

# MONTHLY REPORT

## December 2019 Factsheet



### Fund Details

Name	JB High Alpha Wholesale Fund
Entity	Open-ended Investment Unit Trust
Domicile	Australia
Key portfolio manager	Stuart McAuliffe
Investment Manager	John Bridgeman Limited
Broking & Clearing	JB Markets Pty Ltd/ Saxo Bank
Trustee	JB Markets Pty Ltd
Fund Inception Date	14 February 2017
Minimum Investment amount	\$50,000
Investor type	Wholesale clients
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
Withdrawals	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 December 2019

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	0.7%	1.74%	-1.04%
3 Months	-8.90%	3.45%	-12.35%
6 Months	-18.0%	5.40%	-23.40%
1 Year	2.40%	10.33%	7.93%
Since inception (Feb 17)	16.73%	14.95%	1.78%

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

The Santa rally normally kicks in around mid-December on the back of festive cheer and new year optimism, lack of capital raisings and low trading volumes. This year was no different as global equity markets continued their year-long rally into December gaining more than 3.5% in the month. While global manufacturing data remain weak, consumer confidence was strong and spending remained high.

On the geopolitical front, the news was good this month with the US and China reaching a Phase 1 trade deal, Congressional agreement on the NAFTA replacement and Congress averting another US Government shutdown from December 20. The Phase 1 de-escalation takes some pressure off the global economy which makes it good news for commodity prices and hence Australia. The formal impeachment of President Trump was passed by the US House of Representatives, an event already discounted by the US equity market.

The UK election results represent a significant stride towards a defined Brexit. While the economic consequences of Brexit are still to be determined, the results boosted the pound and the UK equity market.

Asian markets remained relatively weak although Hong Kong recovered in the month despite the ongoing demonstrations. Gold and oil prices both ticked up in December as global economic conditions continued to show favourable growth.

### Investment Manager Outlook Statement

Stuart McAuliffe, *Portfolio Manager*.

***"The fund is holding a levered position in Chinese technology stocks based on: Valuation***

***Up trend in tech stocks globally***

***Likely outcome to US/China Trade war.***

***Stocks in Asia have pulled back a few percent from highs, but the outlook is positive going into 2020 and we expect a positive year given fiscal and monetary policy loosening as the USA goes into a Presidential election year, normally a positive economic event"***

### Statistics

Annualised return	5.45%
Annualised volatility	14.8%
Sharpe ratio (risk free rate is AUD 3 month BB rate)	.1
Sortino ratio	.15
Positive Months (%)	62%

### 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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