

# MONTHLY REPORT

## October 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.

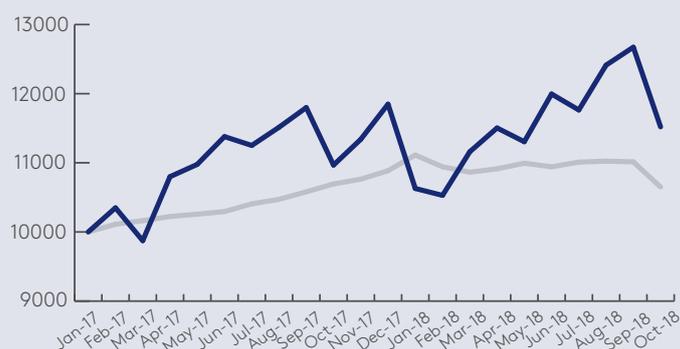
### Performance as at 31 October 2018

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-9.09%	-3.30%	-5.79%
3 Months	-1.49%	-3.26%	1.77%
6 Months	0.96%	-2.37%	3.33%
1 Year	6.69%	-0.30%	6.99%
Since inception (Feb 17)	16.92%	6.74%	10.18%

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



— JB High Alpha Fund — Barclay Hedge Fund Index  
Fund performance since inception, after fees.

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### Market Update

October certainly lived up to its historical precedent of being a brutal month for risk assets as concerns ranging from rising rates to peak earnings growth and the escalating U.S.-China trade war sent equities tumbling. Since reaching record highs at the beginning of the month the Dow lost 6%, the broader S&P 500 down 7%.

Emerging markets woes, the standoff between the EU and Italy on its non-compliant budget, geopolitical risks and softer economic growth out of Europe and China provided further fuel to the sell-off.

Stellar corporate earnings did little to provide relief to the selling that began as U.S 10yr yields jumped to 8-month highs of 3.26%, after Fed policy makers explicitly stated rates will continue to rise.

Tech was particularly hard hit as sales forecasts were lowered, global governments look to introduce a digital services tax on online revenue, along with Trump moving to introduce tariffs on the balance of \$257bn of Chinese imports, a major component in supply chains, sent the Nasdaq down 9% to enter correction territory.

Safe-haven flows were directed to USD, JPY along with Gold which rallied 2% to 3-month highs. Oil slumped 9% from a 4-yr high as the global equity market rout raised concerns about economic growth and energy demand at a time of increased production.

### 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. Stocks outside the USA may be somewhat resilient - mainly because they didn't go up in the first place. Real estate looks like the real problem area and it's also the most widely held asset class".

### Fund Statistics

Annualised return	8.42%
Annualised volatility	0.15088
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.134101
Sortino ratio	0.194834
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.

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

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