

# Investing In Gemstones



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# Introduction & Key Facts

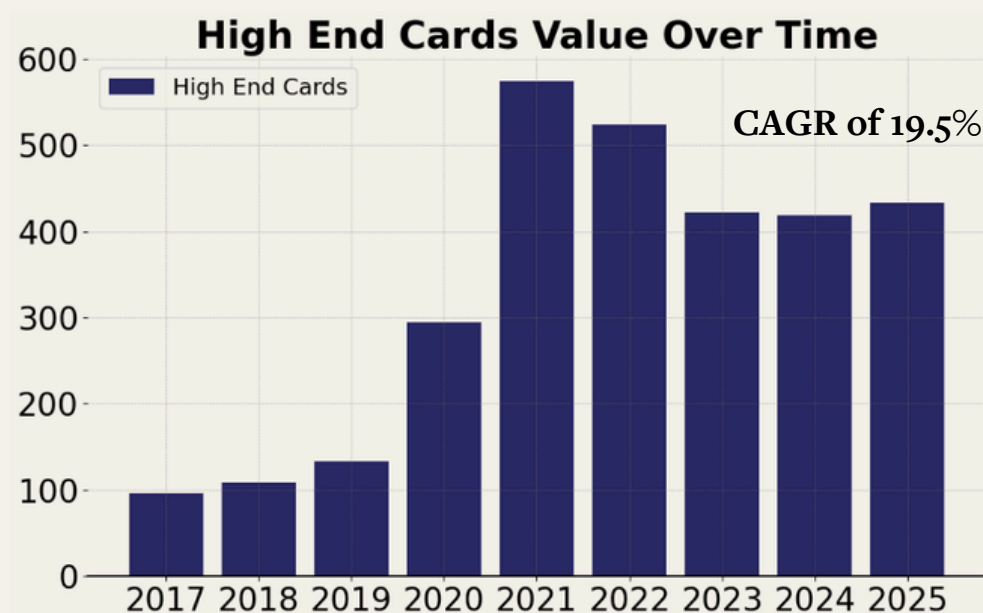
Gemstones have fascinated humans for millennia. Unlike financial instruments or collectibles tied to trends, natural gemstones represent tangible, unreplicable rarity. Their intrinsic beauty, geological uniqueness, and cultural symbolism make them one of the oldest and most resilient stores of value in human history.

Coveted by discerning collectors and long-term investors, high-grade gemstones—especially untreated rubies, sapphires, and emeralds with certified origin—have demonstrated enduring value, material resilience, and rising global demand.

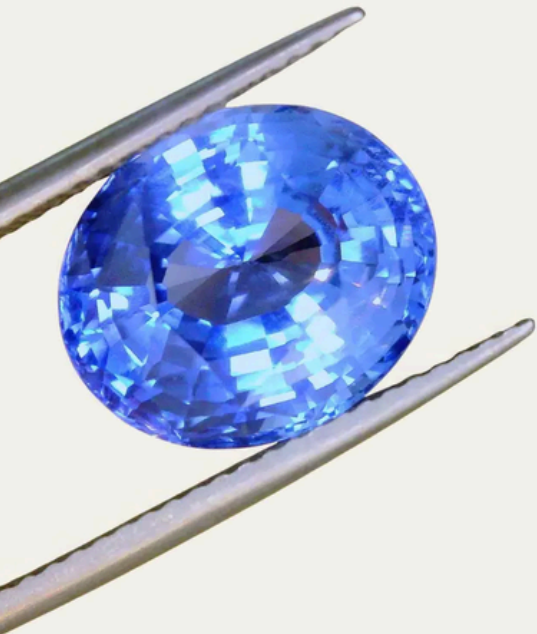
The sector is defined by historically significant auctions, finite natural supply, and increasing institutional interest.

## Key Facts & Market Data

- The global gemstone market exceeded \$35 billion in 2024, with the investment-grade segment—featuring untreated rubies, sapphires, emeralds, and fancy-colored diamonds—accounting for a growing share of alternative asset allocations.
- Record-breaking auction results continue to shape the market: the 2015 Sunrise Ruby (25.6 ct, Burma) sold for €27 million, while the 2017 Pink Star Diamond (59.6 ct, Fancy Vivid Pink) achieved €67 million at Sotheby's Hong Kong.
- Market value is driven by geological rarity, untreated condition, certified origin (e.g., GIA, SSEF), and cultural symbolism linked to royalty, heritage, and timeless aesthetic appeal.



# Subcategories & Their Specifics



## Origin-Based Rarities

- Kashmir Sapphires, Burmese Rubies, Colombian Emeralds
- Geological rarity, mine closure, intense color saturation often command the highest premiums per carat.

## Auction Highlights:

- Sunrise Ruby (25.59 ct, Burma, no heat) – €27 million (2015, Sotheby's Geneva)
- Rockefeller Emerald (18.04 ct, Colombia, untreated) – €5.5 million (2017, Christie's New York)
- Kashmir Sapphire Brooch (27.68 ct, SSEF-certified) – €4.3 million (2014, Sotheby's Geneva)

## Treatment Status

- Untreated gemstones—especially rubies, sapphires, and emeralds—are considered the gold standard in the high-end market.
- The absence of treatments like heating (for rubies and sapphires) or oiling (for emeralds) is rare and significantly increases both value and investor confidence.

## Auction Highlights:

- Burmese Ruby & Diamond Ring (10.05 ct, no heat) – €9.8 million (2015, Sotheby's Geneva)
- Unheated Kashmir Sapphire (12.00 ct, SSEF-certified) – €2.9 million (2020, Christie's Hong Kong)
- No-oil Colombian Emerald (17.40 ct, Muzo) – €1.5 million (2021, Phillips Geneva)



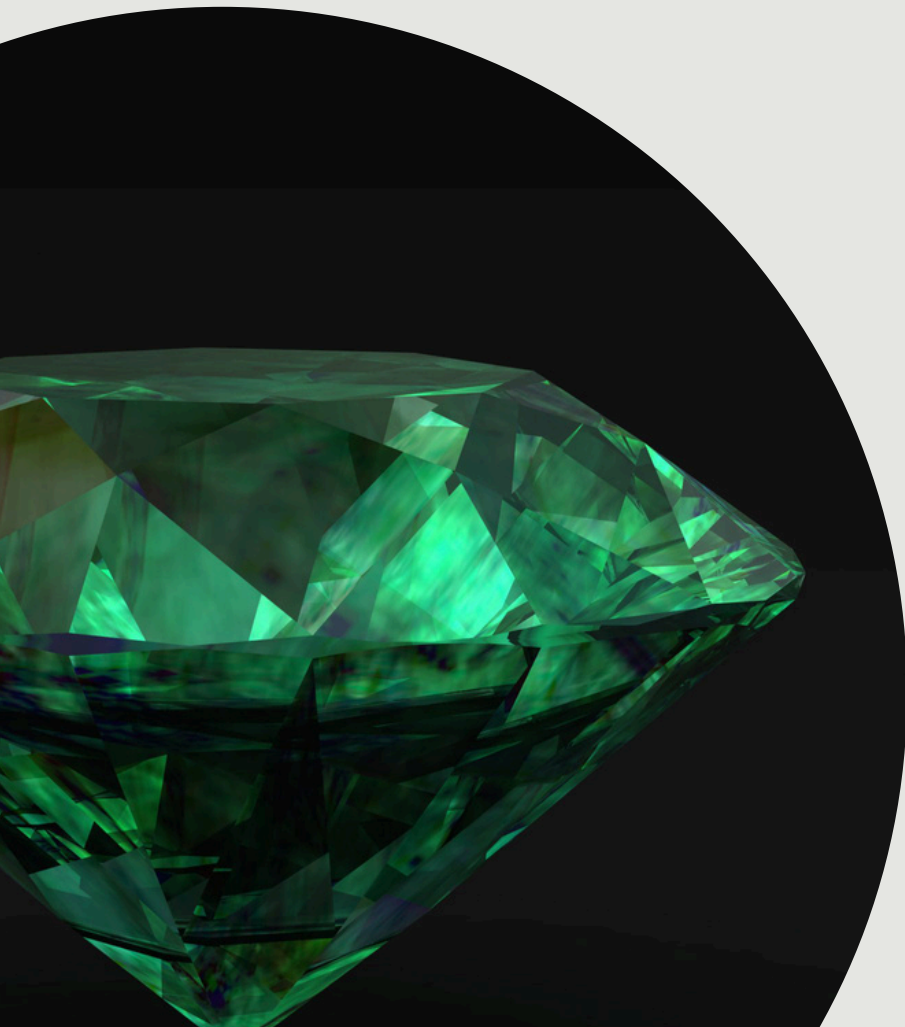
# Subcategories & Their Specifics

## Color Value

- Exceptional color quality—particularly in rubies (vivid pigeon’s blood red), sapphires (deep royal blue), and emeralds (intense vivid green)—is a primary driver of high valuations in the gemstone market.
- Stones with highly saturated, evenly distributed color and strong brilliance command significant price premiums, often surpassing the value of larger but less vividly colored gems.

## Auction Highlights:

- Burmese Ruby (15.04 ct, vivid pigeon’s blood red, SSEF-certified) – €14.2 million (2015, Sotheby’s Geneva)
- Kashmir Sapphire (27.68 ct, royal blue, SSEF-certified) – €5.1 million (2014, Sotheby’s Geneva)
- Colombian Emerald (18.04 ct, vivid green, no oil) – €2.7 million (2019, Christie’s Hong Kong)



# The Unique Value Drivers of High-End Gemstones

## Rarity, Provenance & Condition: The Core of Value

In the high-end gemstone market, value is shaped by a unique interplay of natural rarity, geographic origin, treatment status, and exceptional color quality.

- Prestigious Origins – Stones from legendary sources such as Kashmir (sapphires), Mogok (rubies), and Muzo (emeralds) are synonymous with prestige, with auction records consistently surpassing comparable stones.
- Untreated Condition – Absence of heating (rubies, sapphires) or oiling (emeralds) is rare and signals authenticity.
- Exemplary Color – Highly saturated, evenly distributed hues (pigeon’s blood red, royal blue, vivid green) are primary drivers of price escalation, sometimes outweighing size in determining value.



## Market Examples and Trends

- A 10.05 ct unheated Burmese ruby sold for €9.8M (Sotheby’s Geneva, 2015), underscoring how origin and no-heat status combine to set records.
- The 27.68 ct Kashmir sapphire fetched €5.1M (Sotheby’s Geneva, 2014), demonstrating how iconic origins and perfect royal-blue color dominate market demand
- A 17.40 ct Muzo emerald with vivid green color and no oil achieved €1.5M (Phillips Geneva, 2021), highlighting the premium for both purity and provenance.



# In Depth View: Return & Risk 1/3

## Opportunities (Quantitative)

Three major benefits can be observed by including High End Cards as an asset in the portfolio:

- Reduced overall portfolio risk
- Higher average annual returns
- Consistent track record

(1) Portfolio represents 80% SPI and 20% High End Cards

## Reduced Overall Portfolio Risk

The less-than-perfect correlation between High End Cards and SPI (SXGE) results in a combined portfolio with lower risk compared to traditional assets alone. By analyzing the combined portfolio, this is captured by the following metrics:

- Lower standard deviation
- Lower beta
- Higher Drawdown risk

Assets	Std Dev	Beta	Drawdown
Cards	0.19	0.08	0.38
SPI	0.12	1.00	0.20
Portfolio (1)	0.11	0.69	0.21

(1) Portfolio represents 80% SPI and 20% High End Cards Index

## Higher Average Annual Returns

The positive effect of compounded returns is captured by the higher compound annual growth rate (CAGR) from 2017 to 2025.

Assets	CAGR
High End Cards	19.5%
SPI	7.3%
Portfolio (1)	10.6%

(1) Portfolio represents 80% SPI and 20% High End Cards

## Consistent Track Record

The combined portfolio has consistently outperformed the SPI benchmark, with a historical return of 333% compared to 79% over the past 8 years.

## Other Opportunities

- Wealth preservation
- Increasing demand, limited supply
- Cultural value

## High expected return with lower risk?

Short answer: Well, it is possible.

This can be explained by the low correlation ( $R = 0.05$ ) between SPI and High End Cards. Correlation ( $R$ ) measures the strength and direction of the relationship between two variables:

- $R = 1$ , assets move together
- $R = -1$ , move in opposite directions
- $R = 0$ , no relationship



# In Depth View:

## Return & Risk 2/3

### Sharpe Ratio (SR)

All these benefits can be captured by a single metric. The Sharpe Ratio measures how much excess return a portfolio generates per unit of risk. It is calculated as:

$$SR = \frac{\text{Portfolio Return} - \text{Risk-Free Rate (Rf)}}{\text{Std Dev}}$$

- Best used for comparing investment on a risk-adjusted basis
- A higher Sharpe Ratio is better, as it indicates more return per unit of risk taken

In this case, the combined portfolio's Sharpe Ratio is 0.94, vs 0.64 for SPI (2017–2025).

Assets	Sharpe
Cards	0.98
SPI	0.64
Portfolio (1)	0.94

(1) Portfolio represents 80% SPI and 20% High End Cards  
(2) Risk-free rate of 1% for the sharpe ratio calculation

### Risks Management

The previously mentioned risk metrics are useful for evaluating volatility and downside capital risk. A further step in risk management would be the calculation of:

- Value at Risk (VaR)
- Skewness and Kurtosis

### Value At Risk (VaR)

What is the maximum amount that could be lost over a period, given a specific probability? VaR attempts to answer this question.

#### 5% VaR

By investing EUR 500 in High End Cards Index as a standalone investment, there is a 95% chance that the initial investment will exceed EUR 568 after 5 years.

#### 25% VaR

In the case of a 25% VaR, there is a 75% chance that the initial investment of EUR 500 will exceed EUR 841.



# In Depth View: Return & Risk 3/3

## **Skewness and Kurtosis**

Skewness and kurtosis describe the shape of a probability distribution.

### **Skewness**

It measures the asymmetry of the probability distribution. Hence, for:

- skewness > 0.5, more extreme positive values
- skewness < -0.5, extreme negative values
- otherwise, approximately symmetrical

The skewness of +2.83 for the annual returns of High End Cards over the past 8 years indicates a higher likelihood of positive returns.

### **Kurtosis**

Kurtosis quantifies the presence of more extreme values. For this study, excess kurtosis was used to evaluate it.

Hence, for:

- kurtosis > 0.5, higher risk of extreme returns
- kurtosis < -0.5, lower risk of extreme returns
- otherwise, low risk of extreme returns

The excess kurtosis of +10.51 for the annual returns of High End Cards over the past 8 years indicates a high risk of extreme returns.

## **Other Relevant Risks for High End Cards**

- Authenticity
- Conservation and Storage
- Illiquidity Risk
- Subjectivity Risk
- Concentration Risk

## **Authenticity**

Mitigated by rigorous due diligence and partnerships with leading experts.

## **Illiquidity Risk**

Mitigated by a long-term approach, the focus on highly desirable high-end cards and a strong collector network enhance exit opportunities.

## **Subjectivity Risk**

Reliable historical data, market trends, and expert insights are used to identify cards with enduring value.

## **Concentration Risk**

Reduced by diversifying portfolios across athletes, periods, brands, reducing dependency on any single segment or trend.

## **Assumptions**

For the quantitative calculation:

- Average risk-free of 1% for the past 25y
- High End Cards considers cards whose last sale was greater than \$5k.
- 99 monthly data-points (2017-2025)
- Thresholds for kurtosis and skewness are provided as guidance. Different investors may have different orientations.
- VaR considers historical CAGR and standard deviation as parameters.

# Market Trends & Developments

## 2025 Market Trends: High-End Gemstones

The global gemstone market is being reshaped by shifts in sourcing, technology, and investor behavior, with growing emphasis on provenance, sustainability, and alternative-asset diversification.

- **Provenance Verification:** Advanced gemological testing (e.g., SSEF, GIA) and blockchain-backed certificates are improving transparency on origin, treatment status, and authenticity—boosting investor trust.
- **Auction Dynamics:** Record-setting sales in Geneva, Hong Kong, and New York are fueled by competitive bidding for untreated stones from legendary sources such as Kashmir, Mogok, and Muzo.
- **Color Premiums:** Exceptional color saturation (pigeon's blood red, royal blue, vivid green) continues to command multiples over average-quality stones, with some buyers prioritizing hue over carat weight.
- **Global Demand Growth:** Rising interest from Asia and the Middle East is accelerating price appreciation for top-tier stones, with millennial and Gen Z buyers entering via digital-first auction platforms.
- **Digitalization of Sales:** Online high-value transactions and virtual showrooms are making rare stones more accessible globally, while maintaining exclusivity through invitation-only events.



# This is Our Expert

## Ceylon Munich: Curating Gemstones into an Asset Class

Ceylon Munich is a platform created to contextualize exceptional gemstones—bridging natural rarity with cultural heritage—while identifying attributes that elevate them into long-term investable assets.

Founded by renowned gemstone specialists, the platform reflects decades of expertise in sourcing and evaluating colored stones from the world's most prestigious mines. Ceylon Munich has shaped the modern gemstone landscape by introducing investment-grade curation standards, emphasizing provenance, certification, and rarity.

The team has been recognized for securing historically significant sapphires and emeralds, often well ahead of market trends—for example, acquiring unheated Ceylon sapphires with rare hues long before global demand surged. These acquisitions now serve as benchmarks for collectors and investors alike.

The logo for Ceylon Munich is centered within a white rectangular box. It features the word "CEYLONS" in a bold, serif font, with "MUNICH" in a smaller, sans-serif font directly beneath it. A thin horizontal line separates the two words. The box is accented by a dark blue L-shaped line on its right and bottom edges.

CEYLONS  
—MUNICH—

Gemstones have quietly emerged as one of the most resilient alternative asset classes over centuries, combining scarcity with enduring cultural and aesthetic value. With a market estimated in the tens of billions and expanding demand from both collectors and institutional investors, gemstones backed by certification, provenance, and global recognition are increasingly regarded as legitimate stores of wealth.

# Why Splint Invest?



## **Curated Investment Opportunities**

Splint Invest only selects Gemstones that pass a thorough due diligence process, with emphasis on market liquidity, provenance, purchase price, historical performance, and relevance.



## **Diversification without Complexity**

Investing in Gemstones through Splint enables instant access to a historically low-correlated asset class with proven returns — ideal for portfolio diversification.



## **Secure Storage & Insurance**

All Gemstones are stored in a bank vault, ensuring asset safety and long-term preservation.



## **Expert Validation**

We collaborate with trusted Gemstone advisors to identify cards with growth potential, and ensure authenticity and valuation accuracy.



## **Data-Driven Decision Making**

Our investment decisions are backed by in-depth market data, trend analysis, and pricing databases, ensuring each Asset is selected based on objective insights rather than speculation.

## Reach Out To Us

"Gemstones represent a timeless opportunity for investors seeking both resilience and beauty. Whether you are drawn to the unmatched rarity of natural sapphires, rubies, and emeralds, or value the security of assets backed by certification and provenance, gemstones combine emotional depth with financial strength. The allure lies in how they unite wealth preservation with cultural significance." – Mario von Bergen, Head of Investments & Co-Founder

Together with our gemstone expert, we are looking forward to guiding your journey in building a meaningful and enduring portfolio that balances passion, heritage, and long-term value.



*Mario von Bergen*

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[www.splintinvest.com](http://www.splintinvest.com)

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