

DEC
2018

CARLTON JAMES DIVERSIFIED ALPHA FUND



FUND OBJECTIVE

After the 2008 global economic downturn many companies, investors and even governments were not only left with huge deficits, but also left in a market place which was so drastically different to the previous years. The strategy adjustment required to facilitate such a change in market conditions was too much for many and the losses were significant. But this wasn't the first time this kind of adjustment was required, and it certainly won't be the last. Economic cycles of this nature have been regular since the turn of the 20th Century. The development of 24-hour news and age of connectivity has also meant that the word 'crisis' is used regularly. This reporting and this level of connectivity has the ability to effect such global uncertainty that it can mean an investor needs to change their strategy within days.

FUND DESIGN

The Diversified Alpha Fund is designed to manage this risk and diversify its structure over multiple asset classes, jurisdictions and market places to offer a truly diversified strategy that can follow the market and secure shareholders against market uncertainty.

The Carlton James Group have structured the Diversified Alpha Fund to utilise their existing strategies and experience. These strategies have seen the group's members overcome macro-economic issues beyond their control successfully over previous economic cycles.

CONTACT US

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FUND HIGHLIGHTS

- Cayman regulated mutual fund
- Expected net yield to investors of 8% p.a. (paid quarterly)
- Over half the portfolio will be in senior and secured yield generating debt investments
- Scarcity of global capital & lack of flexibility provides significant opportunities for DAF
- Fund will utilise an 'ABC' (Alpha, Balanced, Core) Investment approach

INVESTMENT PHILOSOPHY

Carlton James Global Management Ltd (CJGM) is based in Royal Wootton Bassett, Wiltshire (UK) and is the distribution management company within the Carlton James Group. Carlton James Group have recently launched the Diversified Alpha Fund (DAF), the strategy of which is to invest in a range of different asset classes by utilising an 'ABC' (Alpha, Balanced, and Core) investment approach. The 'core' aspect of the strategy underpins the expected net dividend payment of 8% p.a. to investors (paid quarterly).

ALPHA Commodities Trading, Technology
BALANCED Sports & Entertainment, Art, Insurance Backed Investments
CORE Hospitality, Land Development, Commercial Real Estate, Residential Developments

INVESTMENT CASE – THE OPPORTUNITY

- To invest in a Cayman regulated mutual fund
- Benefit from the 'ABC' approach of Carlton James which has risk management and diversification as it's central premise
- Tap into global network of investment opportunities including:
 - **Core** investments, asset backed, senior and secured
 - **Alpha** opportunities, potential for significant upside returns
- High Yield - expected dividend of net 8% p.a. paid quarterly
- Multi-asset funds, typically lower risk & less volatile than single asset funds
- Differentiation – a multi-asset fund quite different from others
- The capacity for the strategy runs into several billion dollars & a sizeable pipeline of opportunities has already been identified

NAV PERFORMANCE PER SHARE AS OF 30/11/18

Share Class	Currency	NAV (Lead Series)	1 Mth	2 Mths	3 Mths	4 Mths	5 Mths	6 Mths
CJDAFUS KY	USD	\$977.43	-0.42%	+0.20%	+1.00%	+2.59%	+2.42%	-2.07%
CJDAFGB KY	GBP	£947.62	-0.28%	+2.52%	+3.00%	+5.58%	+6.09%	+2.24%

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DATA AS AT 30th NOVEMBER 2018



VEHICLE & STRUCTURE

Company: Carlton James Mollitium Offshore Fund Manager Platform SPC
Segregated Portfolio: Carlton James Diversified Alpha Fund
Investment Manager: Carlton James Mollitium Investment Management Ltd
Domicile: Cayman Islands
Structure: Regulated unlisted fund
Share Classes:
GBP: ISIN KYG6190R1184
USD: ISIN KYG6190R1002
Management Fee: 1%
Performance Fee: 30% over a hurdle of 9% per annum
Liquidity: Monthly liquidity, with 10 day notice period

KEY PEOPLE

- **Simon Calton** (CEO), co-founder of Carlton James Group, c.15 years industry experience
- **Bob Pain**, over 30 years' experience with leading international investment and life insurance companies
- **Chris Phillips**, over 40 years' experience in UK and international corporate finance, real estate and the environmental sectors
- **Simon Johnson**, debt fund manager with over 25 years experience in debt fund management
- **Mike Andrews**, recognised expert in commodity investment management and algorithm research and development

PLATFORM AVAILABILITY

- Hansard International
- Custodian Life
- Cornhill Management
- Capital International Group
- Gravitass
- Dentons
- Ortega

CONTACT US

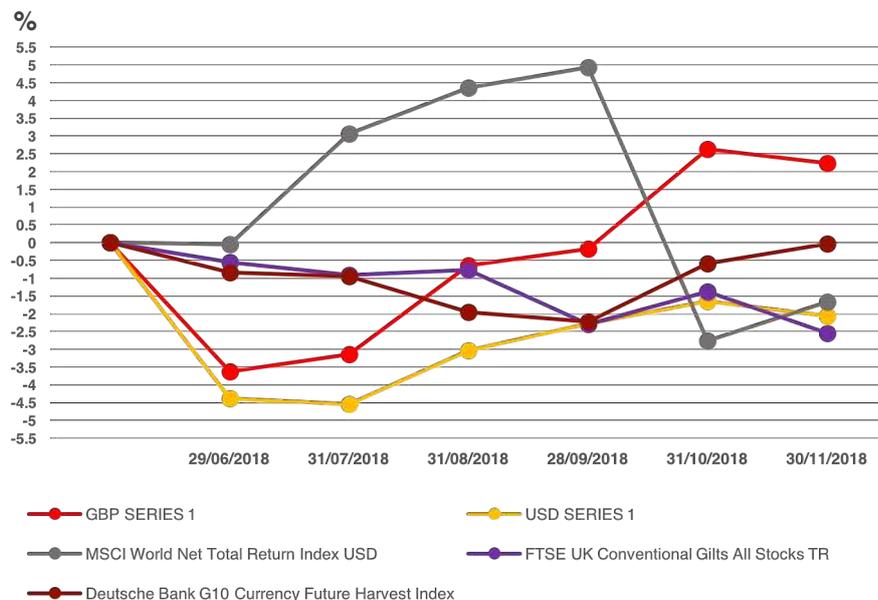
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NET ASSET VALUE COMPARISONS



FUND PERFORMANCE

The penultimate month of 2018 saw the fund values slightly affected by the third quarter dividend payments. As we approach the end of the year, the fund will look to consolidate all series of share classes into one final consolidated Net Asset Value number. This will be reflected in the January 2019 fact sheet.

As we near the end of the fourth quarter, the investment committee are seeing more and more diversification in the fund's activities. Opportunities for the fund have increased and the pricing of this type of lending has moved in favour of the fund. This helps to protect the fund and its shareholders against any macro-economic issues.

Tensions between the US and China are still ongoing with the US standing firm on their tariffs against China. There are additional proposals to implement a further 15% tax unless China opens up their doors to the west.

With a new Brexit referendum looking more likely by the day, it looks as though the stagnant market is set to continue way into 2019. The alternative of a 'no-change' deal or no deal at all is as unappealing, however the turmoil of ongoing Brexit negotiations is negatively affecting global progress so any outcome would at least allow the market to adjust. With so much at stake, the markets are standing fast, awaiting a sign of an end.

The Currency trading market in 2018 has proven to be all about the US Dollar, with most Currency pairs depreciating against the currency with hardly if any pullbacks or bounces....will this continue in 2019? As long as uncertainty remains this is more likely the case, but any breakthrough in either the US-China trade talks and/or Brexit negotiations could change this trend.