

Winston Art Group is the nation's leading full service art appraisal and advisory firm serving private clients, the trust and estate community, wealth management firms, the insurance industry, museums and foundations on all aspects of the international art market at all financial levels.

SUMMER 2011 ART ASSET OVERVIEW

VOLUME 8 — JEWELRY MARKET

Dear Friends,

At no other time has it been more important to get **independent, objective** advice and expertise when valuing fine or decorative art, jewelry, and collectibles. With the recent increase in the market for precious metals and diamonds, this season's newsletter focuses on jewelry.

Due to the high values as well as extreme fluctuations in the market, objective advice is needed to ensure authenticity, condition, and accurate pricing of your collectibles.

DIAMONDS

Prices of diamonds have been steadily climbing and according to the Diamond Prices Index the average retail price per carat of loose diamonds has increased by 15% over the last two years. More recently, in June of this year, the London based diamond conglomerate De Beers, most widely known for their control over about 60% - 65% of the world's rough diamonds, raised the price they charge to their dealers on rough diamonds by about 12%. For retail prices of top quality D-flawless and fancy colored diamonds of 3 carats and up, the Winston Art Group has seen increases as high as 25% since January of this year. This was corroborated by the fact that Van Cleef and Arpels recently announced that they were increasing their prices on July 1 by a similar percentage, and it is expected that other high end jewelry dealers will follow suit.



Graph courtesy of The Diamond Search Engine <http://www.diamondse.info/diamonds-price-index.asp>

INDEPENDENT APPRAISALS

Expertise—35 senior fine and decorative art specialists.

Appraisals—Confidential certified appraisals for all purposes conforming to Internal Revenue Service and Uniform Standards of Professional Appraisal Practice (USPAP) standards.

CONFIDENTIAL ART ADVISORY

Brokerage—Independent wealth of expertise in the marketplace enables us to advise our clients and negotiate the acquisition or disposal of any work of art.

Financial Services—For select clients, we facilitate competitive structured loans using art, collectibles, and other assets as collateral.

Collection Management—Access to and advice on a broad range of curatorial and collection management services.

PEARLS

There are many types of pearls from at least 8 regions, each with their own set of variables and characteristics that determine value. Japanese Akoya pearls have traditionally been the most sought after, however they have become harder to acquire due to environmental problems in the oyster beds in Japan. Additionally there has been a large amount of competition coming out of China, and although the pearls from China vary in quality compared to the older Japanese Akoya, they can be found at somewhat lower market prices because of the large quantities available.

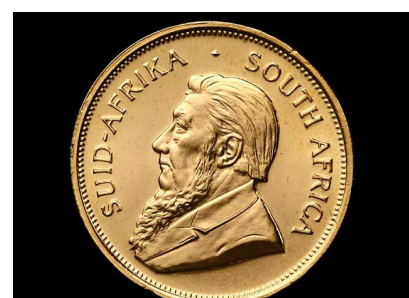
In response to the increasing demand for luxury goods in Asian markets, which the Japanese Akoya pearl market is unable to satisfy, South Sea Pearl producers have filled an opportunity in the marketplace. South Sea pearls now amongst the most sought after, with larger pearls commanding the strongest prices. This increase in demand has led to greater competition in the South Sea market, which in turn has resulted in an increase in quality. Still however the overall winners in the pearl categories will always be the complete natural pearls in any size, as these prices keep rising due to their extreme rarity.



GOLD

Since late 2008/early 2009, gold has steadily moved up in price, most recently reaching a high of \$1,700 per ounce. Uncertainty has been the fuel propelling gold's unprecedented rise and the high price of gold has created various opportunities for both buying and selling. Millions of dollars a day of unwanted gold jewelry are being sold at record prices. Most investors holding gold coins or bullion are in a profitable position.

There have never been as many ways to buy gold as there are today, creating a very competitive environment and much tighter buy-sell spreads. Before venturing into the market it is best to do your homework, and most importantly work with someone you can trust. Many see the gold market reacting daily, if not hourly to the world's changing events, so it is all the more important that one get their valuables appraised.



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