

# MONTHLY REPORT

## August 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 August 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	5.51%	2.88%	2.63%
3 Months	9.69%	3.02%	6.67%
6 Months	17.04%	3.49%	13.55%
1 Year	9.11%	7.94%	1.17%
Since inception (Feb 17)	24.12%	12.57%	11.55%

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



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## Market Update

U.S equities continued their upward trajectory hitting record highs despite the continuing economic turmoil outside of the country. Led by the Nasdaq Index +6.30% in the month of August, as corporate earnings continued to grow with decade-high strong sales growth, sent operating margins to their highest level aided by the recent corporate tax reform. Despite internal headwinds with Trump's political woes, consumer and small business confidence hit record highs allowing the S&P 500 to register gains of 4% on the month, traversing the 2900 level.

On the other side though were European equity markets registering losses of 2.50%. Basic-resources stocks were the worst performers with metals buffeted by trade wars and a stronger USD as LME Copper entered a bear market trading below 6,000 m/t. Contagion from emerging markets such as Turkey rattled European banks while autos continued to be pummeled by rising trade protectionism. EUR decoupled from the Italian budget concerns instead focusing on stronger GDP and PMI data from France and Germany which sent the currency +1.5% above the 1.17 handle. The EU's Chief Brexit negotiator says that the bloc is prepared to offer UK an unprecedented close relationship after it quits the union, but that it will not permit anything that weakens the single market.

Chinese equities got pummeled as the U.S. and China imposed new tariffs on each other, though the rout stabilised as PBOC support in terms of less restrictive lending saw Chinese equities register some of the strongest gains in 2 years. Though they remain down 4.50% on the month as Trump continues to rattle the trade cage indicating more tariffs are on the table.

As the political circus took hold of Australia resulting in the existing PM being outed, news that Westpac was the first of the big 4 to pass higher wholesale funding costs to consumers, further putting on hold any official RBA increases, sent the AUD 1.50% lower and the ASX200 1.2% higher on the month.

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

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## Fund Statistics

Annualised return	14.62%
Annualised volatility	0.15393
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.222348
Sortino ratio	0.373440
Positive Months (%)	67%

## 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*.

"Some moves in global macro markets have been heading to extremes. Much of this has been driven by trade policy out of the United States. The Euro and the Pound have come back more than 10%, and moves in Emerging Markets have been extreme. We are interested in some of these opportunities, and will look to capitalise on them where possible over the year."