

MONTHLY REPORT

March 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 March 2020

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-6.60%	-7.59%	.99%
3 Months	-16.22%	-10.64%	-5.58%
6 Months	-28.11%	-7.27%	-20.84%
1 Year	-23.31%	5.89%	-29.20%
Since inception (Feb 17)	-5.50%	5.64%	-11.14%

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

Growth of \$10,000 investment since fund inception



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Market Update

March 2020 will be remembered as one of the most volatile months in share market history. Equity markets saw some of the largest and fastest falls (Dow Jones -12% in one single day) and rallies (again Dow Jones with an increase of more than 20% in 3 days). At the end of the month the Dow Jones had closed 13.74% lower, down 23.2% for the March quarter and its worst quarter ever.

The Covid-19 virus has dominated the markets around the world in the past month and continues to do so. Coordinated action by governments and central banks around the globe in an attempt to limit the impact of the virus has seen announcements of further interest rate cuts, almost unlimited government and corporate bond buying and unprecedented stimulus packages.

The record bull market in U.S. stocks effectively turned a bear market on March 12, 11 years after the last one ended.

Notable main moves and records in the markets:

- The CBOE Volatility Index averaged 57% in March, triple the mean in the prior decade
- West Texas Intermediate Oil lost 67%, the worst quarter on record
- The U.S. 10 Year Treasury yield hit 1.94%, then fell to 0.31% in early March
- In currencies the British Pound fell more than 6%, while the Yen was flat against the USD

By the end of the month and whilst volatility remained, markets benefitted from the coordinated and massive government spending and support and started a furious weeklong rally in the last week of March, taking some of them between 15% to 20% from their March lows.

As markets look to be at a breaking point the fund continues to underweight risk relative to our benchmarks. We expect the sharp and erratic moves to continue into April and await opportunities with better risk/reward to present themselves.

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

Statistics

Annualised return	-0.70%
Annualised volatility	21.6%
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.0
Sortino ratio	0.0
Positive Months (%)	58%

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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