

# MONTHLY REPORT

## November 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 30 November 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	0.04%	-0.40%	0.44%
3 Months	-6.96%	-3.79%	-3.17%
6 Months	2.73%	-3.51%	6.24%
1 Year	3.33%	-1.34%	4.67%
Since inception (Feb 17)	16.96%	6.04%	10.92%

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

November was slightly more forgiving to global markets with U.S equities posting small gains in a volatile month, as Asian equities outperformed along with the AUD and NZD. The boost to sentiment came as the prospect for easing protectionist tensions, with the U.S declaring interest in reaching an agreement with China at the G20 meeting, (though Trump ready then ever to slap more tariffs should a deal fail).

European equities though underperformed global peers as the standoff between Italy and the EU over spending continued against a backdrop of slower growth across the whole Euro Area region. The Brexit saga appeared to be coming to an end as a deal was tentatively struck between both parties, though uncertainty and volatility remain elevated for UK assets as the prospect of a hard Brexit due to political infighting along with the prospect of an early election that may see the U.K Labour party elected.

Some notable moves in the month led none other by

- i) U.S Treasuries after Fed's Powell comments that interest rates are "just below" a range of estimates of the so-called neutral level, implying a pause in rate rises sent U.S 10 yr yields tumbling 25bps to 3%.
- ii) Crude Oil tumbled 25% on fears of slower global demand matched by record output and growing inventories stoked concerns of a supply glut.
- iii) Tech stocks underperformed led by Apple which declined 23% after disappointing forecasts suggested weaker-than-expected demand for the company's iPhones.
- iv) The Bitcoin bubble well and truly burst with prices down 35% (over 70% ytd) as the splitting of Bitcoin ("Hard Forks") and a US Federal investigation into manipulation roiled the market.

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

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### Fund Statistics

Annualised return	8.04%
Annualised volatility	0.15081
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.1229
Sortino ratio	0.192047
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.*

"Equities have moved down significantly with the ASX negative for the year and back at levels it first reached more than a decade ago. Given that official interest rates were over 7% in 2008 and are now at 1.5%, the fact that stocks haven't gone up is truly frightening. The global economic expansion isn't quite over yet, but when it does the US Dollar will reverse and money will flow back to government bonds."

**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.