

Ryan Morfin: Welcome to Non-Beta Alpha. I'm Ryan Morfin. On today's episode we have Zameer Kassam from Zameer Kassam Fine Jewelry, the founder of a luxury high-end jewelry maker based in New York City, who's going to talk to us about user experience, marketing trends in technology, and the diamond industry globally. This is Non-Bet Alpha. Zameer, welcome to the show.

Zameer Kassam: Thank you for having me.

Ryan Morfin: Well, we appreciate you coming on and sharing some of your insights. Zameer is the founder of Zameer Kassam Fine Jewelry and he actually does bespoke, high-end jewelry design and delivery of some beautiful pieces in New York City and the world actually. He's traveled all over the world for work and works quite a bit with really high-end stones at the top end of the market and he's become a friend over the years, and so I wanted to have Zameer just share a little bit about his story about what he's been doing entrepreneurially and talk a little bit about the market that he's in, which is high-end stones and a little bit about what's been happening in New York City during coronavirus. So, Zameer, thanks for joining.

Zameer Kassam: It's very exciting to be here and to see you after so long.

Ryan Morfin: Yes, so Zameer, so maybe for our viewers, do you mind maybe sharing a little bit about what you do on a day-to-day?

Zameer Kassam: Sure, so I, as you mentioned, am a fine jewelry designer. I run a company where we create pieces of jewelry that tell stories. It's primarily the story of how someone feels about someone else, that's secretly woven into design. So, my most typical example is the guy who's proposing to the woman, he's madly in love with her, and he wants to create something that's a little bit more special than the ring that you can find off the shelf or buy online.

And so, we'll find out a little bit about how they fell in love, usually from him, and then we'll find ways to secretly weave that into the design of her piece. So, many little details like the shape of a prong is inspired by a part of the world that she's from or a secret gemstone in the inside, but in doing so it makes it much more meaningful and special for that moment in time.

And so, it tends to be very much milestones in people's lives, often it's a surprise from one person to another, and it ends up being more of an experience than even just a piece of jewelry. So, I think it's very different than the traditional industry.

Ryan Morfin: Maybe you could share a little bit about your journey. How did you get started in this business?

Zameer Kassam: Yes, my journey from consultant to jewelry designer is a little bit atypical. As you know, Ryan, my family was in the jewelry business. I grew up in the industry in

Canada. My parents owned a chain of jewelry stores. I didn't at 17 years old see myself waking up every day and going to the mall, working with Mom and Dad until I was 70 years old, and so I decided to leave that, started off my career in management consulting in McKinsey & Company. I was at McKinsey for several years, had an amazing experience, still very close to the firm, but after a couple of years I wanted to try something different.

I moved to India, worked for MTV Network in M&A, that was my sort of finance years. An amazing experience there launching VH1, Nickelodeon, MTV all across Asia Pacific, and the Middle East, and Australia, but at the end of the day, Ryan, I just didn't love media as much as I loved jewelry. I felt media was transient, and jewelry apparently lasts forever, and I couldn't really get those two to connect for myself.

So I took a break, went to Harvard Business School to get my MBA. It was during the MBA program that one of my professors, Rob Kaplan, who is now the chairman of the Federal Reserve Bank of Dallas, he was actually very close to me in school, and he helped me realize that my passion was in jewelry. Most people don't know that Rob Kaplan's father was a door-to-door jewelry salesman back in Kansas City.

So, when I went to him and said that I had this passion, but I wasn't sure how to create a real career and a life from it, he very graciously took me aside and said, "Let me help you." And, I ended up taking a summer internship at De Beers Diamond Jewelers, it's a joint venture between De Beers and LVMH, to spend my second year, second semester in Botswana working in the mines of De Beers specifically in Jwaneng, which is the world's most productive diamond mine, and that's where some of my mining experience comes in that, Ryan, you and I have had the pleasure of working on in Afghanistan and then ultimately I took a full time job running the [inaudible 00:04:43] classes business unit for that joint venture between De Beers and Louis Vuitton.

Amazing experience when it's all about diamonds, when it's all about luxury, but at the end of the day I felt like I was selling things that are in a showcase just like my parents' jewelry store. That's when I decided to take that flight from London back to New York, slept on my friend's couch from HBS, and started to think about how I would build a business that was more in line with my own desires to be close to the clients and closer to design. And, that's actually when I started to design pieces for friends that told a little bit of the story and back then I didn't imagine that now we would be more that 2,200 pieces and this would be its own innovative and standalone business, so it's a bit of the long version of the background.

Ryan Morfin:

No, that's just fascinating. I've been able to watch it grow, and you've become a celebrity of sorts. You've been on the red carpet in Hollywood, the Grammy's or the Emmy's, people are wearing Zameer Kassam and I think it's been a great journey to watch, and I think in today's world a lot of our viewers have historically networked with traditional sources, golf clubs, country clubs, done

traditional types of community service whether it's on a rotary club. You've been great at getting your story out and telling stories and marketing yourself, and really in a very sophisticated way early on. Maybe you can talk a little bit about just how you look at marketing and your approach to marketing because I think you've done a great job of branding your business and yourself.

Zameer Kassam:

Well, I appreciate that, and I think a lot of where I've gotten to is because of my friends and clients like you who have been so supportive over the years. So, I think if I was to give a sense of what I think has been valuable to me, it's three things. First, is a sense of passion and belief in myself. The second is around the stories I tell and third is an arming my engine of referrals to get the message out.

So on the first part of that, I'm I think quite lucky that I was able to discover the passion that I have for jewelry design at a time when I still was able to get the real life experience. De Beers is now a partner with me, and we're offering De Beers branded diamonds, that credibility was really helpful in building the business. How did I decide to launch this straight out of undergrad? I don't think I would have been able to build a business quite as I have.

So, I think in some ways learning the passion when I learned it, and being as authentic as I can be about how much I love it has given me the ability to start telling stories of people in a way that I think other people can listen. The second part of that is that all of my marketing is about people's love stories. I'm not making up stories about anyone, nothing even on the red carpet is made up. When I'm sitting with a client learning about how he fell in love with his girlfriend walking through Central Park and I tell that story in the design of the ring, we'll share that story on social media.

And, the truth, the authenticity of that in 2020 so much of what we look at on Instagram and even on the ground and certainly sadly on the news and everything is just so questionable. I think the fact that this is one thing that is actually true really resonates and because of that I think people are really excited to not just listen to it, but to share it. And so, as you know from my business, we're extremely lean. There's no stores, you can't buy anything online, there's no inventory, and we also spend no money on marketing.

When you see someone who is sharing one of our pieces on social media or telling their friends about it, it's because they truly believe in it, and I think that arming those people with beautiful pieces of content and quotes from the story, images, videos, has led to my 2,200 clients in many ways becoming my army and sharing this idea of thoughtfulness to all the people that they know, so that when someone's proposed with a ring and Ryan, you said we're a high-end jeweler, we make pieces of \$5,000, so it's not all high-end, but everything has to tell a story about how someone feels about someone else.

Even when I did the piece for Time's Up and Ashley Judd, or Lupita Nyong'o and Black Panther, or the cast of Crazy Rich Asians, all of that told the story of each

of their moments in time at that milestone in their life, and that's what made it exciting for me, exciting for people to read, and then really excited for people to share.

Ryan Morfin:

There's corollaries to your business and to our business, so I hope you don't find these questions remedial, but when you're taking someone through this potentially intimate conversation or this historical milestone for them, you have to be a really good listener and maybe what are some tips for people to be good listeners? I know you do a lot of sketchbook and you do a lot of note-taking and maybe you can talk a little bit about that process of how you go into capturing all these details.

Zameer Kassam:

Sure, so I think that there's three buckets to that. One is the mindset that you have to be in. I think two is the way you execute the process, and three is how you then carry that forward into the future. I think number one, the mindset for us isn't quote, unquote so loosey-goosey as I think many people would imagine just sort of sitting there and dreaming the dream and learning about a love story.

We're there to serve the client. You might be a friend of mine, but for that hour, those hours, you are my client and I am your provider of something that I think is magical and beautiful, as well as a service and a product. So, we are very much in that serious mindset and our objective is in the process to learn the love story, and then bring that love story to life through design. And so, it's very thoughtful around the objectives and then structured to meet those objectives.

That leads into number two which is the process. We are extremely methodical. If there's one thing Rob Kaplan taught me from ... this was during when he was at HBS post-Goldman, it was that time is more valuable than money, and your clients and your teammates know that, so we are very cautious about spending too much time without getting to something really exciting in terms of experience for our clients. So, what we say is that we have a three-step process. Each process takes between half an hour to an hour and that whole process is going to be executed over the course of one to four weeks.

So, if you can commit three hours to this over the, let's say, the next three weeks, this will work for you. If you cannot commit that, maybe we're not right for you because we need a little bit of something from you to serve you right, but we will promise you that every minute of those three steps, whether it's two or three hours, will be exciting and fun and leave you with something tangible that you can then take even if choose not to work with us.

And, I think that leads to the third piece which is that everything that we do is meant to continue to increase the emotional excitement of the people we work with. So, from the first step to the second step, we are very thoughtful of the communication we give to a client between the tutorial where we share with them in 30 minutes what we think is worth it in a diamond and what we think is not worth it, so they don't get ripped off, to the second meeting which is a

discovery of learning their love story, we're figuring out how to make sure that they get excited about speaking to us.

And then, that continues on not just in that process, but when the piece is complete you imagine you present the piece to the man and he goes to his 25th wedding anniversary and gives it to his wife, that's usually it. I shouldn't say any brands, but the luxury brands will give you a box and that's pretty much as far as they go. We will get in touch with his wife. We will invite them in, or to a Zoom, we will then share with her everything that he said about her that was so magical and beautiful, so that he then realizes those hours he put in didn't just help us create the piece of jewelry, but they were really the product, and her finding out that he put that time in is often as meaningful as the investment itself.

And so, we think very longterm and we think holistically of the client as a family, not just the one person who we're serving. Does that make sense?

Ryan Morfin: Yeah, it makes a lot of sense. It's really getting a commitment from the client to be bought in or have some equity into the process, so that you're not only getting their expectations met, but also enabling them to see value for the time they have to commit.

Zameer Kassam: Well, it's also enjoyable, Ryan, there's an element to me being the entrepreneur who created the business, and I think our team of storytellers love learning the story, but when you actually have a relationship with someone that's that deep and that lasting, it makes the hours feel like they're not work. It makes it feel that we're in the service of love, or the service of building heirlooms telling real life stories. That's led to my team being people who literally join, and you I think met a few of them, they stay for a long time.

We don't have the turnover of the jewelry industry. It actually becomes really exciting to have people join a team. We're excited to build relationships that might extend for the rest of their lives. That is an odd thing for millennials in 2020. Most of my team are relatively young and they are very excited to have now been here for three, five, seven years. We're only eight years old, so I'm feeling like we're on to something interesting because of those relationships.

Ryan Morfin: And so, you've been through the last cycle and high-end jewelry and precious stones, what is the elasticity of that type of investment someone's going to make through a recession or a financial crisis? You came out of the last one. What are your thoughts about how that's going to impact the luxury market today?

Zameer Kassam: Well, I think it's going to have a substantial impact. I did live through the 2008, 2009 crisis back when I was with De Beers, so I got a very bird's-eye view of the issue as it faced different parts of the market. I think like then it'll depend on who you are. If you're in the very high-end, so your luxury retailer that is owned

by a conglomerate, you will weather the storm because you have the pockets, the LVMH, or the Richemont pockets, and that's going to be incredibly valuable at this time.

I think if you're an independent jeweler, which is the vast majority of jewelers in America, just talking about 40,000, 50,000 independent shops, some of them are regional chains, but they're the vast majority of the \$80 billion of diamond jewelry sales in America. There you're going to have the majority of the impact. I think that many of them are going to have a really terrible time as they get saddled down by their debt inventory that's not moving. Both are as a result of just old, poor business practices that have led to inventory return being lower than it needs to be and stores are closed.

You can't physically walk into the mom-and-pop shop in Wilmington, Delaware to pick up that pair of earrings for your mom because it's closed. Now, there's a bunch of other things that have been happening before this that were already leading to a dramatic transition in retail that was going to hit traditional retailers the hardest. This is going to be a catalyst, and those folks who don't have balance sheets that are rock solid will fail. That'll create opportunities for other people in the market, but that is going to be very sad to see some of the names that I'm sure your clients and your employees have gotten used to seeing in the main streets all across this country, that's going to be tough.

I think the low end, there's going to be a lot more absorption of the impact because the low end tends to be Walmart, Costco, and the different brands that are part of Signet Group, being Zales and the different mall-based jewelers. They're going to get hit terribly hard. I predict at least one, maybe two large brands might even fail. Actually, I think they will fail. To be fair, I think it might be about time that some of them go through this kind of transition because it's been generations of not innovating at that level, and we all know that with all of the unemployed in this country, those are the folks who are going to have to decide between some significant substitutes like rent and food and education versus a slightly more expensive engagement ring.

And, I think they're going to choose the necessities and that's going to hit the low end the hardest. Again, opportunities, retail space will become available, but I think that it's going to be really hard for some of them to survive. Does that answer your question?

Ryan Morfin:

Yeah, that's a great answer, and it's interesting, so you've grown your business over the last decade really without bricks and mortar, more digital and more bespoke, in-person. We'll call it high-touch delivery, and how do you envision the luxury market? You're seeing Neiman Marcus go bankrupt, you're seeing some of these big retailers, super box stores like Bloomingdale's under pressure, do you think it's going to be more by-appointment only type of private, bespoke shopper experience or what does the future of retail look like for the luxury brand?

Zameer Kassam:

Well, for the luxury jewelry brand, I think it's going to be a moment of reckoning. I think that it's been a while now that consumers have wanted experiences over products. You can think about 2013, 2014 everyone is saying experiences are more important than product, and my business was already born of that mindset. So, I kind of came in during the beginning of that wave, and I'm excited that we're a part of that world of building these beautiful experiences.

From there, I think that the industry had to push back because the traditional industry has inventory and they need to sell inventory, and they've got all these stores, and they can't transition that quickly. I believe that the future of diamond jewelry luxury retail will involve far more of three things. Number one, the experiences have to be substantially heightened and in a way that embraces technology and I feel like I'm an old man speaking in the year 2000, the jewelry is so slow that there's not actually one player who's truly embraced technology.

So, when I say that the future involves experiences that embrace technology and really is a future for this industry, and I don't know how that will pan out, but I believe it'll be some combination of in-store and at home where in-store is this beautiful experience, but at home is where a lot of the research and commerce happens.

I think number two, and now, I'm preaching to the choir, or maybe I'm drunk on my own Kool-Aid or some other business term, but the market, meaning people who want to celebrate milestones and do something special for the ones they love, they're tired of doing things that are generic. How many handbags can you buy from the same brand for your wife every year, or how many cufflinks can you buy for your husband? You just can, you get tired and sick of it, and honestly, this is going to be a moment where people feel very sick of it, and we can talk about how this moment changes things even more, but I think that idea of personalization and customization, something that is made for me that is not the same as every other store and every other bride and groom, I think that's going to become very important for the future of retail, and that's also going to mean less inventory on hand, which should free up capital to do more interesting things.

The third thing which is in my opinion about time, is that people are going to become more socially responsible around their spending. I hope people will look at this moment where the world has faced a global pandemic and we've had to suffer through it, but suffer through it together as a moment where we can imagine what else we can do if we come together. And so, really thinking about where the money goes, and it's not just about whether the mine has socially responsible practices, which is a good starting point, but it's also about who is this retailer, and how are they treating their employees? What did they do during the pandemic? What would they do in the future to make sure people are better off versus worse off? And, really double clicking in every part of that supply chain to feel like this ring doesn't just represent the love story of my husband and I, which is what we would create, but it also represents really, truly

good things in my opinion, as the consumer. Maybe not for everyone, but for me.

And so, combining this idea of harnessing technology to create better experiences that engage people and the store at home, being more customized and personal, and then focusing on literally the betterment of society through the people that are involved in making these pieces, I think that's going to redefine luxury diamond jewelry retail.

Ryan Morfin:

I can see the future of luxury retail maybe for your use case of walking into a room and doing your ... we'll call it discovery process for the jewelry design, but having a room full of cameras, so that the person could have an augmented reality to be there while that individual is explaining to you what they're looking for and I think VR in luxury retail is coming and the amount of capacity for data storage and pixel storage is growing. So, it's very interesting to see what's happening. Some of the higher-end retailers and what they're trying to accomplish on this user experience, and I think all business to consumer businesses are going to need to start exploring, what does it mean for client experience and how much technology can you stuff into it to really stand out?

So, I think that's absolutely playing out in our business, and we're exploring all sorts of experiments with that today. Well, so you buy a lot of these really high-end stones, and maybe you can talk a little bit about your input costs of not on a per-karat basis, but what's happening when there's a downturn, do you see that people rush into hard assets, non-correlated assets like uncut diamonds, or large stones? What is the market for that today and what are your thoughts about that going forward?

Zameer Kassam:

My thoughts on investing in diamonds has always been a similar high level two, which is I don't believe it's for the unsophisticated investor who doesn't have a very diverse portfolio and a very specific use case for that investment, and you can imagine over the year with the HBS background in finance and McKinsey, approached many times to help create an investment vehicle that is underwritten by diamonds. We've all heard about all of these.

I think that at this moment in time I would be cautious because there are a number of things that are happening in the industry that are outside of COVID. If it was just COVID, then you could almost say, what is the one blacks want to rent, we can look in the past and say this is that one thing, let's model it out, and pretty accurate predictability, figure out where we think diamond prices will go, and where the opportunities are, et cetera.

So, to take a step back, I think there's always a flight towards non-traditional assets when everything else is flux, and we know that diamonds are one of these assets that people get excited about because they're highly portable. They do have some form of longterm value, and while they have lots of other issues, they're also one of the very few assets like this. I think the issue is that leading

into this recession or whatever we want to call it, we already had three big things happening.

Number one, the trade wars between China and America are driving prices of high-end diamonds all over the map because what happens in China also impacts what's bought by Chinese citizens in Asia and America and Hong Kong and Taipei. So, when you look at the numbers, you have to remember they're not necessarily based on who the clients are, but they're buying them, and the Chinese market is extremely important for high-end diamonds. So, that was already something I was facing.

I think the second thing I was facing is that the EU was incredibly sluggish in their decisions around high-end diamonds, and so there was some question marks around whether or not that would return after Brexit happened, but that was sort of a third big issue. And then, the third issue in America was that there's significant inventory that's been sitting inside the chain that's basically being held by the middle of the market over the last three or four years as many of these mining companies have struggled to essentially collaborate and work together to manage supply in the way that they used to.

These three things have already been levers, which we weren't sure which one would pull more, and where the diamond market would land. Now, you overlay the COVID crisis and you start that crisis in China, which is already the most important place for diamonds to be sold, and so as someone who works in the relatively high-end and with very global clientele, I've been noticing this happening since January when Wuhan had originally had the virus, and then as it struck through Taipei and Taiwan shut down, and Hong Kong shut down, so wearing that out is that there's some things ... and again, I'm not an investor, so please take it for what it's worth, but I believe in the very short terms, the next two or three months, everything's going to be on hold.

The inventories that are in the market are going to be pulled offline. I think there's going to be a lot of noise in the media about diamond prices declining and mines going out of operation, and I think there'll be some other articles that say because the mines have gone out of operation, there's going to be less supplies, and diamond prices are going to shoot up. It's going to be a lot of noise. I would suggest for the next couple of months, and this is probably not what an investor who's really excited wants to hear, but I say tune out the noise because this is going to be a time that no one really knows what's going to happen and getting hands on inventory is actually going to be relatively tricky because inventory is literally being pulled off the market.

Just like an apartment to real estate when we can't show a house. We don't want to show how long it's been on the market when it hasn't been available. I think in the immediate term once the country and the world starts to transact, there will be substantial opportunities for the individual consumer, and I think there's going to be some big issues for the individual consumer. The big issues first will be the classics, so if you think about the majority of people who want to

buy diamonds it's almost always round diamonds and round diamonds for studs, round diamonds for rings, very classic, timeless white diamonds. Those things tend to become very heavily demanded when there's periods of recession because leading up to that we've had incredible disposable incomes. People are buying second and third rings, yellow diamonds, pink diamonds, blue diamonds are all becoming much more exciting than when times are a little bit more constrained, and so as soon as you have a recession like this, round diamonds continue to hold their value.

The thing that does become more of an opportunity are some of the fancier shapes and some of the other types of gemstones that are not the most traditional engagement ring. So, I predict yellow diamonds will go down substantially in price. And so, if you're someone who enjoys that, I wouldn't again, suggest investing in a yellow diamond portfolio, but if you're already thinking of spending some amount of wealth on something that is going to be worn like a piece of art, and therefore you're enjoying it and appreciating it over each day, and if you do sell it someday for more than you paid, wonderful.

I think this will be an interesting time to do that. I also believe the same for certain shapes like ovals, and emerald cuts, and all of those shapes that were really popular a minute ago are going to become less popular and therefore become under-priced relative to what they've been even in the last six to 10 months. So, I think that's going to be an opportunity for folks who are looking to make individual acquisitions in this year.

The third thing is going to be, in my opinion, another opportunity are colored gemstones. So, emeralds, sapphires especially will go down in price as people are not acquiring their more frivolous pieces of jewelry. People will be flocking to the classics of diamonds again and that's going to mean opportunities for some of these other secondary gemstones. Does that make sense?

Ryan Morfin:

That makes a lot of sense. No, I do think all asset classes are probably on hold for the next two to three months, meaning I don't think anybody wants to take legal enforcement actions to foreclose or push people into bankruptcy if they don't have to, and the moral outrage that would most likely ensue I think hasn't fully played through the system, but I think the longer this goes on I think you will see creditors and other investors start to demand performance or take enforcement actions and I think the noise and sitting on your hands that you're talking about in this pandemic across all asset classes.

So, one question I have for you is a lot of people, a lot of our viewers probably don't know. So, people typically say, oh, the Diamond District in New York or you go into Switzerland, that's a 20th century adage that that's where diamonds get cut. What is the new world today? You mentioned China is one of the most important diamond markets. So, diamonds go from the mine, and where do they typically go today? Are they going to China to get cut, are they going to India, are they going to Dubai? Who are some of the new, we'll call it leaders of the high-end stone and precious stone market?

Zameer Kassam:

So, the diamond industry trade chain has dramatically changed since the 1980s and 90s. Today, most diamonds in the world are mined in Southern Africa, primarily Botswana, which is the world's most productive mine, the one that I've done quite a bit of work in Jwaneng, Botswana. In Russia, through Alrosa, which is now the world's biggest diamond producer in terms of volume, and then you still have pockets of diamond mining that happened in Australia. Right now, Canada has shut down. Canada is a big provider when diamond prices are high-end, and the oil prices are also low, which could start up again.

But, from the different places where they're being mined, they're almost always aggregated in central cities in those places and then sent to India. India is by far the biggest cutter of diamonds in the world. It's quite sad though right now about 30% of the work force in Surat, Gujarat has been laid off because that's where these tiny diamonds that feed the low end are cut and they're typically cut by hand, that's 300,000 people who have been laid off.

So, there are millions of people who are employed by the diamond industry and just in that one city alone there's one million diamond cutters. And so, dramatic changes are happening, but from India where most diamonds are cut, China to some extent, and then to a much lesser extent the more complicated diamonds might be cut in New York, very rarely, but sometimes Belgium, also very rarely but sometimes London. They're then sent to the market where either they're being manufactured into jewelry or where they're going to be sold in jewelry.

So, if you're being manufactured into jewelry, most of that happens in China, and to some extent India, but really China. So at that point, diamonds are going to be given to China, they're being put into all of these rings that you see in all the Zales and the other jewelry catalogs and then again to a lesser extent, to some of the luxury boutiques or some of these manufacturers who make jewelry in America, who make jewelry in the EU, who we know that most of those are very niche, the vast majority of manufacturing still happens in Asia.

Then, we get finished jewelry that's making it to the retailers. Diamonds that don't go to the manufacturers to be set into jewelry are typically are typically sent to the diamond trading centers of the world. There's really three, the biggest by far is New York. New York is not just where Americans transact. Remember, it's \$160 billion diamond jewelry industry, \$80 billion of that is in America, so it has the biggest market. It's also where the world transacts. I'm based here, three quarters of my clients aren't American, but we get the best rates on diamonds whether they're through the De Beers network, which are Forevermark diamonds or otherwise being based here in New York because of the vast amount of supply of extraordinary options.

Outside of here, another central hub would be Dubai, which is where diamonds come from some other places and I don't do much work in the Dubai diamond forces, but you know that there's a lot of diamond jewelry that sells in the Middle East, Northern Africa, and Asia and a lot of that happens through Dubai. That's related to the Mumbai market as well. Mumbai has another small

market, but much of that is sold in the region not to Indians consumers, and then the third is Hong Kong because Hong Kong was originally set up to serve the Asian market.

These days we work very closely with Hong Kong and New York to combine as one because most of these diamond cutting businesses have multiple offices in all these cities. It used to be that there were thousands. When our parents were thinking about getting rings for our moms, they would have gone to a diamond district and there's 1,000 people and they all have some secret relationship with each other, that no longer exists. Right now, you only have a very small number of companies that can buy diamonds from these different diamond mining companies that then goes down the chain in a much more concentrated way than it used to in the past, and a lot of those old relationships are no longer in place, which is good for people like me who are relatively new to the industry and are able to source diamonds and maybe in the 1980s I wouldn't have been able to because I didn't have the right family lineage.

But generally speaking, if you are looking to get the best value on a diamond, you are best served purchasing it in New York, Hong Kong, and probably Dubai. Although again, Dubai I'm the least familiar with.

Ryan Morfin:

No, that's fascinating. The market is definitely globalized and given that the environment that we're in and the no-touch economy, people are still falling in love, they're still getting married, still having families, but given this ... we'll call it shelter in place and no-touch economy, how delayed or how is this going to impact the high-end retail market? What's going to be the duration do you think before people come back off the couch and get back into buying ... I don't want to call it complex purchases, but significant purchases like this type of jewelry?

Zameer Kassam:

Well look, I think it's going to dramatically transform the way people think about this category depending on who you are and how you purchased things before. So, I'm going to focus on the wealthiest category because that's generally who would be acquiring jewelry after a time like this. I think there's a positive and negative impact. I think on the positive side, you're not going to be taking that trip that you were planning on taking with the kids to trek through the North Pole or whatever else you were thinking of doing. You're probably not even thinking of doing that epic proposal skydiving over the Champs-Elysees or whatever that would be for the 28-year old today who'd doing that.

What you will be doing still is proposing to her. You're still going to be celebrating 25 years of love and maybe these six, seven, eight weeks, three months of sitting at home next to her watching her take care of the kids, seeing how she takes care of you while you're working, seeing how you take care of her while she's working, I believe that's going to remind people of why we're even bothering with ... this sounds kind of like an aggressive statement, but life. At the end of the day, we don't actually need a ring. Nothing that I can create for you will feed you, it will not keep the lights on, it will not do a thing for you, but what it will do is celebrate the way that you feel about someone and say that

you're grateful for that and hopefully we do a good enough job of telling the story, so it's not just a rock on her hand.

I think that that will become more special and meaningful to people as they come out of this. And so, from that perspective, people may not be spending money on the experiences traveling and going to all the fine restaurants every night, and that might actually mean that they save more of their resources towards fewer things that really matter. I'm hoping, I believe one of those things that matters will be something like this which is an engagement ring or a piece of jewelry, but done in a way that is much more meaningful than walking into a store and buying something off the shelf.

On the flip side, I think people are going to be thinking very hard about real estate, about their additions to their homes if they have a home, but now they've been living in it, and they've realized we need to put some more money into this to make this house a home. If their kids have been in college, and they haven't been thinking about being close to them, I think some people are going to think about getting an apartment close to where their kids are, maybe starting to invest in being a bit deeper in their lives as their kids have kids, and making some of these real life decisions a little bit sooner than they would have.

And, I think that's going to change potentially the way that they think about making luxury purchases, but I do think that the traditional jeweler selling a ring on a bend, or whatever color box is going to have to think very hard of how to stay relevant in a post-COVID world.

Ryan Morfin: Well, and you're obviously very close to the wedding market. Have weddings pretty much in New York all come to a screeching halt, have been rescheduled, or are you hearing about hidden, secret rendezvous wedding parties that are happening even though there's not supposed to be more than 10 people gathering? What have you been hearing on the ground?

Zameer Kassam: Well, Ryan, I can tell you that I've heard whispers of things happening in the country and certainly in the world because remember, some of our clients and friends have homes in places that aren't so impacted and the homes have a lot of space. In New York City, everything is shut down, and I'm physically located in the heart of Midtown on 56th just off the Park, and there's no one even thinking about having a celebratory glass of wine on the street even though you probably could right now because no one's policing these things.

But, almost all of the weddings of all the clients that I've been lucky enough to create pieces for and have been invited to have been postponed. The majority of them have been postponed from September and onwards. I think that there's been a lot of sadness around what that means in terms of family members who may not be able to travel after this has happened, specifically grandparents, and then really thinking about whether we have a wedding that now ... is it still going to be in Tuscany or will we actually have it close to our parents in Chicago and our grandparents? Because this is now a new norm, and so I think number

one, nothing is happening. Number two, big decisions are being made about whether we're going to have a wedding that's the same size, that's going to be in the same place, and really focusing on what matters in a wedding.

But, I think number three, there's at least an attempt to have a little bit of celebration. I attended a bachelorette party which was all on Zoom, and I can tell you that there are businesses that are being made for bachelor and bachelorette parties that are meant to mimic the Vegas experience. I'm not going to give anymore information about that. It was very strange, but I applaud the effort. There's also a number of new websites that are creating packaged gifts that you can send to all your bridesmaids to let them know that they're bridesmaids. They can open it up and have a drink together.

People are trying to innovate and make the most of the situation and I think that is creating a little bit of ... it's helping the time pass and the downside of this become manageable, but I think by and large, all celebrations of love have been very much put on hold for the next couple of months. That said, there are many people who are getting married with certain timelines for immigration reasons. You can imagine with many of my clients working in finance and being from all over the world, meeting at business school, one of them not necessarily from America, in this environment where the wedding is who knows when, a visa still expires. That's going to happen.

And so, there's certainly been an uptick in the number of people quietly getting court ceremonies that no one knows about because you still can, just to make sure that that step has been put in place for the longterm visa while the wedding is still being planned.

Ryan Morfin: And, the people who have to move these are hotels, and caterers, and vendors, are they being reasonable about pushing things back or are you hearing horror stories where contracts are contracts and if you don't show up with your guests you still owe us for the hotel room? I've heard about that for a business conference. I don't know if that's bleeding into the wedding environment.

Zameer Kassam: I've heard only great things. I've heard great things in that, again, in my world, my part of the market, most of our clients are working with hotels that are major hotel chains or institutions in the city that they're in, and everyone knows what we're going through, and many of these are in Italy and in Spain, and so they really have felt the crux or they've been in the heart of this.

So, I've heard very positive stories from the hotels. I haven't heard much from the caterers because I think they're generally managed by the hotels. I also see it from the other side. I have many wedding industry friends, planners, florists, folks who make the cakes and do some of the decorations, and their revenue has completely dried up during this time. Now, one would argue that they are the ones who paycheck protection programs have been designed for and I do hope that they're able to tap into that. I know that it's been quite difficult from what I've heard from many of these people to tap into that because they don't

have the complex or the large loans from the big organizations and institutions and personal bankers who can fast track through the process.

So, my belief is that if this second round, and we're speaking today when the second round has not yet lost its funds, has not yet run out of funds, if this second round reaches the creative individuals who run all of these businesses, they will be okay if it does not, I think there's going to be a very sad for the people who make weddings and incredibly beautiful love celebrations happen in this country.

Ryan Morfin: Well, I think the industry's a huge industry, and people don't think about it as a business, but it is a tremendous business, a lot of money spent every year, and you've had the privilege of going to so many amazing weddings. Maybe you can share a crazy story about one of the more unique venues without naming names of where you went and maybe some of the things that have, over the last decade, even wowed you given that you probably see some of the best of the best around the world.

Zameer Kassam: I've definitely seen some amazing, and wild, and crazy things at the weddings that I've been to. I can say that the most original wedding was the wedding of ... and I will happily say the name because there were articles written about it, which is Abba Abubakar, who is the son of the former vice president of Nigeria. Now, I got to meet him through actually friends of mine who work in finance from HBS, and so I was lucky enough to design the engagement ring and design the jewelry and when I met them I had no idea what the wedding would be like.

The wedding in Dubai itself was magnificent, 1,000 people, really lavish and fun, and I thought that was just incredible in and of itself. Then, at the end of night, I met his father, and his father said, "Well, of course you're joining us for the wedding." I said, "But, sir, I just came from the wedding." He said, "No, no, no, no, you're joining us for the wedding." And, I was so confused. He said, "No, this was not the wedding. This was just the Dubai party. The wedding's in Nigeria, it's next weekend. I'll see you there." And, I had no plans to be there, I had no flights, had nothing packed, but as you know, Ryan, I enjoy the adventure of life.

And so, I said yes and I went all the way to Abuja and when I got to Abuja there were cars taking us to another city named Yola ... flights to Yola and then from Yola we drove to a village named Jada and along the drive, two-hour drive, the streets were lined with people singing and chanting love songs in Hausa, which is the Northern Nigerian language. As we get to ... I don't even know how to explain it, like a custom built stadium for 30,000 people to celebrate this wedding, and that went on for three days.

So, I can't even begin to explain the things that I saw and learned in that wild experience. Being there, not just with this couple, but in such a foreign place. I had never been to Nigeria before, and experiencing this with 30,000 people for days and days, it really shows when we think about community and what community means when there's a wedding in the community, that's the

ultimate. This wedding was for everyone, and so that was the most memorable, and there's certainly other ones that have had some crazy moments and celebrities that drop by and people that are shuttled on helicopters from the Athens Airport to the resort in Greece. Really, there's a helicopter? Yes, okay, two thumbs up, but it's been an amazing thing because I believe that you get to see the best of people, the best of their families, their favorite things at a wedding, and when I'm invited it's the greatest honor of my life to attend.

Ryan Morfin: Well, no doubt you've always been an adventurous soul and have really taken advantage of going to see the world, and I think a lot of people who may have not made time to travel, once this is all over, are going to make the time to go out and see the world now that they've been cooped up for the last few weeks. Well, Zameer, I really wanted to thank you for joining us, and sharing a little bit about your story and please let us know if you ever start up Zameer because I'm wealth management. I'll be a client, and I very much appreciate your time.

Zameer Kassam: I appreciate the opportunity and let me know if there's any way I can be helpful. All right, and stay safe.

Ryan Morfin: Thanks, Zameer, bye-bye. Thanks for listening to Non-Beta Alpha and before we go, please remember to subscribe and leave us a review on our Apple podcast or our YouTube channel. This is Non-Beta Alpha, now you know.

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