

J. PIETRUSZKA
Principal
105 VICTORIA ROAD
SWINDON SN1 3BD
Tel: 0044 1793 611126
Fax: 0044 1793 610604
Mobile: 07775 782003
www.jan-cash.co.uk
e-mail: mail@jan-cash.co.uk



SSAS Review Report

Prepared for:

Nigel Scott

Carlton James Retirement Fund

Prepared by:

Jan Pietruszka

JAN Investment Marketing

26/07/2019



LICENSED
CREDIT
BROKER
CCL No.
184549

SSAS REVIEW REPORT

Scope of this review

This report is an overview of the Carlton James Retirement Fund and has been undertaken by JAN Investment Marketing who has been appointed as pension consultant by the member trustees of this small self-administered scheme (SSAS). The scope of this review is limited to an overview only. JAN Investment Marketing makes no recommendation as to the appropriateness of the SSAS pension scheme nor its investment strategies undertaken.

It is the responsibility of the Trustees of the Carlton James Retirement Fund to carry out due diligence on all the companies and stakeholders they have been entrusted to invest and manage the Carlton James Retirement Fund on their behalf.

We have listed these in this report.

You should not use any part of this report as advice or suitability or recommendation and we do not accept any liability for the administration of the Carlton James Retirement Fund by the trustees nor any advice given to you from any 3rd party directly or indirectly including the management or operation of the scheme. We will not offer any tax advice other than telling you that tax levels, and reliefs are subject to change in line with HMRC.

Introduction and Basis of the Review.

In preparing this review provided by Carlton James we have taken into account the Carlton James Retirement Fund prospective membership profile and data. Having considered the membership profile and the best practice guidelines the review findings are detailed within this report. We have been commissioned to conduct this review on all areas addressed in this report. I would ask that you read the report carefully and check that it reflects the Carlton James Retirement Fund members intended investment strategies, priorities and outcomes.

It is important that you understand this review. You should read this report in conjunction with the remuneration disclosure and the Fund fact sheets and Information Memorandums you have been supplied with, which all provide important information about the Carlton James Retirement Fund investments reviewed within this report. I do stress that if you do not understand any of the information contained within this report then please contact me.

Carlton James Retirement Fund and its Trustees have also been provided with a copy of our Client Agreement.

Date of Client Agreement	Date of Identity Verification	Date of First Meeting	Date of Last Meeting	Initial Engagement Fee	Ongoing Reviews Annual Charge
08/06/2016	26/07/2019	08/06/2016	26/07/2019	2% of Fund	0.5% of Fund

If you believe that the information in any of the documents provided is incorrect please let us know. We would also mention that if any information has not been disclosed, it is possible that our review

may not take account of the Carlton James Retirement Fund members requirements and could ultimately have been different. We cannot accept responsibility for any non-disclosed information which could have affected this review. Nor can I accept any liability should you suffer any loss due to the non-disclosure of material facts which have not been brought to our attention.

Carlton James Retirement Fund -11 member pension arrangement

The scheme is a Small Self Administered Scheme (SSAS) style pension which is an arrangement which forms all or part of a personal pension scheme, which gives the member the power to direct specifically how some or all of the member's contributions are invested (as opposed to simply choosing a fund or funds).

All the members of the Carlton James Retirement Fund are also Trustees of the scheme. As such the members manage the administration and investment of the scheme themselves, often with the help of a professional trustee or administrator responsible for the everyday operation of the scheme. A Trustee is company appointed to hold assets for the beneficiaries of a trust-based pension scheme, in accordance with the provisions of the trust instrument (the legal document that sets up, governs or amends the SSAS scheme) and general provisions of trust law.

A feature of all SSAS style schemes is that they offer a range of investment options, and the value of each member's savings changes in line with the funds they are invested in. Many people are understandably reluctant to select their own investment strategy, and so it is important that the Carlton James Retirement Fund investment strategy and asset allocation is suitable for all the scheme members with equal and fair member outcomes. As such there should be an appropriate balance between risk and return for the membership profile and the charging structure should reflect this balance. The investment strategy and asset allocation should take into account, on reasonable grounds, the retirement profile of members.

Please find below a summary of the current Carlton James Retirement Fund member trustee and individual fund value with Investment allocation:

Member Name	Member Age	Selected Retirement age	Pension Value	Coastal Hotels (No)Ltd	Carlton James Commercial Real Estate - Income (1)	Carlton James Commercial Real Estate - Income (2)	Carlton James Diversified Alpha Fund	Preference Share Purchase	TempleFX Hunter Strategy	Cash
Nigel Scott	64	65	£935,271	£261,800	£289,093	£75,000	£75,000	£158,000	£62,020	£14,358

We have used the following information to get a broad sense of the scheme membership profile:

Scheme membership profile	
Average member earnings	Between £25,000 and £45,000
Proportion of males	Equal to 90%
Proportion of females	Equal to 10%
Business in financial sector?	No
Retirement age	75
Preferred equity	External passive management

Based on the inputs provided, shown above, the scheme membership profile suggests an overall risk level of balanced. We have been advised by Carlton James Private & Commercial Ltd that the most appropriate risk level for Carlton James Retirement Fund should be moderately adventurous.

Moderately Adventurous investors typically have moderate to high levels of investment knowledge and will usually keep up to date on investment issues. They will usually be fairly experienced investors, who have used a range of investment products in the past.

In general, moderately adventurous investors are willing to take investment risk and understand that it is crucial in terms of generating long-term return. They are willing to take risk with a substantial proportion of their available assets.

Moderately Adventurous investors will usually be able to make up their minds on investment matters quite quickly. While they can suffer from regret when their investment decisions turn out badly, they are usually able to accept that occasional poor outcomes are a necessary part of long-term investment.

We have undertaken a review of the Carlton James Retirement Fund investment selections and have undertaken this review on the basis of the information you have provided.

Based on the information supplied the company Carlton James Private & Commercial Ltd Ltd has established a Small Self Administered Scheme (SSAS) for the following reasons:

- A SSAS will allow the Company and the scheme member trustees to exercise substantial control over the choice of investments held under the Company pension scheme. Whilst the Company may not use all of the options available, the Carlton James Retirement Fund intends to invest in a broad spectrum of investments and require the flexibility to change underlying investments in the future without having to switch providers
- The range of permitted investments is much greater under a SSAS than other pension arrangements and the Company pension scheme and its members are comfortable paying higher charges to gain access to a broader and more sophisticated range of investment opportunities
- Benefits can be taken by individual members at any time from age 55 and the effective requirement to buy an annuity at age 75 was scrapped from 6th April 2011
- 25% of the uncrystallised pension fund can be taken as a Pension Commencement Lump Sum (tax free cash) payment by any member from the age of 55
- There will be no death benefit tax charge on an individual scheme members uncrystallised pension fund on death before age 75 assuming the total value of the pension benefits are within the individual members lifetime allowance. This will help ensure that individual pension scheme members beneficiaries are looked after, financially and in a tax efficient manner, upon death
- Members will receive tax relief on all personal contributions

There are a number of factors to be considered when undertaking a review.

Investment Options and Performance

There is obviously no means to categorically predict future investment performance. Although it should be stressed that past performance is no guarantee of future performance, it can act as a useful guide. It is also beneficial to compare the range of investment options available. Flexibility to switch between a wide range of strong performing investment opportunities is important. Your scheme membership attitude to risk could change, and as a result you may wish to take an alternative investment strategy in the future.

Charging Structure

The effect of charges is reflected in the Reduction in Yield of the selected investments. The Reduction in Yield, discussed in this review letter, includes deductions for expenses, consultancy remuneration and other adjustments. For further information concerning charges, I refer you to the Fund fact sheets and Information Memorandums you have been supplied with.

Financial Strength

A pension is a long term investment. As such, it is imperative to select a provider who is financially secure and will be able to meet all their obligations to policyholders in the future.

Summary of the Carlton James Retirement Fund review

I have undertaken a review on the following for the reasons detailed below:

Ownership	Pension	Company	Member Trustee Number	Pension Value	Chosen Retirement Age
Carlton James Retirement Fund – Nigel Scott	Group SSAS	Carlton James Private & Commercial Ltd	9(of 11 CJRF)	£935,271	75

Employer contributions will usually qualify as a business expense which can be offset against taxable profits.

Pension Practitioner – Small Self Administered Scheme administrator

As the registered SSAS administrator Pension Practitioner will monitor the list of investments undertaken during the scheme year, will review payments in and out of the scheme and prepare a financial return. They may also prepare other returns depending on the transactions undertaken. They will send this to all member trustees for agreement and it will be submitted to HM Revenue & Customs. During the scheme year, matters arise which investment providers will require assistance on from the scheme administrator, Pension Practitioner will provide them with that information necessary for the pension scheme to conform to certain tax regulations. They will communicate with trustees throughout and also provide members with an end of year report, benefit statements and invitation to

renew administration services with them. They will also undertake compliance returns to the Regulator and other bodies to ensure conformity.

Investment Strategy

We have reviewed your investment strategy and asset allocation of the available monies to be invested as follows:

Fund	Description	Objective	Sector	Risk Rating	Initial Charge	Annual Management Charge	Amount Invested	Scheme Allocation
TempleFX Hunter Strategy	Forex Trading Trading	Growth of investment over the long term	Contracts for Difference (CFD,s)	Adventurous	0%	0%	£62,020	6.6%
Carlton James Commercial Real Estate	Current Income Preference Shares	Asset Backed Shares with quarterly dividend return	Alternative Investment	Adventurous	0%	1%	£364,093	38.9%
Carlton James Diversified Alpha Fund	Participant Shares	Asset Backed Shares with Targeted Dividend Returns	Alternative Investment	Adventurous	0%	1%	£75,000	8%
Stagg Holdings Ltd	Preference Share Purchase	Fixed annual returns	Financial Instrument	Balanced	0%	0%	£158,000	16.9%
Coastal Hotels (No)Ltd	Unconnected Third Party secured loan	Fixed Annual Returns	Financial Instrument	Balanced	0%	0%	£261,800	28%
Cash	Cash	SSAS charges IFA Charges Member - Benefits	Cash	Very Cautious	0%	0%	£14,358	1.5%

TempleFX: Hunter Strategy account

Investment Type	Invested Amount	Minimum Investment Term	Annual Returns	Frequency of Returns	Early Exit Terms	Early Exit Penalties	Capital Returned at Maturity
Foreign Exchange Trading	£62,020*	12 months	20% Variable*	Monthly	No capital withdrawals in first 12 months	None-Monthly Withdrawals permitted	Variable*

*Account in recovery, account balance dependent on funding & performance. Previous account trading profits are no guarantee of future account trading profits. The TempleFX Time Cycle account returns are variable & not guaranteed.

Forex Trading - The foreign exchange market known as 'Forex' or 'FX', or currency market is a global decentralised market for the trading of currencies. This includes all aspects of buying, selling and exchanging currencies at current or determined prices. In terms of volume of trading, it is by far the largest market in the world with over 5 Trillion dollars traded every day.

TempleFX Time Cycle account – This is an investment of capital into Forex Trading via automated strategies with trading track records of at least 36 months. The strategy by algorithm consists of 25 EAs (Expert Advisors) all working based on different implementations, factors, parameters, risk control, equity management and position sizing. All the EAs working in unison complete this Algorithm and all trading is automated with no human intervention of opening or closing trades, stop loss or take profit interference. The only human intervention occurs when tweaking the Algorithm based on current data and daily ATRs (Average True Range) within the market, but not limited to, for example, switching off the Algorithm completely during volatile periods such as the Brexit vote, or other economic events that may impact the market by 3% or more.

The structure and flow of this investment is as follows;

Investor Capital Custodian (Client Funds Holder) - Infinox Capital Ltd

Infinox Capital Ltd are the LP providers (Liquidity Provider) and clearing agent for TempleFX, they also deal with all client 'on-boarding' (account set up) and back office work in relation to individual client accounts. All client funds are held at Infinox Capital Ltd within segregated Barclays accounts in the UK. Infinox Capital Ltd is Authorised and Regulated by the Financial Conduct Authority in the UK (FRN 501057) and its registered office is Birchin Court, 20 Birchin Lane, London EC37 9DU

Trading Strategy Provider - TempleFX

TempleFX as fund managers, control all the currency trades and apply the algorithm strategies to client accounts. TempleFX is a trading name of TS Capital Ltd who are Authorised and Regulated by the Financial Conduct Authority in the UK (FRN 447281) and registered office is 4th Floor, 6 Lloyds Avenue, London EC3N 3AX.

Time Cycle Account Parameters

- UK head office with experienced professional traders in the UK and overseas;
- Returns generated from electronic trading of financial derivative Foreign Exchange;
- Strict risk management strategies to ensure minimum drawdown on client capital;

- Algorithmic traders create a copy trade signal service applied to investor capital;
- Expert Advisers intervene the automated trading during volatile periods such as the Brexit vote, or other economic events that may impact the market by 3% or more;
- Client account discipline and a high level of strict risk management strategies are set and monitored by TempleFX, the fund manager;
- Traders have execution only account set up with no access to withdraw funds;
- Profits and or capital can be withdrawn at any time by the account holder;
- Client capital held in a segregated account with an FCA approved liquidity provider Infinox Capital Limited;
- Infinox Capital LTD have insurance in place for client accounts which offers protection of account funds for up to £1,000,000 should the broker fall into liquidation.

Capital Requirements Minimum deposit £50,000. Investor variable monthly returns compounded with account withdrawals permitted at any time; Performance fee of 50%, performance fees are calculated on the profit gains over and above the previous months profit size. No account management fees are charged; Investor capital plus all returns can be fully or partially withdrawn at anytime but it is recommended to compound profits for at least 6 months thereby assisting the account to grow faster;

Risk Profile: Investors should be adventurous risk, Trading in Forex (FX) may not be suitable for all investors due to the high risk nature of the product. Trading risks are magnified by leverage losses which could exceed your deposits and you may lose all or more of your initial deposit. Margin calls may be made quickly or frequently, especially in times of high volatility, and if you cannot meet them, your positions may be closed out and any shortfall will be borne by you. Values may fluctuate significantly in times of high volatility or market /economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. The value of an investment in a Forex trade may be affected by a variety of factors, including but not limited to, price volatility, market volume, foreign exchange rates and liquidity. CFD's (Contract's For Difference) are a short term trading tool and commission is charged on the leveraged amount (not the deposit) and therefore costs can build up when frequently traded. You should evaluate potential losses against affordability. Fund your account only after you have acknowledged and accepted the risks.

You should carefully consider whether trading in leveraged products is appropriate for you based on your financial circumstances and seek independent financial consultation. TS Capital Ltd is an Introducing Broker to Infinox Capital Ltd ("Infinox"). Infinox will hold your account and respective funds and will act as the counterparty to your trades. Infinox is not affiliated with TS Capital Ltd or its affiliates.

This is a Forex Trading account type which is predominately Foreign Exchange currency pair buy sell investment and as such the risks associated with this market must be considered. Full details in the Fund Fact Sheet provided to all Investors.

This is a Forex Trading account type predominately Foreign Exchange currency pair buy sell investment and as such the risks associated with this market must be considered. Full details in the Information brochure provided to all member trustees.

Carlton James Commercial Real Estate LLC – Current Income Preference Shares

Investment Type	Invested Amount	Minimum Investment Term	Annual Returns	Frequency of Returns	Early Exit Terms	Early Exit Penalties	Capital Returned at Maturity
US Asset Backed Shares with quarterly dividend return	£364,000	2 Years	1% monthly-payable quarterly +10% Yr 2	3% per quarter	None Available	No early exit	110%

An investment in the purchase of Preference Shares issued by Carlton James Commercial Real Estate LLC ("The Company") and entitles the holder to receive returns of 1% per month payable quarterly in arrears on a current income basis over a two-year investment term. Carlton James Commercial Real Estate LLC, a Delaware LLC, is engaged in the business of investing in properties and loan instruments. This offering of the Company's Preference Shares is to support the Company's ongoing investment activity which includes numerous Land acquisitions, rezoning and restructure of Land & development of hospitality & Commercial based developments and sites. At the term end the Company will re-purchase the Shares from investors for their capital value plus an additional exit bonus of 10%, this bonus calculated on the initial capital invested.

The structure and flow of this investment is as follows;

- Investors purchase Preference Shares in the Company;
- The Shares are non-voting, and the shareholders have no right to participate in the Company's management;
- Each shareholders liability generally will be limited to the amount of the shareholders purchase price for shares;
- The Company may re-purchase shares at their accumulated par value on the second anniversary of their issuance;
- A shareholder will have the option, instead of repayment at the end of the two-year term, to exchange some or all of the Shares for a new class of preference shares in furtherance of future Company projects;
- For UK investors, the company will make available a non-US feeder entity to make this investment in US real estate more tax-efficient. This non-US feeder entity will invest in the Company on behalf of each non-US investor.
- Investment Security: A first priority mortgage on development sites, a collateral interest in the development equity, typically 25%; a collateral assignment of developer assets & bank accounts – current value \$19,000,000
- An independent Investment Administrator, Maples Fund Services, is appointed to oversee the above process and thus ensure the interests of Shareholders is maintained at all times;

Funds are administered by Maples Fund Services. The land has full planning permission for the build and the company and its investors have a first charge on this unencumbered asset. As a further layer of protection for investors an assignment of SW land & Development LLC is pledging almost all of its assets to secure investors deposits until the investment is repaid.

Capital Requirements

- Investment is required to complete pre-development, development and construction activities.
- Investor return of 12% gross per annum payable 3% quarterly in arrears for 2 years.
- The Investor will recapture the original capital after 2 years plus a 10% bonus.

Investor capital is repaid by SW land & Development LLC obtaining funding on or before the end of the two-year term of the shares. This funding may come in the form of a sale of SW land & Development LLC underlying properties, or the refinancing of the Companies loans to SW land & Development LLC. In addition, SW land & Development LLC may sell some or all of its assets to satisfy SW land & Development LLC loans to the Company. The Company would use these funds to pay dividends to the holders of the Shares.

Risk Profile: Investors should be adventurous risk, seeking to achieve fixed returns generated from this US property investment. Specific Risks with this type of offshore unregulated investment scheme (UIS) are detailed in the appendix and include but are not limited to changes in government policy concerning foreign investment within the United States and changes to tax law or interpretation. In addition, as this is a USD (United States Dollar) investment, a currency risk is apparent and investors may achieve reduced returns when converted back to sterling. Investors should be able to commit money to this investment for a minimum of two years, or more if necessary.

This investment is non FCA regulated and has no recourse to the Financial Services Compensation Scheme. Individual investors should consider carefully whether this investment is suitable for them in light of personal circumstances and financial resources available to them.

This is a property type investment and as such the risks associated with property investment must be considered. Full details in the Information Memorandum provided to all member trustees.

Carlton James Diversified Alpha Fund

Investment Type	Invested Amount	Minimum Investment Term	Annual Returns	Frequency of Returns	Early Exit Terms	Early Exit Penalties	AMC	Capital Returned at Maturity
Asset Backed Shares with Targeted Dividend Returns	£75,000	Open Ended 30 day liquidity	9%* Targeted	Quarterly Dividend	Open Ended, 30 day liquidity	5% year 1 reducing to nil after 1 year	1%	net asset share value - reported quarterly

*For annual returns achieved over the 9% fund hurdle rate a 30% performance fee is charged, 70% of gains over the fund hurdle rate increases the net asset value of the fund to the benefit of the shareholder.

The Carlton James Diversified Alpha Fund is a regulated Open-End Mutual Fund, an investment in shares that are bought and sold on demand at their net asset value, or NAV, which is based on the value of the funds underlying securities which valued daily are reported monthly.

The structure and flow of this investment is as follows;

This is an investment in the purchase of Participating Shares issued by Carlton James Mollitium Offshore Fund Manager Platform SPC in respect of the Carlton James Diversified Alpha Fund Segregated Portfolio. This investment offers an annual target dividend return of 9% which entitles the holder to receive net proceeds of 8% annually after deduction of the 1% management fee. The 8% net annual dividend return is payable quarterly. Carlton James Diversified Alpha Fund is engaged in the business of investing in commercial real estate, commodities trading, equity holdings, secured debt holdings and cash. At exit, as determined by the investor, the Fund will re-purchase the Shares at their net asset value.

- Investors purchase Participating Shares in the Carlton James Mollitium Offshore Fund Manager Platform SPC (The Company) in respect of the Carlton James Diversified Alpha Fund Segregated Portfolio (DAF);
- DAF adopts a 'multi asset' strategy including commercial real estate, commodities trading, equity holdings, secured debt holdings and cash;
- The Shares are non-voting, and the shareholders have no right to participate in the Funds management;
- Each shareholders liability generally will be limited to the amount of the shareholders net asset value for shares;
- The Fund may re-purchase shares at their NAV value at any time subject to 30 days liquidity;
- Investment Security: The core principle is to seek a collateralisation and assignment over the assets that the fund invests in;
- An independent Investment Administrator, Mainstream Group Holdings, is appointed to oversee the above process and thus ensure the interests of Shareholders is maintained at all times;

The Funds are administered by Mainstream Group Holdings. The Investment Managers are Carlton James Mollitium Investment Management Ltd. The fund regulatory authority is the Cayman Islands Monetary Authority (CIMA).

Capital Requirements

- Investment is required for a segregated portfolio consisting of:
Commercial Real Estate 35% Commodity Trading 20%
Debt Holdings 20% Equity Holdings 10%
Cash 15%
- Investor receives a hurdle rate of 9% gross per annum.
- Annual management charge deduction of 1%
- For returns achieved over the fund hurdle rate a 30% performance fee is applied
- Performance bonus: For returns achieved over the fund hurdle rate a 70% performance bonus is applied
- Investment Term: Open ended, 30 day liquidity
- Investment Options: Quarterly Dividend

Investor capital is repaid by the company purchasing back the shares at the net asset value as reported at the time of redemption.

Risk Profile: Investors should be adventurous risk, seeking to achieve targeted returns generated from this open end mutual fund share investment. Specific Risks with this type of offshore CIMA regulated alternative investment are detailed in the appendix and include but are not limited to changes in government policy concerning foreign investment and changes to tax law or interpretation. Investors should be able to commit money to this investment for a minimum of one year, or more if necessary.

This investment is non FCA regulated and has no recourse to the Financial Services Compensation Scheme. Individual investors should consider carefully whether this investment is suitable for them in light of personal circumstances and financial resources available to them.

Full details are in the fund fact sheet provided to all member trustees.

Stagg Holdings Ltd

Investment Type	Invested Amount	Minimum Investment Term	Annual Returns	Frequency of Returns	Early Exit Terms	Early Exit Penalties	Capital Returned at Maturity
Purchase of Class "E" Preference shares	£158,000	60 Months	Up to 7% Per Annum	Every 6 Months	No Early Repayment charges	0	100%

An investment through the purchase of class "E" preference shares issued by Stag Holdings Ltd, a company incorporated on the 1st March 2017 in England & Wales, Company Number 10644814 ("The Company") and provides the investor 'Carlton James Retirement Fund' ("The Scheme") with fixed six monthly returns. The fixed returns provide the "Scheme" with contracted cash returns of up to 3.5% per six months over a term of 5 years, which can be extended, subject to legal conditions. At the term end "the Company" will reimburse the investors shares ("The Scheme") for their original value.

The structure and flow of this investment is as follows;

- "The Scheme" secures £150,000 Class "E" preference shares, at a value of £1 Per share in Stagg Holdings Limited ("the Company");
- "The Company" then utilises the capital raised to Construction projects;
- And in addition the Company affects a security interest in the Managed projects;
- Payments to "The Scheme" will be made six monthly in arrears;
- An independent Trustee, Workplace Pension Trustees Ltd, is appointed to oversee the above process and thus ensure the interests of Shareholders is maintained at all times;

Capital Requirements

- Investment is required to complete software pre-development, development and design activities.
- "The Scheme" returns of up to 7% gross per annum for 5 years paid on the six month anniversary of the investment.
- The Investor will recapture the original investment after 5 years, which can be further extended, subject to legal conditions and agreements.
- For the five year exit a Permanent Loan or sale will be negotiated to take out "The Scheme" monies in the fifth year after the investment has been made – this can be re-paid earlier as the preference "E" class shares have no early repayment charges.
- "The Scheme" capital is repaid in year 5 by means of commercial refinance or sale of the completed development.

Risk Profile: Investors should be of balanced risk, seeking to achieve annual returns generated from this share purchase. Specific Risks with this type of preference share purchase must be noted. "The Scheme" should be able to commit money to these investments for a minimum of five years, or more if necessary. Individual investors should consider carefully whether this investment is suitable for them in light of personal circumstances and financial resources available to them.

This is a share purchase investment and as such the risks associated with registering the Purchase of Class "E" preference shares must be considered. Full details of this offer are detailed in the Term Sheet, subscription agreement & supporting documents provided to all member trustees.

Coastal Hotels (No) Ltd - Unconnected Third Party Secured Loan

Investment Type	Invested Amount	Minimum Investment Term	Annual Returns	Frequency of Returns	Early Exit Terms	Early Exit Penalties	Capital Returned at Maturity
Unconnected Third Party Loan	£158,000	4 Years	15%	Annually	Payment of full Interest agreed	N/A	100%

An investment through an unconnected third party secured loan issued by Carlton James Retirement Fund ("The Scheme") and provides "The Scheme" with fixed annual returns. The fixed returns provide the "Scheme" with contracted cash returns of 15% per annum over a term of 4 year's. At the term end the Company will repay the loan from investors for their original value.

The structure and flow of this investment is as follows;

- "The Scheme" secures a first charge over the asset;
- The 3rd party receiving the monies then utilises capital raised to Construction projects undertaken by the 3rd party client which is placed in a first lien/charge position effectively becoming the mortgagee;
- Payments to "The Scheme" will be made Annually in arrears;
- An independent Investment Administrator, Workplace Pension Trustee's Ltd, is appointed to oversee the above process and thus ensure the interests of Shareholders is maintained at all times;

Capital Requirements

- Investment is required to complete the purchase of said assets;
- "The Scheme" returns of 12% gross per annum for 4 year's paid on the annual anniversary of investment.
- The Investor will recapture the original investment after 4 year's.

Risk Profile: Investors should be of balanced risk, seeking to achieve fixed annual returns generated from this property investment. Specific Risks with this type of secured unconnected third party loan must be noted. "The Scheme" should be able to commit money to these investments for a minimum of one year, or more if necessary. This investment is non FCA regulated and has no recourse to the financial Services compensation Scheme. Individual investors should consider carefully whether this investment is suitable for them in light of personal circumstances and financial resources available to them.

Reviews

Requirements in Retirement

It is important that you review your pension provision with your pension adviser on a regular basis as your current level of funding may prove insufficient to meet your required income requirements in retirement. You should also remember that if you elect to take part of your pension fund as a tax free cash payment, this will reduce the income you receive from the residual pension fund.

Nomination of Beneficiary

We would suggest that you complete a Nomination of Beneficiary Form. This will ensure the proceeds of your pension, subject to the trustee's discretion, are paid to your chosen beneficiary on your death.

For further information regarding the level of contributions that can be made to, how benefits can be taken from, and the taxation of pension arrangements we refer you to consult your pension adviser and the Technical Notes in the appendix of this report. A summary of the risk warnings associated with this review report can also be found in the appendix of this report.

Important Information

Cost of Services

There are various ways we can be remunerated for our advice and the provision of our services. A summary of the options can be found in our Tariff of Charges document, Services and Costs Disclosure Document (SCDD) or Combined Initial Disclosure Document (CIDD) provided.

A detailed summary of all the charges associated with the advice provided in this report can be found below:

Charges Summary

Small Self Administered Scheme Charges for the Carlton James Retirement Fund.

Entry Charges			Ongoing Annual Charges			Exit Charges
Appointed Pension Consultant Fee	Appointed Pension Consultant Fee Paid By	Practitioner Setup Fee	Practitioner Administration Fee	Appointed Pension Consultant Fee	Consultant Fee Paid By	Practitioner Member Exit Charge
2% of fund	SSAS Cash Account	£440	£440	0.5% of fund	SSAS Cash Account	£750

Entry Charges: One off charges taken before or on investment.

- Appointed Pension Consultant Fee: A fee paid to the Consultant for the review service.

- **Consultant Fee: Paid By Cash Account:** The Consultant Fee will be paid from the cash account within your Small Self Administered Scheme.
- **Practitioner Fee:** Fees agreed with the Pension Practitioner (The SSAS Scheme Provider and Administrator) in relation to Scheme set up, year 1 annual administration charge and member funds transfer in charges.
- **Practitioner Fee: Paid By Cash Account:** The Practitioner Fee will be paid from the cash account within your Small Self Administered Scheme.

Ongoing Charges: Regular charges, typically taken over a year.

- **Appointed Pension Consultant Fee:** A fee paid to the Consultant for ongoing review services.
- **Consultant Fee: Paid By Cash Account:** The Consultant Fee will be paid from the cash account within your Small Self Administered Scheme.
- **Pension Practitioner Fee:** A fee paid to the Practitioner for ongoing services.
- **Practitioner Fee: Paid By Cash Account:** The provider Charge will be paid from the cash account within your Small Self Administered Scheme.

Member Exit Charges: One off fees taken on termination.

- **Exit Charge:** Applicable under the plan following early surrender, encashment or transfer.

Our Service Proposition

- A focused and limited review service undertaken as the appointed consultant to the Trustees.

Financial Services Compensation Scheme ('FSCS')

This scheme does not apply to SSAS Investment or to any of the investment contained herein.

Confirmation

We have only completed a review and summary of the Carlton James Retirement Fund within the scope provided to us by Carlton James Private & Commercial Ltd for general information purposes only, without any warranties concerning the accuracy, or the completeness of the content. You should not use any of this report as advice or recommendation regarding the suitability of the scheme.

We have not carried out due diligence on the companies named in this report as this falls outside of our remit. Due Diligence validates the firm's dealing, a firm's directors and officers and determines it's assets and liabilities. It evaluates it's commercial aptitude and that it acts prudently, within the scope of it's permissions in evaluating associated risks in transactions relating to investing and warn you of your responsibility as an investor and to gather necessary information on actual or potential risks

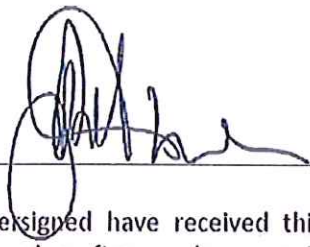
involved in an investment. You assume all responsibility and risk with respect to your membership of any SSAS scheme.

We hope you agree that the contents of this report correspond to your current needs and future requirements. If you have any queries concerning the content of this report, or should you feel the review report information is in any way an inaccurate reflection of your circumstances and future objectives please contact Carlton James Private & Commercial Ltd immediately.

Report written by

Jan Pietruzka

SSAS Consultant

Signature  Date 15/08/2019

We, the undersigned have received this report. We acknowledge this is a fair reflection of our conversation and confirm we have received all supporting literature including fund fact sheets and Information Memorandums.

Accepted by Carlton James Retirement Fund Trustee: Nigel Scott

Signature  Date 15/08/2019 Name: Nigel Stuart Scott



APPENDIX



APPENDIX

Risk Warnings – Small Self Administered Scheme (SSAS)

In addition to the risks shown below, we recommend you read carefully the section entitled “risk factors” in the Key Features Document provided which highlights any possible disadvantages of affecting this plan.

- For a full explanation of the charges and how they affect your plan, please refer to the personalised illustration Key Features Documentation, Information Memorandums and Fund Fact Sheets supplied by the product provider.
- The figures on any quotations provided are for illustration purposes only and are not guaranteed.
- The cost effectiveness of your SSAS may depend on a number of factors:
 - The size of your SSAS in relation to the initial and ongoing costs.
 - The type of investments held.
 - The frequency with which you deal.
 - The size of transaction you undertake.
- The value of the investment is determined by the value of the investment, the price of which can fall as well as rise. What you get back is not guaranteed. It will depend on investment performance and the cost of converting your pension fund into an income for life.
- If you have a smaller fund or deal excessively, the value of your SSAS may be eroded and the costs may be disproportionate to the value of your SSAS.
- The reviews are based on current taxation, law and practice and the current legal and administrative framework and are based on my current interpretation and understanding of those, all of which may be subject to change.
- Past performance is no guarantee of future returns.
- When you retire, your pension may be lower than illustrated if:
 - You stop or reduce your contributions.
 - Investment performance is lower than illustrated.
 - The cost of converting your pension fund into an income for life is more than illustrated.
 - You start taking your pension earlier than your chosen pension age.
 - Tax rules change.
 - Charges increase above those stated.
- It is important to periodically review the value of your investments against expectations - particularly as you approach your chosen retirement age when it is advisable to transfer some or your entire fund to a more stable investment environment.
- Where a property fund has been selected the value of the fund is based on the valuer's opinion rather than fact. You should be aware property and land can be difficult to sell – so you may not be able to cash-in this investment when you want to. In extreme market conditions the fund manager may have to delay acting on your instructions to sell your investment.
- Where a fund invests in overseas markets, changes in currency exchange rates mean that the value of the investment can go up or down.

Technical Notes – Pensions

A current summary of the main UK registered pension's legislation can be found below.

State Pension Age

The State Pension Age is 65, it is proposed to be further increased to age 66 by 2020, age 67 between 2026 and 2028, age 68 by the mid 2030s and age 69 by the late 2040s

Contributions

There is no restriction on the number of pension schemes one can contribute into.

Individual contributions are unlimited. However, there are limits on the amount of tax relief receivable. This is restricted to the higher of £3,600 or 100% of salary subject to the annual allowance.

The annual allowance for contributions in 2018/19 is £40,000 which if breached; the excess will be subject to a tax charge at the members marginal rates. It is possible however to offset contributions in excess of the annual allowance against unused allowances from the previous three years.

The government has introduced a tapered annual allowance for those who earn in excess of £150,000 p.a. including pension contributions. The allowance is tapered by £1 for every £2 of income that exceeds £150,000. However the allowance cannot fall below £10,000.

The Money Purchase Annual Allowance (MPAA) is £10,000 and this lower allowance is triggered when money purchase pension scheme benefits are accessed flexibly by the member through flexi-access drawdown (although not if just tax free cash is withdrawn), short term annuity, uncrystallised pension fund lump sum or payment of a scheme pension under a money purchase arrangement with less than 12 members. This reduction only applies to money purchase pension schemes. For members subject to the MPAA, an 'alternative annual allowance' of up to £40,000 is retained for defined benefit scheme contributions.

Employer contributions count towards the annual allowance. It is up to the Employer's local inspector of Taxes whether or not the entire contribution will be relievable for tax purposes.

No tax relief will be granted on contributions paid after age 75.

A tax free lump sum recycling limit of £7,500 exists to prevent exploitation of pensions tax relief. It seeks to avoid the payment of the tax free lump sum amount just received back into the plan as a new tax relievable contribution.

Retirement Ages

The normal minimum pension age is 55.

Benefits can be taken earlier if a protected pension age applies or permanent ill health.#

Tax-Free Lump Sums



Are generally 25% of the fund values from a registered scheme
It was possible to protect funds in excess of 25% (before April 2006 only)

Death Benefits

Death before age 75 - Any beneficiary can inherit the pension funds and there is no tax charge whether taken as an income or lump sum provided that income is designated, and lump sums are paid, within 2 years.

Death at or after age 75 - Any beneficiary can inherit the pension funds either as an income or a lump sum. Both would be taxable at the beneficiary's marginal rate. (A higher tax rate of 45% applies if the beneficiary is an entity other than an individual.)

Beneficiaries - The term 'any beneficiary' means a 'dependant' (financially dependent) or other 'nominee' (not financially dependent). On the dependant or nominee beneficiary's death, funds can be inherited by a 'successor'. Payment from a dependant's flexi-access drawdown fund will not cause the money purchase annual allowance rules to apply to the dependant.

The Lifetime Allowance

Is the limit of pension benefits that can be drawn before tax is applied. Excess benefits are subject to a tax charge of 25% if income or 55% if taken as a lump sum.

- The lifetime allowance is currently £1 million and from April 2018 the allowance will be indexed annually in line with CPI

Pension Protection

- Enhanced, Primary, Fixed or Individual are forms of pension protection and were introduced between 2006 and 2016 in order to ring fence benefits from the lifetime allowance

Retirement Benefits - Post 5th April 2015

Unrestricted retirement benefits can be taken from a defined contribution or money purchase pension scheme at any time from age 55.

Drawdown Pension – Income can be taken direct from the pension fund as follows:

- *Flexi-Access Drawdown* – Allows any income amount chosen
- *Short Term Annuity* – An amount can be used to buy an income for a term of up to 5 years

Uncrystallised Pension Fund Lump Sum – Allows a single or a series of lump sums to be withdrawn.

Lifetime Annuity – Allows a guaranteed income for life that can increase or decrease.

Scheme Pension – This offers a secure lifetime income payable to the member of the scheme.

Small Pot Lump Sums – Where a pension fund is less than £10,000 (up to a maximum of three pots), the entire fund(s) can be withdrawn as a lump sum (25% tax free rule applies)

Trivial Commutation Lump Sum – Where a Defined Benefit pension is worth £30,000 or less the value can be surrendered as a lump sum (25% of which is tax free).

Serious Ill Health Lump Sum – Whether accessed or not, individuals with less than 12 months to live can withdraw their entire fund tax free up to age 75 or taxed at their marginal rate if aged 75 or over.

Auto-Enrolment

All employers are required by law to automatically enrol certain members of their workforce (known as eligible workers) into a qualifying workplace pension scheme and contribute to it. A minimum contribution is set based on a band of the gross annual earnings and will include the employee's and employer's contribution and the tax relief added together. These duties took effect for the largest employers from 2012 with all other sized employers being phased in until 2018.

Notes on Financial Products

Personal Pension Plan

Personal pensions aim to build up a sum of money in a tax efficient way which can subsequently be used to provide an income or lump sum(s) during retirement.

Modern personal pensions are generally extremely flexible in that they will accept regular, monthly, annual or one off contributions from individuals and from employers and the level of regular contributions can be changed at any time subject to the provider's minimums.

Taxation

Contributions will qualify for tax relief at the individual's highest rate of income tax and are paid net of basic rate tax at 20%. The pension provider collects the basic tax relief from HM Revenue & Customs up to the maximum limits set by them. Any higher or additional rate relief entitlement can be reclaimed through the individual's annual tax return.

Growth in the value of the pension fund is free from capital gains tax and certain types of dividends paid to the plan are free from income tax. Under normal circumstances, no inheritance tax liability will arise from pension death benefits provided a named beneficiary exists at the date of death.

Small Self Administered Scheme (SSAS)

A Small Self Administered Scheme (SSAS) is a special type of personal pension which allows you to have a greater involvement in the running of your pension and offers a much wider choice of where to invest your pension savings.

Individual contributions are unlimited. However there is a limit on the amount of gross contributions that an individual can pay each tax year and receive full tax relief upon. This is restricted to the higher of £3,600 or 100% of salary, subject to an annual allowance of £40,000 for the current tax year. It is possible to offset one-off spikes in contributions in excess of the annual allowance against unused allowances from the previous three years. Employer contributions count towards the annual allowance. Also, it is up to the Employer's local inspector of Taxes whether or not the entire contribution will be relievable for tax purposes. Individuals are subject to a tax charge on the amount of any contribution (both individual and employer) paid in excess of the annual allowance each year. The tax charge will be at the member's marginal rate of tax. No tax relief will be granted on contributions paid after age 75.

A pension is one of the most tax efficient ways of saving for your retirement. Contributions qualify for tax relief at your highest rate of income tax, subject to the restrictions outlined above. Contributions are paid net of basic rate tax and the pension provider collects the tax relief from the HM Revenue & Customs. This means that for every £80 you contribute, £100 will actually be credited to your plan. Any higher rate tax relief to which you are entitled can be reclaimed through your annual Tax Return. Growth in the value of the pension fund is free from capital gains tax and certain types of dividends paid to the plan are free from income tax.

Benefits can usually be taken from age 55, including while you are still working. At that time you can elect to take 25% of the accumulated fund as a Pension Commencement Lump Sum (tax free cash) payment. The remainder of the fund may be used to purchase an annuity, which can be established on a basis to suit your individual circumstances and objectives at that time. Alternatively you can choose to take the benefits directly from your pension fund via a more flexible retirement plan. The effective requirement to buy an annuity by age 75 was removed from 6th April 2011.

On death before age 75, there will be no death benefit tax charge on either a crystallised or uncrystallised pension fund, assuming the total value of the pension benefits are within the lifetime allowance. Death on, or after your 75th birthday If you die after age 75, your beneficiaries have three options;

- (a) Take the whole fund as cash in one go: the pension fund will be subject to 45% tax. However, in the July 2015 Budget it was confirmed this will be taxed as your beneficiary's or beneficiaries' income for payments made after 5 April 2016.
- (b) Take a regular income through an annuity or drawdown: the payments will be taxed as your beneficiary's or beneficiaries' income.
- (c) Take periodical lump sums through drawdown: the lump-sum payments will be taxed as your beneficiary's or beneficiaries' income.

Under normal circumstances, no inheritance tax liability will arise from pension death benefits unless HMRC believe that an individual has deliberately deferred the crystallisation of their pension benefits to avoid tax charges.

SSAs are allowed to invest in a variety of ways and "connected person transactions" are now allowed provided they occur at "arms-length". The permitted investments include:

- Stocks and shares traded on any recognised stock exchange.
- Futures and options relating to stocks and shares traded on any recognised futures exchange.
- Units in an authorised unit trust.
- Shares in OEICs.
- Unregulated, non standard Investment Schemes
- Policies of insurance linked to unit-linked or investment funds of an insurance company resident in the UK.
- Traded endowment policies transacted with a person regulated by the FCA.
- Cash deposits in any currency.
- A freehold or leasehold interest in commercial property (including land).
- Ground rents, rent charges, ground annuals, feu duties or other annual payments reserved in respect of, or charged on, or issuing out of property except where the property concerned is occupied by a member of the scheme or a person connected with him.
- Individual pension accounts.

Property Investment via a SSAS

It is possible to invest directly in commercial property via a SSAS. The following should be considered when undertaking a commercial property purchase via a SSAS:

- The rent accumulates tax free within the scheme and the subsequent disposal of the property is exempt from capital gains tax.
- The lease must be on commercial terms and the administrator of the SSAS is required to take independent advice on the terms of the lease and the rent payable.
- Letting a property to a member's own business can also bring additional risks. If the business fails, the pension scheme may suffer investment losses as well as a reduction in future contributions.
- Investment in a single undertaking or having one investment as a large part of a scheme's assets brings considerable risk.
- Investment in commercial property needs to be treated with particular care. A property's potential marketability must be considered carefully because it will have to be sold before an annuity is secured.
- The problem can become even greater when several members effectively hold the property within their fund as often happens in a partnership.

A SSAS may only borrow towards the purchase of a freehold or leasehold interest in commercial property to be held as an investment of the scheme. The amount borrowed must not exceed 50% of the value of the individual pension assets.

Appendix – Technical Information on Unregulated Investment Schemes

Many Unregulated Investment Schemes (UIS) are sold to investors in the UK. Regulated CIS are those that are authorised by the Financial Conduct Authority (FCA) or are non-UK CIS that the FCA recognise. FCA recognition enables overseas CIS to be marketed to the general public in the UK and the FCA will only recognise an overseas scheme if certain specified criteria are met. If the FCA do not authorise or recognise a CIS in this way, it is classed as an Unregulated Investment Scheme (UIS). A UIS may be established, operated and/or managed in the UK or in a jurisdiction outside the UK.

UIS are described as unregulated because they are not subject to the same restrictions as a regulated CIS (e.g. in terms of their investment powers and how they are operated). Although the schemes themselves are not authorised or recognised, persons carrying on regulated activities in the UK in relation to UIS (including providing personal recommendations, arranging deals and establishing, operating and managing schemes) will be subject to FCA regulation.

All investments are subject to tax of some kind. Generally speaking, if the investment pays out regularly, the returns are taxed as income and investors are liable to income tax at their highest marginal rate. Alternatively, if the investment objectives are to generate a lump sum at the end of the investment term, or capital growth, then the gains enjoyed are subject to Capital Gains Tax.

However, it is not always as simple as this and the tax treatment of individual investments can vary from the general rules. Additionally, liability to tax will often depend on an investor's personal circumstances.

UIS investments cannot be held within an ISA because they are not regulated by the FCA.