



Diversified Global Investment Advisor Limited
C/O DE (Cayman) Limited
Landmark Square
PO Box 775
West Bay Road
Cayman Islands
KY1-9006

Dear Introducer,

I am writing to you in my capacity as director of Diversified Global Investment Advisors Ltd (DGIA), the investment adviser for the DAF Fund.

Background

The Cayman Structure where our SP(DAF) sits is called Navigator Global And is a company that acts as a platform for individual separate independent funds known as Segregated Portfolios(SP) When we first structured our SP called Diversified Alpha Fund (DAF) there were no other SP's on the fund platform (as named 'Fund' in JOLs communications). There currently 13 separate SPs on the Fund platform and Our access to information on these other SPs is not comprehensive. We have very little information as to what caused the problem with the Fund Platform. All we know is that this has caused every SP on the Fund platform to be in the same position as DAF through not fault of the Investment Advisor of the majority of them.

DAF Fund and Strategy

DAF was initiated as a means to consolidate our previous strategies, mainly focusing on debt lending to small to medium enterprises, with ongoing loans typically released monthly over a 3 to 5-year horizon. The loan portion of the fund remains illiquid. It is important to note that we were instructed to structure our international lending via passthrough entities that were owned by our group. This was mandated by Mollitium – the Investment manager linked to the Platform - which deviated from our initial intent to lend directly from the fund. Once we are able to take over this management of this DAF strategy, we would not structure further lending in this way.

Ongoing Relationship

Following the addition of third-party SPs to the platform and the associated increased third party risk for DAF we first insisted on changing the fund platform name to clearly delineate that it is not affiliated with any CJ business, we secondly set up a new regulated company with Investment Manager status (DGIA Ltd) and appointed them as investment advisers through a formal Investment Advisory Agreement. DGIA provided discretionary investment advice while overseeing all aspects of the borrowers' operations. Mollitium continued to manage all background financials, formal lending decisions, and ongoing monitoring. Carlton James Global Management Ltd were responsible for distributing the fund through a wide international network of introducers and brokers, which is vital for maintaining liquidity and facilitating ongoing lending.



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Current Issues

Since Q1 2022, we have encountered numerous challenges in our business relationship with the investment managers of the fund. Our requests for ongoing funding releases to existing borrowers have been declined, monthly pricing has faced significant delays and ultimately ceased, amendments to existing borrower agreements per our investment strategy have been refused, investment adviser fees have not been paid, and fees for new incoming business have been notably delayed. These issues have made it increasingly difficult to raise funds through our distribution network, complicating our ability to maintain liquidity and leading to increased redemption requests from investors.

Position and Continuity

Despite the above challenges, we have continued to work diligently on behalf of the DAF segregated portfolio, remaining committed to the underlying investors. Our interactions with borrowers have remained positive, and we strongly believe that our introducer network is eager to collaborate with us moving forward. We continue to explore opportunities with the existing borrower base as we believe that the current borrower base has much potential even after all of the issues forced upon them by the investment manager of this Fund.

Significant Information about Current Position

While we currently face liquidity challenges within the DAF fund, it is crucial to emphasize that these issues are not linked to DGIA or our investment strategy; rather, they are a consequence of the ongoing legal issues faced by the Fund Platform. We remain confident in our investment strategy and in each underlying borrower.

We acknowledge that DAF faces significant liquidity challenges, primarily due to proposals (put forth by DGIA to address the situation) being declined by Mollitium – the Investment Managers. These proposals are still available and would significantly improve liquidity to meet current requirements, while also increasing value for remaining investors.



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Proposed Actions for Existing Portfolio

1. The Coretec Group.

We have spent a decade working with the Coretec Group from the inception of the company, to get to the point we are at right now. DAF currently holds around 23,378,943 shares in Coretec plus further warrants, and a conversion has been signed ready to be processed by R&H to allow conversion of the remaining loan at a conversion price of 1c. This will result in DAF holding a further 158,338,040 shares in Coretec.

As of Aug 2024, Coretec Group was a development company with no product to market and no revenue stream. Following the merger in Aug last year, and the subsequent acquisition of a power company in Dec 2024 by Coretec, the revenues for this company are now between \$100m & \$200m USD, as mentioned in the press release sent out from the Coretec Group in Dec 2024:

<https://www.globenewswire.com/news-release/2024/12/04/2991610/0/en/The-Coretec-Group-Secures-Controlling-Stake-of-Multi-National-Energy-Company-With-Over-US-70M-in-Annual-Revenues-Strengthens-Board-and-Introduces-Global-Expansion-Plans.html>

Due to the complicated nature of merging and acquiring Korean companies by a US entity, Coretec are delayed on the public filings following the merger. We have discussed timings for these filings to be completed with the CFO of Coretec, and this filing seems imminent.

The expectation of market sentiment for the newly formed company after the filings are made seems highly favourable, with the increased level of revenue and increased number of companies in the group in the renewable energy space, the company is set to dramatically increase in share value.

It is vital to note that any action taken by the JOL for this Fund prior to this upcoming significant filing of an already completed event with the Coretec Group will negatively impact not only the liquidity of the fund, but also the ongoing value for the remaining shareholders. To be clear, the merger and acquisition described above has already happened – we are just waiting for the relevant filings to be completed.

Having worked for a decade to get to this point, DGIA cannot stress strongly enough how important the timings of the actions taken by the JOL here are, not only for benefit of the shareholder and creditors of the SPC, but also for DGIA themselves as the investment advisers and our claim to the performance fees that we have worked so hard to earn.



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2. CJGM and loans to I2Media Ltd and 3Tone Ltd

At the beginning of 2024 DGIA requested that the loans to 3Tone and I2Media were moved to be direct to the underlying borrowers from the SP, or moved to a separate SPV away from CJGM Ltd, which has always acted as the distribution company for DAF.

The reason for this is as above; it has been impossible to continue to distribute DAF. This has meant CJGM has had no revenue and was unable to meet continued staffing and running costs.

The request to move these two loans was continually declined by the investment managers, which we later understood was due to an undisclosed restriction linked to the ongoing court case against the Fund Platform that prevented any significant changes being made to any of the underlying SPs on the platform.

We are currently working with Begbies Traynor in the UK with a plan to allow this lending to be transferred to a separate SPV, or directly to the underlying borrowers.

Both 3Tone and I2Media remain confident in their marketplace and would like to resume ongoing borrowing again from DGIA to allow them to progress their business plans. Both of these companies were very close to being partly or fully acquired by larger entities in their respective spaces had we been able to continue with the lending from DAF, had the issues with the fund platform not arisen. This would have meant repayment of the loan and significant up lift in terms of profit share for DAF investors. Both companies are confident they will be back in this position again once we can resolve the issues and return to funding them.

3. Loans to CJRE

The loans to CJRE have been deployed fully to underlying land and development companies in the USA as per the investment strategy in the SPPM for the fund. The funds remain invested and secured in land in the USA.

In terms of realising this asset to repay the loan, further work is needed on the land sites, which were bought speculatively, for them to become saleable in the current marketplace. A plan for this work has been in place for some time now and was expected to be funded via a further small loan from DAF. Although requested multiple times over the past 18 months, this also has not been approved by the previous management.



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DGIA has now agreed to fund this work separately via another entity, and this will happen in Q3 2025, which will then allow the company to bring their interest payment up to date.

With the above actions taken and some other small increases in values due to updating the administration of the other loans, DAFs position would change dramatically from a negative to a positive. However, we currently are unable to do anything as we have been advised that currently we have no authority because our contract was with the old Directors and Investment Manager.

Request for Fund Management

DGIA Ltd. is unwavering in our commitment to the DAF fund and strategy. Given our established relationships and regulatory standing in the Cayman Islands, we have proposed to be appointed as the manager for the DAF portfolio. We seek to transition the fund from the Navigator Global Platform to a newly established Cayman SPC, which would operate independently with no external funds, thereby securing the portfolio from similar disruptions in the future. We believe that if left to run this fund we will be successful in what we set out to do and make DAF shareholders good returns and also, we can start to get paid ourselves again.

We look forward to updating you on these negotiations further over the coming weeks and really need yours and your investors support in these endeavours with the JOL.

Yours sincerely,

Simon Calton
Director
DGIA Ltd.