

MONTHLY REPORT

June 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 30 June 2020

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-1.47%	2.3%	-3.7%
3 Months	-14.4%	10.3%	-24.7%
6 Months	-26.5%	-1.9%	-24.7%
1 Year	-41.2%	1.40%	-42.5%
Since inception (Feb 17)	-16.3%	11.10%	-27.40%

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 market traded in a range in June, stuck in a tug of war between the bears and bulls. COVID hot spots, trade tension, and economic uncertainty kept a lid on gains, while scientific progress, liquidity, and positive economic surprises provided a floor. WHO says there are now 17 vaccine candidates in clinical evaluation. Scientific progress helps the market get comfortable despite poor company earnings; liquidity is the bridge.

It's been a very strong quarter for equities and credit as central banks and governments provided enormous amounts of stimulus and economies continued their reopening process. Despite the strong rebound in risk assets, traditional portfolio hedges such as government bonds and gold have held up well. US Treasuries are up about 9% year to date, while gold is up close to 18%.

As economies have started to reopen, economic data has shown signs of a sharp rebound. For example, US retail sales rose 17% month on month in May, while UK retail sales rebounded by 12%. While sales are still down 6% and 13% year on year respectively, the speed and magnitude of the bounce back is a clear positive. However, some risks remain. First, the Federal Reserve and other central banks have been clear that they can only lend, not spend, and so won't necessarily be able to save companies that face solvency concerns, rather than just liquidity concerns. Some companies will therefore still face administration, and we have unfortunately already seen some examples this quarter.

Stocks continue to be supported by lower rates and the Fed's corporate bond buying program but from here it gets more interesting. The bullish view on equities will continue if rates bottom and economic growth bounces. The US Dollar may finally top out soon, sending other major currencies higher and driving commodity prices and emerging markets.

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

Statistics

Annualised return	-5.06%
Annualised volatility	34.17%
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.0
Sortino ratio	0.0
Positive Months (%)	56%

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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