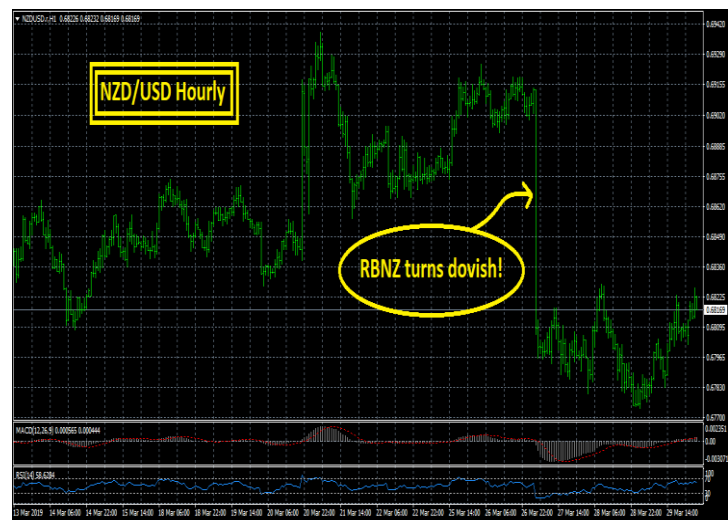




Hunter Burton Capital Alpha Fund

A relatively narrow range of trading for the Aussie dollar in March of 0.7003-0.7168 and spending most of the time at or around the 71 cent mark. Soooo frustrating!! The 10-year bond yields are down at 1.73% ... all-time lows in yield and 0.7% below their US counterpart! It seems almost fanciful that we spent the '80s between 13-16%! And yet, here we sit still above 70 cents with the stock markets and commodity prices doing fairly well. It is only a matter of time, in my opinion, before we see a major adjustment (10 cents not out of the question), but for now I'd like to see it stay below the 0.7200/10 area to maintain confidence in keeping short. The UK is quite the soap opera with Brexit negotiations completely dominating the parliamentary proceedings. The odds favour some form of "soft Brexit" with a compromise of sorts eventuating, but my gut still tells me that one way or another it may not happen at all. And I am positioned for that possibility: short EUR/GBP. In other developments, the RBNZ adopted an unexpectedly dovish tone and the Kiwi dollar fell a cent in quick time in response. In general, global rates are softer than expected a year ago and there doesn't appear to be any tightening pressure in sight, so the global outlook is fairly bleak in my view. For now, we stick to our guns and stay alert for opportunities as they arise.



**AUD/USD: Really Prefer Staying Below 0.7200/10!**

The fundamental reasons for the Aussie dollar to fall are fairly apparent and have been iterated in this report ad nauseam. But the price action has been stubborn and I think if we can't hold below 72 cents then it might be best to sit on the sidelines until more bearish activity ensues. For now, still short though!

**NZD/USD: Quick 1 Cent Adjustment After RBNZ**

One surprising development last Wednesday was the change in stance by the RBNZ to a more dovish outlook. The market quickly adjusted the Kiwi by 1 US cent and has maintained those lower levels. We saw a corresponding move up in the AUD/NZD from 1.0310 to a high of 1.0450.

**-0.31% for March to End a Poor 1<sup>st</sup> Quarter**

Another mildly negative result brings that to 3 in a row to start 2019. 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 -1.39% so we have some work to do!

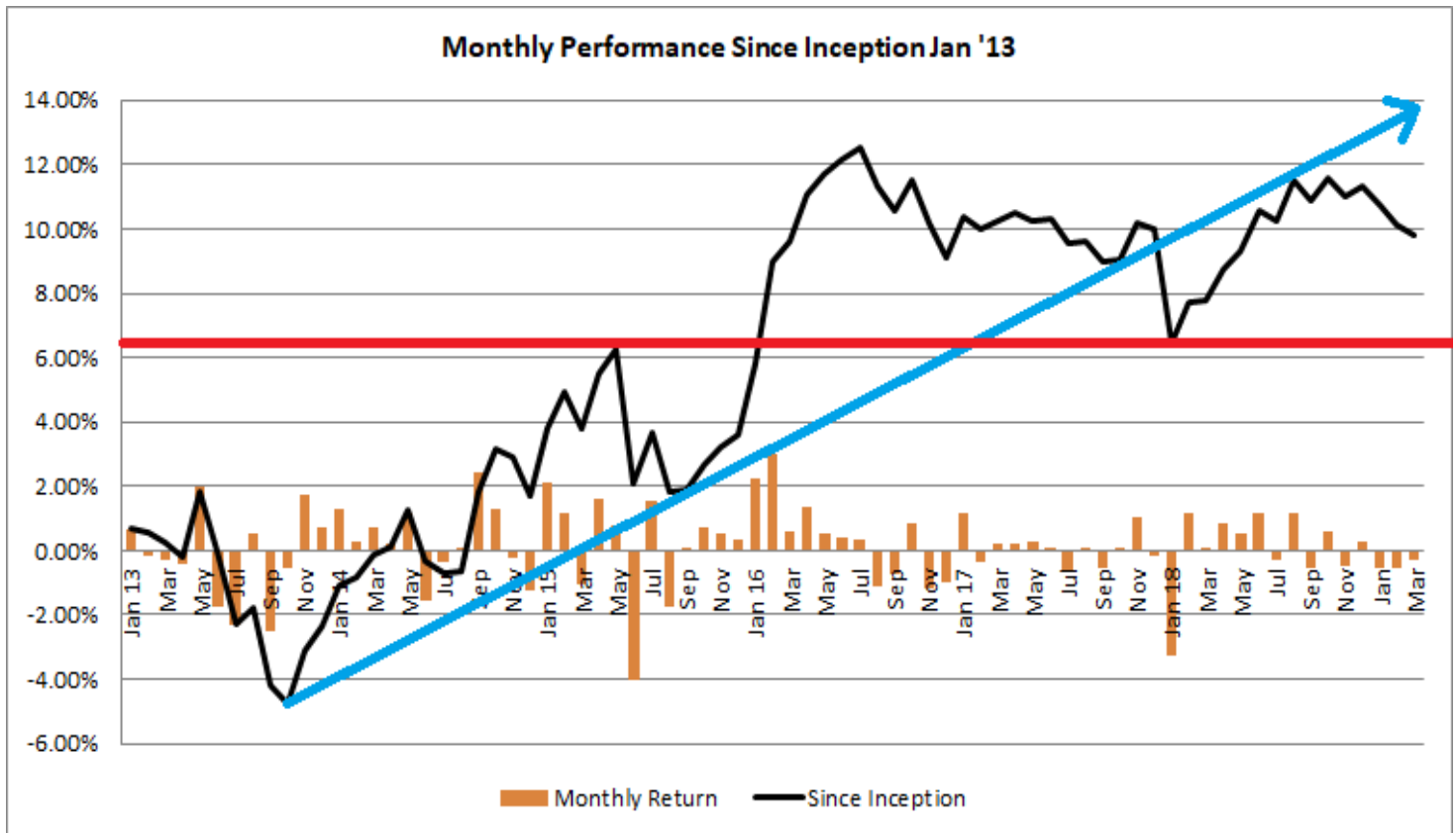


**HBC Alpha Fund (Unleveraged)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	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%
<b>2016</b>	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%
<b>2017</b>	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%
<b>2018</b>	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%
<b>2019</b>	0.56%	0.52%	0.31%										1.39%

**HBC Alpha Fund (5 X Leveraged)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	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%
<b>2016</b>	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%
<b>2017</b>	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%
<b>2018</b>	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%
<b>2019</b>	2.80%	2.60%	1.55%										6.95%



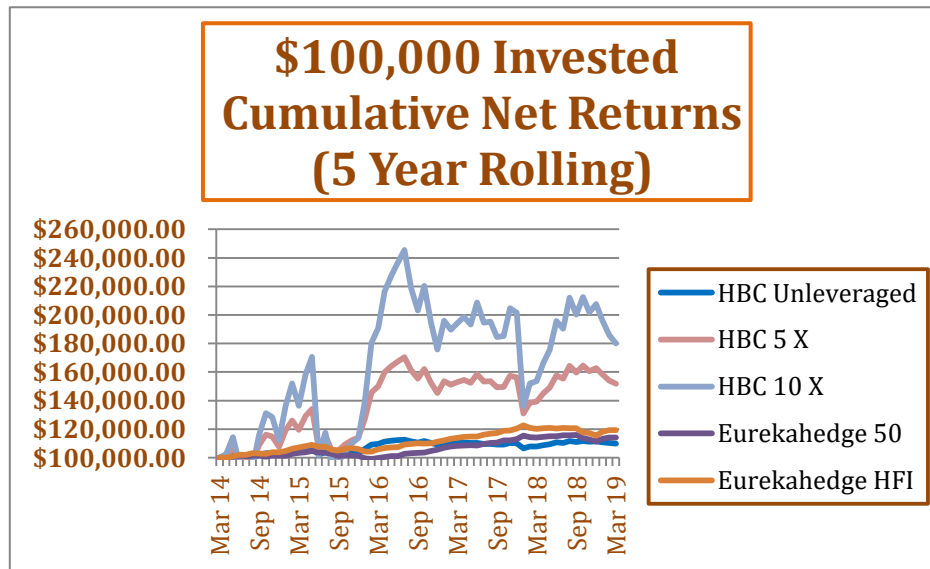


Mar 2019 Return	-0.31%
2019 Year-to-date	-1.39%
Return Since Inception	9.81%
Sharpe Ratio	-0.52
Sortino Ratio	-1.65
Max Drawdown	6.11%
Trough To Peak	18.15%

*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 an Awesome April and and until next month,  
Regards,

**Tony Bradley**  
CEO & Portfolio Manager

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