2a diamonds are described as "whiter than white." A stone that is D flawless and classified as Type 2a is the dream diamond.



At LUXUS, we partner with the world's premium brands to unlock fractional ownership in precious gems, coveted jewelry, rare watches and other bespoke accessories. Through these strategic partnerships, collaboration with leading industry executives and proprietary process/research, LUXUS provides transparency and access – once exclusive to the ultra wealthy – to investors everywhere. Relying on a proven roadmap for superior user experience and accessibility, we are bringing fractional ownership to luxury assets for the first time ever. Our founding team of seasoned executives has deep experience in investment management, capital markets, fintech, luxury and technology.

## **Who decides what is D flawless?**

Diamonds are graded and certified by world-class laboratories like the Gemological Institute of America (GIA) under a series of scientific guidelines and strict conditions.

## **Can any diamond become a D flawless stone?**

Only a small percentage of rough stones are clean enough to be transformed into D flawless diamonds. The stones are formed over millennia under intense heat and pressure, but it takes human intervention to unleash a diamond's beauty and brilliance. A skilled master diamond cutter assesses the stone's potential and over days and weeks will meticulously cut, facet and polish the stone to achieve the coveted D flawless diamond.

## **Why are they in high demand now?**

As more wealth is generated internationally, more people are looking to acquire the best-in-class in everything from boats and automobiles to wine and diamonds. At the same time, the supply and output of exceptional diamonds is dwindling. Also, recent high-profile auctions, where diamonds have sold for tens of millions of dollars, have awakened buyers to the potential of diamonds as investments.

## **What is the resale value of D flawless diamonds?**

Ask any jeweler or auction specialist and they will affirm that if you are buying a diamond with resale in mind, purchase a D flawless. "There is always a market for D flawless diamonds of any carat weight," says the Head of Jewelry at one of the major auction houses. "People always aspire to own the best-of-the-best, and D flawless diamonds are beautiful, rare, and prestigious."

## **What is the price record for D flawless diamonds?**

Last year, a buyer paid a staggering \$20.1 million for a 103.49 carat D flawless diamond at Christie's Magnificent Jewels sale in New York. Known as the "The Light of Africa," the stone sold for well beyond its \$11 million - \$18 million estimate because it is phenomenally rare. It is only the twelfth D color internally flawless diamond over 100 carats to ever come to auction in the past 30 years.

The value of these diamonds has soared over the past three decades. Consider the "Archduke Joseph Diamond," a 76.02 carat D flawless cushion-shaped diamond that fetched \$6.5 million at a Christie's auction in 1993. Nearly 20 years later in 2012, the same stone sold for \$21.4 million at Christie's.

An Asian investor recently dropped \$13 million at Sotheby's for the Juno Diamond, a 101.41 carat D flawless, type 2a diamond named after the ancient Roman goddess of light, motherhood and fertility. And in 2021, an unknown buyer paid \$13.7 million at Christie's for the Alrosa Spectacle, a 100.94 carat D color, internally flawless diamond.

## **What is the future of D flawless diamonds?**

Industry experts expect D flawless diamonds to remain a reliable investment because of limited supply and a rising demand in global markets.