

MONTHLY REPORT

February 2019 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

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 at 28 February 2019

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	0.23%	1.24%	-1.01%
3 Months	11.00%	2.13%	8.87%
6 Months	4.04%	-1.67%	5.71%
1 Year	21.07%	-0.92%	21.99%
Since inception (Feb 17)	27.80%	8.16%	19.64%

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

Global equities continued their recent advances after Trump postponed the date for boosting tariffs on Chinese imports and as negotiations between the two parties continued to advance. US equities saw gains of 5%, whilst Shanghai stocks rallied the most since 2015 to post gains of 15% boosted by reports that Chinese officials will focus on growth rather than cracking down on leverage. Australian equities gained 4% buoyed by banks which rallied the most in 10 years after the findings of the Royal Commission were not as harsh as feared.

U.S bonds maintained their bid tone after the Fed signalled a patient approach as growth looked uneven, price pressures were muted, and government policy was uncertain. U.S 10 yr. yields traded in a tight range of 2.73% to 2.63%. European bonds though continued to outperform with the German 10yr yield hitting 18-month lows of 0.10% on weaker growth in the region as German factory orders declined to 6 yr lows. Dax underperformed global peers to post gains of 2% led by weakness in autos. Currencies were dominated by moves in GBP, which saw it trade at 2 year highs versus the Euro after PM May promised for a vote to delay Brexit if her proposed deal fails, along with moves by the BOE to step up liquidity measures for banks. AUD had a volatile month after the RBA shifted to a neutral policy stance and reports of a Chinese ban on Australian coal imports.

Crude rallied 3.5% after production cuts from majors Saudi Arabia and Russia, along with the improved growth outlook, which also boosted Copper prices by 6%. Iron Ore rallied 10% after supply disruptions in Brazil.

Investment Manager Outlook Statement

Stuart McAuliffe, *Portfolio Manager*.

"After severe global falls, equities made sense again from the perspective of valuation. The UK and Europe still offer upside as they are still at low bases and earnings are at near recessionary levels. The Federal Reserve has dramatically backed away from their aggressive rate rises and this has settled markets. It has also pushed down the US Dollar and most other currencies are likely to rally against USD. This is likely to also rally commodities and that's the main reason you have gold rallying and oil bouncing off lows. Onward and upward.

Fund Statistics

Annualised return	18.71%
Annualised volatility	0.2495
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.2543
Sortino ratio	0.4727
Positive Months (%)	64%

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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