



INFORMATION MEMORANDUM

An offering to wholesale clients only

Trustee and Manager:

JB Markets Pty Ltd
ACN 123 876 291
AFSL 323 182

Investment Manager:

John Bridgeman Limited
ABN 55 603 477 185



HIGH ALPHA
FUND

IMPORTANT NOTICE TO POTENTIAL INVESTORS

Important information

This Information Memorandum (IM) dated 13 July 2018 replaces in its entirety any previous Information Memorandum (IM) issued in respect to the JB High Alpha Fund (the **Fund**) issued by JB Markets Pty Ltd ABN 81 123 876 291 (AFSL 323 182) (**JB Markets, the Trustee or the Manager**) as the Trustee and Manager of the Fund.

The information contained in this IM is intended for the exclusive use of selected wholesale client investors (you or investor) for the consideration of an investment in the Fund and may not be reproduced, used or given to any other person, in whole or in part, for any purpose other than that for which it is intended.

This IM is not a Product Disclosure Statement as defined by the Corporations Act and therefore may not contain all the information required in order to make an informed decision as to whether to subscribe for Units in the Fund. This IM has not been and is not required to be lodged with the Australian Securities and Investment Commission (**ASIC**) under the Corporations Act. The Fund is not required to be, and is not, registered as a managed investment scheme under the Corporations Act.

This IM is prepared for your general information only. The information provided in this IM is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances and needs.

The offer in this IM is personal to the person to whom it has been sent and the information contained in it is provided on a confidential basis and must not be disclosed by any person or used except to professional advisors on a confidential basis for the purpose of making a decision to invest. JB Markets may at its discretion withdraw this IM at any time.

To the extent permitted under the Corporations Act, the Australian Competition and Consumer Act, the Australian Securities and Investments Commission Act or any other relevant statute or other law of any kind, neither the Manager nor any other person named in this IM will be under any liability for any claim of whatever kind (e.g. contractual, claim of negligence or other tort, equitable or otherwise), including for any consequential loss or damage (whether reasonably foreseeable or not) suffered by any applicant or any other person, to the extent the claim arises (wholly, substantially or otherwise) out of reliance on any information or other statement contained in this IM or any error in, or omission from, the IM or the agreements, documents, arrangements or investments contemplated by it.

Investment risks

There are risks associated with an investment in the Fund such as loss of income or principal amount invested. Some of the risk factors that should be considered by potential investors are set out in Section 3 of this IM. Investment in the Fund should be regarded as speculative. Neither JB Markets nor any of its related bodies corporate, associates, officers or affiliates, guarantee the performance of the Fund or the repayment of capital from the Fund. This IM does not constitute a recommendation by JB Markets or any person named in it to invest in Units in the Fund. You should read the whole of this IM and consider all of the risk factors that could affect the performance of the Fund and other information concerning the investment in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Fund. Investors should obtain their own legal, tax, accounting or commercial advice.



MANAGER'S DETAILS

If you have any queries, please contact

JB Markets:

Level 9, Riverside Centre
123 Eagle Street
BRISBANE QLD 4001

Contact Names:

Trent Daniels - Head of Distribution
John Bridgeman Limited
trent@johnbridgeman.com.au

Peter Aardoom - Director - JB Markets Pty Ltd
peter.aardoom@jbmarkets.com

Tel: 1300 108 495

Email: info@jblfunds.com.au

Wholesale clients

Investments may only be accepted from persons that qualify as wholesale clients under section 761G (7) of the Corporations Act and hence persons to whom the Manager is not required to give a Product Disclosure Statement under Part 7.9 of the Corporations Act.

This IM is not an invitation to subscribe for Units in any place in which, or to any person to whom, it would not be lawful to make such an invitation. The distribution of this IM in jurisdictions outside Australia may be restricted by law. This IM may only be distributed or released to a person that is not in the United States. Persons who come into possession of this IM should seek advice on, and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

Financial amount and times

All financial amounts contained in this IM are expressed in Australian dollars unless otherwise stated. A reference to time in the IM is a reference to Sydney, Australia time (AEST).

How to apply to invest in the fund

Applications to invest in the Fund must be for a minimum investment of AUD 50,000. Applications for more than AUD 50,000 must be in multiples of AUD 10,000. When an Application is accepted, the Applicant will be issued Units at the Issue Price at the date the Application is accepted. The Manager reserves the right to partially accept any application to invest in the Fund.

Applications can be made by completing the Application Form attached to this IM in accordance with the instructions.

Anti-Money Laundering and Counter-Terrorism Financing Act 2006

Intending investors, whether individuals, companies, partnerships or trusts, will be required to provide appropriate identification at the time when their Application is lodged,

or prior to any Units in the Fund being issued by the Manager.

Privacy

When potential investors make an application to invest in the Fund, the Manager will collect personal information about investors from their Application Form and for the purposes of customer identification. The Manager may also collect additional personal information by other means in the future. If Applicants or Unit Holders have any questions about or require access to the personal information collected they should contact the Manager. The personal information supplied to the Manager is used for the primary purpose of establishing an investment in the Fund. The personal information will also be used for the related purposes of processing applications, administering investments, managing the Fund, and complying with applicable laws and regulations including but not limited to Anti-Money Laundering and Counter Terrorism laws. The Manager may also use the information to provide you with details of future investment opportunities.

The types of organisations to which the Manager may disclose the information provided include:

- Any service provider engaged to provide custodial, administration, technology, auditing, mailing or printer services;
- Government authorities when and to the extent required by law; and
- Any professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

By making an application to invest in the Fund you will have consented to our collection and use of your personal information as stated above.

If you provide incomplete or inaccurate information, the Manager may not be able to process your application and/or administer the investment.

1. SUMMARY OF KEY FEATURES

This summary is not intended to be exhaustive. For more detailed information please refer to the relevant section of this IM.

KEY FEATURE	DESCRIPTION
Name and type of Fund	JB High Alpha Fund - an open-ended Investment Unit Trust that is an unregistered managed investment scheme.
Fund Domicile	Australia
Trustee and Manager	JB Markets Pty Ltd ACN 123 876 291 (AFSL 323182)
Broker/Execution and Clearing	Broker and Clearing Services will be provided by JB Markets Pty Ltd and such other broker engaged by the Trustee from time to time.
Fund Administration	JB Markets Pty Ltd or such other party engaged by the Trustee from time to time.
Investment Manager	John Bridgeman Limited ACN 603 477 185, an authorised representative of JB Markets Pty Ltd (Representative No. 001008380).
Portfolio Manager	Stuart McAuliffe
Minimum Investment	Minimum investment will be AUD 50,000 with additional investment in increments of AUD 10,000.
Issue Price	Up to and including the Final Allotment Date, a Unit will be issued at an Issue Price of AUD 1.00 per Unit. After the Final Allotment Date, and subject to the Trust Deed, a Unit will be issued at an Issue Price calculated as: $\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of Units on issue}}$
Investment Strategy	The Investment Manager will seek to provide investors with capital growth over the medium term. 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.

Investment Products	<p>The Fund may invest in a wide range of financial products. However, it is anticipated that 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 will invest in exchange-traded futures contracts, listed equities and cash.</p> <p>Typically, these indices will be broad-based and liquid developed market equity indices including the Dow Jones Industrials, S&P 500, FTSE 100, Nikkei 225, DAX, Hang Seng and the S&P ASX 200. The Fund will also take positions in the direction of global Government Bond markets and commodities such as gold or oil. Currency exposure (or hedging) will be attained by holding a mix of cash balances in various currencies, such as Australian Dollar, Euro, US Dollar, Canadian Dollar, Japanese Yen and British Pound and/or through the trading of currency futures market contracts.</p>
Leverage	<p>Unless otherwise disclosed, the Fund may be leveraged to the extent it will not breach levels greater than five times the invested funds under management at the time of investment.</p>
Distributions	<p>Distributions of any income or realised profits generated will be automatically reinvested in additional Units at the prevailing Issue Price (without adjustment for the buy/sell spread), unless the investor elects to receive cash distributions.</p>
Redemption of Units	<p>Redemptions will normally be paid within 30 days of a redemption request. The Manager reserves the right to decline any redemption request.</p>
Management Fee	<p>A management fee will be charged monthly in arrears. The fee will be calculated based on the Fund's net asset value (NAV) at the end of each month, payable in Australian dollars, and will apply at an annual rate of 2.0%.</p>
Performance fee	<p>23% of the increase in the Fund's net asset value (NAV). Before any performance fee becomes payable, the Fund's NAV must be above any previous high-watermark – calculated by reference to the NAV at the relevant quarter-end reporting points.</p>
Buy/sell Spread	<p>+ 0.15% on applications - 0.15% on redemptions Nil on issue of units from reinvestment of distributions.</p>
Investment Highlights	<p>The Fund allows investors to diversity their exposure across global markets and products and to generate potentially positive returns regardless of the general market trend. There are no capital raising fees; all invested funds will be working for you from day one.</p>



2. INVESTMENT STRATEGY

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 will invest in exchange-traded futures contracts, listed equities and cash.

Typically, these indices will be broad-based, and liquid developed market equity indices including the Dow Jones Industrials, S&P 500, FTSE 100, Nikkei 225, DAX, Hang Seng and the S&P ASX 200. The Fund will also take positions in the direction of global Government Bond markets and commodities such as gold or oil. Currency exposure (or hedging) will be attained by holding a mix of cash balances in various currencies, such as Australian Dollar, Euro, US Dollar, Canadian Dollar, Japanese Yen and British Pound and/or through the trading of currency futures and options market contracts.

The Investment Manager will seek to provide investors with capital growth over the medium term. 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 Investment Manager's advantage lies in correct assessment of broad valuation measures, macroeconomic environment, sentiment and economic forecasting. 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 Trustee will give Unit Holders written notice of any significant change to the investment strategy.

A summary of the investment strategy is as follows:

- The strategy is to produce trading profits from identification of stock market direction;
- The Fund will focus on major developed world stock market indices;

- The Fund will predominantly invest in index futures;
- The Fund is directional, with periods of high volatility and rapid price movements the most significant risk;
- The Fund primarily uses fundamental analysis to evaluate price; and
- The Fund primarily uses technical analysis to identify trend, momentum and other market conditions.

Description of Traded Products

Index Futures are leveraged products that allow the investor to take a view on the direction of the underlying index. Index Futures are mainly utilised by institutions to protect portfolios from short-term movements; to gain a cost-effective exposure to an index whilst purchasing underlying shares; or to take a trading view on market direction.

The current strategy of the Fund is to focus primarily on index futures contracts providing exposure to major equity indices. The Dow Jones Industrials, S&P 500, FTSE 100, Nikkei 225, DAX, Hang Seng and the S&P ASX 200 are the primary instruments to express global directional moves. The indices mentioned are benchmarks for developed stock markets of the United States, United Kingdom, Japan, Germany, Hong Kong and Australia. They are all heavily regulated derivative instruments, deeply liquid with tight spreads and almost 24-hour coverage.

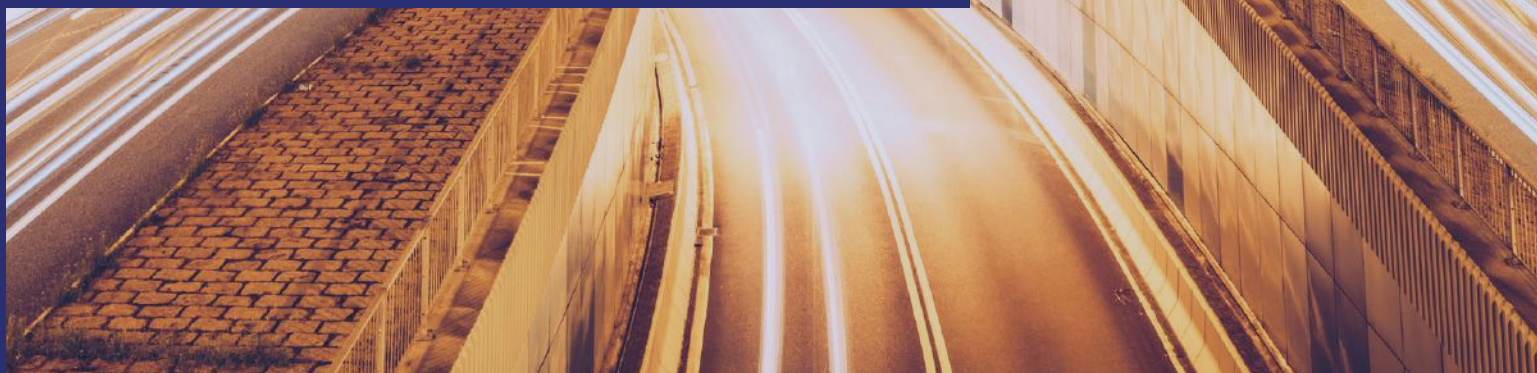
The Fund may also invest in listed equities in finance, foreign exchange, or various other industries.



BENEFITS OF THE FUND

The benefits you may derive from the Fund include:

- Access to the investment strategy developed by the Investment Manager;
- Access to global stock markets;
- Focused trading over multiple time frames; and
- Low correlation to traditional asset classes.



3. RISKS

All investments are subject to risk. While there are many factors that may impact on the performance of any investment, the summary below details some of the major risks that you should be aware of when investing in the Fund.

Individually, or in combination, these risk factors may affect the Fund and the ability to repay capital and income distributions. There is no guarantee that the Fund will achieve any particular return. An investment in the Fund should be considered in light of these risks.

When considering investing in this Fund it is important to understand that:

- The value of your investment will go up and down
- Returns are not guaranteed
- You may lose some or all of your money
- Previous returns don't predict future performance

The appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and how comfortable you are with the possibility of losing some or all of your invested funds.

Before deciding to invest in the Fund you should read the entire IM, consider these factors and review how these risk factors impact your personal circumstances. Note that the Manager does not guarantee the repayment of capital or any particular rate of return.

You should also seek professional advice from your lawyer, accountant or other professional adviser before deciding whether to invest. While it is not possible to identify every risk factor relevant to investing in the Fund, we have outlined some of the significant risks in this section.

Market Risk

The Fund will encompass exposure to major indices such as the Dow Jones Industrials, S&P 500, NASDAQ 100, Nikkei 225, FTSE 100, DAX, Hang Seng and the S&P/ASX 200.

Index Futures Contracts are leveraged products that allow the Investment Manager to take a view on the direction of the underlying index to which the contract relates. As the market value of these indices changes, gains or losses can occur and these gains or losses can be magnified due to the leverage associated with these products.

Factors that drive changes in the value of these financial products are many and may include changing profitability of companies that make up the various indices, economic cycles, investor demand levels, business confidence and government and central bank policies.

Investment Manager Risk

There is a risk that the Investment Manager's investment strategy may not be successful resulting in underperformance in the Fund, either in absolute terms, or relative to the market and/or its peers. Furthermore, there is a risk that the Investment Manager fails to implement the Investment Strategy successfully. In either circumstance, this may result in a loss of a significant portion of your investment in the Fund.

Income Risk

It is not the intention of the Fund to distribute income to investors by means of regular distributions. This is not a fixed income product. However, the ability of the Fund to generate internal income is dependent on the performance of the Fund's assets and the broader market environment. There is no guarantee that you will receive any income or a return on Investment. If during a financial year, the Fund were to pay out a distribution of net income which exceeds the total net taxable

income for the particular financial year, the excess you receive may be treated as a return of capital rather than income and may result in tax implications for you.

Capital Risk

An investment in the Fund is not a guaranteed capital investment. As such, your investment in the Fund may decrease in value, meaning you may get back less than you invested in the Fund if you withdraw your investment or the Fund is wound up.

Currency Risk

The Fund is denominated in Australian dollars. As a result, investors whose initial investment in the Fund is via currencies other than the Australian dollar are exposed to favourable and unfavourable movements in their currency in relation to the Australian dollar. Such movement in currency means that the absolute return of the Fund in the investor's currency of initial investment may differ to that of the performance of the Fund.

Due to the Fund taking positions in various global markets, the absolute performance of each investment made by the Fund will be affected by movements in exchange rates in relation to the Fund's denominated currency, the Australian dollar. As a result, the outcome of trades in other currencies such as the Euro or Sterling will be impacted by any subsequent conversion of the profit or loss to the Australian dollar.

Derivative Risk

The value of derivative investments is linked to the value of an underlying asset (or an interest rate, share index or some other reference point) and can be highly volatile. While derivatives offer the opportunity for higher gains for a smaller initial cash outlay, they can also result in significant losses, sometimes significantly in excess of the amount invested to obtain the derivative. Risks associated with using derivatives might include the values of the derivative failing to move in line with the

underlying asset, potential illiquidity of, or inability to get set in, the derivative, the Fund not being able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). Using derivatives may not provide the desired returns or protection from loss, and may increase losses. The Investment Manager aims to keep derivative risk to a minimum by constantly monitoring the Fund's use of derivatives, and by only entering into derivative contracts with reputable counterparties.

Counterparty Risk

The Fund may make investments through derivatives that require the entry of contracts with third parties. A counterparty to one of those contracts may fail to perform their contractual obligations, either in whole or in part. This risk is primarily managed by ensuring counterparties are approved with stringent criteria and ensuring, where possible, transactions are undertaken with a number of counterparties. However, the level of risk faced by the Fund in this regard is higher relative to funds that do not invest in this way.

Liquidity Risk

The Fund should be considered as an illiquid, passive, long-term investment. This is because:

- (a) although a Unit Holder's Units in the Fund are transferable subject to conditions, there is no established market for these Units; and
- (b) upon request to withdraw from the Fund, it may normally take the Manager up to 30 days to process the withdrawal, and the Manager may refuse to accept a request for withdrawal at its sole discretion.

FUND RISKS

Risks particular to the Fund include that it could terminate, the fees and expenses could change (as described in Section 5), the Investment Manager could be replaced as investment manager and the Investment Manager's investment professionals (including the Portfolio Manager) could change. There is also a risk that investing in the Fund may give different results than investing directly in the underlying securities because of income, capital gains or losses accrued in the Fund and the consequences of investments and redemptions by other investors.

REGULATORY RISKS

Changes in regulations (including Australian Income Tax legislation changes) may have an impact on returns from the Fund. Unit Holders are advised to form their own view on the likelihood and impact of any regulatory change.

4. UNIT PRICING, DISTRIBUTIONS & TAXATION

Unit Pricing/Valuation Process

When you invest in the Fund you are allocated a number of Units in the Fund. Each of these Units represents an equal and undivided part of the market value of the portfolio of investments the Fund holds. As a result, each Unit has a AUD dollar value, or unit price. For Applications received until the Final Allotment Date, the unit price (and Issue Price) is AUD 1.00. After the Final Allotment Date, the unit price will be determined by dividing the net asset value of the Fund by the number of Units then on issue.

Net asset value is the market value of the portfolio of investments that the Fund holds, less the Fund's liabilities. The net asset value of the Fund includes the value of any accrued, undistributed income.

Units are ordinarily priced each Business Day with reference to the last traded pricing of Fund assets for that day, and/or such other time or times as the Manager may determine (Valuation Day). Applications received before a cut off time determined by the Manager on a Valuation Day will receive the Issue Price for that Valuation Day. Otherwise the application will be processed at the Issue Price for the next Valuation Day. Please contact the Manager for the current cut off time.

There is a difference between the Issue Price and the redemption unit price which is a result of transaction costs. The buy/sell spread is applied because an application or redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage and taxes. So that existing investors don't continually bear the transaction costs resulting from new investments or redemptions, each investor pays a spread when they transact in the Fund (i.e. a buy spread of 0.15% is added to the unit price when Units are

issued, and a sell spread of 0.15% is deducted from the unit price when Units are redeemed). This is paid into the Fund and no benefit is derived by the Manager or the Investment Manager.

This spread may be reviewed by the Manager and altered or waived from time to time. The Manager may also determine a reasonable estimate of the actual amount necessary to avoid any adverse impact on other Unit Holders due to the acquisition or disposal of assets carried out because of a particular application or redemption, and apply this as the buy/sell spread for that particular application or redemption.

A nil or reduced buy/sell spread may also be applied where Units are issued on reinvestment of income distributions and where an application from one investor coincides with a redemption from an existing unit holder i.e. "crossing". At the date of this IM, the Trustee intends to apply a nil spread where Units are issued on reinvestment of income distributions.

In calculating the net asset value of the Fund, the Manager may rely on, and will not be responsible for the accuracy of, financial data furnished to it by third parties. These third parties may include automatic processing services, brokers, market makers or intermediaries, the Investment Manager and any administrator or valuations agent of other collective investments into which the Fund invests. If, and to the extent that, the Investment Manager is responsible for, or otherwise involved in, the pricing of any of the Fund's assets, the Manager may accept, use and rely on such prices, without verification, in determining the net asset value of the Fund and shall not be liable to the Fund, any investor or any other person in doing so.

Distributions

The Fund may earn income, such as dividends and interest. The Fund may also realise capital gains or losses on the sale of investments. The income of the Fund, together with any foreign tax credits and franking credits attached to that income, will be distributed to each investor, normally annually on 30 June, based on the number of Units held on the distribution date. Distributions are normally paid within two weeks of the distribution date.

There may be periods when the Fund does not make a distribution.

You may choose on the Application Form to have your distributions:

- reinvested in additional Units in the Fund; or
- paid directly to a nominated Australian bank, building society or credit union account.

Please note that if you do not make a distribution choice, distributions will automatically be reinvested in additional Units in the Fund. Where a distribution is reinvested, the Manager will be treated as having received and accepted an application to reinvest the distribution on the first business day after the end of the distribution period. The new Units will be issued at the Issue Price applicable to that time (the buy spread will not be added) and the Manager will notify you within 30 days of the number of the Units issued to you.

Taxation

The following information on taxation is general in nature and should not be taken by you as specific advice. You should seek independent taxation advice on your specific circumstances, facts and taxation status. Different rules may apply to resident and non-resident investor taxpayers and taxpayers of different types.

Taxation laws are subject to continual change and the following statements, although general in nature, may cease to be relevant through changes to the laws.

There are tax implications when investing, withdrawing and receiving income from the Fund. JB Markets cannot give tax advice and we recommend you consult your tax adviser. Under normal circumstances, the Fund will not pay income tax because the net taxable income is distributed to investors. Income earned, whether distributed or re-invested, forms part of the assessable income for investors in the year of entitlement.

At the end of the Fund's tax year we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

Capital Gains Tax

Depending on your taxable jurisdiction, your assessable income for each year may include net capital gains (i.e. after offsetting capital losses). The two sources of capital gains that may arise are from:

(a) A component of the distribution made to investors from the Fund; or

(b) Withdrawing units from the Fund.

Goods and Services Tax (GST)

The issue and redemption of units in the Fund, and the receipt of any distributions, will not be subject to GST. GST is payable on our fees and certain reimbursement of expenses, however the Fund will generally be able to claim input tax credits and/or reduced input tax credits of at least 55%.

Non-resident Taxation

Statutory deductions of Australian withholding tax and income tax will be made from any distribution of Australian-sourced taxable income for non-resident investors. The exact amount cannot be determined as the rate of withholding tax depends on the type of income. Non-residents seeking to invest in the Fund should obtain tax advice on their specific circumstances.

Foreign Tax Credits

Residents of certain tax jurisdictions may be required to include in their assessable income their share of any foreign taxes paid by the Fund. This may result in the investor being entitled to a tax credit for foreign taxes paid by the Fund.

Tax File Number (TFN) and Australian Business Number (ABN)

It is not compulsory for investors to provide an Australian TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided tax will be deducted from any income distribution at Australia's highest personal marginal rate, plus the Medicare levy. The ABN, TFN or an appropriate exemption can be provided on the Application Form when making an initial investment.

Redemption of Units

You are entitled to make a request in writing to the Manager (on behalf of the Trustee) to redeem some or all of your Units in the Fund. The current Redemption Request Form is available by contacting the Manager. Under the terms of the Trust Deed, the Trustee has discretion whether or not to give effect to a redemption request.

Redemption requests accepted by the Manager before the cut off time on a Valuation Day will be processed at the redemption price for that day. Otherwise, the redemption request will be processed at the redemption price for the next Valuation Day.

Redemption proceeds will usually be remitted within 30 days of receipt of the redemption request (the Trust Deed allows up to a maximum of 6 months after the date the Units are redeemed) to a nominated Australian bank, building society or credit union account.

If the redemption is a "Significant Redemption" (currently 5% or more of the net asset value of the Fund), the redemption proceeds will include a distribution of any capital gains that arise as a result of the disposal of assets of the Fund to fund the redemption.



5. FEES AND EXPENSES

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. All fees and costs described in this IM are expressed exclusive of GST, unless otherwise stated. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Management Fee

The Investment Manager is entitled to a Management Fee. The Management Fee is an expense which the Trustee is entitled to pay or be reimbursed for out of the assets of the Fund in accordance with the Trust Deed for the Fund.

The total fee payable will be calculated based on the net asset value of the Fund (Portfolio Value) at the end of each month, in Australian dollars, and will apply at an annual rate of 2.0%.

The Portfolio Value will be the daily weighted average of net funds under management of the Fund over the month for which the fee is to be calculated. The Management Fee is to be paid monthly in arrears.

Performance Fee

The Investment Manager is entitled to a Performance Fee to be paid quarterly in arrears, calculated on the last day of March, June, September and December. The Performance Fee is also an expense which the Trustee is entitled to pay or be reimbursed for out of the assets of the Fund in accordance with the Trust Deed for the Fund.

The performance fee will be calculated in accordance with the following formula:

$$PF = 0.23 \times PFRA$$

where:

PF is the performance fee for the relevant quarter;

PFRA is the performance fee reference amount for the relevant quarter calculated in accordance with the following formula:

$$[(AR + CV) - (PV - AWA + AAM) - C];$$

where:

AR is the net income of the Fund for the relevant quarter;

CV is the net asset value of the Fund as at the date of calculation of the performance fee (but for avoidance of doubt disregarding the amount of any net income for that quarter included in AR);

PV is the net asset value of the Fund as at the commencement date of the Fund in the case of the first quarter and thereafter as at the last day of the previous quarter in which the calculation of the performance fee was made (after having deducted any performance fee for that previous quarter);

AWA is the aggregate Withdrawal Amount (as defined in the Trust Deed for the Fund) paid by the Trustee to exiting Unit Holders during that quarter;

AAM is the amount of application monies accepted by the Trustee during that quarter for the issue of Units in the Fund; and

C is the aggregate underperformance of the Fund prior to that quarter that has not been recovered prior to that quarter, where:

- underperformance in a quarter occurs where, and to the extent that, $(PV - AWA + AAM)$ is greater than $(AR + CV)$ and the aggregate underperformance is the sum of the underperformance that has occurred in previous quarters; and
- underperformance is recovered where, and to the extent that, $(AR + CV)$ is greater than $(PV - AWA + AAM)$ in a quarter after an aggregate underperformance has accrued, which, for the avoidance of doubt, is zero if there has not been any underperformance or if all the underperformance that has occurred has

been recovered, provided that PF is deemed to be zero for any quarter where PF as calculated in accordance with the above formula is a negative amount.

Worked example, assuming:

- (a) On 30 June 2017, the net asset value of the Fund was \$10,000,000;
- (b) during the quarter ending 30 September 2017:
 - (i) the Fund accepted applications to subscribe for \$20,000 worth of Units; and
 - (ii) the Fund accepted applications to withdraw \$10,000 worth of Units;
- (c) on 30 September 2017, the sum of the net asset value of the Fund and the net income of the Fund earned during that quarter was \$10,110,000; and
- (d) there was no aggregate underperformance of the Trust prior to that quarter.

The Performance Fee for the quarter ending 30 September 2017 is:

$$0.23 \times [(10,110,000) - (10,000,000 - 10,000 + 20,000) - 0] = \$23,000$$

This example is indicative only and the Performance Fee to be paid in the future is not known. These are estimated figures provided to assist you to understand how the Performance Fee is calculated and paid. They are not forecasts or representations in relation to the net value of the Fund's assets or the net income of the Fund.

Other Fees and Expenses

The Trustee is entitled to pay or to be paid or reimbursed out of the Assets in respect of all expenses reasonably and properly incurred in connection with the Fund. In addition to the Management Fee and the Performance Fee summarised above, expenses include brokerage fees (including those paid to the Trustee as Broker), the Fund Administrator's fee, accounting and audit fees, and other expenses that are recoverable under the Trust Deed of the Fund such as the cost of producing the IM, the

cost of preparing and amending the Trust Deed and the cost of holding investor meetings.

Under the Trust Deed, the Trustee is entitled to charge a management fee of up to 2% per annum of the net asset value of the Fund. The Trustee does not intend to charge this fee during the term of the Investment Management Agreement with JBL.

Under the Trust Deed, the Trustee is entitled to be paid a Unit transfer fee of up to 2.0% of the consideration paid for the transfer of Units from a Unit Holder to a transferee. The Trustee does only intend to charge a transfer fee of 0.15% during the term of the Investment Management Agreement with John Bridgeman Limited. The Unit transfer fee is payable to the Trustee by the transferring Unit Holder and must be paid before the Trustee will register the transferee as Unit Holder.

Under the Trust Deed, the Trustee is entitled to charge an application fee of up to 5% of the application money or value of property against which Units are issued (with a minimum of \$3,000). The Trustee or authorised JB Markets representative has the right to waive this fee on the initial investment assessment.

Under the Trust Deed, there is no specific limit on the level of ongoing expenses which may be recovered from the assets of the Fund. However usual costs and expenses are estimated to be approximately 0.5% p.a. of the Fund's net assets. This estimate does not include the Management Fee and the Performance Fee, or unusual expenses such as those in connection with investor meetings.

Transaction Costs

Transaction costs associated with the acquisition or disposal of Fund assets include brokerage fees and stamp duty, where applicable. These costs are paid by the Fund at the time the acquisition or disposal occurs and recovered wholly or in part from transacting investors by the buy/sell spread or transaction cost allowance discussed in Section 4.



6. MANAGEMENT PROFILE

Manager

JB Markets is an Australian owned, licensed financial services company which operates as a securities and derivatives broker and dealer for wholesale and retail clients. The Manager's responsibilities include broking services to the Fund, issuing and redeeming Units, maintaining the register of Unit Holders, managing the books and financial records of the Fund, preparing financial reports and communicating with Unit Holders.

Investment Manager

John Bridgeman Limited (**JBL**) is a diversified investment management business listed on the National Stock Exchange of Australia. JBL is a corporate, authorised representative of JB Markets. It provides investment management services to wholesale clients across a range of financial products including cash, equity market indices, exchange-traded derivatives, government bonds and listed shares, unlisted companies and interests in managed investment schemes.

The Trustee has engaged JBL as Investment Manager to manage the Fund under an Investment Management Agreement. The term of the Investment Management Agreement is five years, after which the agreement may be terminated by the Trustee on 5 business days' notice or by the Investment Manager on 20 business days' notice. The agreement contains terms and conditions which are standard for agreements of this kind.

Portfolio Manager

The Portfolio Manager is Stuart McAuliffe, the managing director of JBL and an authorised representative of JB Markets. Stuart brings multi-strand skills in investment strategy, systems development, valuation modeling and trading techniques. Stuart has an academic background as Associate Professor

specializing in index design and assessment, and in the development of complex valuation and forecasting models. Stuart McAuliffe has been the investment manager of the Aliom Managed Futures Fund No 1 where he delivered above average returns for investors. The Aliom Managed Futures Fund No 1 was a wholesale fund targeted at sophisticated investors such as institutional and professional investors.

During the 3 years that he managed the Aliom Managed Futures Fund No 1 it achieved annualised returns of approximately 99.63% over the period August 2012-July 2015.^[1] (By way of comparison, the average ASX return during this period was 13.58%).

Currently, Stuart is the Managing Director and Chief Investment Officer of the ASX-listed investment company Henry Morgan Limited and Benjamin Hornigold Limited.

^[1] It is important to note that the value of investments can go up and down. Past performance is not necessarily indicative of future performance. The fact that relatively high returns have been achieved in the past does not guarantee that the same or similar returns will be achieved in the future. The Aliom Managed Futures Fund No. 1 had a different investment strategy to the Fund.

7. ADDITIONAL INFORMATION

Wholesale Client Investors Only (Australian Applicants only)

The Fund is not a registered managed investment scheme and only wholesale clients (as that term is defined in the Corporations Act) can invest in Units in the Fund. It follows that an investor in the Fund generally needs to fall within one of the categories below:

- (a) an investor who subscribes for Units with a minimum amount of \$500,000;
- (b) professional investors within the meaning of section 9 of the Corporations Act; or
- (c) a person, or a company or trust controlled by a person, who has net assets of at least \$2.5 million or has gross income for each of the last two financial years of at least \$250,000 and has provided a certificate to the Manager issued by a qualified accountant no more than two years ago certifying that this is the case. This can include gross income and net assets of a company or trust controlled by that person. To rely on this provision the investor must not be acquiring Units for use in connection with a business.

To obtain a form of certificate to be provided by a qualified accountant, please contact the Manager.

Fund Trust Deed

The Fund was established by a Trust Deed dated 10 November 2016. The Trust Deed provides an operational framework for the ongoing management of the Fund. It sets out the rights, duties and obligations of the Trustee in respect of the Fund.

The main operative provisions outlined in the Trust Deed include:

- Applications, withdrawals, reinvestments and suspension of units;
- Rights of Unit Holders;
- Valuation of assets;

- Fees and expenses;
- Meetings of Unit Holders;
- Trustees power and indemnity; and
- Termination of the Fund.

Holding Units in the Fund does not give a Unit Holder a right to participate in the management or operation of the Fund. A copy of the Trust Deed is available by contacting the Manager.

Transfer of Units

Please contact JB Markets if you would like to transfer Units. Transferring Units may have tax implications and you should consult your taxation adviser before you arrange any transfer of Units. JB Markets may in its absolute discretion refuse to register any transfer of Units without requirement to give any reasons. Where JB Markets refuses to register a transfer, it may redeem those Units in accordance with the Trust Deed.

Register of Unit Holders

The register of Unit Holders will be maintained by the Trustee.

Keeping Investors Informed

To keep Unit Holders informed in regard to their investment in the Fund, the Manager will provide a monthly report on the website www.jbmarkets.com. In addition Unit Holders will be sent an annual Tax Statement following the end of each financial year.

GLOSSARY

Terms and abbreviations used in this IM have the following meaning:

AFSL	Australian Financial Services Licence (issued under the Corporations Act), required to be held by all Australian financial service providers.
Applicant	A person who submits an Application.
Application	An application for Units in the Fund.
Application Form	An application for Units in the Fund in the form attached to or accompanying this IM.
Application Monies	The amount paid by the Applicant to purchase Units in the Fund.
ASIC	Australian Securities & Investments Commission
Business Day	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney, Australia.
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Fund	JB High Alpha Fund
IM	This Information Memorandum as modified or varied by any supplementary IM issued by the Manager with respect to the Fund.
Index Futures	Leveraged financial products which allow investors to take a directional view on an underlying index of shares.
Investment Manager	John Bridgeman Limited ABN 55 603 477 185
Issue Price	The Issue Price of Unit as explained in Section 4.

Management Fee	The management fee payable by the Fund to the Investment Manager.
Manager	JB Markets Pty Ltd ABN 81 123 876 291
Minimum Investment	AUD 50,000
Offer	The offer of Units in the Fund under this IM.
Performance Fee	The performance fee payable by the Fund to the Investment Manager.
Portfolio Manager	Stuart McAuliffe
Register	Register of Unit Holders
Trust Deed	The Trust Deed of the Fund as amended from time to time.
Trustee	JB Markets Pty Ltd ABN 81 123 876 291
Unit	A Unit issued in the Fund.
Unit Holder	The holder of a Unit in the Fund.



The background of the image is a complex financial chart. It features a blue line graph that fluctuates across the frame, with a prominent peak on the right side. Below the line graph, there are numerous vertical purple bars of varying heights, resembling a bar chart or a candlestick chart. Scattered throughout the background are small, light-colored dots. Several numerical values are visible, including '13.7941', '44.1215', '31.6401', '69.8112', '84.679', '+11,0', '60.8867', '12.4512', '35.9398', and '96.7397'. The overall color scheme is dominated by deep blues and purples, creating a professional and data-driven aesthetic.

Jb

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FUND