

# MONTHLY REPORT

## May 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 May 2020

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-5.68%	2.68%	-8.40%
3 Months	-18.8%	-1.11%	-17.70%
6 Months	-26.20%	-2.46%	-23.80%
1 Year	-40.8%	-1.19%	-42.0%
Since inception (Feb 17)	-15%	10.87%	-25.9%

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

For much of the month there was a positive flow on the global economy, notwithstanding widespread cuts and cancellations of dividends and an unprecedented collapse in the price of Brent Crude oil. First-quarter US GDP fell 4.8% but the true picture for the quarter is much worse.

The optimism related to the gradual reopening of the economies around the world, unprecedented actions of fiscal stimulus and central bank support for the financial system. After some initial weakness in equity prices early in the month, the US stock market closed out the month with a gain of about 5%.

In the US, with roughly a third of S&P500 companies reporting so far, earnings per share have fallen by an average of -19% on a year on year basis, with the biggest declines seen in consumer discretionary, materials and industrial companies. In contrast, the earnings of defensive sectors – healthcare, consumer staple, technology and utilities have held up much better and, for the first quarter, have typically grown in the low single figures year on year.

After a good run in April and May, markets should focus once more on the macroeconomic data flow and corporate earnings delivery, both of which are likely to be a headwind in the months ahead. Looking much further ahead, however, optimists would highlight that financial markets are adept at discounting the future. As a rule, equity markets tend to find a firm footing roughly one quarter before the end of a recession.

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	-4.76%
Annualised volatility	32.85%
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.0
Sortino ratio	0.0
Positive Months (%)	57%

### 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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**Important information:** This information is provided by JB Markets Pty Ltd for information only. Past trading performance is not a reliable indicator of future trading performance. Returns are net of fees and expenses and assume income is reinvested in additional units and that tax has not been deducted. No account has been taken of the objectives, financial situation or needs of any particular person. Accordingly, to the extent this material constitutes general financial product advice, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. This is not an offer or recommendation to buy or sell securities or other financial products, nor a solicitation for deposits or other business, whether directly or indirectly. An Information Memorandum (IM) for the fund, under which invitations to apply to invest in the fund are made, is available from JB Markets Pty Ltd. Investors should consider the current IM in deciding whether to invest in the fund, or to continue to hold their investments in the fund. Unless an exemption applies, anyone wishing to apply to invest in the fund will need to complete the application form accompanying the IM. Prior to JB Markets providing any financial services to you, you should read JB Markets' Financial Services Guide which is available on website [www.jbmarkets.com](http://www.jbmarkets.com).