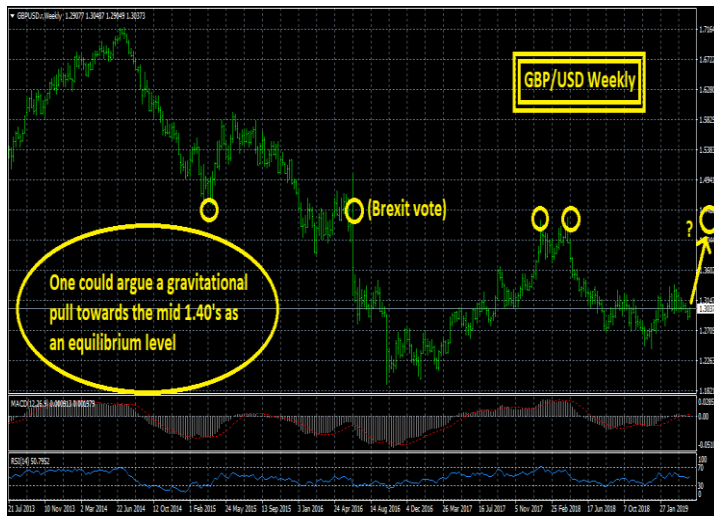




Hunter Burton Capital Alpha Fund

After being annoyingly bid for the first couple of weeks of April (reaching a high of 0.7205), the Aussie dollar came off and threatened the all-important psychological support around 70 cents. We touched a low of 0.6988 but have recovered somewhat to the mid 0.70's. With 10-year bond yields at an historic low around 1.8% and still 70 basis points below their US counterpart, I really feel it is just a matter of time before the AUD breaks and stays below 70 cents. I have focussed the charts below on Sterling (GBP) because the Brexit scenarios are the most interesting part of a pretty ordinary market at the moment. The EU has agreed with the UK to extend Article 50 for six months and this supports my gut feel that eventually another referendum will be held and Brexit will never actually happen. One of my esteemed UK investors puts the chances of this at about 25% but many a horse has won at 3/1 odds, and this delay makes it a real possibility because the desire for Brexit nationally appears to be waning over time. So for now we continue to stick to the two main views: lower AUD and a stronger GBP against EUR.



GBP/USD: A Matter of Time Before Mid 1.40's?

In the past 4 years, we have had a major low, a Brexit vote starting point, and subsequently two major highs in the mid 1.40's in GBP/USD. Technically it feels to me like gravity will pull us back there in the next few months. Obviously a reversal of the Brexit decision would accelerate this.



GBP/AUD: For Over 50 Years it Really Belongs at 2.

When Australia adopted its own currency in 1966, pounds were exchanged for AUD at a rate of 2 to 1. In the last 20 years we have ranged between 1.44 and 3.03, with lots of significant highs and lows between 1.90 and 2.30. The trend since late 2016 is pointing us back into that range.

+0.21% for April as The Market Treads Water

A mildly positive result at least stops the first quarter losing streak. We intend to maintain our discipline while sticking to our view and expect the performance to pick up when it comes to fruition. Year-to-Date -1.18% so still work to do!

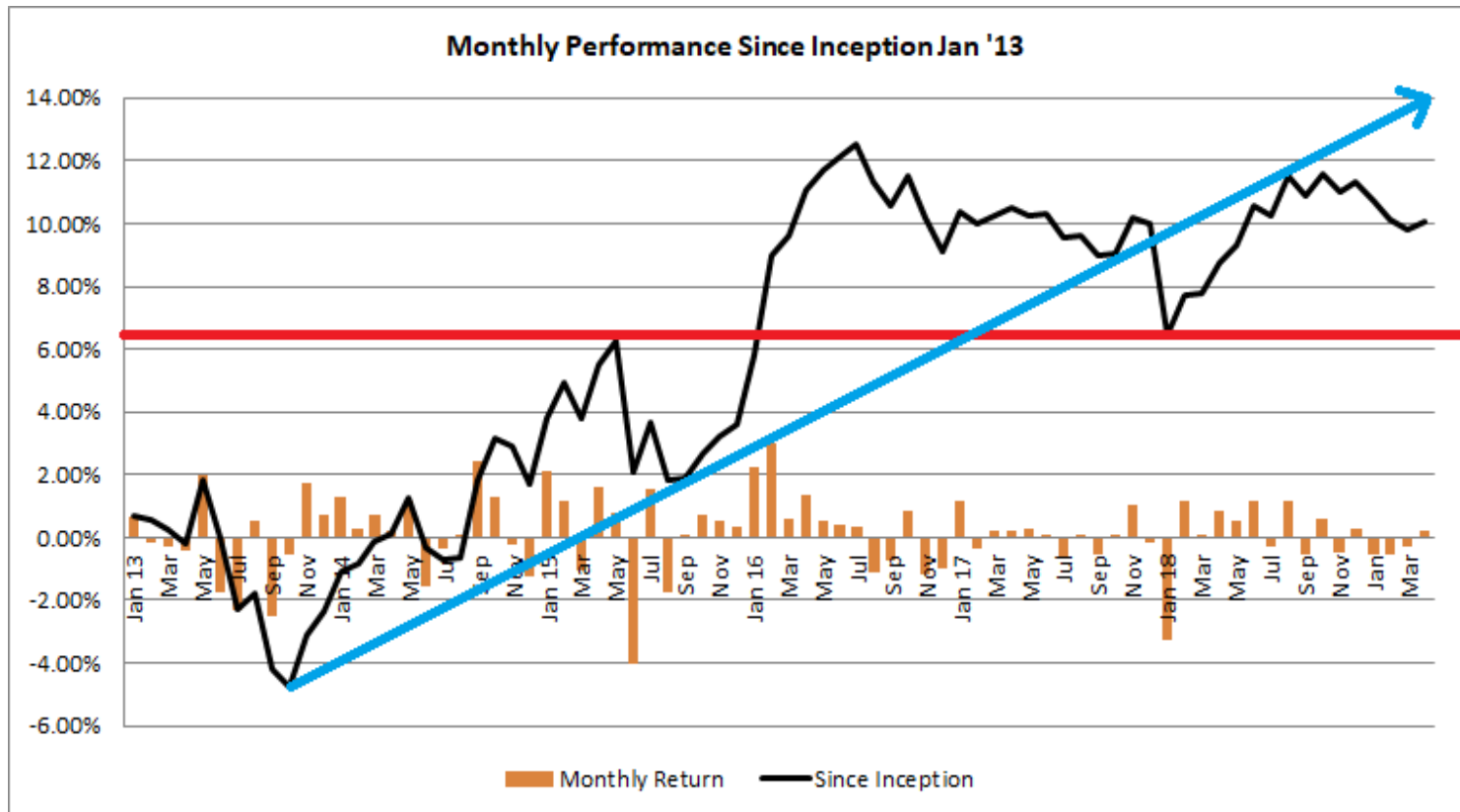


HBC Alpha Fund (Unleveraged)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 2013 | 0.68% | 0.14% | 0.28% | 0.42% | 2.01% | 1.78% | 2.34% | 0.54% | 2.48% | 0.53% | 1.72% | 0.73% | 2.38% |
| 2014 | 1.30% | 0.28% | 0.71% | 0.24% | 1.17% | 1.59% | 0.34% | 0.04% | 2.45% | 1.30% | 0.21% | 1.25% | 4.16% |
| 2015 | 2.14% | 1.14% | 1.03% | 1.61% | 0.77% | 4.03% | 1.53% | 1.75% | 0.01% | 0.74% | 0.55% | 0.37% | 2.02% |
| 2016 | 2.21% | 2.97% | 0.58% | 1.34% | 0.51% | 0.42% | 0.36% | 1.10% | 0.71% | 0.85% | 1.17% | 0.96% | 5.38% |
| 2017 | 1.15% | 0.33% | 0.24% | 0.23% | 0.27% | 0.08% | 0.67% | 0.03% | 0.55% | 0.03% | 1.06% | 0.15% | 0.83% |
| 2018 | 3.25% | 1.17% | 0.10% | 0.84% | 0.55% | 1.15% | 0.28% | 1.14% | 0.56% | 0.62% | 0.51% | 0.29% | 1.16% |
| 2019 | 0.56% | 0.52% | 0.31% | 0.21% | | | | | | | | | -1.18% |

HBC Alpha Fund (5 X Leveraged)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-------------|--------|--------|-------|-------|--------|--------|--------|-------|--------|-------|-------|-------|--------|
| 2013 | 3.40% | 0.70% | 1.40% | 2.10% | 10.05% | 8.90% | 11.70% | 2.70% | 12.40% | 2.65% | 8.60% | 3.65% | 11.90% |
| 2014 | 6.50% | 1.40% | 3.55% | 1.20% | 5.85% | 7.95% | 1.70% | 0.20% | 12.25% | 6.50% | 1.05% | 6.25% | 20.80% |
| 2015 | 10.70% | 5.70% | 5.15% | 8.05% | 3.85% | 20.15% | 7.65% | 8.75% | 0.05% | 3.70% | 2.75% | 1.85% | 10.10% |
| 2016 | 11.05% | 14.85% | 2.90% | 6.70% | 2.55% | 2.10% | 1.80% | 5.50% | 3.55% | 4.25% | 5.85% | 4.80% | 26.90% |
| 2017 | 5.75% | 1.65% | 1.20% | 1.15% | 1.35% | 0.40% | 3.35% | 0.15% | 2.75% | 0.15% | 5.30% | 0.75% | 4.15% |
| 2018 | 16.25% | 5.85% | 0.50% | 4.20% | 2.75% | 5.75% | 1.40% | 5.70% | 2.80% | 3.10% | 2.55% | 1.45% | 5.80% |
| 2019 | 2.80% | 2.60% | 1.55% | 1.05% | | | | | | | | | -5.90% |



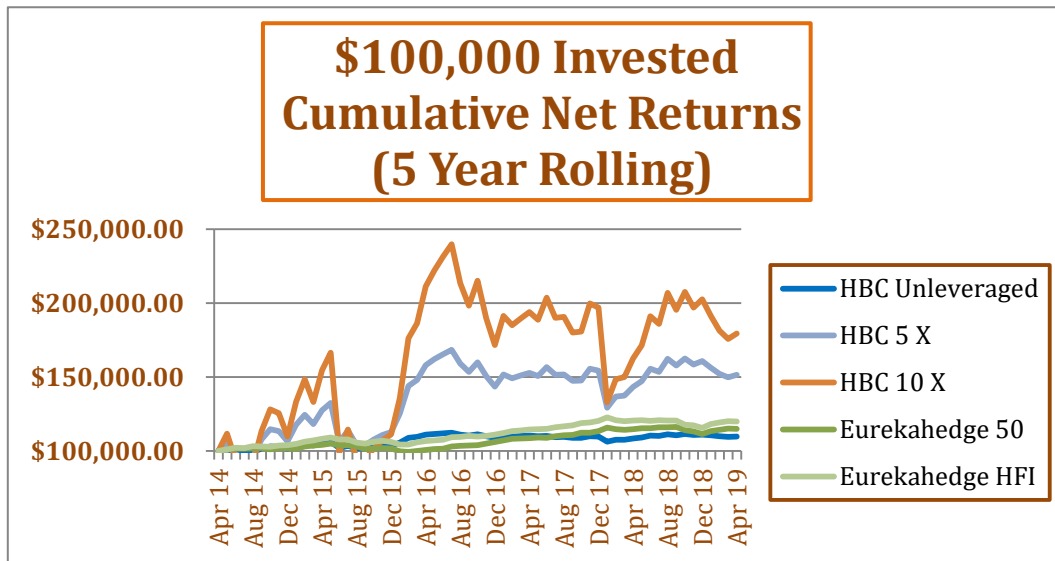


| | |
|------------------------|--------|
| Apr 2019 Return | +0.21% |
| 2019 Year-to-date | -1.18% |
| Return Since Inception | 10.04% |
| Sharpe Ratio | -0.51 |
| Sortino Ratio | -1.63 |
| Max Drawdown | 6.11% |
| Trough To Peak | 18.15% |

Note: Calculations for Sharpe and Sortino ratios use Australian 10-year bonds as MAR (minimum acceptable return) and are on a 2-year rolling basis. All returns are shown net of monthly management fees and quarterly performance fees. Reported returns are based on the Day 1 control account, and actual returns will vary slightly from investor to investor depending on the profit cycle.

The Ability to Leverage: Why HBC Offers an Efficient Path to Excellent Returns

While unleveraged returns do not look overly appealing, all investors in the HBC Alpha Fund have leveraged their investment between 3 and 10 times. This leverage is fundamental to enhancing normalised returns. The additional logic to leverage is the more efficient use of capital, because the margin requirements for dealing in currency markets are very low. The mandate of the Fund is that we can only leverage managed funds by 2 X, so the maximum leverage factor an investor may be exposed to is 20 X. I have created a chart to show the difference between unleveraged funds, 5 X, and 10 X to highlight the dramatic differences in capital growth over a 5-year period. I have included two of Eureka hedge's main hedge fund industry indices (unable to be leveraged) for comparison.



I hope you all have a Magnificent May and until next month,
Regards,

Tony Bradley
CEO & Portfolio Manager

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