



CARLTON
JAMES

GLOBAL INVESTMENT GROUP

DIVERSIFIED ALPHA FUND

The Carlton James Diversified Alpha Fund is a Regulated Mutual Fund
Authorised by the Cayman Islands Monetary Authority (CIMA)



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**“ATTITUDE IS A LITTLE THING THAT
MAKES A BIG DIFFERENCE...
COMMITMENT IS AN ACT
NOT A WORD ”**

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MISSION STATEMENT

The Carlton James Group continue to build widespread recognition and a solid reputation for securing capital through diversification whilst delivering returns that consistently beat market expectations.



Thank you for taking the time to read this brochure outlining the fundamentals of the Carlton James Diversified Alpha Fund. The opportunity being presented to you gives access to an impressive collection of investors, seasoned management team, professional network and investment sourcing that delivers real Alpha returns under the umbrella of a regulated structure.

The Carlton James Group welcomes you.

Simon Calton
Carlton James Chief Executive Officer

“Our business model has capital preservation and enhancement at its core”

INTRODUCTION

Carlton James possesses extensive experience and expertise in investing in collateralised Senior Debt opportunities. The past 5 years has seen the group produce an Investment Return (IR) that consistently beats market expectations. Through the fund structure the team will take greater advantage of their existing investment market knowledge, and with their established and elective professional network find and place investment opportunities that will continue to outperform the markets.

BEING DIFFERENT

At Carlton James, we like to stay one step ahead, using our unique skillset and expertise to identify and leverage the right investment opportunities. Our business model has capital preservation and enhancement at its core; we look for the best opportunities available in the market as part of a structured and rigorous investment process. We draw on our depth of knowledge and experience from a wide range of investment styles across multiple sectors and strategies that have stood the test of time.

THE DIVERSIFIED ALPHA FUND MACRO COMPOSITE

The Macro approach and philosophy in the ever changing and sometimes highly volatile global economy is the protection of investment capital through the means of a diversified “Delta” approach in the investment decision making and execution process. At the same time balancing that composite in the search of Alpha that will exceed the median.



The Global Opportunity

The Global economic banking crisis of 2008 forced debt market investors to develop alternative routes of funding that have now become a must for such investors to operate in this market sector.

This global crisis put much strain on the liquidity being offered by the banks through their traditional lending models, causing the sourcing of finance to become increasingly difficult to obtain. This led to many banks either restricting their lending amounts and/or applying much more rigorous processes therefore either making deals commercially non-viable or reducing profitability yield for Investors.

Now the ability for the traditional lenders to acquire additional collateral and or foresee the valuation increase of a company or commercial real estate deal is at a low point in the market cycle matrix.

Carlton James utilise their cost-effective structure, network and the ability to construct smaller ownership positions that make the same funding opportunities extremely flexible and profitable versus the traditional financing models.

The Carlton James architectural approach to funding, be it the commercialization of technology or the acquisition of development sites, engages a mosaic of ownership, workable commercials, a structured financing process and ultimately the investment being satisfactorily secured through the issuance of a collateralised debt note.

This combined approach and strategy offers enhanced investment yields for both company shareholders and investors with a low-medium risk profile.



Investment Strategy

Carlton James actively seeks secured and collateralised debt financing opportunities that exceed the targeted returns in order to meet the dividend payments for investors.

The core component of this strategy is through the financing of developments in multiple global real estate and technology markets. Such an approach produces a base return that satisfies investor requirements whilst securing the fund through stable tangible assets to offer a low risk correlation.

The mix of security offered and geographical diversity in these markets offer an additional layer of protection from external global economic factors.

The majority of the funds capitalisation will be allocated to this core layer.

- Maximise the gains and profits on investment
- Minimise the potential risks
- Deliver investment solutions that provide value in all market conditions



MANAGING RISK THROUGH DIVERSIFICATION

The core Risk Management Strategy or “Delta” strategy is the **absolute use of diversification** not only in asset classes, term of investment, geographical and/or jurisdictional considerations but also components such as revenue flow and liquidity that would be aligned in the investment decision process.

The layering methodology allows for the creation of, at the core of the investment strategy, a tried and tested approach that produces returns on a low to medium risk basis.

The second layer of the investment approach is the **Diversified “Alpha” segment** that will see the investment team seek market opportunities that are short term, high yield and that also encompass a delta hedging risk strategy approach that has a strong emphasis on liquidity.

Carlton James is not only about returns that beat market expectations and creating yield factors that investors seek, it also engages in protection and management of risk.

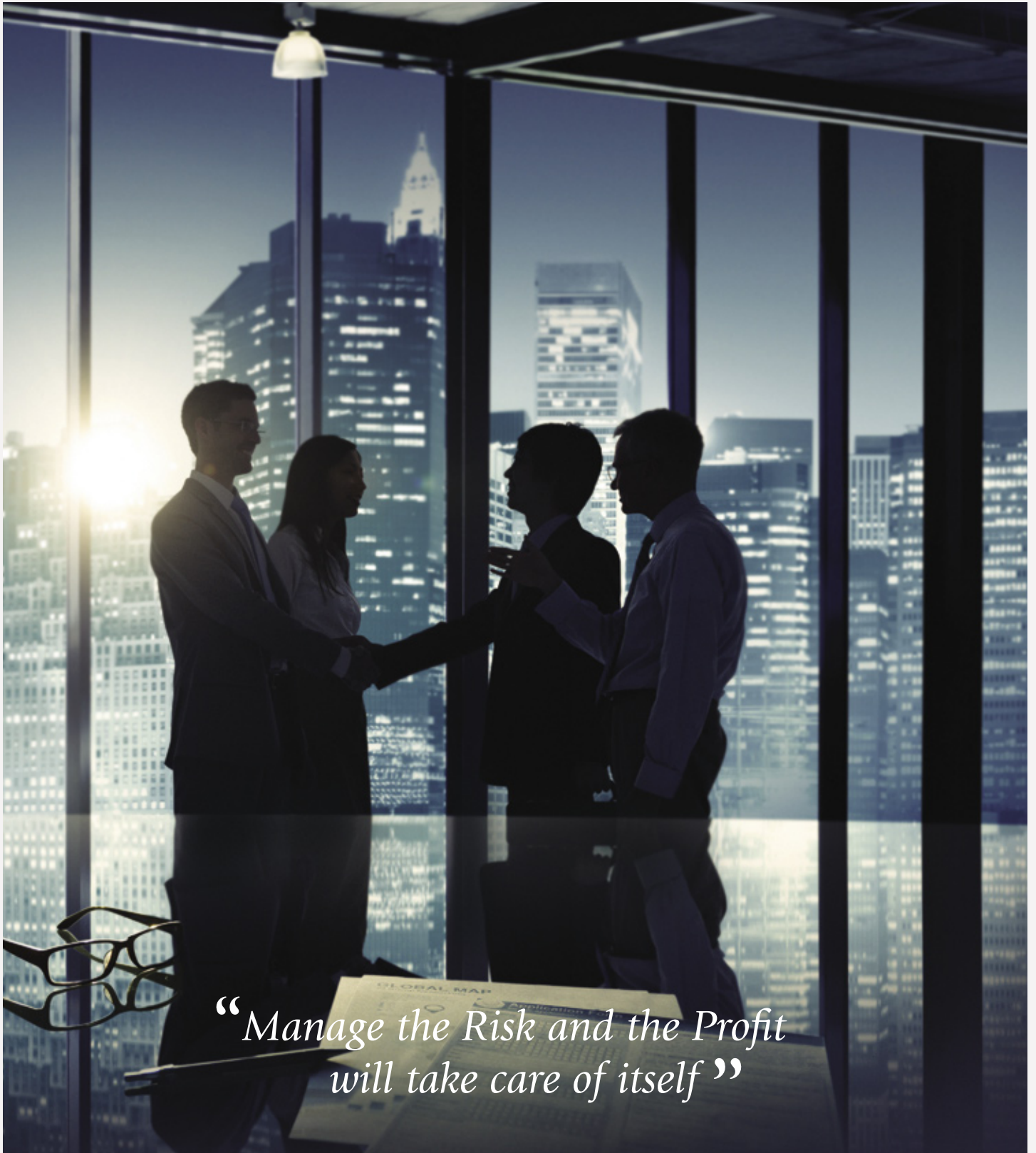
ASSET COLLATERALISATION & ASSIGNMENT

Carlton James is not only about returns that beat market expectations and creating yield factors that investors seek, it also engages in protection and management of risk.

The fund strategy deploys numerous methods to protect principle investments and whenever/wherever possible hedge not only the delta exposure but the Alpha gains.

The de-risking process includes diversification across asset classes encouraged by the Carlton James tiered alpha, balanced and core strategies.

The core principle is to seek a collateralisation and assignment over the assets that the fund invests in wherever/whenever physically possible.



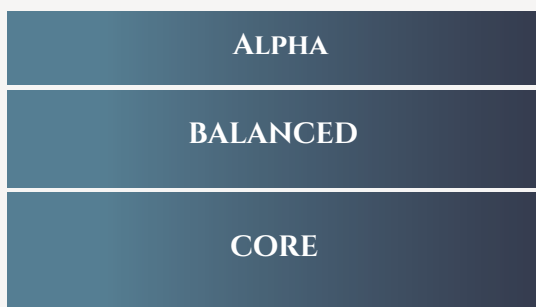
*“Manage the Risk and the Profit
will take care of itself”*



PROCESS AND IMPLEMENTATION

Carlton James Diversified Alpha Fund is fully collateralised over all asset classes.

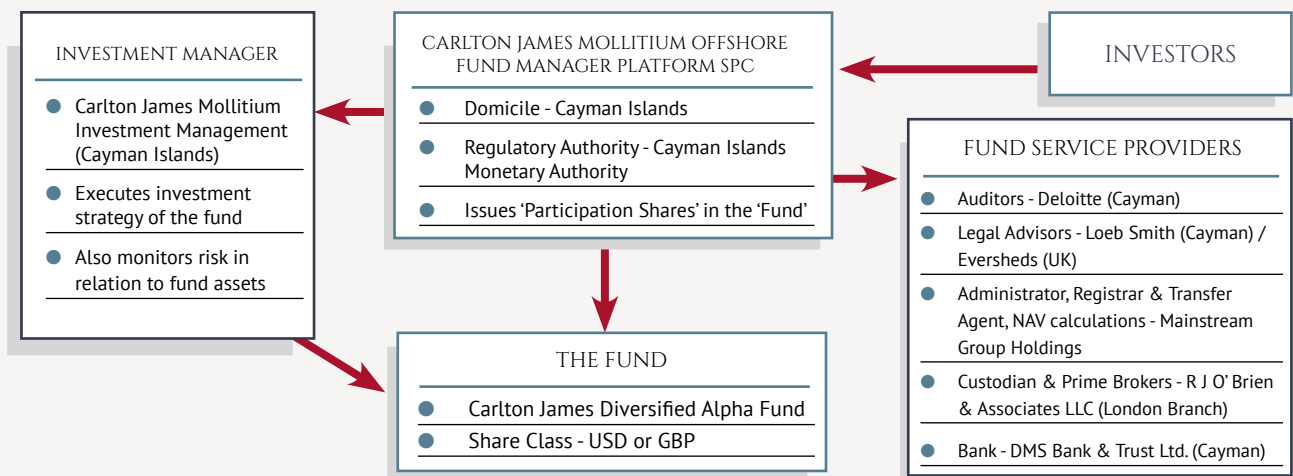
ABC INVESTMENT APPROACH



The matrix takes a triple layer approach to both returns and weighted diversification. The core layer drives the base return on a low risk asset backed profile. The alpha section of the fund seeks out the higher yields, utilising a low capital deployment ratio while leveraging the deal flow opportunities.

The balanced layer allows for the periodic adjustment between the core and alpha segments in order to maintain a well-balanced risk weighted profile.

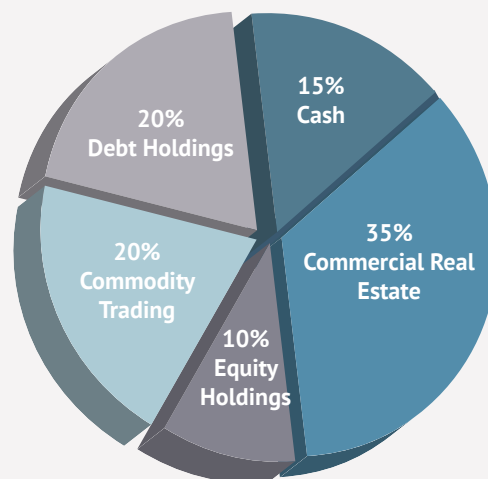
FUND STRUCTURE





PORTFOLIO CONSTRUCTION

The Carlton James team strives to ensure that the resulting segregated portfolios do not have any unintended biases. The capital allocation will be deployed as follows:



TARGETED INVESTMENT RETURN

The target dividend return for the fund by its manager is nine Percent (9%) per annum gross with the net proceeds being eight percent (8%) after the investment management fee has been paid.

HURDLE RATE AND PERFORMANCE FEE

To assure high returns for shareholders, the manager has implemented a high hurdle rate. This high hurdle rate has been set at the the targeted return of 9%. For returns achieved over the fund hurdle rate a 30% performance fee is applied.

Net Asset Value calculations will be calculated against the designated share class currency adopted by the investor. Whilst the fund maintains a high level of liquidity as per the asset class allocation, the fund will also maintain on an intra-day basis either cash or callable securities representing fifteen percent (15%) of the overall capital allocation in order to meet any redemption requests.

CAPITAL ALLOCATION RATIOS:

Up to Fifty Five Percent (55%) of all funds will be allocated to the core strategy portfolio and the balance to the diversified Alpha portfolio strategy.

There will be two share classes that investors can choose from depending on the currency of their choice.

USD Share class

GBP Share Class

Each share class will have their own net asset value calculation which will be circulated on a monthly basis.

**KEY FUNDAMENTALS**

<i>Investment Period Options:</i>	Open ended, 30 days liquidity
<i>Investment Options:</i>	Quarterly Dividend
<i>Expected Dividend Return:</i>	9% per Annum
<i>Hurdle Rate:</i>	9% per Annum
<i>Share Classes:</i>	USD Share Class GBP Share Class
<i>Fund Platform:</i>	Carlton James Mollitium Offshore Fund Manager Platform SPC
<i>Structure:</i>	Regulated Mutual Fund
<i>Jurisdiction:</i>	Cayman Islands
<i>Regulatory Authority:</i>	Cayman Island Monetary Authority (CIMA)
<i>Legal Council:</i>	Loeb Smith (Cayman)
<i>Fund Administrators:</i>	Mainstream Group Holdings
<i>Auditors:</i>	Deloitte (Cayman)
<i>NAV Statements:</i>	The Net Asset Value Statements for the funds' performance will be produced and reported on a quarterly basis
<i>Investment Manager:</i>	Carlton James Mollitium Investment Managers
<i>Cayman Bankers:</i>	DMS Bank & Trust (Cayman)
<i>ISIN:</i>	International Securities Identification Number Carlton James Diversified Alpha Fund Segregated Portfolio
USD Share Class:	ISIN KYG6190R1002 CUSIP G6190R100
GBP Share Class:	KYG6190R1184 CUSIP G6190R118



CARLTON JAMES KEY PEOPLE



BOB PAIN
CARLTON JAMES
CHAIRMAN

- Bob has over 30 years' experience in international investment and life insurance, with an excellent track record in building international relationships and as an inspirational leader of people.
- Previously Managing Director and Chairman of international insurance company Investors Trust Assurance, he brings invaluable experience in corporate governance and best practice of Cayman Islands-regulated companies.
- His first-hand experience in sales, business development, marketing and senior management roles include a 20-year tenure with London-listed FTSE 100 Friends Life Group (now part of The Aviva Group) and as a Board member of Friends Provident International. While here Bob launched and led branches in both the Middle East and Asia (Hong Kong, Singapore and Dubai), while overseeing the restructure of international sales operations network.



SIMON CALTON
CARLTON JAMES
CHIEF EXECUTIVE OFFICER

- Simon is the co-founder and CEO of the Carlton James Group. Since its inception he has led the Group in successfully sourcing and packaging deals globally, delivering investment returns that perform well above market expectations.
- An experienced financier, Simon knows that extensive due diligence, risk management and the provision of adequate collateral are essential to provide investor protections and minimize risk through diversification.
- Having built up and maintained a professional and effective team around him and a network of industry professionals across the globe, he has acted as an advisor on deals that have led to substantial financial gain and continues to develop vehicles that are suitable for modern day market conditions.
- Simon frequently contributes property and global economic investment insight to a range of internationally recognized publications such as Forbes, Investment News, and Bloomberg.



JOHN GILFILLAN
GLOBAL
SALES DIRECTOR

- John has over 20 years of business experience in financial services and leisure industries and brings a strong track record of sales, business development, institutional capital raising and new product development.
- He signed one of the most innovative licensing deals in the history of the National Trust during his time with Delavals Limited, creating the National Trust Beer Club and a six-figure turnover from a standing start.
- His expertise span a range of sectors and multiple geographies; while with PSource Capital he launched a London listed Investment Trust, raising \$120m, and co-founded both a Chinese subsidiary and a Guernsey domiciled investment business.
- John gained an MBA with distinction from the University of Newcastle in 2000 and was awarded the best 'Small Business' title at the Northumberland Business Awards in 2014.



CARLTON JAMES KEY PEOPLE



MIKE ANDREWS
COMMODITIES
FUND MANAGER

- Mike studied economics and business at the American academy in Cyprus and now has over two decades' experience trading currencies in financial markets, including co-founding global FCA regulated STP broker TempleFX.
- Experience includes trading with companies such as Saxo Bank, where he provided seminars on fundamental and technical analysis for trading financial instruments, and oversaw the handling of new business development for CEE regions, Cyprus and Israel.
- He has extensive expertise in investment management and Algorithm research and development, working with then start-up companies such as FXPro, FXNet and IronFX, where he played a vital role in the development of the algorithms which have made these companies the success they are today.



SIMON JOHNSON
DEBT
FUND MANAGER

- Simon is a highly proficient and experienced fund manager with over 25 years' experience in the investment industry.
- His long history working across debt and equity fund management has seen him manage hundreds of millions of pounds (sterling) over the last 14 years, including as Senior Investment Executive at NEL Fund Managers Limited where he was responsible for the day to day operation of the Debt Management investment programme.
- As a maths graduate he began his career at Barclays Bank where he specialised in Corporate Relationship Banking and Asset Backed Lending. He currently holds the Investment Management Certificate of the UK Society of Investment Professionals, the Institute of Directors Diploma in Company Direction and is an FCA Approved Person.



CARLTON JAMES KEY PEOPLE



RYAN WHITEFIELD
CONSTRUCTION PROJECT
MANAGEMENT EXPERT

- Ryan possesses over two decades' experience working in Real Estate Development and Construction and brings a vast knowledge backed by invaluable experience in this industry.
- Ryan's exposure covers both commercial and residential ventures in the UK, where he was contracted to the top five homebuilders, and in the US.
- He has worked on many high-profile developments in the US, such as Union Depot in St. Paul, Minnesota. He also project managed the newly constructed Minnesota Vikings Stadium, partnering with one of the largest contractors in the US, J.E. Dunn.
- The project management skills that he brings to the team are extensive and cover mission critical areas, ensuring a sound approach and calculated decision-making process which inspire confidence from all those he works with.



UMAIR MEHMOOD
MIDDLE EASTERN
AMBASSADOR

- Dr Umair is a highly respected, renowned precognition strategist who advises on many issues for a range of Company Boards and Governmental Departments. He brings a unique skill set to the Carlton James Advisory Team in his ability to define and evolve its logic and investment strategy.
- He has extensive knowledge in Middle Eastern and Asian markets, economics and politics, advising Senior Government figures throughout the UAE and bringing a wealth of business contacts and introductions to institutional investment firms throughout the region.
- His consultation work focuses upon advising Public Sector (GRE) and corporate entities on strategic agility and risk climate. He consults as an Investment Advisory Specialist and is Chairman of a Private Equity Syndicate, as well as serving on the Management Board for Dubai-based Investment Conglomerates.



CAYMAN ISLANDS FINANCIAL REGULATION

Prudent and robust regulation is central to the Cayman Islands being an international financial centre of repute. As the Principal Regulator for the Financial Services Industry of the Cayman Islands, the Cayman Islands Monetary Authority (CIMA) takes its responsibilities very seriously. Part of the CIMA's strategic planning process for the period 2015-2016 included the crafting of a new mission statement to reflect CIMA's evolving role, and the dynamic nature of the industry which it regulates.

THE REGULATORY FRAMEWORK

There are several elements which make up the framework of CIMA's regulation and supervision of financial services, and its co-operation with fellow regulators. Amongst these elements are the relevant laws and regulations passed by the Government of the Cayman Islands; the rules, statements of principle and of guidance issued by CIMA; the regulatory policies and procedures detailed in CIMA's Regulatory Handbook and other manuals; the memoranda of understandings (MOUs) undertaken by CIMA; and the international standards to which CIMA adheres. The relevant international standards are those set by the Basel Committee on Banking Supervision; the International Organisation of Securities Commissions (IOSCO); the International Association of Insurance Supervisors (IAIS); and the FATF's 40 Recommendations.

CIMA takes a combined rule-based and risk-based approach to regulation and supervision of financial services. CIMA processes licence/registration applications and performs due diligence. CIMA's remit includes responsibility for registration, licensing and supervision of banks, money services businesses, co-operative and building societies, trusts, insurance rights to confidentiality of legitimate clients in order to ensure compliance with financial services best practice.

STATUS OF CAYMAN'S FINANCIAL SERVICES INDUSTRY

The Cayman Islands is home to 195 banking institutions. The jurisdiction is ranked fifth internationally, based on the value of cross-border liabilities booked from the Cayman Islands and sixth in terms of cross-border assets booked.

The Cayman Islands also continues to be the premier jurisdiction of choice for fund domiciliation. As at 31st December, 2014, the total number of regulated funds under CIMA's supervision was 11,010. It comprised 7,835 registered funds; 2,585 mast funds; 386 administered funds and 104 licensed funds. Such numbers indicate the strength of the hedge funds industry and also the confidence the global community has in the jurisdiction. It is therefore abundantly clear why the Cayman Islands was named the "Best Hedge Funds Services Jurisdiction" at the Hedge Week 2015 Awards in London.

There were 137 trusts services companies operating in the jurisdiction at 31st December, 2014, thus maintaining the country's standing as a leading domicile for the provision of these services.

CIMA is represented in various bodies, including: the Group of International Financial Centre Supervisors (GIFCS) (formerly the Offshore Group of Banking Supervisors (OGBS)); Caribbean Group of Banking Supervisors (CGBS); Association of Supervisors of Banks of the Americas (ASBA); International Association of Insurance Supervisors (IAIS); Group of International Insurance Centre Supervisors (GIICS); International Organisation of Securities Commissions (IOSCO); and the Financial Stability Board's Regional Consultative Group for the Americas.

CIMA keeps abreast of relevant legislation in other jurisdictions which has an impact, or potential impact, on the Cayman Islands. This is done with a view to re-assessing the adequacy of the jurisdiction's regulatory regime. For example – the Alternative Investment Funds Managers Directive (AIFMD), was implemented across Europe on 22nd July, 2013. This directive is aimed at bringing managers of alternative investment funds, such as hedge funds and private equity funds managed or marketed in Europe, under similar regulatory arrangements as mutual funds and pension funds and their managers.

In order to ensure that Cayman domiciled funds continue to be marketed in the European Union (EU) under the AIFMD, CIMA has entered into MOUs with 27 EU countries and the Monetary Authority Law was amended in March, 2013, to give CIMA additional powers to provide assistance to EU regulators pursuant to AIFMD requirements.

The Cayman Islands – with its modern infrastructure; legal and financial services providers with strong multinational experience and capabilities; efficient regulatory body with an outstanding proven track record – is well known as an attractive domicile for business. In fact, the Cayman Islands regularly receive high ratings and ranks well in the Global Financial Centres Index (GFCI), placing 39th in the GFCI 17 publication, which was released in March, 2015.



CAYMAN ISLANDS REGULATORY AND EXCHANGE AFFILIATIONS

Intermarket Surveillance Group

THE INTERMARKET SURVEILLANCE GROUP (ISG)

The Cayman Islands Stock Exchange is the only offshore exchange that is a member of the ISG, having been granted membership in 2001. The ISG provides a framework for sharing information and coordinating regulatory efforts among its multinational members. Members of the ISG agree to share information with other members on surveillance, investigation and enforcement matters and on related practices and techniques. The ISG was created in 1983 by the major U.S. securities exchanges in response to the growing need to share regulatory information related to the conduct of effective market surveillance.

The proliferation of related products and derivative instruments created the need for a system of formalized, consistent procedures for the exchange of information across different jurisdictions. In 1990, futures exchanges and non-U.S. organizations were permitted to join the ISG to facilitate further information sharing. Today the ISG has grown to include over 50 organizations worldwide to include North American, Asian, Australian and European exchanges and exchange regulatory bodies, all of which have a common interest in ensuring that the securities and futures marketplaces are regulated effectively and efficiently.



INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

At its 28th annual conference in Seoul, Korea in October 2003, the IOSCO Presidents' Committee voted to approve the CSX as an affiliate member of IOSCO.

IOSCO is the world's most important international cooperative forum for securities regulatory agencies and is recognized as the international standard setter for securities markets. IOSCO develops and promotes key principles and standards in the area of securities regulation in order to maintain fair, efficient and sound markets. The organization promotes the exchange of information and mutual assistance and establishes standards for effective surveillance of international markets.

IOSCO's current membership comprises regulatory bodies from more than 115 jurisdictions that have day-to-day responsibility for securities regulation and the administration of securities laws and regulate more than 95% of the world's securities markets and includes all the major emerging markets. IOSCO has 64 affiliate members, comprising primarily Exchanges that exercise SRO functions.



Cayman Chapter

ALTERNATIVE INVESTMENT MANAGEMENT ASSOCIATION

The Cayman Islands set up its own AIMA Charter in April 2006 and the CSX joined as a full member. AIMA represents the global industry of alternative investments and its membership is significant, with over 1,500 corporate members worldwide. AIMA's objectives are to enhance understanding, sound practices and industry growth for the alternative investment industry.

The CSX has invested in the latest technology to support its trading activities, including established relationships with global players including Deutsche Boerse/XETRA®, Bloomberg, Clearstream and CUSIP Global Services. The CSX's market 'XCAY' which operates on Deutsche Boerse's XETRA® trading platform, in use by 14 exchanges worldwide with connectivity to up to global 400 banks and brokers and settlement by any electronic settlement system including Clearstream Luxembourg. International Xetra participants can be passported through a simple process as CSX broker members and will be able to reuse their existing Xetra connection to enter trades into the CSX Xetra platform. The technical upgrade responded to growing demand from those looking to use CSX as an alternative market place and opens up the prospects of developing the Exchange as an independent trading hub between America and Europe. The CSX is accessible through the FIX Gateway under the Market MIC 'XCAY'.



UK HMRC RECOGNITION

The Board of the UK HM Revenue & Customs has, as of 4th March, 2004, granted the CSX status as a "recognised stock exchange"; under Section 841 of the Income and Corporation Taxes Act 1988. This recognition enables companies whose securities are listed on the CSX to take advantage of the "quoted Eurobond exemption". As a result, interest paid on securities listed on the Cayman Islands Stock Exchange can now be paid without deduction of UK tax.

Among the categories of securities a personal pension scheme in the UK can hold are securities listed or dealt in on a "recognised stock exchange". Accordingly, CSX listed securities can now form part of the investments held by such personal pension schemes.



WORLD FEDERATION OF EXCHANGES

The CSX is an affiliate member of the World Federation of Exchanges ("WFE"), formerly FIBV, the leading international body for Exchanges and Clearing Houses. The WFE Market Structure Best Practices provide guidance to Exchanges worldwide on the minimum level of organisation, regulation and supervision a securities market needs to qualify as an organised market.



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