

OCT
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 30/09/18

Share Class	Currency	NAV (Lead Series)	1 Mth	2 Mths	3 Mths
CJDAFUS KY	USD	\$975.48	+0.80%	+2.38%	+2.21%
CJDAFGB KY	GBP	£924.31	+0.45%	+2.98%	+3.48%

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DATA AS AT 30th SEPTEMBER 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
- Gravitas
- Dentons
- Ortega

CONTACT US

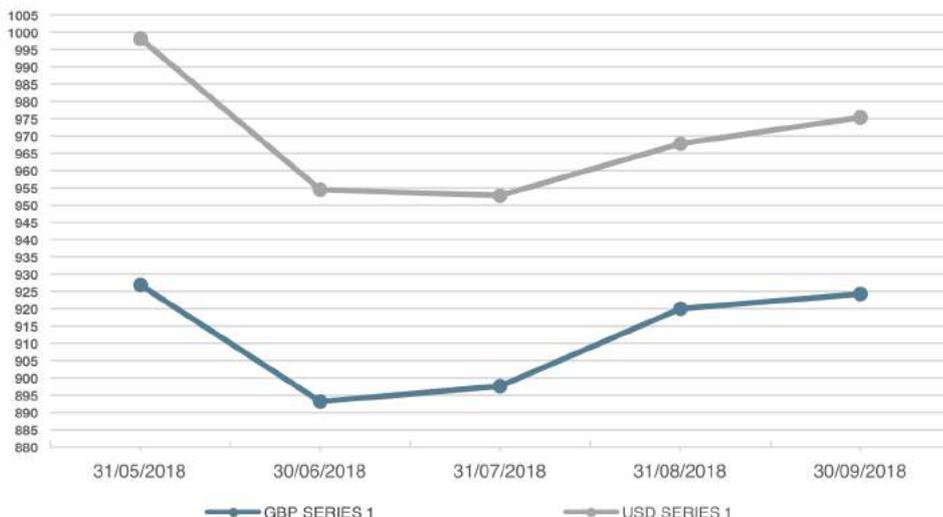
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NAV VALUES



FUND PERFORMANCE

The positive strategy of the Diversified Alpha Fund continues to perform as expected. All share series following series one within the fund have seen positive values from outset, and this will be reflected in the final consolidated Net Asset Value, to be calculated at the end of the calendar year. These performance figures come before the last quarter of 2018. This final quarter is where the fund hopes to see the steepest incline in return on investment for its investors.

Obtaining lending for start-ups and expanding companies has started to become more difficult in many areas of the world due to what many believe is an upcoming economic downturn. This has meant that opportunities for the fund have increased and the pricing of this lending has moved in favour of the fund. Less available conventional lending routes, effectively means more opportunities for the fund, also further diversifying the fund. This helps to protect the fund and its shareholders against any macro-economic issues.

In addition, the current market uncertainty has caused some volatility in the capital markets. This is a welcomed change for the Alpha strategy of the fund. Since June this year markets have been rangy. Most G10 currency pairs are stuck between a 200-300 pip range mainly due to uncertainty about Trade Wars between the US and China, Brexit negotiations, Italy's budget, along with central banks being unclear about their forward guidance to interest rates and asset purchasing programs. Stock markets have recently dropped which has caused Gold to rally. We may be nearing the apex for a breakout either way on some very critical levels in the currency markets. We would expect this kind of ranging market to last 3-6 months followed by a strong trend. As we move nearer to the end of the year, we could start seeing some strong moves in the markets, which should help generate larger opportunities for returns for the fund.

In conclusion, both the Delta and Alpha strategies of the fund are predicting a positive outlook for quarter four of 2018.