

# MONTHLY REPORT

## September 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

### Performance as at 30 September 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	2.09%	-0.04%	2.13%
3 Months	5.64%	0.71%	4.93%
6 Months	13.54%	1.43%	12.11%
1 Year	7.40%	5.16%	2.24%
Since inception (Feb 17)	26.72%	10.25%	16.47%

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.

### 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 Chart

#### Growth of \$10,000 investment since fund inception



Fund performance since inception, after fees.

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### Market Update

Global equity markets kicked off the month of September with the same themes of trade protectionism and emerging markets crisis. As Trump slapped a 10% not the widely anticipated 25% levy on \$200 bn of tariffs on Chinese imports, risk assets rallied mid-month. Chinese equities +3% also buoyed with further domestic easing policies in the works. U.S equities continued to rally and trade near all-time highs despite rates rising.

Japanese equities +6% outperformed global peers after President Abe was re-elected leader of the ruling LDP with Abenomics set to continue. With no major catalysts, mainland European equities (ex-France) continued to tread water. EM assets rallied after the Turkish central bank stamped its independence and raised rates by 650bps to 24% halting the currency's decline and sending stocks +6%. Similar moves in Russia saw its benchmark equity index +9%.

US 10 yr yields rose quite aggressively +28bps to a high of 3.11% as the safety bid unwound and as the Fed raised rates as expected by 25bps to 2.25% signaling further gradual rate hikes on the back of strong growth and stable inflation. ECB's Draghi also talked up inflation expecting a "relatively vigorous" pick up and with German inflation accelerating German 10yr yields rose 24bps to a high of 0.55% before retreating to 0.48% on Italian budgetary woes. GBP outperformed +2% as the Brexit saga appeared to be coming to an end with a deal likely by November and as risk rebounded JPY -1.60%.

OPEC also did some talking sending Brent Crude +8% above \$82.00, saying its comfortable at these price levels and signaling less urgency to boost output despite U.S pressures to temper prices. Copper +4.00% bounced off bear market lows as global risk aversion receded.

### Fund Statistics

Annualised return	15.26%
Annualised volatility	0.16085
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.238336
Sortino ratio	0.395425
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.

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

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### Investment Manager Outlook Statement

Stuart McAuliffe, Portfolio Manager.

"In September US stocks continued their upwards trajectory and also the USD continued to strengthen. Volatility has been unsustainably low. Increased volatility may favour USD further, but equity prices will be challenged. Bonds will battle between volatility and growth. Short term, growth may well win, but ten year bonds will be capped going into 2019 if growth falters."