

MONTHLY REPORT

January 2020 Factsheet



Fund Details

Name	JB High Alpha 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 January 2020

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-11.81%	-0.20%	-11.61%
3 Months	-19.0%	2.46%	-21.46%
6 Months	-28.30%	2.53%	-30.83%
1 Year	-19.30%	6.41%	-25.71%
Since inception (Feb 17)	2.90%	13.33%	-10.43%

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

Equity markets started the month on a positive note, supported by the de-escalation of the tension in the Middle East, the signing of the US-China phase-one trade deal and generally thanks to strong economic news. However, market sentiment shifted quickly towards the end of the month, following the coronavirus outbreak in China. Investors feared that the epidemic, which draws parallel to the SARS outbreak in 2003 might significantly weigh on the global economic outlook. News of the spreading coronavirus stoked global economic fears and affected stocks in a broad cross-section of industries, including energy, travel, airlines, and gaming. With more cases reported in the U.S. – and China's struggles to contain the outbreak – stocks trended lower at the end of the month. The selling accelerated on the final day of trading, pushing the Dow Industrials and S&P 500 into the red for January. The Dow Jones Industrial Average dropped one percent, while the Standard & Poor's 500 Index lost nearly 0.2 percent. The NASDAQ Composite, however, managed to post a gain of 1.99 percent. Over in Europe, the FTSE 100 ended January down 3.40%, underperforming other European equity markets as strong British pound weighed on UK equities.

The Shenzhen and Shanghai benchmarks were down 8.45% and 7.72% on February 3, after the onshore markets reopened following the Chinese New Year holiday. The two market benchmarks partially recouped their losses over the following few days thanks to the liquidity injection introduced by the PBOC, as well as the tariff reduction on US imports.

In our view China remains undervalued by the broader market and in the longer term we anticipate that investing in the world largest physical economy to have a positive impact to the Fund's returns. We remain observant to reacting swiftly in either direction.

Investment Manager Outlook Statement
Stuart McAuliffe, *Portfolio Manager*.

Statistics

Annualised return	4.72%
Annualised volatility	18.3%
Sharpe ratio (risk free rate is AUD 3 month BB rate)	.029
Sortino ratio	.042
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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