

MONTHLY REPORT

August 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	JBM2867AU

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.

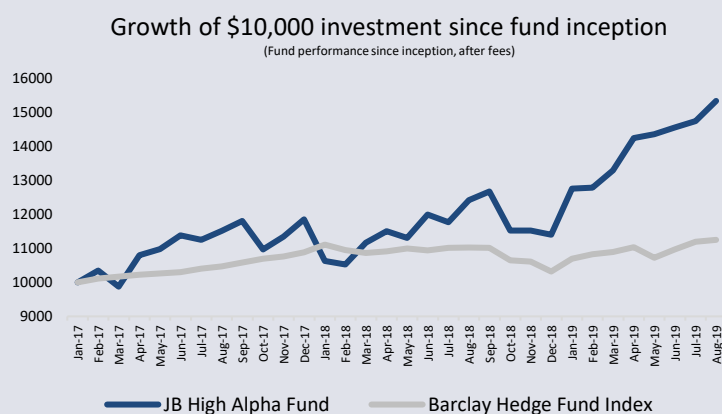
Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long-term time periods. As the senior executive responsible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

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	3.04%	-0.85%	3.89%
3 Months	3.08%	1.75%	1.33%
6 Months	15.03%	3.04%	11.99%
1 Year	19.07%	1.38%	17.69%
Since inception (Feb 19)	47.97%	9.96%	38.01%

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



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Market Update

August saw global stock markets decline while bonds and precious metals all outperformed amid continuing concerns over trade and growth. US bond markets, which can be seen as an indicator of risk have priced in rising concerns over a possible recession as the US 10-year government bond yield fell 35 basis points, closing the month at 1.50%, a three-year low, while the two-year yield also ended at 1.50%. The Treasury yield curve inverted for the first time since 2007, magnifying possible recessionary concerns.

The Dow Jones sold off early in the month breaking through the 200 DMA 25,647 to finish the month down 1.6%. Weak economic data from Germany contributed to heightened worries over global growth as the Euro Stoxx50 fell 1.6% whilst FTSE100 index fell 5.5% in the UK, although defensive areas such as healthcare and utilities outperformed. The prospect of a no-deal Brexit rose and the pound traded a 3 point range from 120 to 123 off the sentiment of any news from the newly formed Johnson government. It was a poor month for Asian indexes as well as Japanese shares fell, mirroring the currency market as the yen moved sharply higher against the dollar early in the month. Emerging market equities declined as trade tensions escalated, especially those markets most sensitive to US dollar strength came under pressure. The energy sector registered the steepest decline as crude oil fell 7.7%, with demand concerns outweighing ongoing supply risks. The soft commodities sector was also firmly down. Corn was notably weak as higher-than-expected production boosted the supply outlook. Industrial metals also fell with iron ore prices correcting sharply amid rising demand concerns in China, and as supplies stabilised after disruptions earlier in the year.

Investment Manager Outlook Statement

Stuart McAuliffe, *Portfolio Manager*.

Stocks have been supported by lower interest rates, but from here it gets more interesting. The bullish view on equities will continue if rates bottom and economic growth bounces. If growth deteriorates, lower rates won't save stocks.

The US Dollar may finally top out soon, sending other major currencies higher and driving commodity prices and emerging markets.

Fund Statistics

Annualised return	16.38%
Annualised volatility	0.27557
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.264556
Sortino ratio	0.461134
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 listed equities and can hold relatively large cash exposures.

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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