

Do you think other gem stones are worthwhile for investors and will you continue to see the value of diamonds consistently rise?

I only invest in polished diamonds - as an example of the potential growth, polished pink diamond prices have increased 544% in 10 years (until 2011) due to their rarity. As an investment vehicle, other gemstones do not have the same qualities as diamonds.

Would you say the fund is exposed to any instability in certain geographic regions? For instance, do mining strikes in South Africa have a positive impact on the value of diamonds due to supply concerns; likewise, the discovery of new diamond-rich shaft?

Yes and no. I only invest in polished diamonds as the demand is greater and more reliable when compared to rough stones. A diamond mine requires investment of around \$1 billion for prospecting and sinking a shaft – no new mines have appeared in the last 10 years. Due to the level of investment required, it is unlikely that new shafts and an increased supply will impact the price of diamonds.

What could prompt investors to consider your fund for investment? What are the most appealing aspects to the Scarabaeus Active Fund?

There are no other funds out there with this combination of securities and physical diamonds. The securities consist of moderate term bonds with comparable yields. Investors can also redeem on a monthly basis and choose whether to receive their redemption in cash or physical diamonds.



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