

MONTHLY REPORT

June 2018 Factsheet



Fund Details

Name	JB High Alpha Fund
Entity	Open-ended Investment Unit Trust
Domicile	Australia
Portfolio Manager	Stuart McAuliffe
Investment Manager	John Bridgeman Limited
Broking & Clearing	JB Markets Pty Ltd / Macquarie Bank
Trustee	JB Markets Pty Ltd
Fund Inception Date	14 February 2017
Minimum Investment Amount	\$50,000
Investor type	Wholesale clients only
Units	All units will rank equally with each other
Currency	Reported in Australian Dollars
Management Fee	2.0% of net AUM
Performance Fee	23.0% of the increase in Fund's net asset value (NAV)
High water mark	Yes
Distributions	Nil
Liquidity	Weekly
APIR code	JBMX889AU

Investment Manager

The JB High Alpha Fund has appointed John Bridgeman Limited to manage the Portfolio in accordance with the terms and conditions of the Management Services Agreement. The Manager and its investment team have considerable experience in investment management across different geographies, sectors and industries. The Manager operates a specialist investment management business, and is listed on the National Stock Exchange of Australia under the ticker "JBL".

Portfolio Manager

Stuart McAuliffe, Managing Director and Chief Investment Officer of John Bridgeman Limited, has primary responsibility for the investment decisions of the Investment Manager. He is supported by a team of investment professionals who have skills and expertise across Australian and global markets.

Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible for investments, he uses a 'layered' approach combining multiple time frame fundamental analysis with short term technical trading patterns to maximise returns while managing risk.

Performance as at 30 June 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	6.10%	-0.50%	6.60%
3 Months	8.35%	0.68%	7.67%
6 Months	6.55%	0.51%	6.04%
1 Year	10.18%	6.12%	4.06%
Since inception (Feb 17)	19.95%	9.04%	10.91%

Past trading performance is not a reliable indicator of future performance. Returns displayed are net of fees. Fees and other costs are exclusive of GST unless otherwise stated.

Performance Chart

Growth of \$10,000 investment since fund inception



Fund performance since inception, after fees.

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Market Update

Risk assets enjoyed a positive start to the first half of June buoyed by continued strong jobs data from the US, diminishing geopolitical risks from Europe and a pick-up in UK data. Trump did his best for global peace with the historic meeting with his NK counterpart, much to the dismay of his G7 partners, where protectionism lingered over the most dysfunctional G7 meeting in history.

Hopes were quickly dashed mid-month as Trump announced \$50bn of tariffs on Chinese imports with a further \$100bn of tariffs in the pipeline. The market reaction was swift as Chinese equities closed at their lowest levels in 2 years as the Shanghai Composite entered bear market territory, whilst the Yuan lost 4% of its value vs USD. The most telling impact of trade wars on the synchronised global growth story appeared in the brutal sell-off in industrial and base metals, savaged by declines of -8%. Crude Oil rallied 11% to just shy of \$75/bbl as members of OPEC agreed to production increases which were less than markets had anticipated.

Despite this, the Fed increased rates as expected by 25bps to 1.75% as US 10 yr yields dropped 20bps to 2.80% on risk-aversion. With both ends of the curve marching to different tunes, 2s10s curve continued to flatten towards 11year lows at 32bps. Over in Europe, Draghi's ECB tempered the expected end to QE. With a more dovish guidance on rates, continual balance sheet management and unchanged medium-term inflation forecasts the EUR tumbled -3% vs USD, as Bunds dropped in yield from 0.50% to 0.30% amidst rumblings over immigration policy threatened to derail Germany's coalition government.

Ruptures in emerging market assets kept appearing as the USD continued to rally with Brazil's central bank intervening to save the BRL, Turkey's central bank raising rates aggressively to halt the Lira's slide and Argentina securing further IMF funds. Despite all the carnage, US equity markets shrugged this off to be almost unchanged on the month.

For more information, please speak to your financial advisor or contact us.

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Fund Statistics

Annualised return	13.70%
Annualised volatility	0.14830
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.191366
Sortino ratio	0.307451
Positive Months (%)	65%

Fund Objective

The Fund's objective is to provide investors with moderate to high portfolio appreciation over the medium to long-term through active management of the investment assets. The Fund will invest in a range of financial products that focus on Global Macroeconomics and, in holding both long and short positions, will seek absolute returns regardless of market direction. The Fund will predominantly invest and trade in global futures markets worldwide, across categories such as share indices, interest rates, currencies and commodities. The Fund may also invest in over-the-counter derivatives, listed equities and cash.

Fund Strategy

The strategy aims to identify medium and long-term trends and trend shifts, but to also vary position size given short-term technical indicators including sentiment and momentum. The strategy targets positive results over 12 month rolling periods.

The Investment Manager's advantage lies in correct assessment of broad valuation measures, macroeconomic environment, sentiment and economic forecasting.

Investment Manager Outlook Statement Stuart McAuliffe, Portfolio Manager.

"Euro and British Pound currency exposure pulled us back for the month, but we believe both currencies are beginning to adjust monetary policy similar to the Federal Reserve. That said, we believe interest rates globally remain low and economic conditions continue to be relatively positive."

Important information: This information is provided by JB Markets Pty Ltd for information only. Past trading performance is not a reliable indicator of future trading performance. Returns are net of fees and expenses and assume income is reinvested in additional units and that tax has not been deducted. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. This is not an offer or recommendation to buy or sell securities or other financial products, nor a solicitation for deposits or other business, whether directly or indirectly. An Information Memorandum (IM) for the fund, under which invitations to apply to invest in the fund are made, is available from JB Markets Pty Ltd. Investors should consider the current IM in deciding whether to invest in the fund, or to continue to hold their investments in the fund. Unless an exemption applies, anyone wishing to apply to invest in the fund will need to complete the application form accompanying the IM. Prior to JB Markets providing any financial services to you, you should read JB Markets' Financial Services Guide which is available on website www.jbmarkets.com.