JK Funds Plc

(Investment Company with Variable Capital)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2019

Registered Number
532101

JK Funds Plc

Contents

Organisation

Directors
Mr. Francis Kirkpatrick (British, UK resident)
Mr. Simon Jones (British, UK resident)
Ms. Fiona Ross* (Irish, Ireland resident)
Dr. Simon Ogus* (British, Hong Kong resident)
Mr. Gerry Brady* (Irish, Ireland resident)

* *Independent non-executive.*

Investment Manager and Distributor
JK Investment Management LLP
Bury House
3 Bury Street
Guildford
Surrey GU2 4AW
England

Administrator
Apex Fund Services (Ireland) Limited
2nd Floor, Block 5
Irish Life Centre
Dublin 1, D01 P767
Ireland

Depositary
SMT Trustees (Ireland) Limited
Block 5
Harcourt Centre
Harcourt Road
Dublin 2, D02 DR52
Ireland

Registered Office
5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 P2V6
Ireland

Legal Advisors
In Ireland:
Walkers
The Exchange
George's Dock, IFSC
Dublin 1, D01 P2V6
Ireland

Auditors
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2, D02 YA40
Ireland

Legal Advisors
In England
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London EC2Y 9SS
England

Company Secretary
Walkers Corporate Services (Ireland) Limited
The Exchange
George's Dock, IFSC
Dublin 1, D01 P2V6
Ireland

Background to the Company

JK Funds Plc (the "Company") was incorporated under registration number 532101 on 30 August 2013 and operates as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds, (each a "Fund") pursuant to the Companies Act 2014 and has limited liability in Ireland.

The Company is authorised by the Central Bank of Ireland (the "Central Bank") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended), (the "UCITS Regulations") and under the Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment In Transferable Securities) Regulations 2019), (the "Central Bank UCITS Regulations").

The Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the Company, with each Fund comprising a separate and distinct schedule of investments.

With the prior approval of the Central Bank, the Company may, from time to time, establish Funds, the investment policies and objectives for which will be outlined in a Supplement, together with details of the Initial Offer Period, the Initial Offer Price for each Share and such other relevant information in relation to the Fund as the Directors may deem appropriate, or the Central Bank requires, to be included.

The investment objective of the Fund is to achieve above average long term capital appreciation. The Fund will seek to achieve its investment objective through investment in three principal asset classes being equities, bonds, and currencies through a global investment strategy which involves taking tactical short term positions and strategic long term positions across global markets (including emerging markets). The Fund may invest up to 100 per cent of the entire portfolio in emerging markets. There can be no assurance that the Fund will achieve its investment objective and losses may be incurred.

The Company may create separate Classes within each Fund to accommodate, inter alia, different currencies, charges, fees, distribution arrangements and/or Class Level Transactions, provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of each such Class.

At 31 December 2019 the Company had one sub-fund (2018: one sub-fund), namely JK Global Opportunities Fund (the "Fund"). The base currency of the Fund is US dollar. The Fund offered accumulation Shares. The Share Classes and type of Shares are:

	Share Classes				
	Institutional				**Management**
	US Dollar Institutional Shares	Sterling Institutional Shares	Euro Institutional Shares	Yen Institutional Shares	Yen Management Shares
Minimum Subscription	US$100,000	£70,000	€80,000	¥10,000,000	¥10,000,000
Minimum Additional Subscription	US$10,000	£7,000	€8,000	¥1,000,000	¥1,000,000
Minimum Holding	US$100,000	£70,000	€80,000	¥10,000,000	¥10,000,000

Directors' Report
for the year ended 31 December 2019

The Directors present their report together with the audited financial statements of JK Funds Plc (the "Company") for the financial year ("year") ended 31 December 2019.

At 31 December 2019 the Company had one sub-fund (2018: one sub-fund), namely JK Global Opportunities Fund (the "Fund").

Results for the year and state of affairs
The results for the year are set out in the Statement of Comprehensive Income and the state of affairs of the Company is set out in the Statement of Financial Position, page 15 and 14 respectively.

Directors
The following Directors held office during the financial year end and as at 31 December 2019.

Mr. Francis Kirkpatrick (British, UK resident)
Mr. Simon Jones (British, UK resident)
Ms. Fiona Ross* (Irish, Ireland resident)
Dr. Simon Ogus* (British, Hong Kong resident)
Mr. Gerry Brady* (Irish, Ireland resident)
** Independent non-executive.*

The Company has outsourced the day-to-day management and running of the Company to JK Investment Management LLP (the "Investment Manager"), SMT Trustees (Ireland) Limited (the "Depositary") and Apex Fund Services (Ireland) Limited (the "Administrator").

Directors' and Secretary's interests
The Secretary does not hold any beneficial interest in the shares of the Company.

The Directors' beneficial interest in shares of the Company held during the year and as at 31 December 2019 is as follows:

Mr Simon Jones and family held 52,797.42 Yen Management Shares, (31 December 2018: 53,521.17). Mr Francis Kirkpatrick and family held 32,377.08 Yen Management Shares, (31 December 2018: 31,146.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2018: 1,148.33). None of the other Directors or their family members held shares in the Company at any time during the reporting year. No Director had at any time during the year or at the year end, a material interest in any other contract of significance in relation to the business of the Company, other than as detailed under related party transactions concerning Directors as provided in Note 8 to the financial statements.

Principal Activities
The investment objectives of the Fund within the Company are set out in the Prospectus. The Company is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations and the Central Bank UCITS Regulations.

Dividends
The income and capital gains of the Fund will normally be reinvested and the Company will not ordinarily make distributions in respect of any Class. However, this is at the Directors' discretion.

There were no dividends declared or paid during the year 31 December 2019 (2018: USD Nil).

Review of business
There was no change in the nature of the Company's investment strategy during the year. A detailed review of the investment performance is included in the Investment Manager's Report.

Risk management objectives and policies
Details of the Company's material financial risks are included in Note 4 of the Financial Statements.

Significant events during the year
There were no material significant events occurring during the reporting year ended 31 December 2019.

Going Concern Assessment
The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue the business for the foreseeable future.

Directors' Report (continued)

for the year ended 31 December 2019

Going Concern Assessment (continued)
Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore the Financial Statements are prepared on a going concern basis.

Significant events after the year end
Subsequent to the reporting date and up to the date of these financial statements, the Company received subscription request of 3,074 shares amounting to US$860,963 and redemption request of 1,010 shares amounting to US$286,052.

The new sub-fund "JK Japan Fund" was launched on 4 March 2020. The base currency of the Fund will be Japanese Yen "JPY" and it will have 8 shares classes split between institutional and ordinary share investors. The Fund will seek to achieve its investment objective by investing in a portfolio of Japanese equities that the Investment Manager believes to be undervalued given their long term growth and business prospects. The new sub-fund has been approved by the Central Bank as at 30 December 2019.

Conell Cashell of KB Associates was appointed as designated person on 17 February 2020.

Force majeure events after the year end date are detailed in the note 14 of these financial statements.

Independent auditor
Ernst & Young, Chartered Accountants will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

Adequate accounting records
In accordance with Section 281 to 285 of the Companies Act 2014, the measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records is the delegating to the Administrator who use appropriate systems and procedures. The accounting records are kept at the offices of Apex Fund Services (Ireland) Limited, 2nd Floor, Block 5, Irish Life Centre, Dublin 1, D01 P767 Ireland.

Audit committee
The Board of Directors, (the "Board"), believe that the Company already has adequate procedures in place that cover, in all material respects, the areas of responsibility of an audit committee, as provided for in Section 167(7) of the Companies Act 2014 and in light of the nature, scale and complexity of the Company's Fund, the Board does not believe that a separate audit committee is required in the circumstances.

Statement on relevant audit information
Each of the persons who are Directors at the approval date of these financial statements in accordance with Section 330 of the Companies Act 2014, confirm:

(a) as far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and

(b) the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Statement of compliance
In accordance with Section 225 of the Companies Act 2014, the Directors:

(a) acknowledge that they are responsible for securing the Company's compliance with its relevant obligations; and

(b) confirm that:

  (i) a compliance policy statement has been prepared setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) for ensuring compliance by the Company with its relevant obligations;

  (ii) an adequate structure is in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and

  (iii) an annual review procedure has been put in place to review the Company's relevant obligations and ensure a structure is in place to comply with these obligations.

Directors' Report (continued)

for the year ended 31 December 2019

Directors Remuneration
Directors' fees for the year ended 31 December 2019 amounted to USD 58,693 (31 December 2018: USD 53,113). The fee outstanding at the year end was USD Nil (31 December 2018: USD Nil).

No political or charitable donations were made by the Company during the financial year ended 31 December 2019 (2018: USD Nil).

Corporate Governance Statement
The European Communities (Directive 2006/46/EC) Regulations 2011 (the "Regulations") require a reference to the corporate governance code to which the Company is subject, and the corporate governance which the Company has voluntarily decided to apply.

The Company has voluntarily adopted and is fully compliant with the Corporate Governance Code for Collective Investment Schemes and Management Companies as published by the IF in December 2011 as the Company's corporate governance code. This code can be obtained from the IF website at www.irishfunds.ie.

Connected Persons
Regulation 43 of the UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted: a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 78.4, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party; and all transactions with a connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

Directors' Responsibilities
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the Directors to prepare financial statements that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements for preparing the financial statements.

JK Funds Plc

Directors' Report (continued)
for the year ended 31 December 2019

Directors' Responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act, 2014 and enable those financial statements to be audited.

The Directors are responsible for maintaining the accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director

Director

22 April 2020

Depositary's Report
for the year ended 31 December 2019

Report of the Depositary to the Shareholders

We have enquired into the conduct of the JK Funds plc ('the Company') for the financial year ended 31 December 2019, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the members of the Company as a body, in accordance with the Central Bank UCITS Regulations 33 - 37 inclusively contained in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended), (the "UCITS Regulations") , and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulations 33 - 37 inclusively contained in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the members.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulations 33 - 37 inclusively contained in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and the Regulations; and (ii) otherwise in accordance with the provisions of the Company's Memorandum & Articles of Association and the Regulations.

Opinion

In our opinion the Company has been managed during the financial year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019; and

(ii) Otherwise in accordance with the provisions of the Company's Memorandum & Articles of Association and the Regulations.

SMT Trustees (Ireland) Limited

Conor Curtin Sara Kinsella

Dated: 22 April 2020

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JK FUNDS PLC

Opinion

We have audited the financial statements of JK Funds Plc ('the Company') for the year ended 31 December 2019, which comprise the Statement of financial position, Statement of comprehensive income, Statement of changes in net assets attributable to holders of redeemable participating shares, Statement of cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Continued /…

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JK FUNDS PLC

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and

- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Continued /…

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JK FUNDS PLC

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf .

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sheldon D'Souza
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 28 April 2020

Investment Manager's Report

for the year ended 31 December 2019

JK Global Opportunities Fund Annual Report 2019

Performance

The Fund performed as follows during CY2019 (Net of Fees)

GBP Class	+10.20%
USD Class	+12.22%
YEN Class	+9.36%
EUR Class	+9.07%

Investment Summary

The fund rose +12.22% in 2019 (USD Class, Net of Fees), with the majority of gains occurring in the 4th quarter. Markets were dominated by geopolitics and central bank policy in 2019, as shifts in the negotiating stances of both sides in the US-China trade war as well as widespread policy easing, caused markets to yo-yo between periods of risk-on and risk-off.

Markets started the year on a strong footing, as dovish pivots by the FED and PBoC helped allay concerns that central banks were sleep-walking into a policy mistake, just as the global economy was reeling from the damage caused by the trade war and previous monetary tightening. VAT and RRR cuts by Chinese authorities as well as the FED U-turning on its rate hike and balance sheet normalisation agenda, turned the delta on global financial conditions around 180 degrees, causing markets to unwind the oversold conditions and bearish sentiments in place at the end of 2018. This also coincided with what appeared to be an easing in trade war tensions, as Trump delayed planned tariff hikes at the beginning of March in anticipation of signing a deal. Whilst we weren't of the view that US-China tensions had disappeared altogether, we did interpret Trump's more conciliatory tone as a sign of things to come as he approached an election year. Hence, we based our pro-risk stance at the beginning of the year on reduced trade war risks and the favourable policy landscape beginning to emerge.

This led to solid gains from our equity book in Q1, driven primarily by our China A-share exposures. However, just as soon as the trade war seemed to be taking a back seat in investors' minds, Trump was restarting his tariff-hiking agenda in May, claiming the Chinese had reneged on previously agreed commitments in the draft deal. This began a series of tit-for-tat tariff hikes over the summer, which exacerbated the deceleration in macro momentum already underway. This in turn sparked a correction in equity markets and a strong rally in government bonds, causing the yield curve to invert and investors to fear an imminent recession.

During this period, the fund gave back most of its Q1 gains due to high exposures in the China/Asia complex. Missing out on the bond rally didn't help either. The panic beginning to grip markets forced the FED to cut rates three times (75bp in total) between July and October, and dislocations in money markets left them with no choice but to reverse its QT programme and restart balance sheet expansion in September.

The combined effect of these measures was a significant easing in dollar liquidity conditions which provided a shot in the arm for the heavily dollarized global financial system. At the same time, the geopolitical tail risks that had been holding markets back all year seemed to be receding with the prospect of a 'phase 1' trade deal approaching, whilst evidence of 'green shoots' were starting to appear in the economic data. This helped risk sentiment improve in Q4 as some of the recession fears that built up over the summer diminished. This was a good period for the fund, with our US tech holdings leading the way, followed by a catch-up in our Chinese tech positions in December. December was also a strong month for our UK domestics after a market-friendly election result.

Going into 2020, we expected a continuation of the positive macro/geopolitical developments that were present at the end of 2019, however we were cognizant that equity markets had already gone some way to discount a brighter outlook and rerated higher thanks to a decline in risk-free rates around the globe. Therefore, we would need to see earnings come through and catch up to prices for further meaningful upside. With signs that economies around the globe were starting to bottom-out, we had good reason to believe that this might happen and were therefore willing to give markets the benefit of the doubt.

This strategy delivered strong gains for the Fund in the first few weeks of 2020, however markets have been rocked by a number of 'black swan' events since then, which have clouded our beginning of year forecasts. The coronavirus outbreak was already causing significant supply and demand disruptions around the globe before the oil price collapse compounded the risks to economic growth. With equities priced for perfection, these two shocks provided the catalyst for an aggressive sell-off as investors sharply downgraded their estimates of growth and corporate earnings.

Investment Manager's Report (Continued)

for the year ended 31 December 2019

Investment Summary (continued)

Given dramatic falls in equity markets and bond yields, equity risk premiums based on earnings and free cash-flow yields are starting to look very attractive. Measures of fear and panic are at extreme levels (VIX above 70), technical indicators are incredibly oversold and credit/money market spreads have blown out, all pointing towards a degree of capitulation. Whilst we will be monitoring credit risks closely, we believe markets have already priced them in to a large degree, so view these as low-risk levels to be dipping our toes back in. Earlier selling meant the Fund avoided the brunt of the collapse and has left it with cash levels of around 45% to take advantage of opportunities. China and Korea have proven that the virus can be contained with sensible measures which gives us comfort that the virus will eventually pass.

JK Investment Management LLP
Bury House
3 Bury Street
Guildford
Surrey GU2 4AW
England
22 April 2020

JK Funds Plc

Statement of Financial Position
as at 31 December 2019

	Note	JK Global Opportunities Fund As at 31 December 2019 USD	JK Global Opportunities Fund As at 31 December 2018 USD
Assets			
Cash and cash equivalents	5	9,211,641	12,797,699
Financial assets at fair value through profit or loss:	4		
Investments in securities		70,023,306	56,171,655
Derivative Financial Instrument:			
Open forward foreign currency exchange contracts		1,378,151	33,323
Contracts for difference		1,276,377	114,760
Total return swap		636,382	-
Open futures contracts		213,041	731,327
Financial assets at amortised cost:			
Amounts due from brokers	5	8,507,932	12,298,423
Dividends receivable		92,361	40,029
Other receivables		40,791	42,313
Total assets		**91,379,982**	**82,229,529**
Liabilities			
Financial liabilities at fair value through profit or loss:	4		
Derivative Financial Instrument:			
Open forward foreign currency exchange contracts		1,084,084	518,908
Open futures contracts		168,900	92,300
Contracts for difference		125,729	248,228
Financial liabilities at amortised cost:			
Investment management fees payable	6	66,196	61,395
Other payables and accrued expenses		33,995	38,062
Audit fees payable		29,437	38,883
Depositary fees payable	6	16,533	12,748
Administration fees payable	6	8,173	7,556
Amounts due to brokers		-	35,988
Redemptions payable		-	12,199
Total liabilities (excluding net assets attributable to shareholders)		**1,533,047**	**1,066,267**
Net assets attributable to holders of redeemable participating shareholders at the at the end of the year		**89,846,935**	**81,163,262**

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board

Director

Director

22 April 2020

JK Funds Plc

Statement of Comprehensive Income

for the year ended 31 December 2019

	Note	JK Global Opportunities Fund For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2018 USD
Income			
Dividend income		1,416,663	1,569,935
Interest income		335,416	218,481
Net realised gain on financial assets and foreign exchange		254,426	3,150,679
Net change in unrealised gain/(loss) on financial assets and foreign exchange		10,874,267	(14,422,350)
Net realised and unrealised gain/(loss) on financial assets and foreign exchange		11,128,693	(11,271,671)
Total investment income/(expense)		**12,880,772**	**(9,483,255)**
Expenses			
Investment management fees	6	680,708	761,981
Research expenses	9	360,000	65,802
Administration fees	6	83,541	93,161
Depositary fees	6	77,097	91,478
Performance fees	6	-	271,468
Directors' fees	8	58,693	53,113
Audit fees	6	33,262	42,513
Legal fees		533	62,259
Interest expense		355,678	376,920
Other fees		136,375	141,840
Total expenses		**1,785,887**	**1,960,535**
Gain/(Loss) for the financial year before taxation		**11,094,885**	**(11,443,790)**
Withholding taxes on dividend	2	179,716	142,112
Gain/(Loss) for the financial year after taxation		**10,915,169**	**(11,585,902)**
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares resulting from operations		**10,915,169**	**(11,585,902)**

Gains and losses arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

for the year ended 31 December 2019

	JK Global Opportunities Fund For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2018 USD
Net assets attributable to redeemable participating shareholders at the beginning of the year	**81,163,262**	**90,293,280**
Share transactions		
Proceeds from issue of redeemable participating shares	3,401,203	4,752,930
Payments on redemptions of redeemable participating shares	(5,632,699)	(2,297,046)
Net (decrease)/increase in net assets resulting from redeemable participating shares transactions	**(2,231,496)**	**2,455,884**
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares resulting from operations	10,915,169	(11,585,902)
Net assets attributable to holders of redeemable participating shareholders at the end of the year	**89,846,935**	**81,163,262**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2019

	JK Global Opportunities Fund For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2018 USD
Cash flows from operating activities		
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares resulting from operations	10,915,169	(11,585,902)
Adjustment for:		
(Increase)/decrease in operating assets		
Financial assets at fair value through profit or loss	(16,476,192)	16,449,415
Amounts due from broker	3,790,491	(3,937,313)
Dividends receivable	(52,332)	(11,769)
Other receivables	1,522	(42,313)
Increase/(decrease) in operating liabilities		
Financial liabilities at fair value through profit or loss	519,277	(207,935)
Investment management fees payable	4,801	(2,808)
Depositary fees payable	3,785	(2,608)
Administration fees payable	617	(302)
Audit fees payable	(9,446)	(107)
Performance fees payable	-	(1,008,809)
Directors' fees payable	-	(4,502)
Amounts due to broker	(35,988)	2,678
Other payables and accrued expenses	(4,067)	2,544
Cash used in operating activities	**(1,342,363)**	**(349,731)**
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares during the year	3,401,203	4,752,930
Redemption of redeemable participating shares during the year	(5,644,898)	(2,284,847)
Net cash flows (used in)/provided by financing activities	**(2,243,695)**	**2,468,083**
Net (decrease)/increase in cash and cash equivalents	(3,586,058)	2,118,352
Cash and cash equivalents at the start of the year	12,797,699	10,679,347
Cash and cash equivalents at the end of the year	**9,211,641**	**12,797,699**
Supplemental disclosures		
Cash received during the year for interest	335,416	218,481
Cash paid during the year for interest	355,678	377,856
Cash received during the year for dividends	1,364,331	1,558,166

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2019

1. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of presentation

JK Funds Plc (the "Company") was incorporated under registration number 532101 on 30 August 2013 and operates as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds, (each a "Fund") pursuant to the Companies Act 2014 and has limited liability in Ireland. The Company was originally launched in 2003 and redomiciled to Ireland and restructured to a UCITS on 30 August 2013.

The Company is authorised by the Central Bank of Ireland (the "Central Bank") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended), (the "UCITS Regulations") and under the Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1) (Undertakings For Collective Investment In Transferable Securities) Regulations 2019), (the "Central Bank UCITS Regulations").

The Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the Company, with each Fund comprising a separate and distinct schedule of investments.

The investment objective of the Company is to achieve average long term capital appreciation.

The financial statements are presented in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, Irish Statute comprising the Companies Acts 2014, the UCITS Regulations and the Central Bank UCITS Regulations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(l).

New standards, amendments and interpretations effective from 1 January 2019

IFRS 16, 'Leases'

IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low value leases. IFRS 16 is effective for annual periods starting on or after 1 January 2019.

An assessment has been performed on the effects of applying the new standard on the Company's financial statements and given the Company does not transact in leases, no material impacts have been identified.

IFRIC 23, 'Uncertainty over Income Tax Treatments'

The Company is tax-exempt and is only subject to withholding tax on certain dividend and interest income in some countries. If the Company is subject to income tax, including withholding taxes, then it is required to provide specific enhanced disclosures under IAS 12 and IAS 1. Additionally, if the Company is subject to income taxes in the scope of IAS 12, including withholding taxes, then the Company should consider if there are any uncertainty over tax treatments applicable to the Company. IFRIC 23 Uncertainty over Income Tax Treatments is effective from 1 January 2019.

An assessment has been performed on the effects of applying the new standard on the Company's financial statements and given the Company does not have any uncertainty over any taxation that the Company is subject to no material impacts have been identified.

There are no other standards, interpretations or amendments to existing standards that are effective for the financial year beginning on 1 January 2019 that would be expected to have a material impact on the Company.

(b) Foreign currency

Functional and presentation currency

The primary objective of the Company is to generate returns in U.S. Dollar ("USD"), its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD in order to handle the issue, acquisition and resale of the Company's redeemable shares. The Company's performance is evaluated in USD. Therefore, the management considers the USD as the functional currency of the Company as which most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD. Returns are to be generated in USD, with currency hedging for the non-base currency share classes in order to replicate those returns in the shareholder's currency.

1. Summary of significant accounting policies (continued)

(b) Foreign currency (continued)

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities, if any, are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains or losses arising from translation are included in the Statement of Comprehensive Income.

(c) Financial instruments

(i) IFRS 9 – Financial Instruments

Classification and measurements of financial assets and financial liabilities

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: Fair value through profit or loss (FVTPL), Fair Value through other comprehensive income related to debt investment and equity investment (FVOCI – debt investment and equity investment) and amortised cost.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets and liabilities at fair value through profit or loss
A financial asset and liabilities at FVTPL is initially measured at fair value. These assets and liabilities are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. This includes all derivative financial assets and liabilities. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The financial assets and liabilities are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Company has applied the measurement category of FVTPL for its investments as:-
- The business model is neither hold-to-collect nor held to collect and sale;
- Collection of contractual cash flows is incidental to the objective of the model;
- The investment objective of the Fund is to achieve above average long term capital appreciation;
- NAV is calculated at Fair Value

Financial assets and liabilities at fair value through other comprehensive income
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

On subsequent measurement of financial assets;
- debt investments at FVOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- equity investment at FVOCI are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

Classification and measurements of financial assets and financial liabilities (continued)

Financial assets and liabilities held at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised.

The financial assets at amortised cost consist of amounts due from brokers, dividends receivable and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's Credit rating or BBB- or higher per Moody's Credit rating.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

Impairment of financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to other receivables, are presented separately in the statement of profit or loss and OCI.

Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

(ii) Specific Instruments

Contracts for difference ("CFDs")
CFDs represent agreements that obligate two parties to exchange cash flows at specified intervals based upon, or calculated by reference to, changes in specified prices or rates for a specified amount of an underlying asset, or otherwise determined notional amount. The value of CFDs are calculated by reference to the current price of the underlying instrument and the initial or last reset price of the contract. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the CFDs, may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFDs are valued at the CFDs ultimate settlement date. The realised gain or loss is disclosed in the Statement of Comprehensive Income as net realised gain or loss on financial assets and foreign exchange. The Company utilises these CFDs agreements as an efficient means of hedging and for obtaining exposure to certain underlying investments. Through CFDs, the Company can in effect be exposed to increases or decreases in the value of an equity and to decreases or increases in the value of a related equity. Such trades are consistent with the overall strategy of the Company. The fair value of the CFDs are reported as an asset or liability as appropriate on the Statement of Financial Position and movements in the fair value are recorded in the Statement of Comprehensive Income as part of net change in unrealised gain/(loss) on financial assets and foreign exchange.

Forward and spot foreign exchange currency contracts
The fair value of open forward foreign exchange currency contracts, and open foreign exchange currency spot contracts, is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the Statement of Financial Position date. Unrealised gains or losses on foreign exchange currency spot contracts are included in cash and cash equivalents in the Statement of Financial Position and gains or losses on open forward foreign exchange currency contracts are included in the unrealised gain or loss on forward foreign exchange currency contracts, as appropriate, on the Statement of Financial Position and are shown in the Schedule of Investments of the Company.

Futures contracts
Initial margin deposits are made upon entering into futures contracts and are generally made in cash or cash equivalents. The fair value of futures contracts is based upon their current quoted daily settlement prices on the relevant exchange as of the Statement of Financial Position date. Changes in the value of open futures contracts are recognised as unrealised gains or losses on futures contracts until the contracts are terminated, at which time realised gains and losses are recognised. Gains or losses on open futures contracts are shown in the Schedule of Investments of the Company and as appropriate, on the Statement of Financial Position as financial assets or liabilities at fair value through profit or loss.

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Specific Instruments (continued)

Total return swaps
A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually a stock or fixed income index. This is owned by the party receiving the set rate payment. Total return swaps allow the party receiving the total return to gain exposure and benefit from a reference asset without actually having to own it.

The fair value of the swap is reported as an asset or liability as appropriate on the Statement of Financial Position and movements in the fair value are recorded in the Statement of Other Comprehensive Income as part of the net change in unrealised gain/(loss) on financial assets and foreign exchange.

(d) Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Cash in hand or on deposit shall be valued at face value, together with accrued interest where applicable.

(e) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Redeemable participating shares
Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities, in accordance with IAS 32.

The Company issues shares at the Net Asset Value ("NAV") of the existing shares on the basis of dealing prices. In accordance with the Prospectus the holders of participating shares can redeem them for cash equal to a proportionate share of the Company's NAV (calculated in accordance with redemption requirements) on the relevant dealing day.

The Company's NAV per share is calculated by dividing the net assets attributable to shareholders (calculated in accordance with redemption requirements) by the number of shares in issue.

(g) Unrealised and realised gain/(loss) on investments at fair value through profit or loss
In respect of each instrument type classified as financial instruments at fair value through profit or loss, the unrealised gains/(losses) and realised gains/(losses) are included in "Net realised and unrealised gain/(loss) on financial assets and foreign exchange" in the Statement of Comprehensive Income for the Company.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the first in first out cost method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

(h) Dividend income and dividend expense
Dividend income is credited and dividend expense debited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed as dividend income in the Statement of Comprehensive Income, and net of any tax credits.

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income. Dividend income is recognised when the Company's right to receive payments is established.

Dividend expense is recognised when the dividend liability is established.

1. Summary of significant accounting policies (continued)

(i) Interest income and interest expense

Interest income and expense on cash balances and on bank overdraft balances is recognised in the Statement of Comprehensive Income within interest income and interest expense based on the effective interest rate. Interest income and expense in relation to contracts for difference are shown within interest income and interest expense on an accruals basis within the Statement of Comprehensive Income.

(j) Expenses

Expenses are accounted for on an accrual basis. Expenses are charged to the Statement of Comprehensive Income except for relevant expenses incurred on the acquisition of an investment, which are included within the cost of that investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

(k) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Depositary transaction costs include transaction costs paid to the Depositary. Purchases and sales transaction costs include identifiable brokerage charges, commissions, transaction related taxes and other market charges. Depositary transaction costs are included in Depositary fees as disclosed in the Statement of Comprehensive Income for the Company.

Transaction costs on purchases and sales of fixed income securities, CFDs, total return swaps and forward foreign exchange currency contracts are included in the instrument contract price and are therefore not separately identifiable for disclosure in the financial statements. Transaction costs on purchases and sales of equities, options contracts and futures contracts are expensed as incurred in the Statement of Comprehensive Income. Separately identifiable transaction costs incurred by the Company during the year are disclosed in Note 6.

(l) Significant accounting estimates and judgements

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty’s), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

1. Summary of significant accounting policies (continued)

(l) Significant accounting estimates and judgements (continued)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the tax expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

2. Taxation

Under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended. On that basis, the Company is not chargeable to Irish tax in respect of its income and gains.

However, Irish tax may arise on the happening of a “chargeable event”. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation; transfer of shares or the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

A chargeable event does not include:

i. Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or

ii. An exchange of shares representing one sub-fund for another sub-fund of the Company; or

iii. An exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund; or

iv. Certain exchanges of shares between spouses and former spouses.

No tax will arise on the Company in respect of chargeable events relating to:

i. A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, is held by the Company;

ii. Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations; or

iii. Any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue commissioners (such as CREST).

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

3. Financial Derivative Instruments and Efficient Portfolio Management

The Company may utilise Financial Derivative Instruments ("FDIs") for investment purposes and may employ techniques and instruments relating to transferable securities, including investments in FDIs, for efficient portfolio management purposes. New techniques and instruments may also be developed which may be suitable for use by the Company and the Investment Manager may employ such techniques and instruments in the future for the purpose of efficient portfolio management with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Company and may not be speculative in nature.

Techniques and instruments which relate to transferable securities and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost-effective way;

(b) they are entered into for one or more of the following specific aims:

- (i) reduction of risk;
- (ii) reduction of cost;
- (iii) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set out in the UCITS Regulations;

(c) their risks are adequately captured by the risk management process of the Company; and

(d) they cannot result in a change to the Company's declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

During the year ended 31 December 2019 and 31 December 2018, the Company entered into contracts for difference, options, futures contracts and total return swap for investment purposes. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

Forward foreign currency contracts were utilised by the Company for efficient portfolio management purposes during the year, in particular hedging of non-base currency share classes. The exposure of the Company on these at 31 December 2019 was USD 49,314,889 (2018: USD 47,206,530). The realised and unrealised gains and losses arising from these contracts during the year ended 31 December 2019 are USD (192,384) and USD 899,386 (31 December 2018: USD 33,323 and USD 518,908) respectively. Transaction costs on forwards are embedded in their contract price and are therefore not separately identifiable for disclosure within the financial statements. The counterparties to the forward foreign currency contracts are disclosed at the end of the Schedule of Investments.

4. Financial risks

Introduction and overview
Risk is inherent in the Company's activities, but it is managed through a process of on-going identification, measurement and monitoring, subject to risks limits and other controls. The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Company.

Risk management structure
The Board of Directors delegate the responsibility of daily risk management to the Investment Manager. The Investment Manager is responsible for identifying and controlling risks of the Company, and for monitoring the Company's risk management processes.

Risk measurement and reporting system
The Investment Manager monitors and measures the overall risk exposure of the Company.

Risk mitigation
The Investment Manager is responsible for managing and controlling investment risks and may use various techniques and instruments, including derivatives, to do so.

4. Financial risks (continued)

(i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and "other price risks", such as equity price risk. The Company's market price risk is managed through diversification of the investment portfolio. Additionally, the Investment Manager may use derivative instruments to hedge the investment portfolio against market risk. The maximum market risk resulting from financial instruments equals their fair value. The derivatives has not been classified as hedging instruments.

Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the functional currency.

The Company's currency risk is managed and monitored on a daily basis by the Investment Manager in accordance with policies and procedures in place.

As at 31 December 2019, the Company had the following currency risk exposures:

	Monetary Assets	Non-Monetary Assets	Net Financial Assets
	USD	USD	USD
Danish Krone	-	1,018,194	1,018,194
European Union euro	261,596	1,258,244	1,519,840
Great Britain Pound	360,614	11,825,815	12,186,429
Hong Kong dollar	385,983	7,230,493	7,616,476
Japanese yen	300,526	2,126,949	2,427,475
Swedish Krona	-	1,128,096	1,128,096
Total	**1,308,719**	**24,587,791**	**25,896,510**

As at 31 December 2018, the Company had the following currency risk exposures:

	Monetary Assets	Non-Monetary Assets	Net Financial Assets
	USD	USD	USD
Australian Dollar	-	304,167	304,167
European Union euro	102,559	467,890	570,449
Great Britain Pound	410,080	2,430,664	2,840,744
Hong Kong dollar	688,391	-	688,391
Japanese yen	773,620	1,483,496	2,257,116
Philippine Peso	-	908,570	908,570
Singapore Dollar	-	990,200	990,200
Swedish Krona	-	771,722	771,722
Thai baht	-	1,045,652	1,045,652
Total	**1,974,650**	**8,402,361**	**10,377,011**

Had the exchange rate between USD and other currencies to which the Company is exposed increased or decreased by 5% with all other variables held constant, the decrease or increase respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 1,294,826 (31 December 2018: USD 518,851).

4. Financial risks (continued)

(i) Market Risk (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund's interest rate risk is managed on a daily basis by the Investment Manager subject to the investment objective and investment policies, for more information on this, refer to the Fund's Supplement. The Investment Manager in respect of a Company may utilise financial instruments such as derivatives to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in interest rates.

The following table summarises the Fund's exposure to interest rate risk as at 31 December 2019 and 2018. The table includes the Fund's trading assets and liabilities at fair value, categorised by the earlier of the contractual re-pricing or maturity dates.

31 December 2019

USD	<1 Month	1-3 Months	1-5 Years	Non-Interest Bearing	Total
Assets					
Cash and cash equivalents	9,211,641	-	-	-	9,211,641
Amounts due from brokers	8,507,932	-	-	-	8,507,932
Financial assets at FVTPL	-	-	6,102,857	67,424,400	73,527,257
Trade and other receivables	-	-	-	133,152	133,152
Total assets	**17,719,573**	**-**	**6,102,857**	**67,557,552**	**91,379,982**

USD	<1 Month	1-3 Months	1-5 Years	Non-Interest Bearing	Total
Liabilities					
Financial liabilities at FVTPL	-	-	-	(1,378,713)	(1,378,713)
Trade and other payables	-	-	-	(154,334)	(154,334)
Redeemable participating shares	-	-	-	(89,846,935)	(89,846,935)
Total liabilities	**-**	**-**	**-**	**(91,379,982)**	**(91,379,982)**

31 December 2018

USD	<1 Month	1-3 Months	1-5 Years	Non-Interest Bearing	Total
Assets					
Cash and cash equivalents	12,797,699	-	-	-	12,797,699
Amounts due from brokers	12,298,423	-	-	-	12,298,423
Financial assets at FVTPL	-	24,920,670	5,680,516	26,449,879	57,051,065
Trade and other receivables	-	-	-	82,342	82,342
Total assets	**25,096,122**	**24,920,670**	**5,680,516**	**26,532,221**	**82,229,529**

USD	<1 Month	1-3 Months	1-5 Years	Non-Interest Bearing	Total
Liabilities					
Financial liabilities at FVTPL	-	-	-	(859,436)	(859,436)
Trade and other payables	-	-	-	(206,831)	(206,831)
Redeemable participating shares	-	-	-	(81,163,262)	(81,163,262)
Total liabilities	**-**	**-**	**-**	**(82,229,529)**	**(82,229,529)**

4. Financial risks (continued)

(i) Market Risk (continued)

***Interest rate risk* (continued)**
Had interest rates decreased by 1% with all other variables remaining constant, the increase in net assets attributable to holders of redeemable participating shares for the financial year ended 31 December 2019 would amount to approximately USD 61,029 (2018: USD 306,012) arising substantially from the increase in market values of debt securities. An increase of 1% on interest rates would have an equal but opposite effect.

Equity price risk
Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of general market values and the value of individual stocks. The trading equity price risk exposure arises from the Company's investment portfolio. The Company manages this risk through diversification of its portfolio and uses derivatives to increase or decrease this risk. The investment objective of the Fund is to achieve above average long term capital appreciation.

Concentration of equity price risk
Please refer to the Schedule of Investments for a regional and sector analysis of the Company's investments.

If the actual market prices at 31 December 2019 had increased or decreased by 1% with all other variables held constant, this would have enhanced or reduced, as the case may be, net assets attributable to holders of redeemable participating shares by USD 639,204 (31 December 2018: USD 255,705).

(ii) Credit Risk
The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to counterparty credit risk on transferable securities, FDIs and cash and cash equivalents and other receivable balances. The carrying amounts of financial assets best represent the maximum credit risk exposure at the Statement of Financial Position date.

Counterparty Risk
The Company is subject to credit risk with respect to any counterparties with which it trades. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the Company may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganisation proceeding and may obtain only a limited recovery or may obtain no recovery. To mitigate this exposure, the Company may enter into master netting agreements with the counterparties with which it trades. Master netting arrangements do not result in an offset of Statement of Financial Position assets and liabilities as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. Refer to the "Offsetting" section of this note for further details of the counterparty risk.

The following table details the credit rating of each counterparty to the Fund:

31 December 2019

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure
Goldman Sachs	A1	A+	3,060,000	317,082
HSBC	Aa3	AA-	4,000,000	1,874,383

31 December 2018

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure
Goldman Sachs	A1	A+	1,560,000	162,966
HSBC	A2	A	7,730,000	(154,641)

Depositary risk
The Company's Depositary is SMT Trustees (Ireland) Limited ('Depositary'). Substantially all of the assets and cash of the Company are held within its custodial network. Bankruptcy or insolvency of the Depositary, its custodial network or of its ultimate parent company Sumitomo Mitsui Trust Holdings Inc. may cause the Company's rights with respect to its investments held by the Depositary to be delayed. The maximum exposure to this risk at 31 December 2019 is the total value of investments and cash and cash equivalent balances held with the Depositary.

4. Financial risks (continued)

(ii) Credit Risk (continued)

***Depositary risk* (continued)**

In accordance with the requirements of the Irish Companies Act, 2014 and the UCITS Regulations, the Company's securities are maintained within the custodial network in segregated accounts. The Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus in the event of insolvency or bankruptcy of the Depositary or within its custodial network, the Company's assets are segregated and protected and this further reduces counterparty risk. The Company will, however be exposed to the risk of the Depositary's custodial network, in relation to the Company's cash held by the Depositary's custodial network. In event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary's custodial network in relation to cash holdings of the Company.

The credit rating of Sumitomo Mitsui Trust Holdings Inc., the ultimate parent company of the Depositary, as provided Japan Credit Rating Agency Ltd at the reporting date, was AA- (2018: AA-).

Amounts arising from ECL

Impairment on cash and cash equivalents, dividend receivable, due from broker and prepayments and other receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Company supplements this by reviewing changes in bond yields, where available, credit default swap (CDS) prices together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by Moody's for each credit rating and are recalibrated based on current CDS prices. Loss given default parameters generally reflect an assumed recovery rate. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

Due to the low credit risk of the financial assets at amortised cost, the Expected Credit Loss was determined to be immaterial and no impairment was recognised on the Fund during the year ended 31 December 2019.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to fund its liabilities. The Company is exposed to weekly cash redemptions of redeemable shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Company may also borrow in respect of the Fund up to 10 per cent of its NAV provided such borrowing is on a temporary basis. The Company may charge its assets as security for such borrowings. At 31 December 2019 and 31 December 2018 no such borrowings existed.

A detailed analysis of the Fund's assets are not shown as they are considered liquid based on the fact that they could be converted to cash in less than one month at close to their carrying value.

Deferred Redemptions

Subject to any statement to the contrary in respect of a particular Fund in its relevant Supplement, the Directors may defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10 per cent of a Fund's NAV. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors may pro-rate all such redemption requests to the stated level (i.e. 10 per cent of the Fund's NAV) and will defer the remainder until the next Dealing Day. The Directors will also ensure that all redemption requests relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

In accordance with the Company's policy, the Investment Manager monitors the Fund's liquidity on a daily basis, and the Board of Directors receives reports on it on a monthly basis being the monthly Administrator's report and the monthly Investment Manager's report.

4. Financial risks (continued)

(iii) Liquidity Risk (continued)

The tables below analyse the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date:

As at 31 December 2019	Less than 1 month	1-3 months	Less than 1 year	Greater than 1 year	Total
Liabilities	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities at FVTPL	(1,060,701)	(210,171)	-	(107,841)	(1,378,713)
Creditors	(154,334)	-	-	-	(154,334)
Net assets attributable to redeemable participating shareholders	(89,846,935)	-	-	-	(89,846,935)
Total contractual undiscounted cash flows	**(91,061,970)**	**(210,171)**	**-**	**(107,841)**	**(91,379,982)**

As at 31 December 2018	Less than 1 month	1-3 months	Less than 1 year	Greater than 1 year	Total
Liabilities	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities at FVTPL	-	-	(611,208)	(248,228)	(859,436)
Creditors	(206,831)	-	-	-	(206,831)
Net assets attributable to redeemable participating shareholders	(81,163,262)	-	-	-	(81,163,262)
Total contractual undiscounted cash flows	**(81,370,093)**	**-**	**(611,208)**	**(248,228)**	**(82,229,529)**

(iv) Accounting classifications and fair values

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels as defined under IFRS 7.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
31 December 2019	**Mandatorily at FVTPL - others**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial assets measured at fair value								
Equity Securities	56,629,855	-	-	56,629,855	56,629,855	-	-	56,629,855
Corporate Bonds	6,102,857	-	-	6,102,857	-	6,102,857	-	6,102,857
Exchange Traded Fund	7,290,594	-	-	7,290,594	7,290,594	-	-	7,290,594
Derivatives - Futures contracts	213,041	-	-	213,041	213,041	-	-	213,041
Derivatives - CFDs	1,276,377	-	-	1,276,377	-	1,276,377	-	1,276,377
Derivatives - Forward foreign currency exchange contracts	1,378,151	-	-	1,378,151	-	1,378,151	-	1,378,151
Derivatives - Total return swap	636,382	-	-	636,382	-	636,382	-	636,382
	73,527,257	**-**	**-**	**73,527,257**	**64,133,490**	**9,393,767**	**-**	**73,527,257**
Financial assets not measured at fair value								
Cash and cash equivalents	-	9,211,641	-	9,211,641	9,211,641	-	-	9,211,641
Amounts due from brokers	-	8,507,932	-	8,507,932	-	8,507,932	-	8,507,932
Dividends receivable	-	92,361	-	92,361	-	92,361	-	92,361
Other receivables	-	40,791	-	40,791	-	40,791	-	40,791
	-	**17,852,725**	**-**	**17,852,725**	**9,211,641**	**8,641,084**	**-**	**17,852,725**

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

	Carrying amount				Fair value			
31 December 2019	**Mandatorily at FVTPL - others**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities measured at fair value								
Derivatives - Futures contracts	(168,900)	-	-	(168,900)	(168,900)	-	-	(168,900)
Derivatives - CFDs	(125,729)	-	-	(125,729)	-	(125,729)	-	(125,729)
Derivatives - Forward foreign currency exchange contracts	(1,084,084)	-	-	(1,084,084)	-	(1,084,084)	-	(1,084,084)
	(1,378,713)	**-**	**-**	**(1,378,713)**	**(168,900)**	**(1,209,813)**	**-**	**(1,378,713)**
Financial liabilities not measured at fair value								
Investment management fees payable	-	-	(66,196)	(66,196)	-	(66,196)	-	(66,196)
Audit fees payable	-	-	(29,437)	(29,437)	-	(29,437)	-	(29,437)
Other payables and accrued expenses	-	-	(33,995)	(33,995)	-	(33,995)	-	(33,995)
Depositary fees payable	-	-	(16,533)	(16,533)	-	(16,533)	-	(16,533)
Administration fees payable	-	-	(8,173)	(8,173)	-	(8,173)	-	(8,173)
	-	**-**	**(154,334)**	**(154,334)**	**-**	**(154,334)**	**-**	**(154,334)**

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

	Carrying amount				Fair value			
31 December 2018	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets measured at fair value								
Equity Securities	20,378,482	-	-	20,378,482	20,378,482	-	-	20,378,482
Corporate Bonds	5,680,516	-	-	5,680,516	-	5,680,516	-	5,680,516
Treasury bills	24,920,670	-	-	24,920,670	24,920,670	-	-	24,920,670
Exchange Traded Fund	3,309,454	-	-	3,309,454	3,309,454	-	-	3,309,454
Fund Investment	1,882,533	-	-	1,882,533	1,882,533	-	-	1,882,533
Derivatives - Futures contracts	731,327	-	-	731,327	731,327	-	-	731,327
Derivatives - CFDs	114,760	-	-	114,760	-	114,760	-	114,760
Derivatives - Forward foreign currency exchange contracts	33,323	-	-	33,323	-	33,323	-	33,323
	57,051,065	**-**	**-**	**57,051,065**	**51,222,466**	**5,828,599**	**-**	**57,051,065**
Financial assets not measured at fair value								
Cash and cash equivalents	-	12,797,699	-	12,797,699	12,797,699	-	-	12,797,699
Amounts due from brokers	-	12,298,423	-	12,298,423	-	12,298,423	-	12,298,423
Dividends receivable	-	40,029	-	40,029	-	40,029	-	40,029
Other receivables	-	42,313	-	42,313	-	42,313	-	42,313
	-	**25,178,464**	**-**	**25,178,464**	**12,797,699**	**12,380,765**	**-**	**25,178,464**

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

	Carrying amount				Fair value			
31 December 2018	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial liabilities measured at fair value								
Derivatives - Futures contracts	(92,300)	-	-	(92,300)	(92,300)	-	-	(92,300)
Derivatives - CFDs	(248,228)	-	-	(248,228)	-	(248,228)	-	(248,228)
Derivatives - Forward foreign currency exchange contracts	(518,908)	-	-	(518,908)	-	(518,908)	-	(518,908)
	(859,436)	**-**	**-**	**(859,436)**	**(92,300)**	**(767,136)**	**-**	**(859,436)**
Financial liabilities not measured at fair value								
Investment management fees payable	-	-	(61,395)	(61,395)	-	(61,395)	-	(61,395)
Audit fees payable	-	-	(38,883)	(38,883)	-	(38,883)	-	(38,883)
Other payables and accrued expenses	-	-	(38,062)	(38,062)	-	(38,062)	-	(38,062)
Amounts due to brokers	-	-	(35,988)	(35,988)	-	(35,988)	-	(35,988)
Depositary fees payable	-	-	(12,748)	(12,748)	-	(12,748)	-	(12,748)
Administration fees payable	-	-	(7,556)	(7,556)	-	(7,556)	-	(7,556)
Redemptions payable	-	-	(12,199)	(12,199)	-	(12,199)	-	(12,199)
	-	**-**	**(206,831)**	**(206,831)**	**-**	**(206,831)**	**-**	**(206,831)**

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)
Investments, whose values are based on quoted market prices in active markets, and are classified within level 1. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. The Fund held no level 3 investments during the year ended 31 December 2019 or during the year ended 31 December 2018.

There were no prices required to be provided during the year by the Directors in consultation with the Investment Manager or other person or equivalent in respect of stale prices, hard to value assets, or derivative instruments.

Transfers between levels are deemed to have occurred when the pricing source for a particular security has changed which triggers a change in level. There were no significant transfers between level 1 and level 2 financial assets or financial liabilities at fair value through profit or loss during the year ended 31 December 2019 or during the year ended 31 December 2018.

(v) Offsetting
Disclosures are required on the presentation of gross and net information about transactions that are (i) offset in the financial statements or (ii) subject to an enforceable master netting arrangement or similar agreement, regardless of whether the transactions are actually offset in the Statement of Financial Position.

For financial reporting purposes, the Company does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the statement of assets and liabilities – the gross derivative assets are presented as financial assets at fair value through profit or loss: held for trading and the gross derivative liabilities are presented as financial liabilities at fair value through profit or loss: held for trading.

Below are the disclosures per counterparty as at 31 December 2019 and 31 December 2019 detailing the impact of master netting agreement (MNA) and similar agreements:

Derivative Assets 31 December 2019				**Related amounts not offset in Statement of Financial Position**		
Counterparty	**Derivative assets subject to a MNA by counterparty**	**Amount offset in Statement of Financial Position**	**Net amount presented in Statement of Financial Position**	**Financial instruments**	**Cash collateral received**	**Net amount of derivative exposure**
Goldman Sachs	849,423	-	849,423	(572,483)	-	276,940
HSBC	1,848,297	-	1,848,297	-	-	1,848,297
	2,697,720	**-**	**2,697,720**	**(572,483)**	**-**	**2,125,237**

4. Financial risks (continued)

(v) Offsetting (continued)

Derivative Liabilities 31 December 2019

Counterparty	Derivative liabilities subject to a MNA by counterparty	Amount offset in Statement of Financial Position	Net amount presented in Statement of Financial Position	Related amounts not offset in Statement of Financial Position: Financial instruments	Cash collateral pledged	Net amount of derivative exposure
Goldman Sachs	(572,483)	-	(572,483)	572,483	-	-
	(572,483)	**-**	**(572,483)**	**572,483**	**-**	**-**

Derivative Assets 31 December 2018

Counterparty	Derivative assets subject to a MNA by counterparty	Amount offset in Statement of Financial Position	Net amount presented in Statement of Financial Position	Related amounts not offset in Statement of Financial Position: Financial instruments	Cash collateral received	Net amount of derivative exposure
Goldman Sachs	731,327	-	731,327	(568,362)	-	162,965
HSBC	25,852	-	25,852	(25,852)	-	-
	757,179	**-**	**757,179**	**(594,214)**	**-**	**162,965**

Derivative Liabilities 31 December 2018

Counterparty	Derivative liabilities subject to a MNA by counterparty	Amount offset in Statement of Financial Position	Net amount presented in Statement of Financial Position	Related amounts not offset in Statement of Financial Position: Financial instruments	Cash collateral pledged	Net amount of derivative exposure
Goldman Sachs	(568,362)	-	(568,362)	568,362	-	-
HSBC	(180,493)	-	(180,493)	25,852	154,641	-
	(748,855)	**-**	**(748,855)**	**594,214**	**154,641**	**-**

5. Cash and cash equivalents and amounts due from and to brokers

Substantially all of the cash, bank overdrafts and deposits, including overnight deposits are held with SMT Trustees (Ireland) Limited and The Northern Trust Company. Amounts from and due to brokers includes margin cash and cash collateral held in relation to the Fund's derivative contracts. Futures cash is held by the futures exchanges in respect of margin requirements and by Goldman Sachs within client money protection. Cash collateral is held with HSBC and Goldman Sachs and is subject to the counterparty risk of those entities. See Note 4, Credit and Counterparty Risk for further details.

Cash and cash equivalents	**31 December 2019**	**31 December 2018**
	USD	**USD**
SuMi Trust	9,208,105	12,797,699
The Northern Trust Company	3,536	-
	9,211,641	**12,797,699**

Amounts due from brokers		
Cash collateral		
Broker	**USD**	**USD**
Goldman Sachs	4,507,932	4,538,268
HSBC	4,000,000	7,760,155
	8,507,932	**12,298,423**

	USD	**USD**
Total amount due from brokers	**8,507,932**	**12,298,423**

6. Fees & expenses

Investment Management Fee
The Investment Manager receives from the Company an annual investment management fee which is payable monthly in arrears and is accrued and calculated weekly as at each Valuation Point. The amount of such investment management fee is 1.25 per cent of the NAV of the relevant Class of Shares (before deduction of that week's investment management fees and before deduction for any accrued performance fees). There is no investment management fee in respect of the Management Shares.

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all the investment management fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash. There was no such transaction during the year 31 December 2019 and all the management fees were retained by the Investment Manager.

The Investment Management fee for the year ended 31 December 2019 amounted to USD 680,708 (31 December 2018: USD 761,981). The fee outstanding at the year end was USD 66,196 (31 December 2018: USD 61,395).

6. Fees & expenses (continued)

Performance Fee
Up until 30 November 2020, the performance fee will be calculated and accrued weekly and payable quarterly in arrears in respect of each period of three months ending on the Valuation Point nearest to 31 March, 30 June, 30 September and 31 December in each year (each a “Calculation Period”) and is payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. From 1 December 2020, the performance fee will be calculated and accrued weekly and payable annually in arrears. The initial calculation period will be the period beginning on 1 December 2020 and ending 31 December 2021 (the "Calculation Period"). Thereafter, each Calculation Period shall be the period beginning on 1 January and ending on 31 December in each year (each a “Calculation Period”) and is payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. In the case of Shares redeemed during a Calculation Period, the accrued performance fee in respect of those Shares will be payable within 14 calendar days after the date of redemption and the performance fee payable on such Shares will be calculated as though the date of redemption was the end of the relevant Calculation Period for such Shares. Crystallised performance fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, Shares will be treated as redeemed on a first-in, first-out (“FIFO”) basis.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the performance fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The share performance in respect of a Calculation Period is the arithmetic difference between the NAV per Share of the relevant Class on the last Business Day of the previous Calculation Period and on the last Business Day of the current Calculation Period, expressed as a percentage (the “Share Performance”). In calculating the NAV per Share for performance fee purposes no deduction is made on account of performance fees accrued in the Calculation Period and any dividends or income distributed to Shareholders during the Calculation Period are added back. All other payments and expenses are deducted.

For each Calculation Period, the performance fee will be 15 per cent of the Share Performance in any Calculation Period, subject to a high watermark (“HWM”). The HWM is the highest NAV per Share on which a performance fee was paid from the date of issue of any particular Class in respect of the Fund. A performance fee is calculated and paid only on positive performance from one HWM to the next HWM and no performance fee is payable on any positive performance below the current HWM. It should be noted that there is no repayment of any performance fee already paid if the NAV per Share subsequently falls back below the HWM. The performance fee accrues and is taken into account in the calculation of the NAV per Share on a weekly basis and crystallises on a quarterly basis. The differences in the NAV per Share for each Class available to a Fund may result in differences in the performance fee calculation for each Class.

The amount of the performance fee will be calculated by the Administrator and verified by the Depositary. As the performance fee depends on the performance of the NAV per Share of the Class in question, it is not possible to predict the amount of performance fee that will be payable and there is in effect, no maximum performance fee as it is impossible to quantify any performance in advance.

The amount of performance fee payable in respect of each Share is a U.S. Dollar amount equivalent to the NAV per Share on the last Business Day of the relevant Calculation Period x Share Performance x 15 per cent and is payable on the number of Shares in issue during the Calculation Period. Investors may request additional information on the way in which the performance fee calculation works from the Company.

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all of the performance fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash. There is no performance fee in respect of the Management Shares. There was no such transaction during the year 31 December 2019 and 2018 and all the management fees were retained by the Investment Manager.

The Performance fee for the year ended 31 December 2019 amounted to USD Nil (31 December 2018: USD 271,468). The fee outstanding at the year end was USD Nil (31 December 2018: USD Nil).

Administration Fee
Apex Fund Services (Ireland) Limited (the “Administrator”) was appointed as the administrator, registrar and transfer agent of the Company. The Administrator is entitled to receive from the Company an annual administration fee of 10 basis points per annum of the Company’s NAV when aggregate fund value is up to EUR 100 million, 8 basis points per annum of the Company’s NAV when aggregate fund value is between EUR 100 million to 200 million, 4 basis points per annum of the Fund’s NAV when aggregate fund value is greater than EUR 200 million, subject to minimum fees of EUR 4,400 per month (EUR 52,800 per annum). These fees are payable monthly in arrears.

The out-of-pocket expenses of the Administrator will be borne by the Company.

6. Fees & expenses (continued)

Administration Fee (continued)
The Administrator will provide draft financial statements for the Company. An all-inclusive fee of EUR 5,000 will be charged for the preparation of draft financial statements.

The Administrator will provide manager and client reporting via a secure web portal for a recurring monthly charge of EUR 250.

The Administration fee for the year ended 31 December 2019 amounted to USD 83,541 (31 December 2018: USD 93,161). The fee outstanding at the year end was USD 8,173 (31 December 2018: USD 7,556).

Depositary Fee
The Depositary will be entitled to receive out of the assets of the Fund, a maximum fee of 0.03% per annum subject to a minimum monthly fee of USD 3,250 per month (plus VAT if any) of the Net Asset Value of the Company, calculated as at each Valuation Point and payable monthly in arrears.

The Depositary shall also be entitled to be reimbursed out of the assets of the Company for all reasonable properly vouched Out-of-pocket expenses incurred for the benefit of the Company. The Company shall bear the cost of all relevant sub-custodian transaction fees and charges incurred by the Depositary, or any sub-custodian (which will be charged at normal commercial rates).

The Depositary shall perform Due Diligence reviews on underlying non depositary funds, where applicable, at the rate of USD 2,000 per fund.

The Depositary will be entitled to additional fees to be agreed between the parties in circumstances including, but not limited to: required additional work; amendments to the Prospectus or the Articles; change of other service providers to the Company; changes to the infrastructure of other service providers to the Company which necessitate changes to the infrastructure of the Depositary; change to the structure of the Company which necessitate changes to documents or the operations of the Depositary or termination of the Company up to a maximum of EUR 10,000 per annum (plus VAT if any).

The Depositary fee for the year ended 31 December 2019 amounted to USD 77,097 (31 December 2018: USD 91,478). The fee outstanding at the year end was USD 16,533 (31 December 2018: USD 12,748).

Establishment Costs
The costs of establishing the Company and the Fund will be borne out of the assets of the Company and amortised over a five year period commencing from the date of the launch of the Company. However, for the purpose of these financial statements establishment costs have been expensed to the Company in their entirety in line with International Financial Reporting Standards. As of 31 December 2019, the establishments costs have now been fully amortised and there is no difference in the NAV per the financial statements and the NAV as calculated in accordance with the Prospectus (dealing NAV).

Auditors' Remuneration
The remuneration (including expenses), for all work carried out by the statutory audit firm in respect of the financial year is as follows:

	2019	**2018**
	USD	**USD**
Statutory audit of company financial services	33,262	42,513
Tax advisory services	11,470	10,068
Total	44,732	52,581

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

6. Fees & expenses (continued)

Transaction Costs
Transaction costs paid by the Company during the year ended 31 December 2019 amounted to USD 323,272 (31 December 2018: USD 449,165).

Directors' Fees
Refer to Note 8, Related party disclosures, for details of the Directors' fees for the year ended 31 December 2019.

7. Share capital

On establishment and registration of JK Funds Plc in Ireland on 30 August 2013, the authorised share capital of the Company became 2 Subscriber Shares of €1 par value per Share and 1,000,000,000,000 Shares of no par value initially designated as unclassified shares. The Subscriber Shares do not form part of the net assets of the Fund or the Company and are disclosed by way of this note only. The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

The unclassified Shares issued are Redeemable Participating Share capital of the Company and at all times equal the NAV of that Company. Redeemable Participating Shares are redeemable at the Shareholders option and are classified as financial liabilities. Share capital transactions, excluding the in-specie transfer of shareholdings arising from the re-organisation and re-domiciliation of the Company, for the year ended 31 December 2019 are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

The Fund has the following Redeemable Participating Shares in issue at 31 December 2019:

	Number of shares outstanding 31 December 2018	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2019	Net asset value per share 31 December 2019
USD Institutional shares	116,446.74	8,405.48	(6,249.49)	118,602.73	USD280.65
€ Institutional shares	400.00	-	-	400.00	€103.90
£ Institutional shares	95,746.95	2,813.33	(15,366.47)	83,193.81	£211.79
YEN Institutional shares	4,019.58	-	-	4,019.58	￥24,549.11
YEN Management Shares	85,414.95	1,230.56	(179.74)	86,465.77	￥40,510.50

The Fund has the following Redeemable Participating Shares in issue at 31 December 2018:

	Number of shares outstanding 31 December 2017	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2018	Net asset value per share 31 December 2018*
USD Institutional shares	116,104.15	4,637.59	(4,295.00)	116,446.74	USD250.09
€ Institutional shares	400.00	-	-	400.00	€95.26
£ Institutional shares	88,943.56	10,527.20	(3,723.81)	95,746.95	£192.19
YEN Institutional shares	4,019.58	-	-	4,019.58	￥22,448.86
YEN Management Shares	84,714.95	700.00	-	85,414.95	￥35,572.11

7. Share capital (continued)

The Fund has the following Redeemable Participating Shares in issue at 31 December 2017:

	Number of shares outstanding 31 December 2016	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2017	Net asset value per share 31 December 2017*
USD Institutional shares	117,105.03	250.00	(1,250.88)	116,104.15	USD274.87
€ Institutional shares	-	400.00	-	400.00	€107.77
£ Institutional shares	72,284.97	23,934.13	(7,275.54)	88,943.56	£215.57
YEN Institutional shares	2,499.95	1,519.63	-	4,019.58	￥25,265.02
YEN Management Shares	83,013.99	1,790.95	(90.00)	84,714.95	￥42,020.57

*NAV before establishment costs write off.

The Fund did not charge any subscription, redemption or exchange fees during the year ended 31 December 2019 or during the year ended 31 December 2018.

Except USD share class, all the share classes in the Fund are hedged.

8. Related party disclosures

In the opinion of the Directors, the Investment Manager, Promoter, Distributor and the Directors are related parties under IAS 24 “Related Party Transactions”.

The Directors, or where applicable the service provider of the Director, are entitled to an annual fee for their services in the instance of Simon Ogus, Fiona Ross and Gerry Brady for the Company and its Fund – JK Global Opportunities Fund. Francis Kirkpatrick and Simon Jones do not receive an annual fee for their service as Directors. There were no Directors’ fees waived during the year ended 31 December 2019.

Directors’ fees for the year ended 31 December 2019 amounted to USD 58,693 (31 December 2018: USD 53,113). The fee outstanding at the year end was USD Nil (31 December 2018: USD Nil).

As at 31 December 2019, the following related parties had an interest in the Fund, Mr Simon Jones and family held 52,797.42 Yen Management Shares, (31 December 2018: 53,521.17). Mr Francis Kirkpatrick and family held 32,377.08 Yen Management Shares, (31 December 2018: 31,146.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2018: 1,148.33). None of the other Directors or their family members held shares in the Company at any time during the reporting year.

Fees paid and payable to the Investment Manager, the Administrator and the Depositary are disclosed in Note 6 and are shown on the Statement of Financial Position and the Statement of Other Comprehensive Income respectively.

9. Directed Brokerage / Soft Commissions and Research Costs

As described in the prospectus, the Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager. The services which can be paid for under such arrangements are those permitted under the rules of the Financial Conduct Authority, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Investment Manager. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Company. The Investment Manager opened a Research Payment Account in line with MIFID II regulations.

9. Directed Brokerage / Soft Commissions and Research Costs (continued)

Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker and the broker agrees to provide best execution on with respect to such transaction.

Subject to applicable laws and regulations, authorised delegates of the Investment Manager may enter into similar arrangements with brokers. Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or FDI for a Fund, the rebated commission shall be paid to the relevant Fund. The Investment Manager or its delegates may be paid/reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

From 3 January 2018, the use of directed brokerage and soft commissions was replaced by new rules under MIFID II.

Under this, the provision of investment research to the Investment Manager is separately invoiced by research providers and brokers, as opposed to being bundled into commission costs or by use of soft commissions. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Company, and is funded by a Research Payment Account (RPA) in the name of the Investment Manager in line with MIFID II regulations opened at 3 January 2018. This was funded initially by research charges levied by a broker in addition to execution services, and from 29 October 2018 by a research charge direct to the Company.

In the twelve months to 31 December 2019, the research charge expensed directly to the Company was USD 360,000. In the twelve months to 31 December 2018, the research charges levied by a broker in addition to execution services of USD 137,292 and latterly by a research charge direct to the fund of USD 65,802.

10. Exchange rates

The financial statements are prepared in U.S. Dollar (USD). The following exchange rates at 31 December 2019 and 31 December 2018 have been used to translate assets and liabilities in other currencies to USD:

	Exchange Rates to USD 2019	Exchange Rates to USD 2018
Australian dollar	1.43	1.42
Brazilian real	4.02	3.88
Chinese renminbi	6.96	6.88
Danish krona	6.66	6.51
European Union euro	0.89	0.87
Great Britain pound	0.75	0.78
Hong Kong dollar	7.79	7.83
Indian rupee	71.23	69.57
Indonesian rupiah	13,846.00	14,417.00
Japanese yen	108.61	109.70
Mexican peso	18.93	19.65
Malaysian ringgit	4.09	4.13
Philippine peso	50.66	52.39
Singapore dollar	1.35	1.36
South Korean won	1,155.99	1,114.30
Swedish krona	9.37	8.85
Swiss franc	0.97	0.98
Thai baht	29.74	32.32
Taiwan dollar	29.91	30.59
Turkish lira	5.94	5.29

11. Commitments and contingencies

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would include future claims that may be made against the Company that have not yet occurred. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Accordingly, the Company has not accrued any liability in connection with such indemnifications.

12. Dividends

The income and capital gains of the Fund will normally be reinvested and the Company will not ordinarily make distributions in respect of any Class. However, this is at the Directors' discretion.

There were no dividends declared during the years ended 31 December 2019 or 31 December 2018.

13. Significant events during the year

There were no material significant events occurring during the reporting year ended 31 December 2019.

14. Significant events after the year end

Subsequent to the reporting date and up to the date of these financial statements, the Company received subscription request of 3,074 shares amounting to US$860,963 and redemption request of 1,010 shares amounting to US$286,052.

The new sub-fund "JK Japan Fund" was launched on 4 March 2020. The base currency of the Fund will be Japanese Yen "JPY" and it will have 8 shares classes split between institutional and ordinary share investors. The Fund will seek to achieve its investment objective by investing in a portfolio of Japanese equities that the Investment Manager believes to be undervalued given their long term growth and business prospects. The new sub-fund has been approved by the Central Bank as at 30 December 2019.

Conell Cashell of KB Associates was appointed as designated person on 17 February 2020.

Force Majeure Events

Each of the Administrator, Depository, Investment Manager and other service providers to the Company and their delegates may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labour strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations to the Company until they are able to remedy the force majeure event. While it is expected that such service providers will implement contingency plans for addressing force majeure events it is possible that such force majeure events exceed the assumptions of such plans.

Certain force majeure events (such as war or an outbreak of an infectious disease) may also have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest specifically. Since late 2019, several countries have experienced outbreaks of a novel coronavirus (nCoV) which is from a family of viruses that cause illnesses ranging from the common cold to more severe diseases. Any spread of an infectious illness or similar public health threat could reduce consumer demand or economic output, impact on the market value of investments, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the world economy and disrupt markets. The nature and extent of the impact of such events is difficult to predict but they may adversely affect the return on the Fund and its investments. Market disruptions or closures may result in the Investment Manager being unable to accurately value the assets of the Fund, or in the event of high levels of redemption, the Company may use certain liquidity management tools permitted by the Central Bank, including deferred redemptions, the implementation of fair value pricing or temporarily suspension of the Fund.

15. Date of approval of the financial statements

The financial statements were approved by the Directors on 22 April 2020.

JK Funds Plc

Schedule of Investments

JK Global Opportunities Fund
as at 31 December 2019

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 77.93% (31 December 2018: 69.21%)		
	Common Stock 63.02% (31 December 2018: 25.11%)		
	Australia Nil (31 December 2018: 0.37%)		
	China 17.58% (31 December 2018: 6.00%)		
	Communications		
150,000	Tencent Holdings Ltd	7,230,493	8.05
22,500	Alibaba Group Holding-Sp ADR	4,772,250	5.31
30,000	Baidu Inc-Spon ADR	3,792,000	4.22
		15,794,743	17.58
	Denmark 1.13% (31 December 2018: Nil)		
	Consumer, Non-cyclical		
4,000	Coloplast	496,023	0.55
	Non financial corporations		
9,000	Novo-Nordisk A/S-B	522,171	0.58
		1,018,194	1.13
	France 0.66% (31 December 2018: Nil)		
	Non financial corporations		
2,000	L'Oreal	592,099	0.66
	Great Britain 13.07% (31 December 2018: 3.19%)		
	Consumer, Cyclical		
150,000	Howden Joinery Group Plc	1,337,297	1.49
8,500	Intercontinental Hotels Group Plc GBP	586,772	0.65
35,000	Persimmon Plc	1,250,278	1.39
	Consumer, Non-cyclical		
25,207	Cranswick Plc	1,132,663	1.26
11,500	Diageo Plc	487,860	0.54
8,000	Intertek Group Plc	620,546	0.69
6,000	Reckitt Benckiser Group Plc	487,439	0.54
9,850	Unilever Plc	568,009	0.63
	Financials		
30,000	Arbuthnot Banking Group Plc	536,827	0.60
300	Arbuthnot Banking-Non Voting	4,414	-
497,977	Empiric Student Property Plc	643,567	0.72
7,322	Foxtons Group Plc	8,541	0.01
	Industrial		
66,895	Marshalls Plc	762,556	0.85
	Information Technology		
150,000	Rightmove Plc CMN	1,259,755	1.40
	Real Estate		
12,000	Berkeley Group Holdings	772,873	0.86
	Technology		
53,000	Sage Group Plc	526,184	0.59

JK Global Opportunities Fund
as at 31 December 2019

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 77.93% (31 December 2018: 69.21%)		
	Common Stock 63.02% (31 December 2018: 25.11%)		
	Great Britain 13.07% (31 December 2018: 3.19%)		
	Utilities		
40,000	SSE Plc	762,693	0.85
		11,748,274	13.07
	Ireland 2.23% (31 December 2018: 1.65%)		
	Services		
9,500	Accenture Plc-Cl A	2,000,415	2.23
	Korea, Republic 3.32% (31 December 2018: Nil)		
	Technology		
2,501	Samsung Electr-GDR	2,983,693	3.32
	Philippines Nil (31 December 2018: 1.12%)		
	Singapore Nil (31 December 2018: 1.22%)		
	Spain 0.59% (31 December 2018: Nil)		
	Technology		
6,500	Amadeus It Group SA	530,646	0.59
	Sweden 1.25% (31 December 2018: 0.95%)		
	Funds		
3,305	Bitcoin Tracker One - SEK	111,216	0.12
	Non financial corporations		
50,000	Hennes & Mauritz Ab-B Shs	1,016,880	1.13
		1,128,096	1.25
	Thailand Nil (31 December 2018: 1.29%)		
	Taiwan 1.29% (31 December 2018: Nil)		
	Technology		
20,000	Taiwan Semi ADR	1,162,000	1.29
	United States 21.90% (31 December 2018: 9.32%)		
	Communications		
1,000	Amazon.Com Inc	1,847,840	2.06
40,000	Cisco Systems	1,918,400	2.14
10,000	Facebook Inc-A (US)	2,052,500	2.28
	Consumer, Non-cyclical		
3,200	Automatic Data Processing Inc	545,600	0.61
2,500	Idexx Laboratories Inc	652,825	0.73
3,000	Johnson & Johnson	437,610	0.49
10,000	Paypal Holdings Inc	1,081,700	1.20
4,500	PepsiCo Inc	615,015	0.68
5,000	Philip Morris International	425,450	0.47
2,000	Stryker Corp (US)	419,880	0.47

JK Funds Plc
Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2019

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 77.93% (31 December 2018: 69.21%)		
	Common Stock 63.02% (31 December 2018: 25.11%)		
	United States 21.90% (31 December 2018: 9.32%)		
	Financial		
10,000	Berkshire Hathaway Inc	2,265,000	2.52
20,000	Jpmorgan Chase & Co	2,788,000	3.10
2,000	Visa Inc-Class A Shares	375,800	0.42
	Industrial		
2,000	3M CO	352,840	0.39
2,500	Waters Corp	584,125	0.65
	Investment Funds (Ifs)		
3,000	Mccormick & Co-Non Vtg Shrs	509,190	0.57
2,500	VeriSign Inc	481,700	0.54
	Non financial corporations		
2,000	Becton Dickinson & Co	543,940	0.61
3,000	Estee Lauder Companies-Cl A	619,620	0.69
	Technology		
2,000	Intuit Inc	523,860	0.58
4,000	Microsoft Corp	630,800	0.70
		19,671,695	21.90
	Total Common Stock	56,629,855	63.02
	Exchange Traded Funds 8.11% (31 December 2018: 4.08%)		
	Guernsey 1.71% (31 December 2018: 1.81%)		
	Funds		
345,494	Vinacapital Vietnam Opportun (USD)	1,539,194	1.71
	Ireland Nil (31 December 2018: 2.27%)		
	Jersey 6.40% (31 December 2018: Nil)		
	Funds		
20,000	Wisdom Tree Physical Gold	2,897,200	3.22
	Other MFIs/Money market funds		
20,000	Gold Bullion Securitites Ltd	2,854,200	3.18
		5,751,400	6.40
	Total Exchange Traded Funds	7,290,594	8.11
	Bonds 6.80% (31 December 2018: 37.70%)		
	Corporate Bonds 6.80% (31 December 2018: 7.00%)		
	British Virgin 3.65% (31 December 2018: 3.95%)		
	Non financial corporations		
3,000,000	China Yangtze Power Internatlbv 0%, 9 Nov 2021	3,277,290	3.65
	Cayman Islands 1.49% (31 December 2018: 1.22%)		
	Non financial corporations		
1,000,000	Semiconductor Manufacturing 0% 7 July 2022	1,335,000	1.49

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2019

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 77.93% (31 December 2018: 69.21%)		
	Bonds 6.80% (31 December 2018: 37.70%)		
	Corporate Bonds 6.80% (31 December 2018: 7.00%)		
	Japan 1.66% (31 December 2018: 1.83%)		
	Non financial corporations		
150,000,000	Toray Industries Cv 0% 31 Aug 2021	1,490,567	1.66
	Government Bonds Nil (31 December 2018: 30.70%)		
	United States Nil (31 December 2018: 30.70%)		
	Total Bonds	6,102,857	6.80
	Total Transferable Securities	70,023,306	77.93
	Total Investments excluding Financial Derivative Instruments	70,023,306	77.93

Financial Derivative Instruments 2.37% (31 December 2018: 0.02%)
Contracts for Difference (a) 1.28% (31 December 2018: 0.27%)

Notional Amount		Unrealised Gain/(Loss) USD	Fund %
	China 0.51% (31 December 2018: 0.11%)		
500,000	East Money Information Co-A USD	36,732	0.04
250,000	Hangzhou Hikvision Digital-A USD	14,790	0.02
250,000	Luxshare Precision Industr-A USD	147,986	0.16
200,000	Zhongji Innolight Co Ltd-A USD	261,234	0.29
		460,742	0.51
	Great Britain Nil (31 December 2018: (0.20)%)		
	Italy Nil (31 December 2018: (0.07)%)		
	Japan 0.53% (31 December 2018: Nil)		
12,000	Aisin Seiki - USD	49,138	0.05
36,000	Amada Holdings Co Ltd - USD	21,759	0.02
22,000	Brother Industries Ltd Cmn - USD	52,931	0.06
15,000	Honda Motor Co Ltd - USD	26,416	0.03
33,000	J Front Retailing Co Ltd - USD	53,527	0.06
31,000	JFE Holdings - USD	21,469	0.02
33,000	Jtekt Corp - USD	4,362	-
70,000	Kobe Steel Ltd - USD	9,264	0.01
23,000	Lixil Group Corporation - USD	(12,816)	(0.01)
11,000	Mabuchi Motor Co Ltd -USD	13,026	0.01
43,000	Mazda Motor Corp - USD	(17,889)	(0.02)

JK Funds Plc
Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2019

Financial Derivative Instruments 2.37% (31 December 2018: 0.02%)
Contracts for Difference (a) 1.28% (31 December 2018: 0.27%)

Notional Amount		Unrealised Gain/(Loss) USD	Fund %
	Japan 0.53% (31 December 2018: Nil)		
53,000	Mitsubishi Chemical Hldg - USD	(3,188)	-
31,000	Mitsubishi Gas Chem - USD	47,017	0.05
28,000	Nippon Steel Corp - USD	33,045	0.04
60,000	Nissan Motor Co Ltd - USD	(25,595)	(0.03)
26,000	Nok Corporation - USD	(9,038)	(0.01)
44,000	Nsk Ltd - USD	26,023	0.03
28,000	Seiko Epson - USD	42,223	0.05
14,000	Subaru Corp (Jp) - USD	(45,267)	(0.05)
85,000	Sumitomo Chemical Co Ltd - USD	(8,955)	(0.01)
31,000	Sumitomo Electric Industries - USD	66,356	0.07
33,000	Sumitomo Rubber Industries Limited - USD	(2,981)	-
29,000	Tosoh Corporation - USD	53,608	0.06
28,000	Toyota Boshoku - USD	57,913	0.07
22,000	Yamaha Motor Co Ltd - USD	23,515	0.03
		475,863	0.53
	Taiwan 0.24% (31 December 2018: Nil)		
10,000	Largan Precision Co Ltd	214,043	0.24
	Unrealised gain on contracts for difference	1,276,377	1.41
	Unrealised loss on contracts for difference	(125,729)	(0.13)
	Net unrealised gain on contracts for difference	1,150,648	1.28

Open Forward Foreign Currency Exchange Contracts (b) 0.33% (31 December 2018: (0.61)%)

Maturity Date	Currency Bought	Amount Bought	Currency Sold	Amount Sold	Unrealised Gain/(Loss) USD	Fund %
10/01/2020	GBP	2,594,226	USD	3,500,000	(60,640)	(0.07)
10/01/2020	JPY	500,000,000	KRW	5,582,200,000	(227,294)	(0.25)
10/01/2020	USD	3,476,675	GBP	2,594,226	37,315	0.04
10/01/2020	USD	4,000,000	KRW	4,783,000,000	(138,331)	(0.15)
10/01/2020	GBP	12,609,537	USD	16,924,561	(207,152)	(0.23)
10/01/2020	GBP	5,000,000	USD	6,175,002	453,873	0.50
10/01/2020	USD	5,000,000	GBP	3,801,473	(39,898)	(0.05)
10/01/2020	USD	6,475,000	GBP	5,000,000	(153,875)	(0.17)
10/01/2020	USD	6,444,000	GBP	5,000,000	(184,875)	(0.21)
10/01/2020	USD	2,500,000	GBP	1,902,095	(21,750)	(0.02)
10/01/2020	USD	2,500,000	GBP	1,905,970	(26,887)	(0.03)
12/02/2020	JPY	1,084,710,000	USD	10,000,000	6,905	0.01
12/02/2020	USD	5,000,000	HKD	39,143,000	(21,538)	(0.02)
05/03/2020	EUR	39,800	USD	44,380	424	-
05/03/2020	GBP	17,150,000	USD	22,358,114	413,148	0.46

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2019

Financial Derivative Instruments 2.37% (31 December 2018: 0.02%)
Open Forward Foreign Currency Exchange Contracts (b) 0.33% (31 December 2018: (0.61)%)

Maturity Date	Currency Bought	Amount Bought	Currency Sold	Amount Sold	Unrealised Gain/(Loss) USD	Fund %
05/03/2020	GBP	19,300,000	USD	25,159,482	466,486	0.52
05/03/2020	JPY	94,500,000	USD	874,701	(1,844)	-
		Unrealised gain on open forward foreign currency exchange contracts			1,378,151	1.53
		Unrealised loss on open forward foreign currency exchange contracts			(1,084,084)	(1.20)
		Net unrealised gain on open forward foreign currency exchange contracts			294,067	0.33

Open Future Contracts (c) 0.05% (31 December 2018: 0.79%)

Notional Amount	Average Cost Price		Unrealised Gain/(Loss) USD	Fund %
14,408,700	97.18	Dollar index long futures Contracts Expiring March 2020	(168,900)	(0.19)
(7,987,732)	144.04	Euro-BTP short futures Contracts Expiring March 2020	88,680	0.10
(4,779,687)	172.16	Euro-Bund short futures Contracts Expiring March 2020	46,819	0.05
(8,707,210)	132.55	Long GILT short futures Contracts Expiring March 2020	77,542	0.09
	Unrealised gain on open futures contracts		213,041	0.24
	Unrealised loss on open futures contracts		(168,900)	(0.19)
	Net unrealised gain on open futures contracts		44,141	0.05

Total Return Swap (d) 0.71% (31 December 2018: Nil)

Notional Amount	Underlying Security	CCY	Termination Date	Unrealised Gain/(Loss) USD	Fund %
13,099,922	GSCBJKJP Index	JPY	31/12/2050	636,382	0.71
	Unrealised gain on open total return swap			636,382	0.71
	Net unrealised gain on Total Return Swaps			636,382	0.71
	Total Financial Derivative Instruments			2,125,238	2.37

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2019

	Fair Value USD	Fund %
Total Investments	72,148,544	80.30
Other Net Assets	17,698,391	19.70
Net Assets	89,846,935	100.00

Analysis of Total Assets	**Fund %**
Transferable securities admitted to an official stock exchange listing	77.93
Exchange traded financial derivative instruments	0.05
Over-the-counter derivative instruments	2.32
Other assets	19.70
	100.00

(a) The counterparty for the contracts for difference is HSBC.
(b) The counterparties for the open forward foreign currency exchange contracts are Goldman Sachs and HSBC.
(c) The counterparty for the open futures contracts is Goldman Sachs.
(d) The counterparty for the open total return swap is Goldman Sachs.

JK Funds Plc

Schedule of Significant Portfolio Changes (unaudited)

In accordance with the UCITS Regulations, a statement of largest changes in the composition of the Schedule of Investments during the reporting period is provided to ensure that shareholders can identify changes in the investments held by the fund. These are defined as the aggregate purchases and sales of an investment (including maturities but excluding repurchase agreements, overnight discount notes and time deposits, which are employed chiefly as a means of seeking to ensure efficient portfolio management) exceeding 1.00% of the total value of purchases and sales for the year. At a minimum the largest 20 purchases and sales are listed.

Purchases	**Cost**
Portfolio Securities	**USD**
Treasury Bill 5 Sep 2019 0%	24,864,236
Treasury Bill 15 Aug 2019 0%	22,848,425
Tencent Holdings Ltd	11,658,730
Treasury Bill 7 Nov 2019 0%	9,954,431
Alibaba Group Holding-Sp ADR	5,508,666
Gold Bullion Securities Ltd	5,196,378
Baidu Inc-Spon ADR	5,016,617
Facebook Inc-A (US)	3,651,196
Microsoft Corp	3,002,064
Treasury Bill 28 Feb 2019 0%	2,991,579
Wisdom Tree Physical Gold	2,792,213
Ping An Insurance Group Co - H	2,758,952
Jpmorgan Chase & Co	2,477,183
Berkshire Hathaway Inc-Class B1	2,215,104
Samsung Electr-GDR	2,131,548
Taiwan Semi ADR	2,007,864
Visa Inc-Class A Shares	1,838,570
Amazon.Com Inc	1,808,825

Schedule of Significant Portfolio Changes (unaudited) (continued)

Sales

Portfolio Securities	**Proceeds USD**
Treasury Bill 5 Sept 2019 0%	24,961,992
Treasury Bill 15 Aug 2019 0%	22,926,154
Treasury Bill 14 Feb 2019 0%	14,997,150
Treasury Bill 28 Feb 2019 0%	12,994,952
Treasury Bill 7 Nov 2019 0%	9,988,101
Tencent Holdings Ltd	5,779,667
Ping An Insurance Group Co - H	3,459,597
Baidu Inc-Spon ADR	3,116,268
Visa Inc-Class A Shares	3,108,224
Gold Bullion Securities Ltd	2,807,149
Alibaba Group Holding-Sp ADR	2,639,487
Microsoft Corp	2,617,774
Spotify Technology SA	2,067,239
Morgan Stanley China A Share Fund	2,031,640
Source Nasdaq Biotech UCITS	1,975,400
New Oriental Ed & Tech Grp Sponsored ADR	1,885,527
Facebook Inc-A (US)	1,771,233
Philip Morris International	1,765,963

Global exposure

Where deemed appropriate, and subject to the UCITS Regulations, the Company may employ leverage including, without limitation, entering into derivatives transactions. The leverage created through the use of FDIs will be measured using either the commitment approach or using a sophisticated risk measurement technique known as “value-at-risk” (VaR) depending on the risk profile of the strategies pursued by the Fund.

The commitment approach calculates leverage by measuring the market value of the underlying exposures of FDIs. VaR is a statistical methodology that predicts, using historical data, the likely maximum loss that a Company could suffer, calculated to a specific (e.g. 95 per cent) confidence level over a certain holding period. Using a 95 per cent confidence interval, there is, therefore, a 5 per cent statistical chance that the daily VaR limit may be exceeded over the holding period. In accordance with the requirements of the Central Bank, a Fund may use an “absolute” VaR model where the measurement of VaR is relative to the NAV of the Fund or the Fund may use a relative VaR model where the measurement of VaR is relative to a derivatives free comparable benchmark or equivalent portfolio. Where an “absolute” VaR model is used, the VaR of the Fund may not exceed either:

(i) 4.47 per cent of the NAV of the Fund, based on a 1 day holding period and a ‘one-tailed’ confidence interval of 99 per cent or
(ii) 20 per cent of the NAV of the Fund, based on a 20 day holding period and a ‘one-tailed’ confidence interval of 99 per cent.

Where a “relative” VaR model is used, the VaR may not exceed twice the VaR of the derivatives free benchmark or equivalent portfolio.

As the Fund may engage in FDIs to the extent that the commitment approach does not adequately capture the global exposure of the portfolio, the Investment Manager has advised the Directors that they consider the Value at Risk (“VaR”) methodology as an appropriate methodology to calculate the Company's global exposure and market risk, taking into account the investment objectives and policies of the Company and the complexity of the FDIs used. The Fund will be leveraged as a result of its use of FDIs and may therefore generate a notional exposure above 100 per cent of the NAV of the Fund when calculated using VaR methodology. VaR is the advanced risk measurement methodology used to assess the Fund’s market risk. This leverage effect entails greater risk for investors.

Investors should be aware that VaR is a way of measuring the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage; rather, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Fund overall may materially exceed the loss indicated by the use of VaR.

The level of leverage (calculated as a sum of the notional exposure of FDIs being utilised by the Fund) under normal circumstances is not expected to be more than 350 per cent of the NAV of the Fund. It is possible that leverage may exceed this range and the Fund may be subject to higher leverage levels from time to time. The Investment Manager expects that the leverage employed by the Fund will not exceed 500 per cent of the NAV of the Fund. However, it may exceed this target. The expected level of leverage range is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring leverage which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of leverage, this calculation may not provide an accurate measure of the Fund’s actual leverage position. There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of leverage in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund will use the absolute VaR model. In applying the VaR model, the following quantitative standards are used:

- the ‘one-tailed’ confidence level is 99%;
- the holding period is 20 days; and
- the historical observation period is longer than one year.

The VaR shall not exceed 20 per cent of the NAV of the Fund, based on the above quantitative standards. The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark.

Global exposure (continued)

The following table details the lowest, the highest and the average utilisation of the VaR limit calculated during the year ended 31 December 2019 and 31 December 2018 and the VaR limit of the Fund:

JK Global Opportunities Fund	**Lowest**	**VaR at year end**	**Highest**	**Average**	**VaR Limit**
31 December 2019	2.41	6.89	10.64	6.18	20%
31 December 2018	2.46	2.50	12.00	6.56	20%

The absolute leverage of the Company's financial derivative instruments based on notional amounts held at 31 December 2019, as a percent of the dealing NAV on that date, was 101% (2018: 60%). This represents the gross notional value without netting of contracts for difference, index futures, currency forwards including hedging non-base currency.

JK Funds Plc

Appendix 2 (Unaudited)

Remuneration Disclosure

In line with the requirements of regulation 89 (3A) of the UCITS Regulations, JK Funds PLC (the "Company") is required to establish, implement and maintain a remuneration policy (the "Remuneration Policy") which is in accordance with the requirements of the UCITS Regulations, and the European Securities and Markets Authority's "Guidelines on sound remuneration policies under the UCITS directive and under AIFMD" (the "ESMA Guidelines").

This Remuneration Policy sets out the remuneration policies for the Company and describes remuneration practices for the Company. It ensures that any relevant conflicts of interest can be managed appropriately at all times and sets out practices for certain Identified Staff, as defined below, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instrument of incorporation of the Company.

This Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the investors in the Company and includes measures to avoid conflicts of interest.

Identified Staff

The UCITS Regulations require the Company to identify the categories of staff, including senior management, risk takers, control functions and any employees receiving total remuneration that falls into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the Company and categories of staff of the entity to which investment management activities have been outsourced, whose professional activities have a material impact on the risk profiles of the Company.

The Company is controlled and managed by the Board, but does not currently have any staff. The Company has appointed KB Associates to discharge certain management functions on its behalf. In this regard, KB Associates has seconded two Designated Persons to the Company.

Accordingly for the purpose of the Remuneration policy the directors and the Designated Persons are the only "Identified Staff" of the Company.

As the Board has outsourced its investment management activities to the Investment Manager the Board has ensured that the Investment Manager is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the UCITS Regulations and the ESMA Guidelines.

Variable Remuneration

Francis Kirkpatrick and Simon Jones, as employees of JK Funds PLC, have waived their right to receive a Director's fee from the Company. The independent non-executive Directors receive fixed remuneration of EUR 15,000 to EUR 20,000 per annum in respect of their services. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of the Company. None of the Directors are currently in receipt of a pension from the Company.

The Company has determined that the fixed remuneration payable to the Directors who are not employees of JK Funds PLC is (a) consistent with sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instrument of incorporation of the Company and (b) in line with the business strategy, objectives, values and interests of the Company and its shareholders. The nature of the Directors' remuneration, being fixed and not including any variable component and being determined by the Board as a whole, ensures that the Company appropriately manages any conflicts of interest in respect of remuneration.

Investment Manager Remuneration

The total number of Identified Staff of the Investment Manager working directly on the Company's business as at 31 December 2019 was 4. The variable compensation paid by the Investment Manager to its Staff Members, including Identified Staff of the Investment Manager, is not guaranteed and relates to the entirety of the business of the parent company of the Investment Manager. The Directors Francis Kirkpatrick and Simon Jones of the Company are partners in the Investment Manager, and receive an equal profit share rather than remuneration. Other identified staff were paid fixed remuneration of GBP 136,250 in the calendar year to 2019, and variable remuneration of GBP 35,000 in relation to performance in 2018. (2018: Fixed remuneration GBP 125,000 and variable remuneration GBP 45,240). Variable remuneration in 2019 has been deferred for a period of two years and is contingent on the performance of the Company.

Remuneration Committee

The UCITS Regulations require self-managed investment companies that are significant in terms of their size, their internal organisation and the nature, scope and complexity of their activities to establish a remuneration committee. Having considered these criteria, the Company has determined that it is not significant in these respects and has not established a remuneration committee.

Disclosure
The Company shall comply with the disclosure requirements set out in the UCITS Regulations. The total amount of remuneration for the financial year paid by the Company to its staff, the aggregate amount of remuneration broken down by the relevant categories of employees (i.e. the Directors of the Company), a description of how the remuneration has been calculated and any material changes to this Remuneration Policy shall be disclosed in the Company's annual report. Refer to "Variable Remuneration" section of this Appendix for details.

Annual review
On an annual basis the Board will review the terms of this Remuneration Policy and assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration policies as set out in the UCITS Regulations. The Remuneration Policy will be updated by the Board as and when required.

Appendix 3 (Unaudited)

Securities Financing Transactions Regulation
Article 13 of Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No 648/2012, requires UCITS investment companies to provide the following information in their annual and semi-annual reports published after 13 January 2017 on the use made of SFTs.

For the year ended 31 December 2019, contracts for difference (CFDs) and swaps on JK Global Opportunities Fund are deemed to be in scope for this SFT regulation.

31 December 2019

Fund name	Notional value of assets engaged in securities financing transactions			Maturity tenor of CFDs USD	
	Notional value USD	% of Net Assets	Settlement/clearing for CFDs	3 months to 1 year	Greater than 1 year
JK Global Opportunities Fund	17,241,274	19.19%	Bi-lateral	1,671,961	15,569,313

Fund name	Notional value of assets engaged in securities financing transactions			Maturity tenor of Swaps USD	
	Notional value USD	% of Net Assets	Settlement/clearing for Swaps	3 months to 1 year	Greater than 1 year
JK Global Opportunities Fund	14,174,974	15.78%	Bi-lateral	14,174,974	-

Listed below is the counterparty used for the CFDs

Type	Quality	Currency	Maturity tenor of the collateral Open maturity
Cash			
Initial margin	N/A	USD	4,557,826
Variation margin	N/A	USD	(1,995,726)
Collateral excess	N/A	USD	1,097,244

Listed below is the counterparty used for the Forward Foreign Currency Exchange Contracts

Type	Quality	Currency	Maturity tenor of the collateral Open maturity
Cash			
Initial and Variation margin	N/A	USD	3,400,656

Listed below is the collateral issuer

Name	Value of collateral received	Value of collateral pledged USD
JK Global Opportunities Fund	N/A	7,060,000

Re-investment of collateral received

Returns on Cash Collateral re-invested	N/A

Safe-keeping of collateral received
Detailed in the table below are the number and names of the depositaries who are responsible for the safe-keeping of the collateral received in relation to each of the SFTs held on the fund

Number of Depositaries	N/A
Depositary	N/A
Cash Collateral	N/A

Securities Financing Transactions Regulation (continued)

Safe-keeping of collateral pledged
Included in the table below are details of the safe-keeping of the collateral pledged from the Fund to the relevant counterparties in relation to each of the CFDs and Swaps held on the Fund.

Total value of collateral pledged USD	4,000,000	3,060,000
Counterparty	HSBC Bank Plc	Goldman Sachs International

Returns and costs of the CFDs

Fund	Income received USD	Realised Losses/Gains USD	Change in Unrealised Gains/Losses USD
JK Global Opportunities Fund	298,078	1,438,416	1,284,116

Returns and costs of the Swaps

Fund	Income received USD	Realised Losses/Gains USD	Change in Unrealised Gains/Losses USD
JK Global Opportunities Fund	435,215	(1,650,393)	636,382