

INVENTORY FINANCE FUND

DIAM Funding I: A secured debt and equity fund, financing the production of Diamond Standard commodities, to supply them for securities offerings.



DIAM Funding I is an SPV managed by Diamond Standard LLC enabling institutions and accredited investors to generate a profit by financing the production Diamond Standard Coins and Bars, to make them available to securities sponsors and institutional investors who will require immediate delivery. The fund has exclusive rights to purchase commodities early, and is secured by the diamonds or commodities until they are sold to securities sponsors. The securities in development include:

- **Advisor Managed Trusts**, launches expected beginning in Q1 2022
- **Futures** on CME Globex, launch expected in Q1-Q2 2022 (already CFTC-licensee approved)
- **Options** on MIAX Options, launch expected in Q2 2022 (already CFTC-licensee approved)
- **DIAM ETF** on NYSE Arca, launch expected upon SEC approval

CONTACT US FOR THE PRIVATE PLACEMENT MEMORANDUM

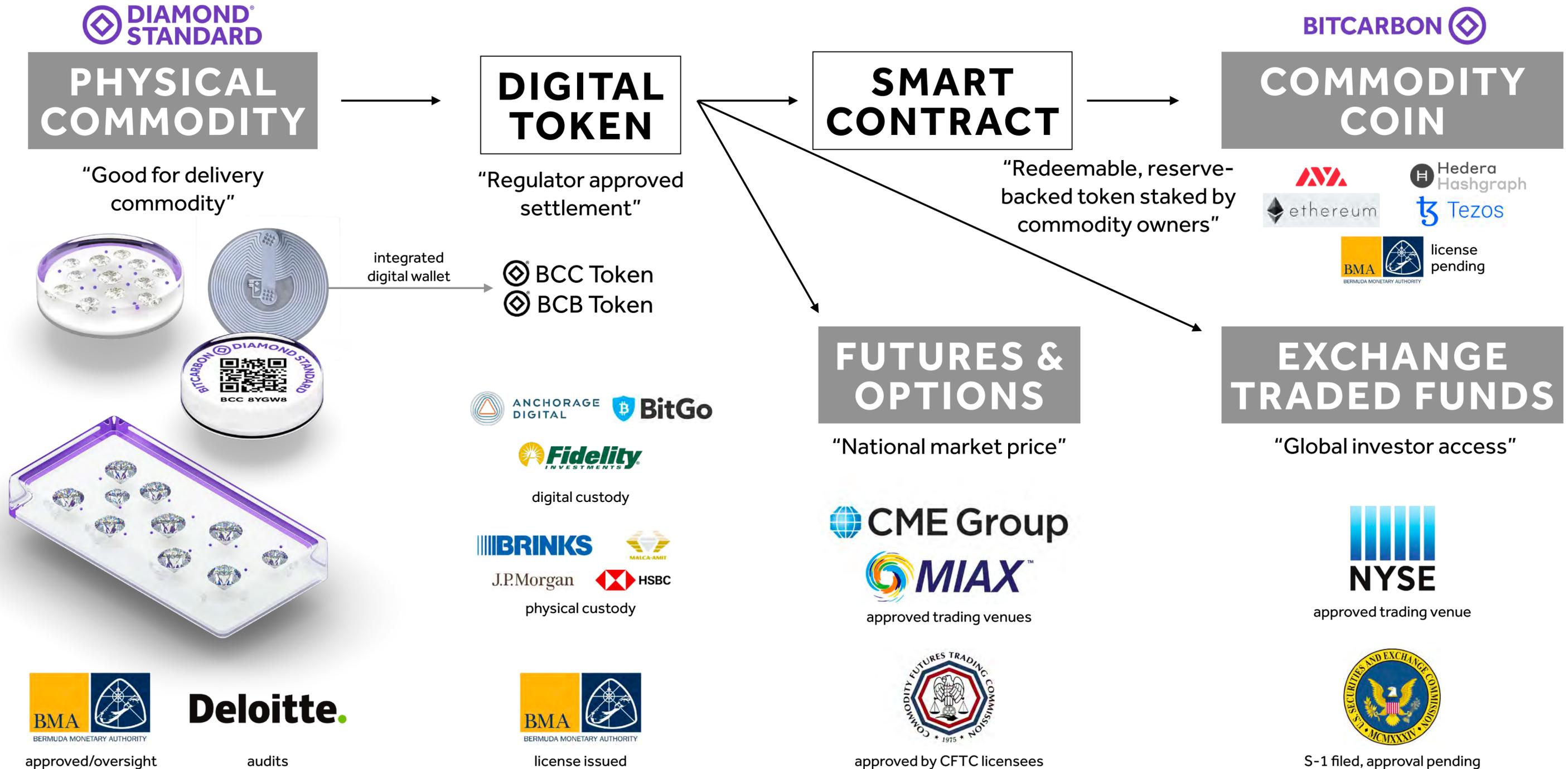
OPTION A — SECURED NOTES

- **10% annual interest**
- **Monthly coupons**
- **12 month term**
- **Secured by 120% interest in the diamonds / diamond commodities**

OPTION B — SECURED EQUITY

- **Profits from commodity appreciation, from purchase to sale, net of costs. Target ROI 21%**
- **6-13 month term — until liquidated**
- **Secured by 86% or more interest in diamonds / diamond commodities**
- **Option to take tax deferred delivery of commodities vs sale**

Creating value: Diamond Standard has built an asset ecosystem, transforming diamonds from an inaccessible \$1.2 trillion natural resource, into a breakthrough physical and digital commodity available as four interchangeable asset types.

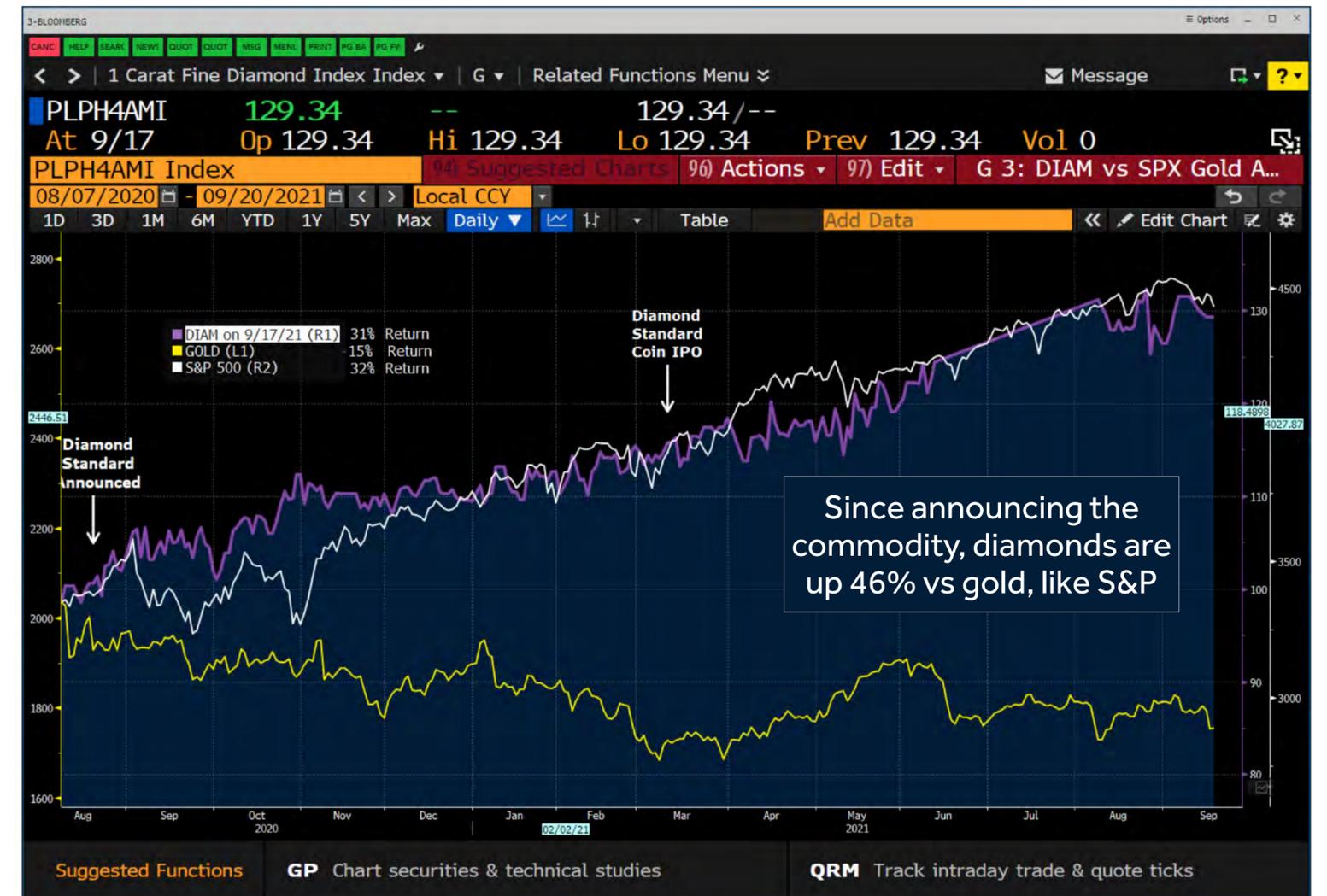
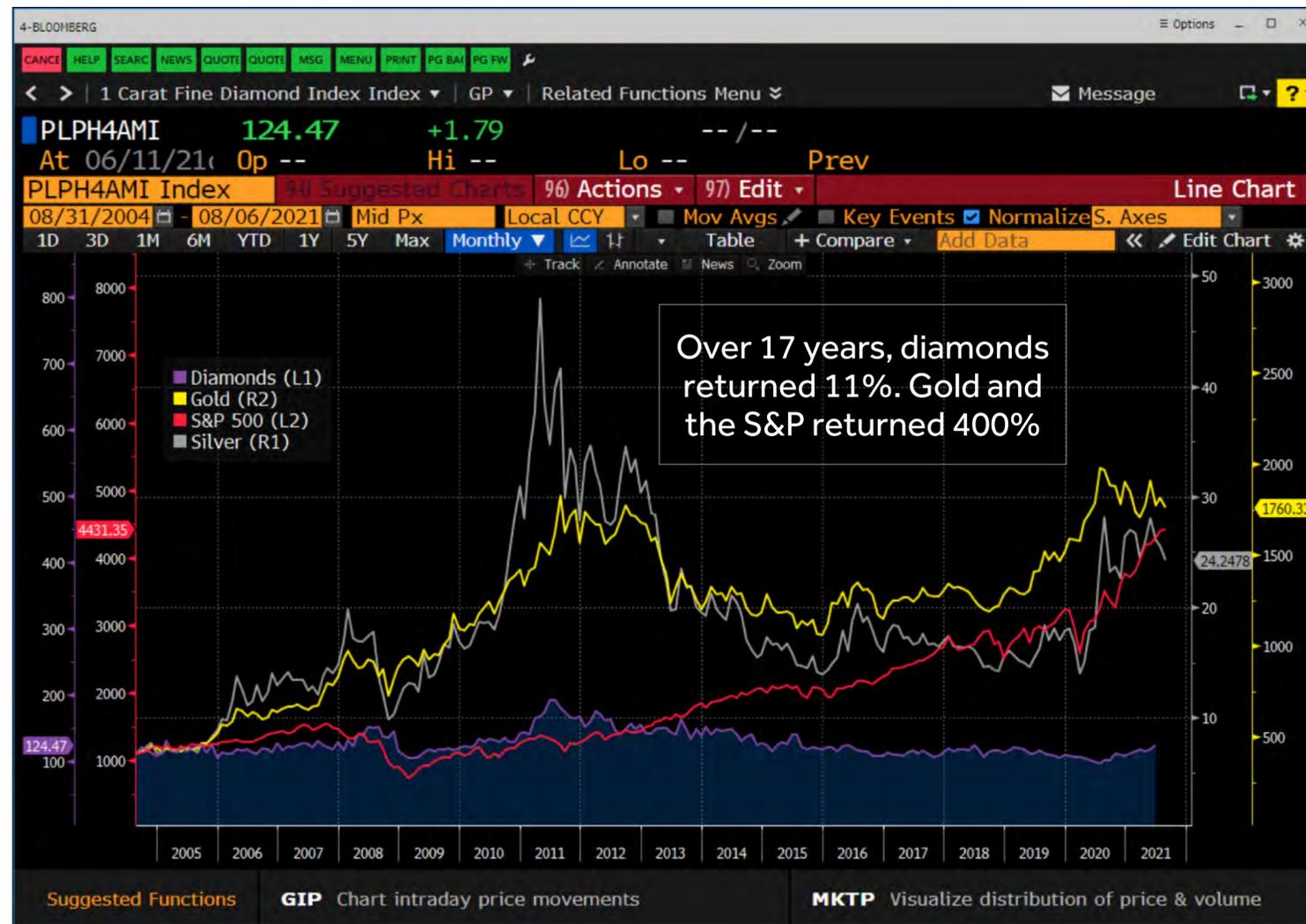


WHY DIAMONDS?

A \$1.2 trillion natural resource formerly inaccessible to investors, diamonds returned <1% per year over 17 years, while Gold, Silver and the S&P 500 rose over 400%. As densely valuable crystals, only diamonds can be sealed with electronics, authenticated and decentralized as a trustless digital asset.

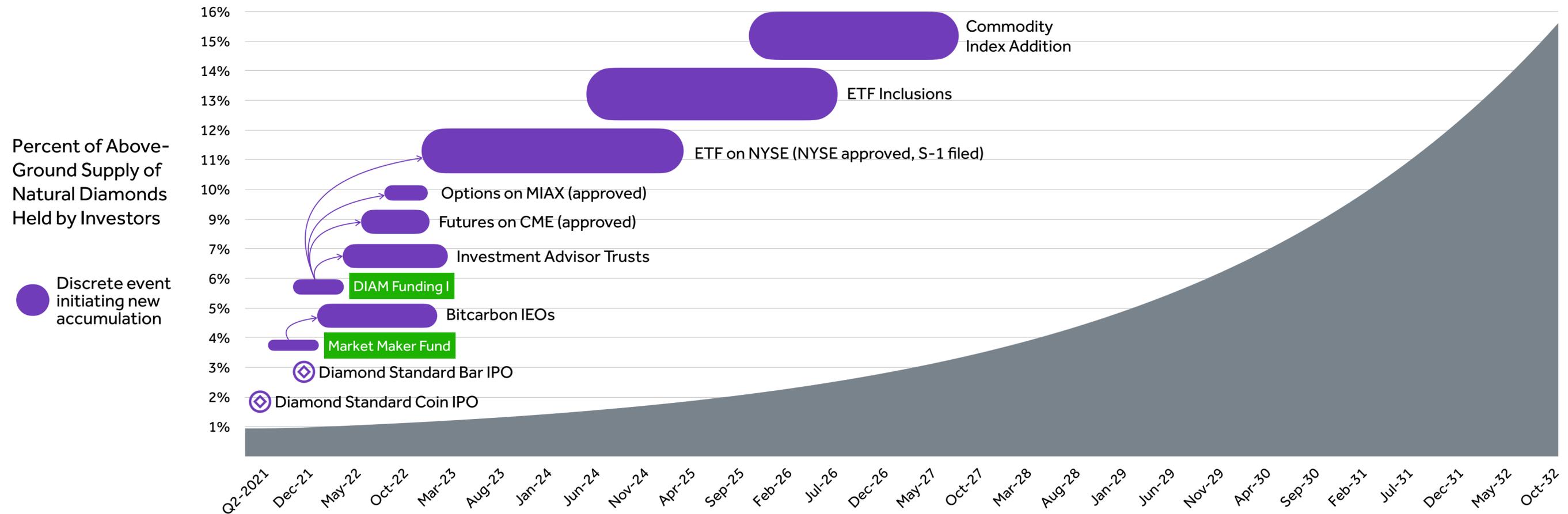
DIAMOND OUTLOOK: 35% IRR

In August 2020, Diamond Standard received regulatory approval. With the launch of the Coin, diamonds became a fungible liquid commodity for the very first time. In the 12 months post-approval, diamonds returned 32% — matching the S&P 500, and outperforming gold by 46%.



CATCHING UP WITH PALLADIUM

Diamonds are an uncorrelated, inflation-resistant natural resource with unique potential for appreciation. As securities are approved, positions can be built by institutions who are able to invest and diversify into this \$1.2 trillion asset class for the first time. Pent-up demand is estimated at **15%** — the minimal share of supply that investors own of precious metals. **Hypothesis:** diamonds catch up with Palladium over 10 years, driving diamond prices higher by multiples of current values.

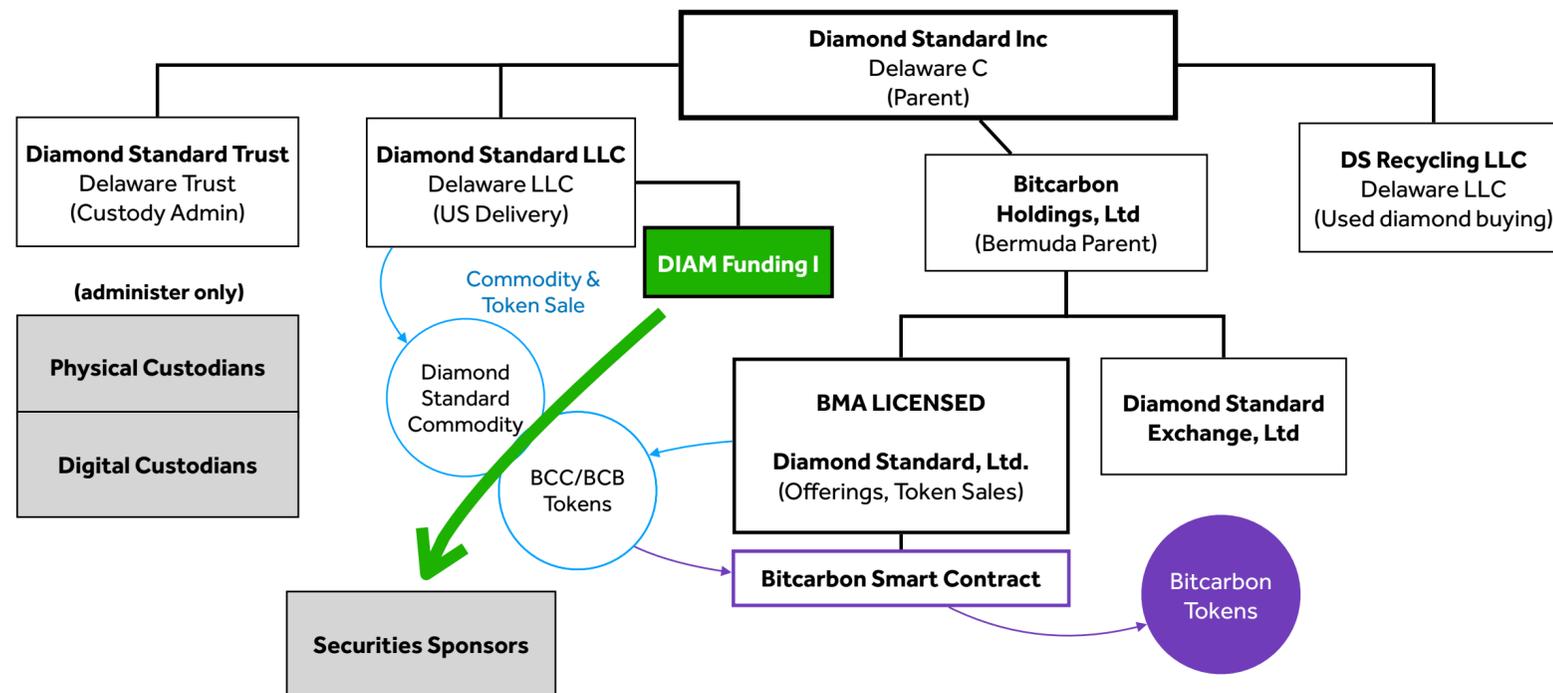


WHO'S ?

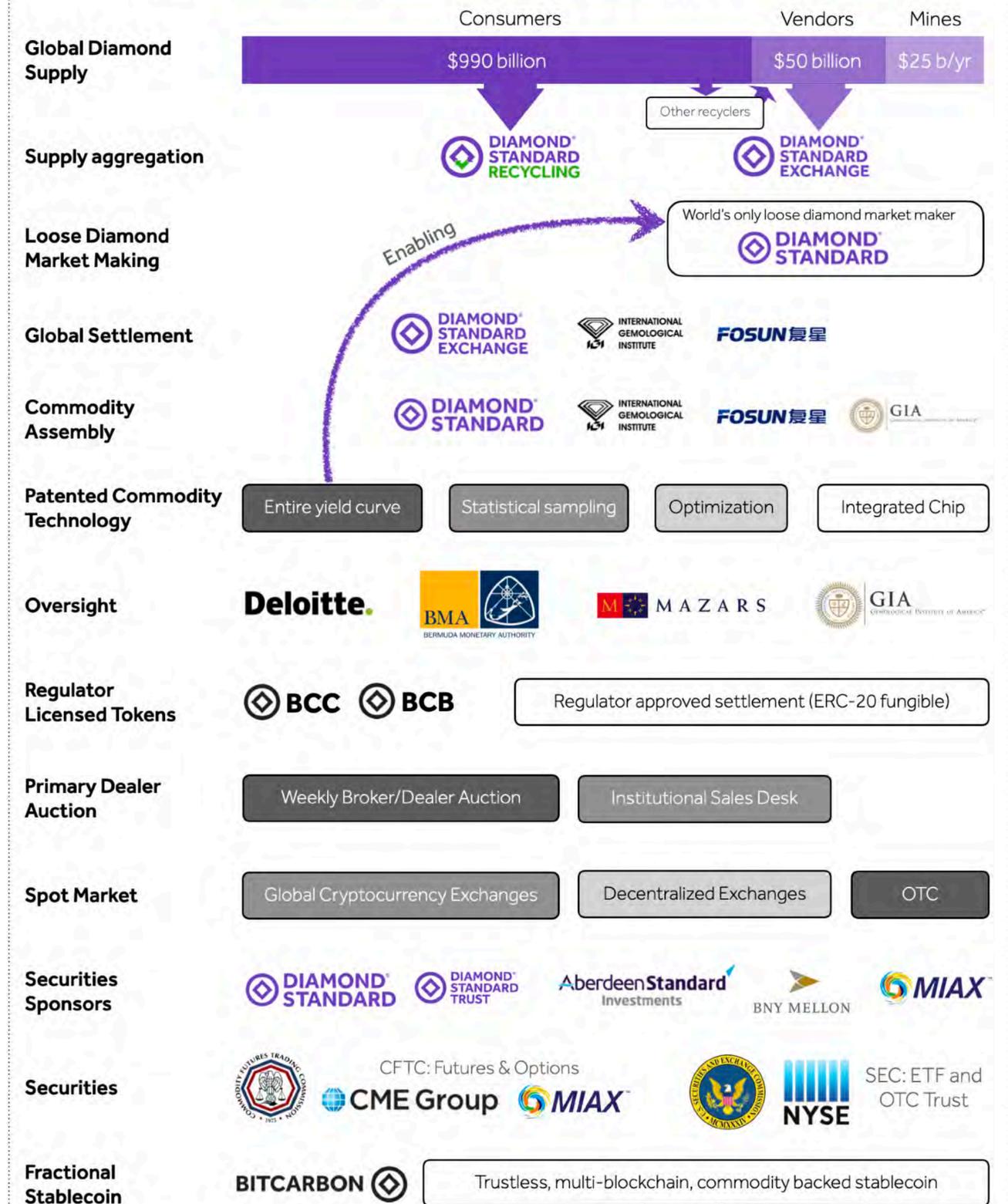
Creator of the world's only regulator-approved diamond commodity, and co-sponsor of diamond securities and digital assets. By unlocking diamonds as a market-traded asset, Diamond Standard is transforming the diamond supply chain, and enabling investors to access a natural resource currently worth \$1.2 trillion – more than all the world's silver and platinum combined.

A breakthrough hard asset that can be transacted as a blockchain token, the diamond commodity provides diversification, inflation protection, and a new store of wealth for institutional and individual investors. Plus it asset-backs a revolutionary trustless digital currency — Bitcarbon.

Horizon Kinetics is an investment adviser with \$7 billion AUM, and is a lead investor in Diamond Standard Inc. They adhere to a long-term, contrarian, fundamental value investment philosophy.
 Morningstar: "HK runs 3 of the top 10 performing mutual funds of 2021, by owning a mix of commodities, real estate, cryptocurrencies and quality companies with solid business models."

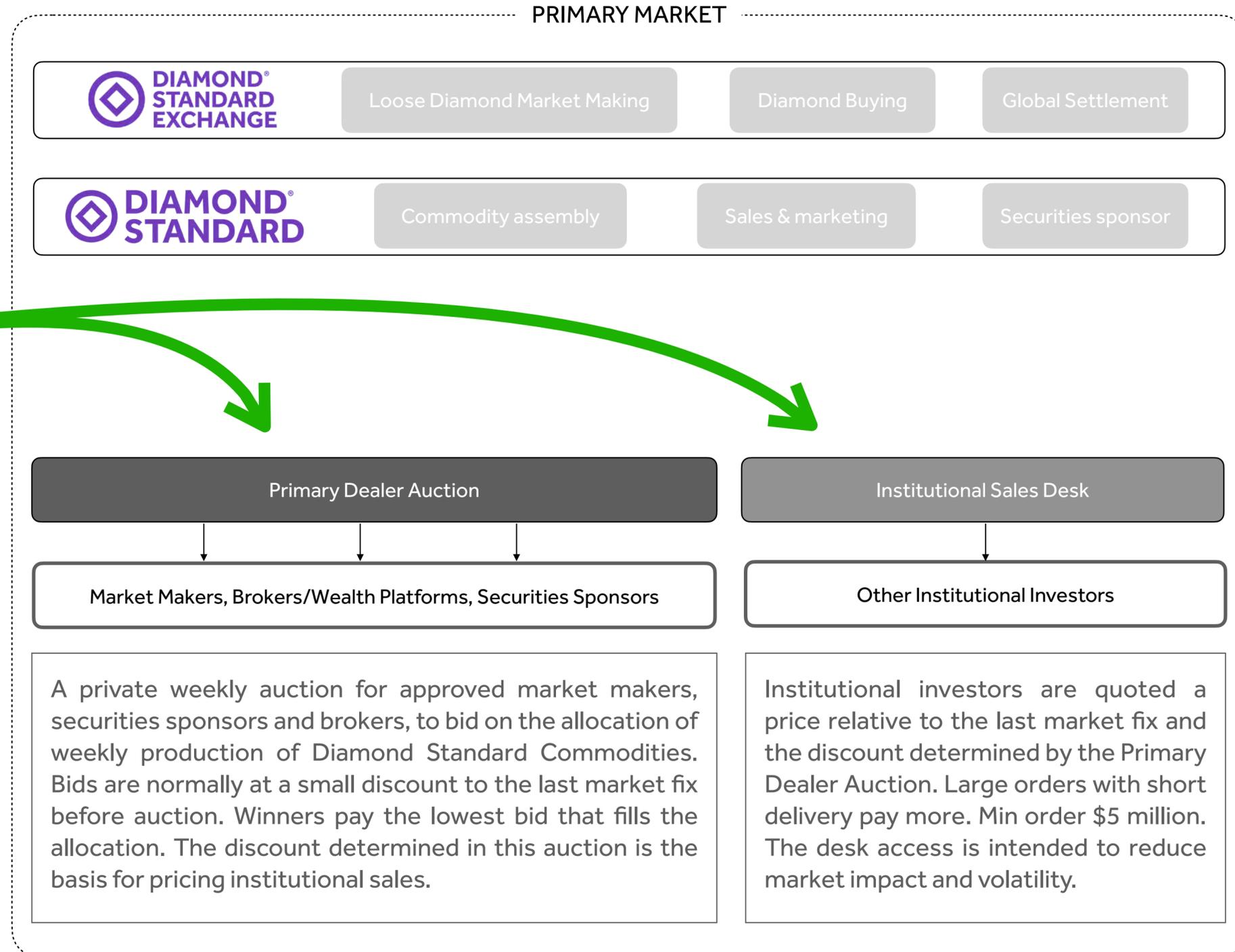


DIAMOND STANDARD CO: CREATING A COMMODITY & DIGITAL ASSET



HOW DIAMOND COMMODITIES ARE SOLD TO THE MARKET

DIAM FUNDING I
 Purchases commodities early, to provide a deliverable supply to securities sponsors and institutional investors



HOW DO YOU MAKE A DIAMOND COMMODITY?

MARKET FIX

Just like with gold, we don't set the price — the market does.



PRIMARY DEALER

Investors buy Coins thru an exchange or from dealers, who buy through our primary dealer auction.



LOOSE EXCHANGE

A centralized limit order book for loose diamonds. \$10 billion of supply available for bidding and buying.



MARKET MAKER

Bids on millions of diamond types via automated market making to purchase statistically valid samples.

GLOBAL SETTLEMENT

GIA Grades diamonds, IGI inspects and delivers them between global diamond venues.

OPTIMIZER

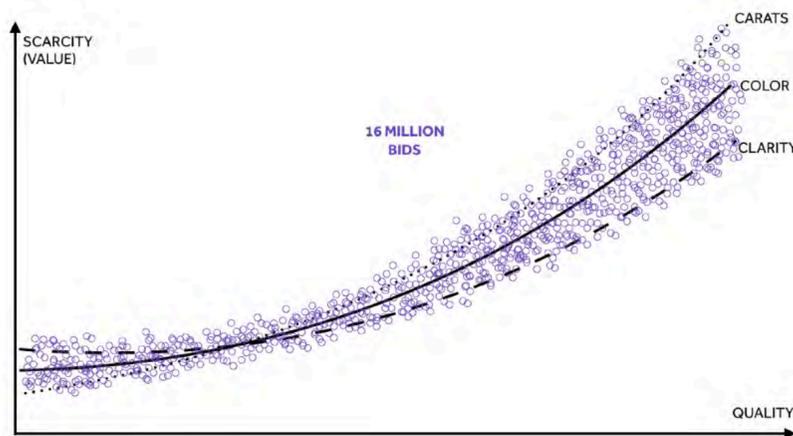
Divides diamonds into sets, which contain the geological yield curve of carats, clarity, and color.

ASSEMBLY

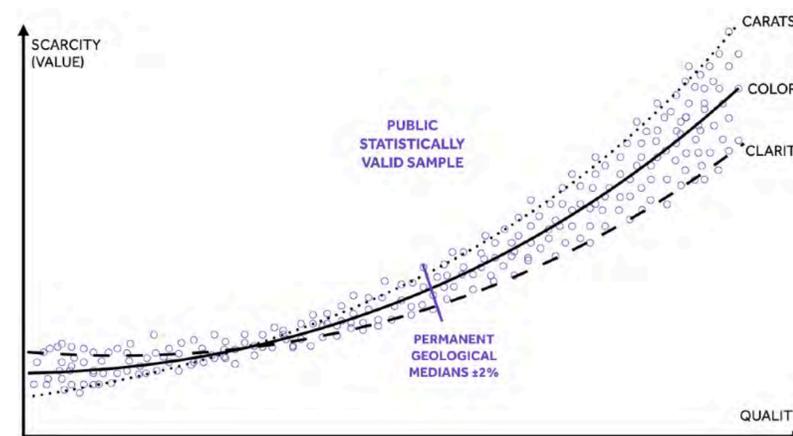
IGI assembles coins with wireless chips, and delivers to investors and custodians.

TRANSPARENCY

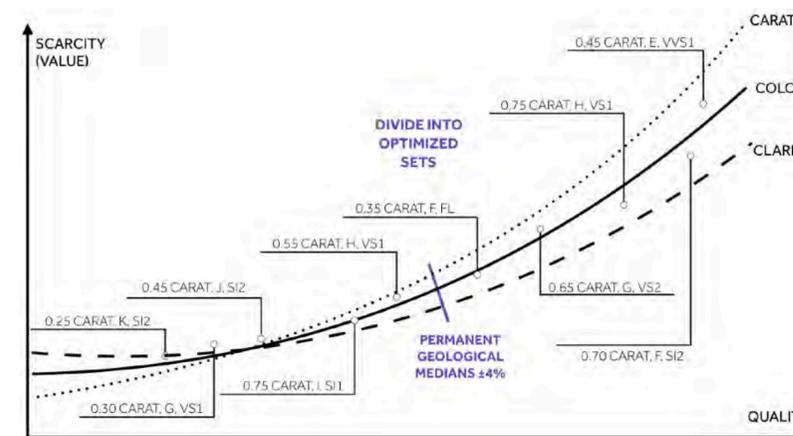
Commodities are geologically equivalent, even decades apart. Provenance is public.



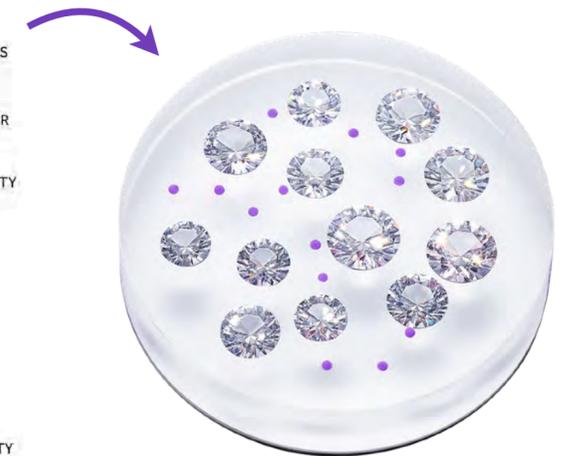
Aggregating global diamond supply, bidding on all diamond types as the market maker



Forcing price discovery, by purchasing a public, statistically valid sample of all diamond types

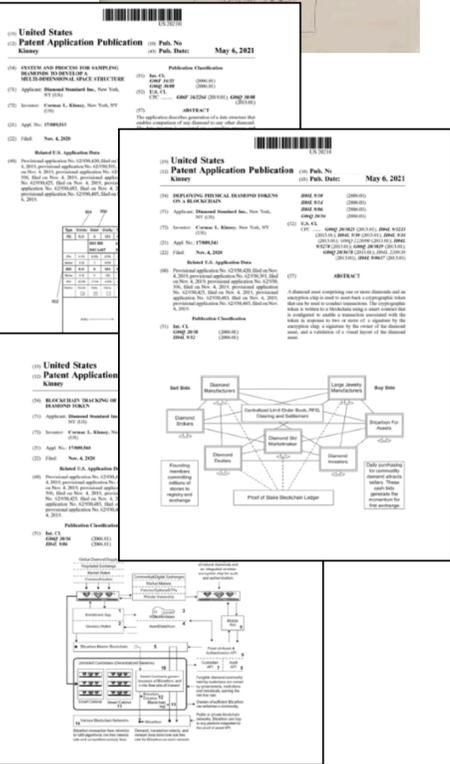
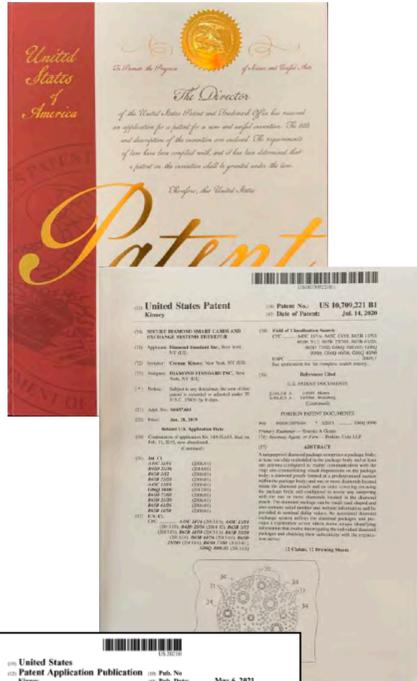


Dividing the statistical sample of diamonds into fair sets, each adding up to the public standard.



Each coin contains the yield-curve of diamonds—all recorded on the blockchain

COMMODITY TECHNOLOGY

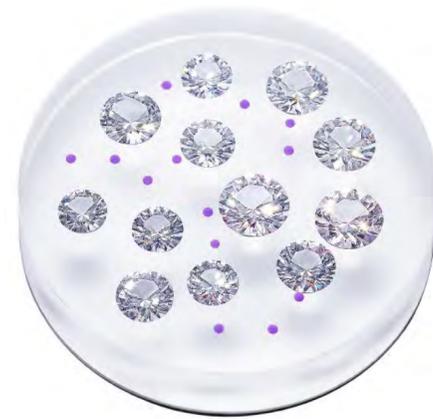


- FUNGIBLE
- REMOTE AUDIT
- INSTANT AUTHENTICATION
- TOKEN TRANSACTIONS

◆ **FUNGIBLE OPTIMIZED DIAMONDS**
liquidity and low transaction friction

◆◆ **UNIQUE FINGERPRINT**
GIA-certified natural diamonds and spheres form an optical pattern

◆◆◆ **WIRELESS ENCRYPTION CHIP AND BLOCKCHAIN TOKEN**
for authentication, remote audit and digital transactions

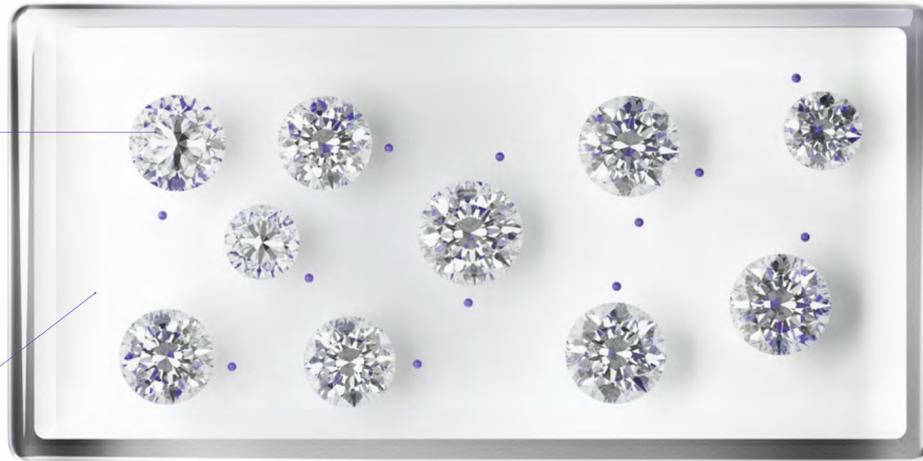


33 mm

DIAMOND STANDARD COIN



DIAMOND STANDARD BAR



35 mm



11 mm



70 mm



Stability Set in Stone — Solving the deficiencies of cryptocurrencies & fiat stablecoins

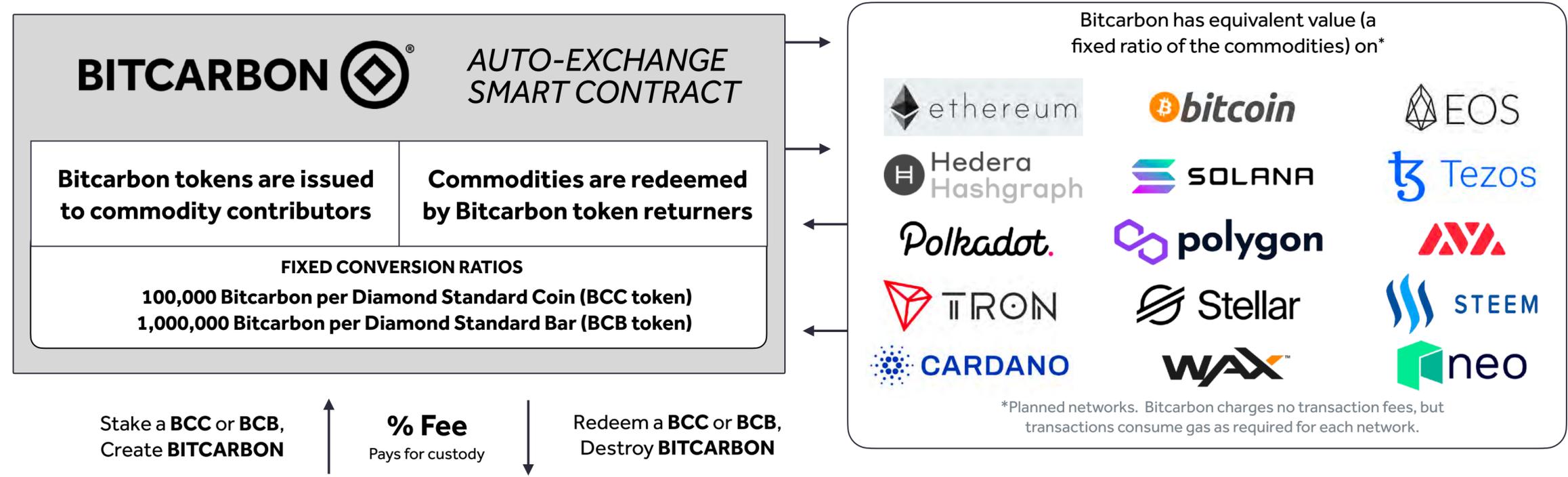
Bitcarbon is a digital currency, forever equal to 1/100,000th of a Diamond Standard Coin, staked by commodity owners. Hold Bitcarbon as an investment, or use them like currency on a blockchain. Anyone can return Bitcarbon for the physical commodity, which trades on spot markets, or can be delivered to asset back Futures, ETFs, and other approved securities.



→ the best features of gold and Bitcoin ←

	Gold	Bitcarbon	Bitcoin	Tether/USD
Underlying Value	Natural Commodity	Natural Commodity	None	USD
Volatility	Low	Low	Extreme	Low
Supply Economics	Naturally Scarce, Elastic	Naturally Scarce, Elastic	Artificially Scarce, Inelastic	Inflation by Design
Return Outlook	5-10% IRR	20-40% IRR	-100% to +100% IRR	-3 to -7% IRR
Regulator Approved	Yes	Yes	No	No
Transactions	Brokers, Local, Physical	Electronic, Global & Instant	Electronic, Global & Instant	Electronic, Global & Instant
Networks	N/A	Multiple Blockchains	Single Blockchain	Multiple Blockchains
Storage	High Cost	Low Cost	Low Cost	Low Cost
Authentication	X-Ray Assay	Instant	Instant	Instant
Securities	Futures, ETF	Futures, ETF	Futures	None
Recourse for Loss	Recoverable Physical Asset	Recoverable Physical Asset	None	Recoverable Digital Asset
Trust Requirement	Low	Low	None	High

\$150M BITCARBON STAKING FUND
 Purchases commodities, and stakes all Bitcarbon sold by market makers for ICO / IEOs.



The Diamond Standard Coin and Bar are the only regulator-approved fungible diamond commodities. They feature a wireless computer chip, storing a blockchain token, and providing real time audit and authentication. The owner of the token is the owner of the commodity, held by a custodian. Equivalent to a vault receipt, the tokens are used for instant commodity trading, lending and delivery on demand. Anyone can convert a Diamond Standard Commodity into a fractional commodity coin, and back again.

DIAMOND STANDARD | **RESERVE**

The decentralized and remotely audited Diamond Standard commodities will be held by custodians worldwide

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DIAMOND STANDARD COMMODITIES

An inflation resistant natural resource with unique potential for price appreciation as securities are approved, enabling both individual and institutional investors to build holdings for the first time.



CONTACTS

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