

MONTHLY REPORT

May 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.

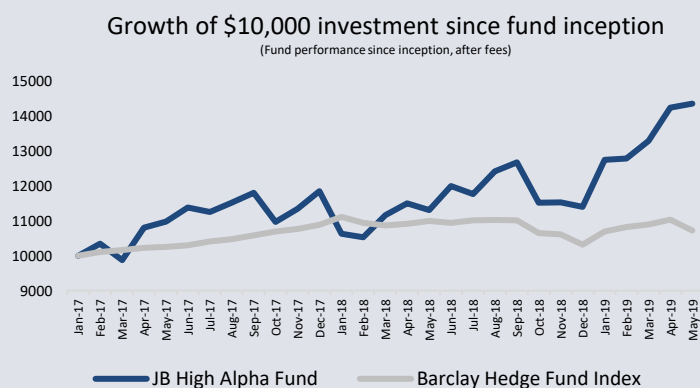
Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible 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 as at 31 May 2019

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	0.80%	-1.52%	2.32%
3 Months	11.95%	0.24%	11.71%
6 Months	22.95%	3.38%	19.57%
1 Year	25.68%	-1.14%	26.82%
Since inception (Feb 17)	43.55%	8.41%	35.14%

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



MONTHLY REPORT

May 2019 Factsheet

Market Update

Sell in May and go away!!!...so they say, was not more evident as a flare up in trade tensions ignited a global \$4 Tn plunge in equities. Trade talks between the 2 superpowers broke down, with the US raising tariffs to 25% from 10% on \$200bn worth of Chinese imports, with punitive duties now accounting more than two thirds of China's imports into the U.S. China retaliated with its own set of tariffs; however, more damaging is the trade war has moved out of the tariff domain, with the U.S. blocking Huawei from purchasing U.S. products or doing business there and looking to do the same to other Chinese hi-tech companies. If that wasn't enough Trump raised duties by 5% on Mexican imports, rising to 25% in October unless Mexico halts "illegal migrants" heading to the U.S. SP500 -6.6% for its 2nd worst return since the 1960's, whilst Nasdaq near 8% losses as global supply chains halted with chipmakers exposed to China hammered, sending the Philadelphia Semiconductor Index down 17% for its worst month since GFC.

Chinese equity losses were most pronounced with Hang Seng -10.5% and CSI 300 -7.25% as China's manufacturing sector slid into contraction, with further signs of stress in the labor market and nervousness sent the yuan -2.5% towards 7.

Safe-haven bids saw benchmark US 10yr Treasuries fall 37bps to 2.14%, taking it below 3-month rates and inverting a key part of the yield curve since the GFC, as 2 yr yields fell 22bps in the last week of May alone. Fed fund futures now pricing 2 full 25bps rate cuts this year. German Bunds rallied to all-time highs with yields at -0.20% as Italy refuses to abide by EU fiscal rules.

Investment Manager Outlook Statement

Stuart McAuliffe, *Portfolio Manager.*

The Federal Reserve now seems set on a rate cutting cycle for the first time since the GFC over a decade ago. Other central banks, including the RBA, are leading the way.

This has resulted in US Dollar weakness and, as is typical, rising commodity prices. Stocks have also risen. However, some caution is required as slowing economies won't help stocks.

Fund Statistics

Annualised return	16.76%
Annualised volatility	0.25015
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.260252
Sortino ratio	0.454855
Positive Months (%)	68%

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.

**Level 9, Riverside Centre
123 Eagle Street, Brisbane, QLD, 4000
Phone: 1300 108 495
Email: peter.aardoom@jbmarkets.com
Web: www.jbmarkets.com**

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.