

MONTHLY REPORT

July 2018 Factsheet

Jb
HIGH ALPHA
FUND

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.

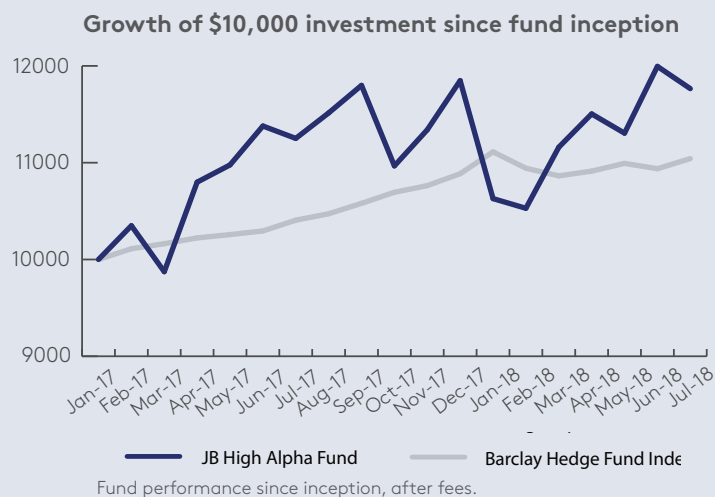
Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible 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 31 July 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-1.92%	0.96%	-2.88%
3 Months	2.45%	1.19%	1.26%
6 Months	10.59%	-0.60%	11.19%
1 Year	5.94%	6.00%	-0.06%
Since inception (Feb 17)	17.65%	10.01%	7.64%

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



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Market Update

July was punctuated by trade wars, rising yields and earnings reports. Trump continued to ramp up his rhetoric on China by slapping China with tariffs on \$200bn of Chinese imports and then going all-in and increasing the value to \$500bn, the total value of Chinese goods imported into the US into 2017. Trump's tirade didn't end there calling the China and the EU currency manipulators.

Weaker than expected Chinese manufacturing data for June added to concern that the country's growth is softening, with the PBOC tolerating a weaker yuan (6.9 vs USD) to help cushion a slowing economy and take some of the sting out of Washington's proposed tariffs on its exports to the U.S. Chinese equities enjoyed a healthy 6% rally off the lows driven by trade headlines, whilst USD continued to rally towards 12-month highs.

The US economy continued to grow at healthy clip with GDP at 4.1%, a fifth straight increase in retail sales and another strong payrolls report at +213k. Participation in the labour force also increased sending the unemployment rate to 4%. Fed left rates unchanged at 1.75%-2.00% whilst Chair Powell's comments suggesting the central bank is willing to slow down the pace of rate rises if needed. Euro-Area manufacturing growth slowed to the weakest pace in 2 years, as Germany continued to outperform in the services sector, whilst Brexit turmoil continued in the U.K.

Reports that suggested the Bank of Japan was about to take a close look of its ultra-accommodative policy of keeping the yield on Japanese 10-year bonds close to zero was eroding bank profitability and stifling trading activity in the Japanese bond market sent JGBs to 2-year highs +6bps/0.10%. This led to a global bond selloff with US 10 yr. yields rising 18bps to just shy of 3%.

US equities continued their global dominance outperforming global indices with the Nasdaq making new highs before the combined market cap of the FAANG's suffered an 8% drop led by Facebook. SP500 rallied to 6-month highs led by better earnings from banks against a backdrop of trade tensions.

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

Level 9, Riverside Centre
123 Eagle Street, Brisbane, QLD, 4000
Phone: 1300 108 495
Email: peter.aardoom@jbm.com.au
Email: trent@johnbridgeman.com.au
Web: www.jbm.com.au

Fund Statistics

Annualised return	11.45%
Annualised volatility	0.14880
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.174162
Sortino ratio	0.286604
Positive Months (%)	61%

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.jbm.com.au.