

Goldberg & Reed

Diamond & Pearl Wholesalers





About Goldberg & Reed

Goldberg & Reed is a young dynamic London based diamond and pearl supplier, whose mission is to supply high quality, certificated diamonds and high fine quality graded pearls to individuals, jewellery designers and retailers at exceptional prices.

Our head office team ensures that our customers receive a high quality service.

We have a large inventory of diamonds and pearls of many types and specifications.

By building our brand and offering a personal service we are confident Goldberg & Reed will provide unique and exceptional services at competitive prices to give our customers a wholesale price experience, but with exceptional levels of retail service.





“Goldberg & Reed are a London based UK Pearl Dealer which aims to bring you the finest Pearls available from the Pearl Farms of Japan”

The natural beauty and unique splendour of Japanese cultured pearls has made them an essential piece of jewellery that appeals to all ages. The pearls that make up your cultured pearl necklet are called “Akoya” after the Akoya oyster in which the pearl has grown, and the oysters live in the cool sea waters around the coast of Japan, which is the leading area in the world for the production of high quality cultured pearls, the “Gems of the Sea”. Akoya cultured pearls have been worn and loved by ladies of all ages all over the world for more than 100 years.

From as long ago as the 14th Century, natural pearls were the favourite of the ladies of European royalty, and pictures in the grand houses of Europe show these elegant ladies with their finery beautifully enhanced with their pearl jewellery.

In creating your cultured pearl necklet skilled and experienced pearl graders have individually selected each pearl on your necklet to ensure that they match perfectly in colour, size, shape and lustre.

Pearls are born from the sea and are built crystal by crystal by oysters toiling a lifetime to encase an irritating particle in a silken globe.

Your cultured pearl necklet comes in a variety of diameters, and is 46cm in length.

It is hand strung to the finest silk, which is strong and durable. Between each pearl is a knot which serves three purposes.

First it helps the pearls to “fall” or “hang” elegantly. The second purpose is to give a space between each pearl to avoid the pearls rubbing together which could cause wear to the pearls, and finally should the pearl silk break then the pearls will not fall to the floor with the risk of getting lost. Your necklet is finished with an 18ct gold polished clasp.

Pearl Specification

Natural pearls are nearly 100% calcium carbonate and conchiolin. It is thought that natural pearls form under a set of accidental conditions when a microscopic intruder or parasite enters a bivalve mollusk, and settles inside the shell.

The unique luster of pearls depends upon the reflection, refraction, and diffraction of light from the translucent layers. The thinner and more numerous the layers in the pearl, the finer the luster will be. The iridescence that pearls display is caused by the overlapping of successive layers, which breaks up light falling on the surface. The thickness of the Nacre is the Key in Identifying Natural Pearls.

In general, cultured pearls are less valuable than natural pearls, whereas imitation pearls have almost no value.

Cultured freshwater pearls can often be confused for natural pearls which present as homogeneous pictures which continuously darken toward the surface of the pearl. Natural pearls will often show larger cavities where organic matter has dried out and decomposed.

In addition, pearls (especially cultured freshwater pearls) can be dyed yellow, green, blue, brown, pink, purple, or black. The very best pearls have a metallic mirror-like luster.

Keep in mind that quality natural pearls are very rare jewels. The actual value of a natural pearl is determined in the same way as it would be for other "precious" gems. The valuation factors include size, shape, and color, quality of surface, orient and luster.





Pearl Gemstones

Pearls come in eight basic shapes: round, semi-round, button, drop, pear, oval, baroque, and circled. Perfectly round pearls are the rarest and most valuable shape. Semi-rounds are also used in necklaces or in pieces where the shape of the pearl can be disguised to look like it is a perfectly round pearl. Button pearls are like a slightly flattened round pearl and can also make a necklace, but are more often used in single pendants or earrings where the back half of the pearl is covered, making it look like a larger, and rounder pearl.

Drop and pear shaped pearls are sometimes referred to as teardrop pearls and are most often seen in earrings, pendants, or as a center pearl in a necklace. Baroque pearls have a different appeal; they are often highly irregular with unique and interesting shapes. They are also commonly seen in necklaces. Circled pearls are characterized by concentric ridges, or rings, around the body of the pearl.

Earrings and necklaces can also be classified on the grade of the colour of the pearl. While white, and more recently black, saltwater pearls are by far the most popular, other color tints can be found on pearls from the oceans. Pink, blue, champagne, green, black and even purple saltwater pearls can be encountered, but to collect enough of these rare colors to form a complete string of the same size and same shade can take years.

Pearl Grading

Pearl Grading is the practice of assigning degrees of quality to a pearl or a piece of pearl jewellery based of the quality attributes.

Currently, there is no agreed upon, international standard for grading pearls as there is with diamonds. Valuable natural pearls are often certified through a Grading System based on the following information: shape, lustre, surface quality, nacre thickness and matching on the strand.

Two major grading systems are in widespread use: the AAA-A system and the A-D system (also called the Tahitian system). These are the most accepted systems, and considered standard by nearly all reputable pearl dealers, both retail and wholesale.

Grade	A	AA	AAA
Shape	near round	mostly round	round
Lustre	fair	Good	High
Surface	<75% clean	>75% clean	>95% clean
Nacre	0.25 to 0.35mm	0.35 to 0.5mm	over 0.5mm
Matching	fair	good	very good

Pearl Shape

As pearls are entirely the creation of nature, their shapes can vary randomly. In general, the closer the pearl is to a perfect sphere in shape, the higher the value and grade it will obtain.



Pearl Lustre

Lustre (or brilliance) is the way a pearl refracts light off its surface. The more exceptional the lustre, the more mirror-like its reflection, and the higher the grade of pearl. The lustre of the pearl is affected by the surface quality and the thickness of the nacre.



Pearl Surface

Pearl's imperfections are part of their natural texture and individual character. Only a small percentage of pearls have a totally smooth surface. Most have pits, bumps and cracks due to their natural creation. So the more perfect the surface, the more rare the pearl, and the higher the grade it will obtain.



Pearl Size

The size of the pearl does not affect its grade, but certain sizes of pearls are very rare, and therefore demand a higher price. In the case of some pearls, the difference of half a millimetre can make a considerable price difference.



Pearl Nacre

Nacre is the natural substance that the mollusk secretes that lines the inner surface of the mollusk shells, aptly named mother of pearl. Nacre thickness is a quality characteristic only applied to saltwater, bead-nucleated pearls. It is not applied to keshi pearls or freshwater pearls as both are composed of solid nacre. Thicker nacre means the bead nucleus is coated by more pearl content, and that the pearl will be more durable.

Pearl Matching

Pearls are traditionally judged individually on their value. However, most pearl jewellery is composed of many pearls in various combinations and designs, and how well the individual pearls in a strand or set match each other can determine the piece's value. This is called pearl matching—the art of picking just the right pearls to go together in any pearl necklace, pearl bracelet, or other piece of pearl jewellery.



Why Invest In Pearls?

Only one in 10,000 wild oysters will produce a natural pearl. And of those Natural Pearls, only a very small amount will produce a pearl of true gem quality. These pearls of gem quality are so rare and few, they are literally One in a Million.

Pearl lovers who know how to invest money in pearls, have discovered that while other precious gemstones receive careful treatment from the lapidary and owe much to his art, wild Pearls are born free owing nothing to man. Natural Pearls are an absolute gift of nature.

As the market becomes more and more flooded with the large variety of cultured pearls, natural pearls will only increase in desirability and value and although cultured gem quality pearls may also be legitimately referred to as "pearls" by gemological labs and also under U.S.Federal Trade Commission rules, and are formed in the same way, most of them have no value, except as curiosities.

IMPORTANT NOTES ABOUT PEARLS

- Pearls have been harvested and cultivated primarily for use in jewellery, but in the past they were also stitched onto lavish clothing. Pearls have also been crushed and used in cosmetics, medicines, and in paint formulations.
- A cultured pearl is formed in a pearl farm, using human intervention as well as natural processes
- A variety of natural pearls with incomparable colour is the blue ice-maiden Pearl – Natural Abalone Pearls which also formed as a result of a foreign object, usually a parasitic organism that gets lodged inside the mollusc. Contrary to popular belief, it is never a grain of sand.
- Before the days of cultured pearls, black pearls were rare and highly valued for the simple reason that white pearl oysters rarely produced naturally black pearls, and black pearl oysters rarely produced any natural pearls at all.

Diamonds

A diamond is a naturally occurring phenomenon, created a hundred miles or more beneath the Earth's surface under conditions of great heat and pressure.

Tectonic and volcanic action slowly – over millions of years – move them closer to the surface, where they can be recovered. But it's not easy. In round figures, 250 tonnes of ore has to be mined for every 1 carat of diamonds found.

The conditions under which an individual diamond was formed affect its clarity, its colour, its imperfections and its weight.

There are hundreds of different categories of stones. Most will be small, cloudy and discoloured, suitable only for industrial use.

Only a minority are of gem quality, suitable for jewellery and suitable for investment. If you decide to invest in diamonds, then you should be aware that invest grade diamonds are rare. It is expected that the supply of diamonds in the world will reduce because the easier to find diamonds have already been mined. Future supplies will become increasingly harder and more expensive to find, but the demand for them will, we believe continue to grow.

Factor in, too, the point that the most easily mined diamonds have already been recovered: future supplies are becoming harder and harder to find and to mine.





Certified Diamonds

The best stones are certified by one of several industry bodies. They include HRD - the Diamond High Council (Antwerp), the IGI - International Gemological Institute (Antwerp) and the GIA - Gemological Institute of America (California). All the stones sold by Goldberg and Reed are graded and certified by the IGI, GIA or HRD. Certification provides a guarantee of provenance, of size and of quality. If you are considering buying in diamonds, make sure they are certified by a recognised authority.



Diamond Spectrum

*There's an expectation that diamonds are colourless.
In reality, diamonds are found in all colours.*

From clear, colourless stones to jet black ones. Strong, highly saturated colours like red, green and pink are very rare and command world-record prices. Collectively, these stones are described as 'fancy coloured' diamonds. Naturally occurring coloured stones are rare, and the most common coloured ones are yellow, caused by traces of contaminating nitrogen.

Among the most desirable 'fancycoloureds' are pink, blue, red, green, orange, yellow, champagne and purple. Depending on the degree of colouration they will be described as 'fancy', 'intense' or 'vivid'. Coloured diamonds are just as desirable as colourless ones; the fancy, intense and vivid ones, more so.

Depending on their relative rarity, they can command a premium price over colourless stones. Pink diamonds from Australia's Argyle Mine, for example, are offered for sale only once a year, through an invitation-only tender process. Over 90% of the world supply of pinks comes from this mine, yet a year's production would only fill the palm of your hand. Rarity is assured! The Argyle Mine is scheduled to close within a few years, at which point the supply of new pink diamonds will virtually disappear. This is not an isolated example; many mines are due to close over the next five to ten years as they become exhausted. This might well curtail supply, potentially acting as a catalyst to dramatic price increases.





Diamond Demand

Diamonds are the world's most concentrated store of wealth. A diamond portfolio worth millions could be carried in a wallet or purse.

For certified stones there is a recognised and ready market; there are almost 30 diamond exchanges around the world, affiliated to the World Federation of Diamond Bourses.

Such a high value market attracts global attention. In 2011 the Cap Gemini/ Merrill Lynch World Wealth Report suggested that rising numbers of the Middle East's superrich were responsible for the steep increase in diamond prices over the year.

Out of total global sales, Middle Eastern buyers accounted for 29% of sales of jewellery, gems and watches to high net worth individuals in 2010.

"Record prices for diamonds at international auctions in 2010 exemplified the growing trend among the world's high net worth individuals to see large diamonds as a safe and high-growth investment alternative," the report said. "Current demand at the highest end of the market appears to be largely from Russia and the Middle East, but demand from Chinese and other Asia-Pacific investors is also growing fast," it added.

Diamond Supply

There appears to be an increasing demand for diamonds, especially the rarer fine stones.

As global financial markets show continuing volatility and instability, so investors are looking to diversify into assets that demonstrate little or no performance correlation with conventional markets. Diamonds are an asset that has attracted great attention.

ICBC, Industrial and Commercial Bank of China, the country's largest, signed an agreement in July 2011 with the Antwerp World Diamond Centre, to make diamonds available as an alternative investment to its 240 million private and corporate clients.

"Diamonds are a special investment product and have a distinct function that other investment products cannot match.

The demand for diamonds to celebrate marriages is substantial, not to mention the high demand from the wealthy investment class."

Jiang Jianqing, Chairman, Industrial and Commercial Bank of China.

Markets in China and India grew around 25% in 2010 and contributed approximately 20% of the global demand for diamond jewellery, compared to 12% in 2008. By 2015, China and India are expected to equal or surpass the market share of the USA, currently 35-40% of the market. China has a huge appetite for gold, silver and diamond jewellery.

Hong Kong is the far-east's auction venue of choice. Originally specialising in jade and Chinese art, it was Christies' leading jewellery sales location in 2009 and 2010. In 2010 Christies Hong Kong jewellery sales topped US\$163 million. In 2009's Christies reported that its worldwide sales of jewellery to Chinese buyers increased by 94% compared to the previous year.

This rapid growth in demand from China and India, two markets with massive populations and steadily growing wealth, will cause a consistent increase in demand for jewellery grade diamonds for the foreseeable future.



The 4 C's

For diamonds, what counts are carat, cut, clarity and colour, the four Cs. The better a stone rates on each of these counts, the more valuable it is

CARAT

The measure of its weight, and thus its size. A carat is 0.2 of a gram, 200 micrograms. The bigger it is, the more valuable. The price/size scale is not linear, bigger sizes are considerably more valuable – a one carat stone will be worth a lot more than two half-carat stones, for example. And a 0.99 carat stone will be worth a lot less than a 1.01 carat stone.

CUT

When 'rough' a diamond doesn't look like a diamond. It's the cutting and polishing process that adds the sparkle and fire that makes a diamond such an exceptional gem. Unless a lot of material is cut away, the shape of the rough diamond dictates the best cut – round, oval, princess (square), emerald (rectangular), marquise (pointed oval), oval, pear, heart and cushion. Any of these shapes works for jewellery use. For investment purposes, though, a round cut stone is generally easiest to price for resale.

CLARITY

A diamond is made from primeval carbon deep in the earth's mantle. It is then carried towards the surface by volcanic and tectonic action. The extreme heat and pressure that diamonds experience during this process cause 'birthmarks' (known as inclusions) that affect their clarity. Stones are graded for clarity in a range of 11 grades from flawless (FL) to obvious inclusions (I3). A diamond that is high on the scale will be more brilliant and, other characteristics being equal, more valuable.

COLOUR

Colourless diamonds are graded according to an internationally agreed scale that runs from D to Z. D is entirely colourless. Z represents a light yellow tint. With colourless diamonds, the value is established by how little colour can be seen (determined under controlled lighting by an accredited certification body). D-grade diamonds – that is, truly colourless diamonds – are extremely rare and valuable. Those graded D, E or F are considered colourless; G, H, I and J are near colourless; the K-M range have a faint yellow tint; the NR range are very light yellow tint and S-Z is light yellow. Fancy-coloured stones are judged by a different scale: faint, very light, light, fancy light, fancy, fancy intense, fancy vivid, fancy deep and fancy dark. Generally, the darker and deeper the pure colour, the more valuable the stone.



Sample Clarity Diagram



There are three main diamond grading laboratories around the world, all of which produce their own grading reports according to their own standards and in some cases employ their own terminology. As certificates play a large part in determining the value of diamonds, it is important to understand the different grading systems and how they compare with each other. Diamonds acquired through Goldberg and Reed will be certified by the Gemological Institute of America.

The International Gemological Institute (IGI)

IGI is the largest laboratory for certification of diamonds and fine jewelry. IGI has the only international certification lab controlled by one central governing body that adheres to one internationally accepted system for diamond grading. IGI is International Organization for Standardization (ISO) 9001: 2000 certified in four countries, including the United States, Canada, India and the United Arab Emirates. Recently, IGI became the first gem lab to collaborate with the Tanzanite Foundation to help distribute jewelry certificates using the Tanzanite Quality Scale, developed by the Tanzanite Foundation in collaboration with IGI. An estimated 11 percent of all diamonds purchased by India's consumers come from IGI vendors in Kolkata.

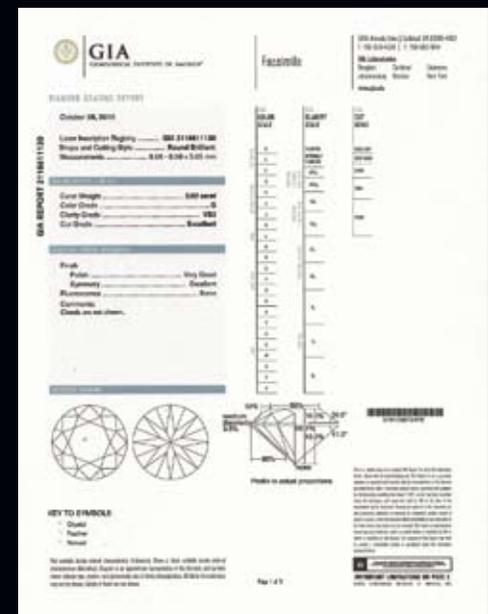
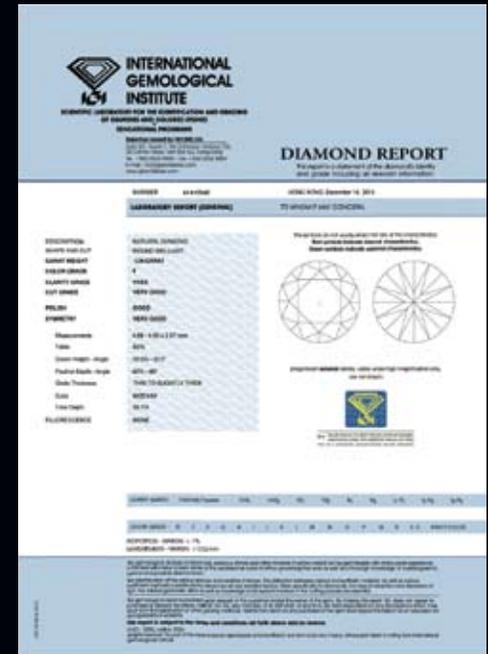
The Gemological Institute of America (GIA)

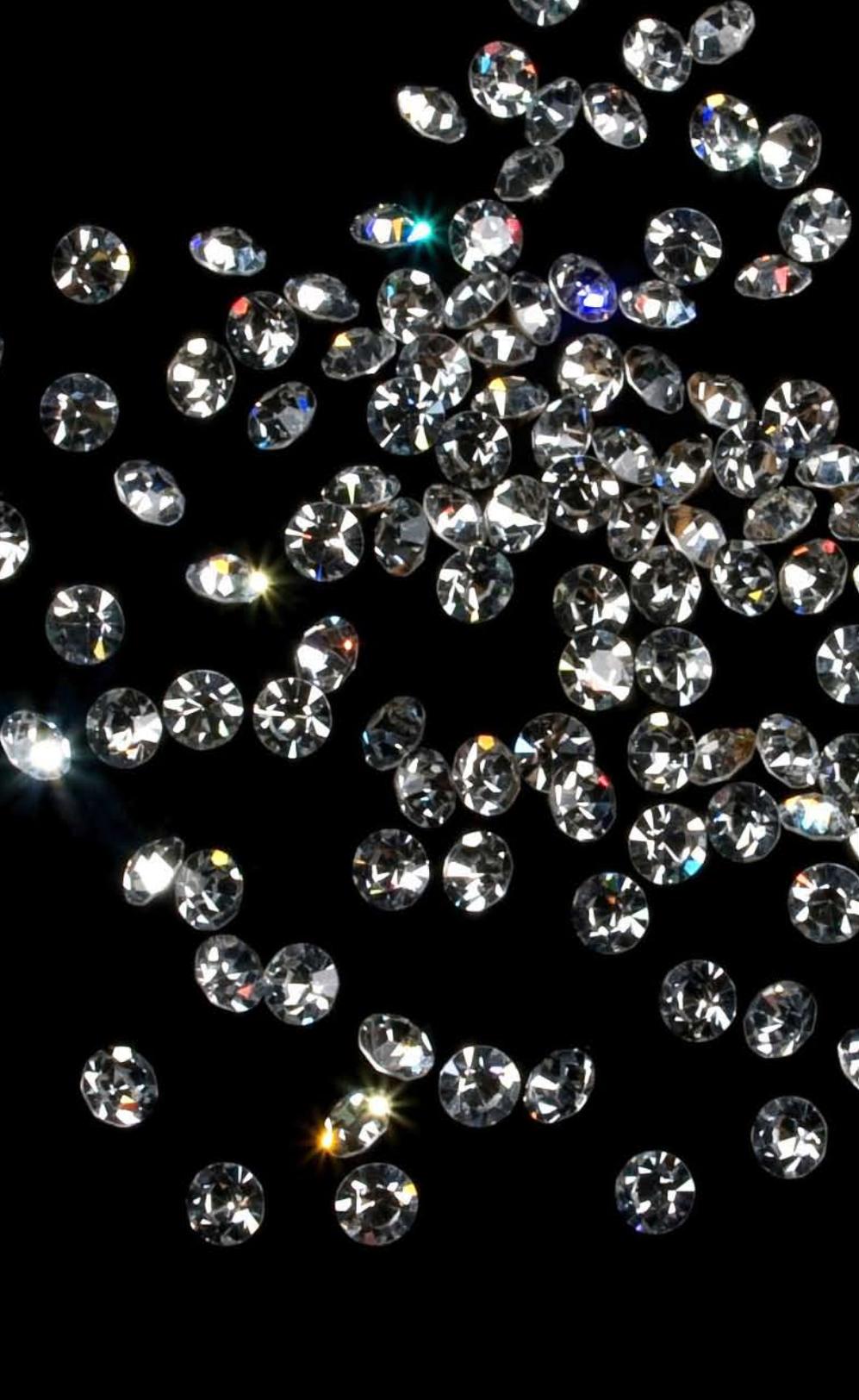
Headquartered in Carlsbad, California, the GIA was established in 1931 as a non-profit educational resource for the gem and jewellery industry. The Institute's aim is to provide the industry and the public with an independent, objective opinion regarding the quality of the diamond. It acts as an unbiased arbitrator of standards in diamond grading in order to secure the public's trust. Every stone submitted for certification is meticulously checked by several professionals to ensure maximum accuracy and grading consistency for client protection. The GIA was responsible for developing the first internationally accepted Diamond Grading System with its unbiased opinions of the quality of polished diamonds established by applying uniform criteria to their grading. It also introduced the foremost diamond report which still sets the standard for diamond quality documentation around the world.

Types of certificates issued by the IGI and the GIA

The IGI and the GIA Diamond Grading Report Documents the carat weight, clarity and colour grades of a diamond, as well as its exact measurements, and in the case of Round Brilliant cuts, a cut grade.

The IGI and the GIA Diamond Dossier Issued for diamonds weighing less than 1 carat. GIA Coloured Diamond Identification and Origin Report Describes colour grade and colour origin (i.e. natural or treated) of coloured diamonds of any size. A full colour image may also be requested as an additional service.





Resale and Storage

RESALE OF STONES

One of the main benefits of holding diamonds is that when you want to sell you have direct access to the diamond market. One of our roles is to match sellers with buyers. Another option is to list your stone for sale at a specialist auction. This can quite often obtain the quickest possible sale.

What is always important to remember is that when you hold an asset like a diamond, small price fluctuations may occur. Over time, however, the value should continue to improve steadily.

STORING THE STONES

We advise storing your diamonds in a safety deposit facility, immune from environmental factors and secure enough for high-value gems. If required Goldberg and Reed can assist you in finding a suitable storage solution for your gems.

The GIA certificates for your stones should be registered with your insurance agency when you purchase insurance and/or with the bank/vault holding your diamonds. The certificates should be kept in a fireproof, waterproof location.

BLOOD DIAMONDS

Goldberg and Reed supports the Kimberley Process, an agreement within the industry that forbids trade in 'blood diamonds', which are mined in a war zone by dictatorships or war lords, and which are sold to finance insurgency, terrorism or despotic government.

Major factors influencing the price of diamonds

Supply is controlled, almost all freshly mined (rough) diamonds are brought to market through a single selling organisation, the Diamond Trading Company, an arm of the De Beers Group. It sells only to 'sightholders' (authorised diamond traders) and controls the release of rough diamonds to ensure price stability. Sightholders undertake cutting and polishing of diamonds, so that supply to the jewellery and investment market is also controlled.

Supply is constrained. Easily-found (a relative term) diamonds have been exhausted. Diamonds are now mined at increasing depths, and known sources of diamond-bearing minerals are reducing. Demand is increasing. The success of newly industrialising nations like Brazil, Russia, India and China is creating a new wealth class. In countries like these, as well as in traditionally wealthy areas like the oil-producing states of the Middle East, diamonds are sought after both as jewellery and as an investment.

When diamonds are bought for jewellery, they rarely re-enter the retail market, but become family heirlooms. When bought for investment, they are often kept off the market for many years.

RARITY

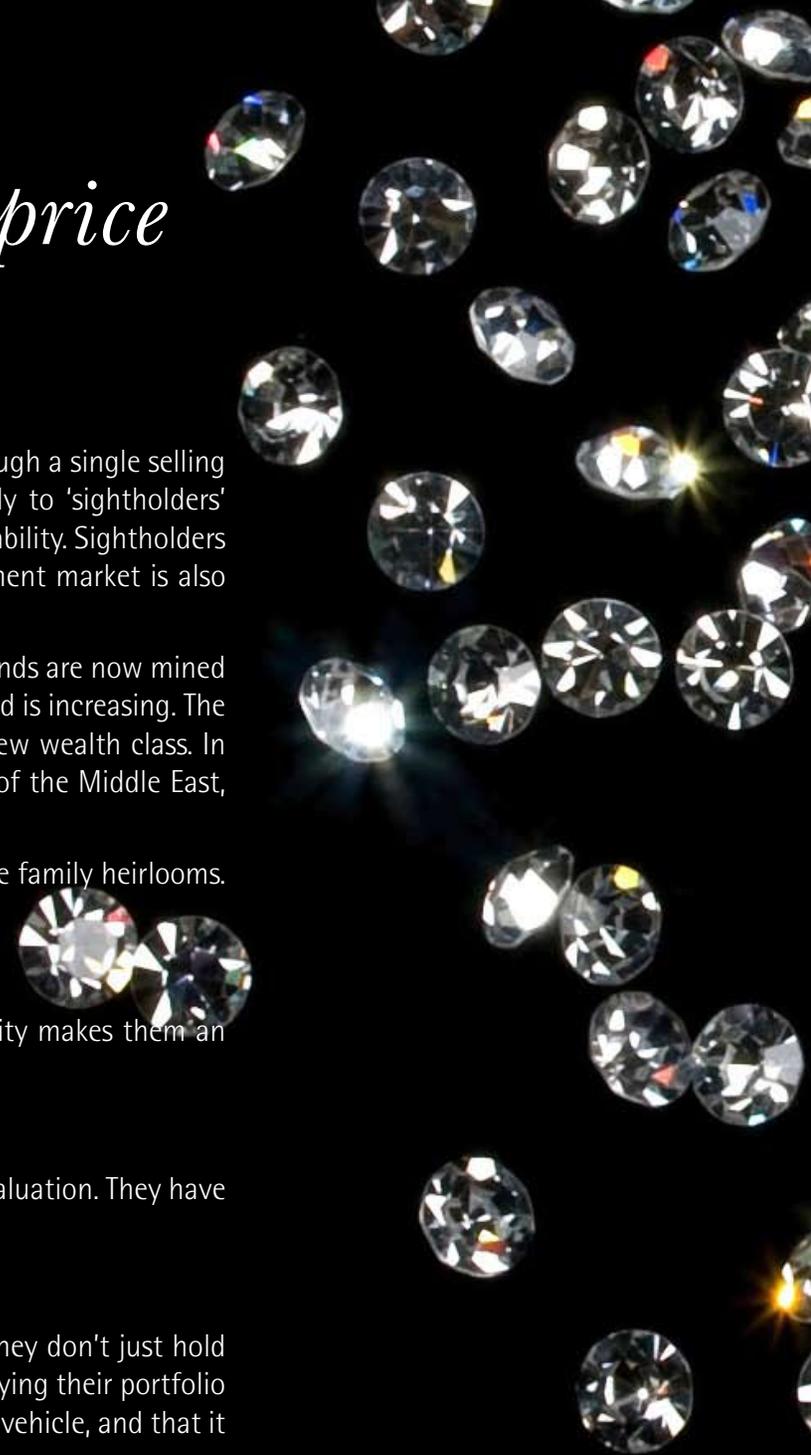
For every 10,000 carats of diamond mined, only one carat is a coloured diamond, this rarity makes them an exceptional opportunity.

HEDGE

Diamonds make an excellent hedge against inflation. They are not affected by currency devaluation. They have an intrinsic international value.

CORRELATION

The price performance of coloured diamonds is not linked to other economic indicators, they don't just hold their price during recessionary times. More investors are realising the importance of diversifying their portfolio into tangible assets. Expert advice is that an investor should not be overexposed to any one vehicle, and that it is important to spread risk in order to mitigate it.





Argyle Pink Diamonds

Goldberg and Reed is incredibly proud to be able to provide Argyle Pink Diamonds. An Argyle pink diamond is beyond rare. It is the most revered diamond in the world and a treasure like no other.

To own an Argyle pink is to be the custodian of an unsurpassed heirloom; to gaze upon it is to view its unfathomable beauty; to give one is to impart a gift that is truly beyond rare.

In 2010, the total production at the Argyle mine was 9.8 million carats, a decrease of 8% from 2009, reflecting the fact that the open cast element is in the final viable production stages.

In September 2010, Rio Tinto approved the US\$803 million Argyle Underground Project.

The underground project is expected to be fully operational in mid-2013. However, the life expectancy of the subterranean project is only until 2019 – leading to even greater rarity and yet further increases of the price.

Customer Satisfaction

We are a London based Diamond, Pearl and Rare Gem Wholesalers. We provide our customers with direct access to a wealth of commodities like Diamonds, Pearls and Gemstones.

When it comes to diamonds we have close relationships with the trade to ensure we offer only the best Gems and Pearls at the keenest prices to our customers. We regularly select a small number of the highest quality Diamonds which we offer, first come, first served, to our customers.

Our team of specialists builds strong relationships with our customers, to understand their trading objectives and offer them opportunities that we feel will help them meet their goals. Our mission is to provide our customers with access to the full investment potential of commodities.

We understand that our customers' trading policies are entirely personal; therefore we exercise the utmost discretion at every level of contact.

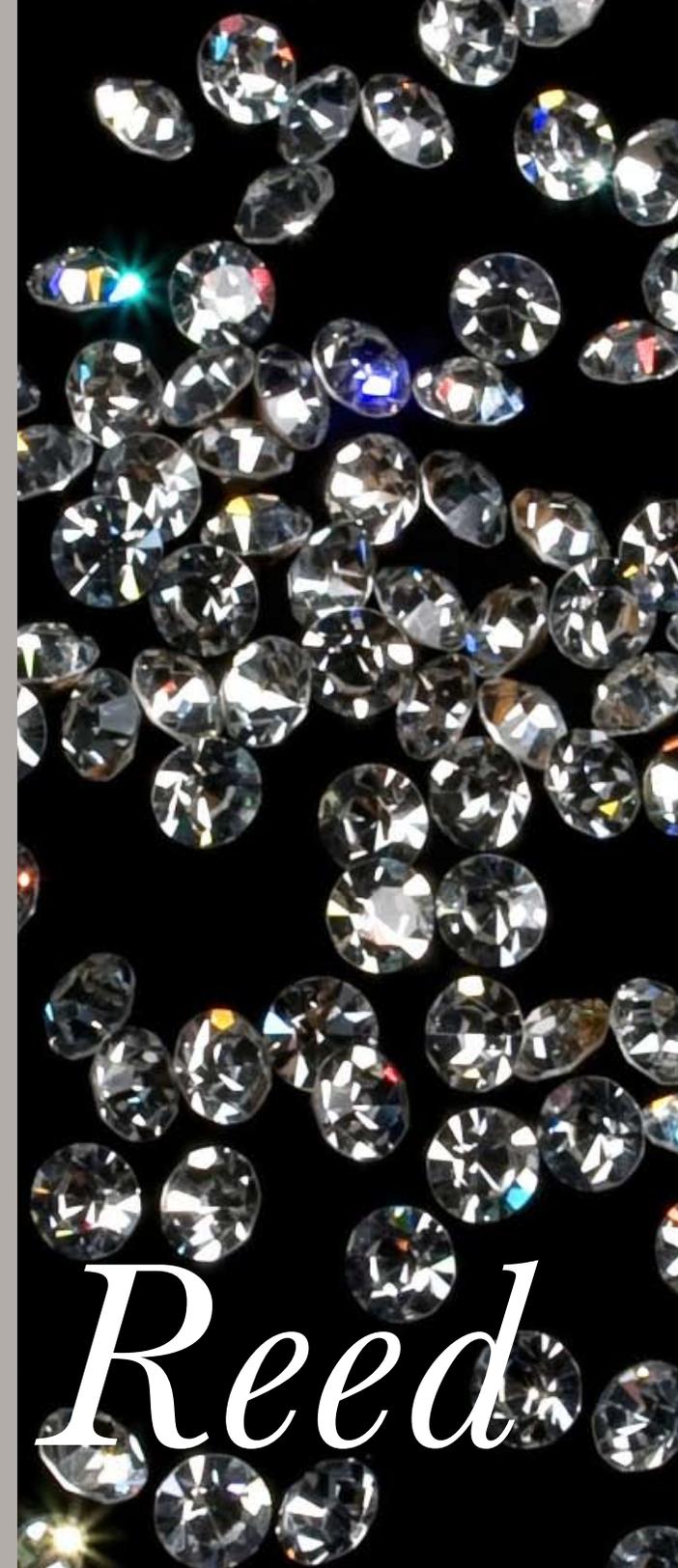
As a non-reporting asset, records of diamond ownership are private.

All information we have about customer holdings, location of holdings or any matter pertaining to the customer is subject to strict in-house privacy regulations and, if stored electronically, is kept encrypted with no remote access. Customer information is not discussed with anyone other than the customer, unless we are specifically authorised to do so.

Customer satisfaction is at the core of any successful business, and we endeavour to bring you only the best, and most appropriate investment opportunities.

If you are interested in diversifying your portfolio into diamonds, or another asset class, then why not contact us today and we can discuss all your options.

Goldberg & Reed



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The value of precious stones may go down as well as up and may be affected by fluctuations in exchange rates and the world economic conditions. Past performance is not a guide to the future performance and there can be no assurance that the buyers objectives will be met. When reselling, buyers may not get back the amount invested.