JK Funds Plc

(Investment Company with Variable Capital)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2018

Registered Number
532101

JK Funds Plc

Contents

JK Funds Plc

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. Frank Ennis* (Irish, Ireland resident) (resigned on 28 August 2018)
Mr.Gerry Brady* (Irish, Ireland resident) (appointed on 13 September 2018)

* *Independent non-executive.*

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

Registered Office (from 26 June 2018)
5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 P2V6
Ireland

Registered Office (until 25 June 2018)
2nd Floor, Block 5
Irish Life Centre
Dublin 1, D01 P767
Ireland

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

Company Secretary (from 26 June 2018)
Walkers Corporate Services (Ireland) Limited
The Exchange
George's Dock, IFSC
Dublin 1, D01 P2V6
Ireland

Company Secretary (until 25 June 2018)
Apex Fund Services (Ireland) Limited
2nd Floor, Block 5
Irish Life Centre
Dublin 1, D01 P767
Ireland
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Investment Manager and Distributor
JK Investment Management LLP
Bury House
3 Bury Street
Guildford
Surrey GU2 4AW
England

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

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

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

Prime broker
HSBC
8 Canada Square
London, E14 5HQ
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

JK Funds Plc

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 2015), (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 2018 the Company had one sub-fund (2017: 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 2018

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 2018.

At 31 December 2018 the Company had one sub-fund (2017: 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 Profit or Loss and Other 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 2018.

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. Frank Ennis* (Irish, Ireland resident) (resigned on 28 August 2018)
Mr. Gerry Brady (Irish, Ireland resident)(appointed on 13 September 2018)
** 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 2018 is as follows:

Mr Simon Jones and family held 53,521.17 Yen Management Shares, (31 December 2017: 53,521.17). Mr Francis Kirkpatrick and family held 31,146.52 Yen Management Shares, (31 December 2017: 30,446.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2017: 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 2018 (2017: 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
The Fund transitioned the classification of as financial instruments from IAS 39 to IFRS 9. Therefore financial assets and liabilities are now been classified as follows:
(i) Financial assets and liabilities at fair value through profit or loss
(ii) Financial assets and liabilities at fair value through other comprehensive income
(iii) Financial assets and liabilities held at amortised cost.
No assets or liabilities were classified as FVOCI upon the transition from IAS 39 to IFRS 9

Directors' Report (continued)
for the year ended 31 December 2018

Significant events during the year (continued)

During the year, the Prospectus and Supplement were updated following the implementation of MIFID II, the General Data Protection Regulations and Central Bank of Ireland's CP86 legislation.

The Investment Manager opened a Research Payment Account in line with MIFID II regulations.

Sarah English of KB Associates was appointed as designated person for the management functions of Regulatory Compliance, Investment Management, and Distribution on 1 July 2018.

Brian Boyle of KB Associates was appointed as designated person for the management functions of Fund Risk Management, Operational Risk Management, and Capital and Financial Management on 1 July 2018.

Angela Godfrey of KB Associates was appointed as the Money Laundering Reporting Officer to the Company on 1 July 2018.

Walkers Corporate Services (Ireland) Limited were appointed as company secretary date on 26 June 2018 and Apex Fund Services (Ireland) Limited resigned before the appointment date on 25 June 2018.

Frank Ennis resigned as Director of the Fund on 28 August 2018 and Gerry Brady was appointed on 13 September 2018.

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.

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
There has been redemption of US$1,483,535 and subscriptions of US$889,416 after the year end 31 December 2018.

Independent auditor
Ernst & Young, Chartered Accountants will continue in office in accordance with Section 383(2) of the Comanies 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 Remuneration
Directors' fees for the year ended 31 December 2018 amounted to USD 53,113 (31 December 2017: USD 52,081). The fee outstanding at the year end was USD nil (31 December 2017: USD 4,502).

No political or charitable donations were made by the Company during the financial year ended 31 December 2018 (2017: 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 41 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 41(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 41(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.

JK Funds Plc

Directors' Report (continued)
for the year ended 31 December 2018

Directors' Responsibilities (continued)

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.

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.

For and on behalf of the Board

Director | **Director**

29 April 2019

Depositary's Report

for the year ended 31 December 2018

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 2018, 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 2015; 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 Sheenagh Carroll

Dated: 29 APRIL 2019

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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 2018, which comprise the Statement of financial position, Statement of profit or loss and other 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 2018 and of its loss 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.

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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.

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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: 29 April 2019

Investment Manager's Report

for the year ended 31 December 2018

Performance

The Fund performed as follows during CY2018 (Net of Fees)

USD Class	-9.02%
GBP Class	-10.85%
YEN Class	-11.15%
EUR Class	-11.61%

Investment Summary

The Fund fell -9% during 2018, with all the losses occurring in the 4th quarter 2018 will go down as one of the worst years for financial assets since the 1930's and represented a mirror image of 2017. In the event, global equities fell -10%, and whilst certain markets had been weak throughout the year, the bulk of the sell-off occurred towards year-end when the US equity market finally capitulated as worries mounted over the slowing global economy and deteriorating financial conditions.

Fund performance suffered as a result of the abrupt sell-off in risk assets, despite adopting a fairly defensive strategy in the 4th quarter 2018.

Looking back, 2018 was hit by a 'perfect storm'. Trade tensions escalated meaningfully, the Fed hiked rates fairly aggressively, China tightened funding, and oil, for a while at least, surged. We had expected that policy tapering/tightening in the U.S. would have a negative effect on asset prices, but we did not foresee the escalation in tension between the US and China, and miscalculated the combined impact on risk assets which we felt would be supported by good earnings and little competition from other less risky assets. In the eventuality earnings were strong, particularly in the U.S. (helped of course by the Trump tax cuts), but it seems that the lure of cash rates of 2%+ in US Dollars tipped the balance and given all the global uncertainties listed above provided the trigger for significant risk reduction on behalf of investors.

The resulting sharp sell-off has, of course, left many equity markets looking significantly better value than they were at the start of 2018. In particular, our models view Asia, Japan, and the U.K. as very cheap, with Europe neutral, and the US back to slightly above neutral valuation from expensive. We need to keep this in mind as volatility increases. These valuations act as an anchor, and whilst short-term movements are more sentiment driven, ultimately the time to buy risk assets for the long term investor is when they are cheap, as they are now.

Thus, having raised meaningful amounts of cash in the fourth quarter, we are now in the position to use further weakness in equity markets to start rebuilding exposures. We will do this gradually and selectively as we do not feel markets are 'out of the woods' as yet. Also, earning 2.6% in treasury bills looks reasonably attractive to us as well.

To make us more positive on risk assets tactically we will need to see some policy shifts and improvements in US/China relations. Our view remains that the latter will be an ongoing issue and not one where we expect much change in stance by either party. The US is out to contain China's military and economic ambition, and we rather empathise with this. However, on the former, recent announcements have been somewhat more constructive. In particular, the US FED appears to have called time (at least temporarily) on its rate hike agenda, and China seems to be easing up on its efforts to purge financial excesses through aggressive deleveraging initiatives. Policy pirouettes like this can have meaningful implications for global asset markets, as well as the global economy. They can also act as a significant counter to the negative headwinds of slowing global growth and falling earnings which look 'baked-in' for this year at least. This shift in Washington has echoes of the FED retreat in 2016 when China's currency scare threatened to spin out of control. FED chair Yellen came to the rescue then, shelving plans for higher rates, and the world equity index surged. Whilst we are not expecting this to happen this time, we need to bear it in mind as bearish sentiment becomes 'de rigeur'.

Investment Manager's Report (Continued)
for the year ended 31 December 2018

Investment Summary (continued)

Turning back to the global economic outlook, many of the indicators that tend to turn first around peaks in the business cycle are now flashing red in several major economies e.g. output and activity indices are falling, business surveys are weakening, world trade is contracting, and inflation and commodity prices are falling. Admittedly, some survey measures of confidence and real activity remain at fairly high levels by past standards, but overall the evidence suggests that a synchronised slowdown is now underway. We expect the global economy will lose further momentum over the next year or so, led by slowdowns in the US and China. With core inflation in the US already past its peak, we expect the FED to change its view on the rate cycle and barely raise rates at all during the year. Recent comment by FED chair Powell reinforce this shift in view – no doubt influenced by the collapse in risk asset prices in the fourth quarter. Furthermore, given the headwinds in China's economy, we're expecting stimulus measures – including the reserve requirement cuts announced by the PBOC last week – only to stabilise growth later this year, and not to drive a significant rebound. Meanwhile, there are increasing signs that euro-zone GDP growth won't be as good in 2019 as it was in 2018, raising the risk that the ECB will wait until after September before hiking rates.

Thus, whilst the economic and profit outlook looks challenging going into 2019, FED policy is really what matters in our view. Last year it was draining liquidity aggressively, resulting in a strong US Dollar, and in turn squeezing a world financial system that has never been more dollarized or more sensitive to US rates. FED policy has a huge global impact, with the global financial system once again brought to the brink by the end of 2018. Clearly, if the FED is indicating a meaningful shift in policy, and as a result the Dollar starts to weaken, then clearly the pressure eases and the outlook for risk assets improves. We would become more bearish if the trade war escalates, the FED starts raising rates again, and/or Beijing tries to force a further meaningful devaluation of its currency. Needless to say, we will be paying close attention to these policy issues over the coming months.

JK Investment Management LLP
Bury House
3 Bury Street
Guildford
Surrey GU2 4AW
England
29 April 2019

JK Funds Plc

Statement of Financial Position

as at 31 December 2018

	Note	JK Global Opportunities Fund As at 31 December 2018 USD	JK Global Opportunities Fund As at 31 December 2017 USD
Assets			
Cash and cash equivalents	5	12,797,699	10,679,347
Financial assets at fair value through profit or loss:	4		
Investments in securities		56,171,655	72,136,559
Derivative Financial Instrument:			
Open futures contracts		731,327	39,926
Contracts for difference		114,760	530,324
Open forward foreign currency exchange contracts		33,323	786,411
Warrant		-	7,260
Amounts due from brokers	5	12,298,423	8,361,110
Other receivables		42,313	-
Dividends receivable		40,029	28,260
Total assets		**82,229,529**	**92,569,197**
Liabilities			
Financial liabilities at fair value through profit or loss:	4		
Derivative Financial Instrument:			
Open forward foreign currency exchange contracts		518,908	-
Contracts for difference		248,228	743,270
Open futures contracts		92,300	324,101
Investment management fees payable	6	61,395	64,203
Audit fees payable		38,883	38,990
Other payables and accrued expenses		38,062	35,518
Amounts due to brokers		35,988	33,310
Depositary fees payable	6	12,748	15,356
Redemptions payable		12,199	-
Administration fees payable	6	7,556	7,858
Directors' fees payable	8	-	4,502
Performance fees payable	6	-	1,008,809
Total liabilities (excluding net assets attributable to shareholders)		**1,066,267**	**2,275,917**
Net assets attributable to holders of redeemable participating shareholders at the at the end of the year		**81,163,262**	**90,293,280**

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

For and on behalf of the Board

Director **Director**

29 April 2019

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018

	Note	JK Global Opportunities Fund For the year ended 31 December 2018 USD	JK Global Opportunities Fund For the year ended 31 December 2017 USD
Income			
Dividend income		1,569,935	1,216,882
Interest income		218,481	38,384
Other income		-	19,476
Net realised gain on financial assets and foreign exchange		3,150,679	11,406,627
Net change in unrealised (loss)/gain on financial assets and foreign exchange		(14,422,350)	13,340,534
Net realised and unrealised (loss)/gain on financial assets and foreign exchange		(11,271,671)	24,747,161
Total investment (expense)/income		**(9,483,255)**	**26,021,903**
Expenses			
Investment management fees	6	761,981	600,676
Research expenses	9	65,802	-
Administration fees	6	93,161	104,166
Depositary fees	6	91,478	99,697
Performance fees	6	271,468	1,574,416
Directors' fees	8	53,113	52,081
Audit fees	6	42,513	39,088
Transfer Agency fees		-	52,081
Legal fees		62,259	66,506
Interest expense		376,920	157,410
Other fees		141,840	122,718
Total expenses		**1,960,535**	**2,867,133**
(Loss)/Gain for the financial year before taxation		**(11,443,790)**	**23,154,770**
Withholding taxes on dividend	2	142,112	89,461
(Loss)/Gain for the financial year after taxation		**(11,585,902)**	**23,065,309**
Other comprehensive income		-	-
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares resulting from operations		**(11,585,902)**	**23,065,309**

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

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

JK Funds Plc

Notes to the Financial Statements

for the year ended 31 December 2018

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

for the year ended 31 December 2018

	JK Global Opportunities Fund For the year ended 31 December 2018 USD	JK Global Opportunities Fund For the year ended 31 December 2017 USD
Net assets attributable to redeemable participating shareholders at the beginning of the year	**90,293,280**	**62,413,443**
Share transactions		
Proceeds from issue of redeemable participating shares	4,752,930	7,217,631
Payments on redemptions of redeemable participating shares	(2,297,046)	(2,403,103)
Net increase in net assets resulting from redeemable participating shares transactions	2,455,884	4,814,528
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares resulting from operations	(11,585,902)	23,065,309
Net assets attributable to holders of redeemable participating shareholders at the end of the year	**81,163,262**	**90,293,280**

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

Statement of Cash Flows
for the year ended 31 December 2018

	JK Global Opportunities Fund For the year ended 31 December 2018 USD	JK Global Opportunities Fund For the year ended 31 December 2017 USD
Cash flows from operating activities		
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares resulting from operations	(11,585,902)	23,065,309
Adjustment for:		
(Increase)/decrease in operating assets		
Financial assets at fair value through profit or loss	16,449,415	(31,098,147)
Amounts due from broker	(3,937,313)	5,597,241
Dividends receivable	(11,769)	25,734
Interest receivable	-	1,637
Other receivables	(42,313)	-
Increase/(decrease) in operating liabilities		
Financial liabilities at fair value through profit or loss	(207,935)	(632,189)
Investment management fees payable	(2,808)	20,160
Payable for fund shares redeemed	-	(12,119)
Depositary fees payable	(2,608)	12,153
Administration fees payable	(302)	4,503
Audit fees payable	(107)	24,884
Performance fees payble	(1,008,809)	1,008,809
Directors' fees payable	(4,502)	3,058
Amounts Due to broker	2,678	33,310
Other payables and accrued expenses	2,544	(5,081)
Cash used in operating activities	**(349,731)**	**(1,950,738)**
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares during the year	4,752,930	7,217,631
Redemption of redeemable participating shares during the year	(2,284,847)	(2,403,103)
Net cash flows provided by financing activities	**2,468,083**	**4,814,528**
Net increase in cash and cash equivalents	2,118,352	2,863,790
Cash and cash equivalents at the start of the year	10,679,347	7,815,557
Cash and cash equivalents at the end of the year	**12,797,699**	**10,679,347**
Supplemental disclosures		
Cash received during the year for interest	218,481	40,021
Cash paid during the year for interest	377,856	156,474
Cash received during the year for dividends	1,558,166	1,242,616

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

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 2015), (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).

The Company has adopted IFRS 9 in the preparation of these financial statements. Changes to significant accounting policies are described in Note 1 (c).

(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.

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 Profit or Loss and Other Comprehensive Income.

(c) Financial instruments

(i) IFRS 9 – Financial Instruments
International Financial Reporting Standards 9 (“IFRS 9“) effective for annual periods beginning on or after 1 January 2018, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts.

IFRS 9 was issued by the International Accounting Standards Board (“IASB”) in July 2014 and had replaced International Accounting Standards 39 Financial Instruments – Recognition and Measurement (“IAS 39”).

IFRS 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. IFRS 9 applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria.

The Company has applied IFRS 9, Financial instruments (“IFRS 9”) retrospectively but the application of IFRS 9 has not resulted in a restatement of comparative information. IFRS 9 has resulted in changes to the classification of financial assets and liabilities; there has been no impact on the carrying values of financial instruments and the Company’s accounting policies related to liabilities and derivatives financial instruments that are not used as hedging instruments.

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

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.

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.

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.

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)

Measurement category under IAS 39 and IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets as at 1 January 2018.

	Original Classification under IAS 39	New Classification under IFRS 9	Original carrying amount under IAS 39	Original carrying amount under IFRS 9
Financial assets			**USD**	**USD**
Equity securities	Designated as at FVTPL, held for trading	FVTPL	65,356,135	65,356,135
Corporate bonds	Designated as at FVTPL, held for trading	FVTPL	1,978,986	1,978,986
Exchange traded fund	Designated as at FVTPL, held for trading	FVTPL	3,522,572	3,522,572
Listed investment trust	Designated as at FVTPL, held for trading	FVTPL	1,278,866	1,278,866
Warrant	Designated as at FVTPL, held for trading	FVTPL	7,260	7,260
Futures contracts	Designated as at FVTPL, held for trading	FVTPL	39,926	39,926
Contracts for difference	Designated as at FVTPL, held for trading	FVTPL	530,324	530,324
Forward foreign currency exchange contracts	Designated as at FVTPL, held for trading	FVTPL	786,411	786,411
Cash and cash equivalents	Loans and receivables	Amortised cost*	10,679,347	10,679,347
Amounts due from brokers	Loans and receivables	Amortised cost*	8,361,110	8,361,110
Dividends receivable	Loans and receivables	Amortised cost*	28,260	28,260
Total financial assets			**92,569,197**	**92,569,197**

* On transition to IFRS 9 impairment was not recognised on the amortised cost classification of the original carrying amount value.

- Under IAS 39, equity securities, exchange traded fund and listed investment trust were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.
- Warrants, Futures, Forwards and Contracts for Difference were classified as at FVTPL.
- Cash and cash equivalents, due from brokers and other receivables are categorise as Amortised Cost under IFRS 9. Amortised assets are subjected to 'expected credit loss' (ECL).

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 earlier than under IAS 39.

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

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

Impairment of financial assets (continued)

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 Fund 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 Fund'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 Fund in full, without recourse by the Fund 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 Fund 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 Fund is exposed to credit risk.

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 Fund expects to receive).

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

Credit-impaired financial assets
At each reporting date, the Fund 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.

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The Company has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

(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 Profit or Loss and Other 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 Profit or Loss and Other Comprehensive Income as part of net change in unrealised gain 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. Gains or losses on open 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 Fund and as appropriate, on the Statement of Financial Position as financial assets or liabilities at fair value through profit or loss.

Options contracts
Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right but not the obligation to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. Daily fluctuations in the value of the option contract are recorded for financial reporting purposes as unrealised gains or losses by the Fund and are recorded as a realised gain or loss when the position is closed. Options are valued using valuation models and by reference to the option counterparties' valuation reports.

2. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Specific Instruments (continued)

Warrants

A warrant is a security giving the Fund the right, but not the obligation, to purchase shares in a company at a set price and within a specified time period. Investments in warrants allow the Fund to make potential gains, should the underlying equity price exceed the set purchase price, while the potential loss is limited to the cost of the warrants. Warrants may expose the Fund to credit risk should the counterparty be unable to meet the terms of the contract.

(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 loss on financial assets and foreign exchange" in the Statement of Profit or Loss and Other 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 Profit or Loss and Other 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 Profit or Loss and Other 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 Profit or Loss and Other 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.

(i) Interest income and interest expense

Interest income and expense on cash balances and on bank overdraft balances is recognised in the Statement of Profit or Loss and Other 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 Profit or Loss and Other Comprehensive Income.

(j) Expenses

Expenses are accounted for on an accrual basis. Expenses are charged to the Statement of Profit or Loss and Other 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.

1. Summary of significant accounting policies (continued)

(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 Profit or Loss and Other Comprehensive Income for the Fund.

Transaction costs on purchases and sales of fixed income securities, CFDs, warrants 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 Profit or Loss and Other 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.

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 2018 and 31 December 2017, the Company entered into contracts for difference, options, warrants and futures contracts for investment purposes. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

3. Financial Derivative Instruments and Efficient Portfolio Management (continued)

Forward foreign currency contracts were utilised by the Fund for efficient portfolio management purposes during the year. The income arising from these contracts cannot practically be split from the total return of the instrument or between income arising from transactions undertaken for investment purposes and those attributable to EPM techniques. The realised and unrealised gains and losses on all forward foreign currency contracts as at 31 December 2018 are USD 33,323 and 518,908 (31 December 2017: USD 786,411) 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.

(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 Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund 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 Fund's assets or liabilities denominated in currencies other than the functional currency.

The Fund'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 2018, the Fund 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**

4. Financial risks (continued)

(i) Market Risk (continued)

Currency risk **(continued)**

As at 31 December 2017, the Fund had the following currency risk exposures:

	Monetary Assets USD	Non-Monetary Assets USD	Net Financial Assets USD
Australian Dollar	-	1,702,859	1,702,859
Danish krone	-	2,425,866	2,425,866
European Union euro	163,053	3,080,261	3,243,314
Great Britain Pound	557,360	8,844,199	9,401,559
Hong Kong dollar	16,415	12,794,935	12,811,350
Japanese yen	152,120	1,018,325	1,170,445
Philippine Peso	-	1,280,589	1,280,589
Swedish Krona	-	232,864	232,864
Thai baht	-	1,986,246	1,986,246
Total	**888,948**	**33,366,144**	**34,255,092**

Had the exchange rate between USD and other currencies to which the Fund 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 518,851 (31 December 2017: USD 1,712,755).

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 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 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)**

31 December 2017

USD	**<1 Month**	**1-3 Months**	**1-5 Years**	**Non-Interest Bearing**	**Total**
Assets					
Cash and cash equivalents	10,679,347	-	-	-	10,679,347
Amounts due from brokers	8,361,110	-	-	-	8,361,110
Financial assets at FVTPL	-	-	1,978,986	71,521,494	73,500,480
Trade and other receivables	-	-	-	28,260	28,260
Total assets	**19,040,457**	**-**	**1,978,986**	**71,549,754**	**92,569,197**

31 December 2017

USD	**<1 Month**	**1-3 Months**	**1-5 Years**	**Non-Interest Bearing**	**Total**
Liabilities					
Financial liabilities at FVTPL	-	-	-	(1,067,371)	(1,067,371)
Trade and other payables	-	-	-	(1,208,546)	(1,208,546)
Redeemable participating shares	-	-	-	(90,293,280)	(90,293,280)
Total liabilities				**(92,569,197)**	**(92,569,197)**

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 2018 would amount to approximately USD 306,012 (2017: USD 19,790) 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 2018 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 255,705 (31 December 2017: USD 701,576).

(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.

4. Financial risks (continued)

(ii) Credit Risk (continued)

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 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)

31 December 2017

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure
Goldman Sachs	A1	A+	610,000	(135,340)
HSBC	A2	A	6,480,000	Nil

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 2018 is the total value of investments and cash and cash equivalent balances held with the Depositary.

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 A- (2017: A-).

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.

4. Financial risks (continued)

(ii) Credit Risk (continued)

Amounts arising from ECL (continued)

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.

On transition and initial application of IFRS 9 as at 1 January 2018, no impairment was recognised on the original carrying amount value of amortised cost assets.

The following table provides information about the exposure to credit risk and 12-month ECLs of assets valued at amortised cost.

Amortised Cost Assets	Counterparties	Counterparty Rating Moody's	Exposure at Default USD	Probability of Default %	Assumed Loss Given Default %	Expected Credit Loss USD
Cash and cash equivalents	SuMi TRUST	A1	12,797,699	-	5	-
Dividend receivable	SuMi TRUST	A1	40,029	-	5	-
Due from broker	Goldman Sachs International	A1	4,538,268	-	5	-
Due from broker	HSBC	A2	7,760,155	0.03%	5	116
Prepayments & Other Receivables		N/A	42,313	30.00%*	5	635
					TOTAL	**751**

* 30% Probability of Default is assumed for Amoritsed Cost Assets with unrated counterparties.

(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 2018 and 31 December 2017 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)

Deferred Redemptions (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 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)**

As at 31 December 2017	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	-	-	(324,101)	(743,270)	(1,067,371)
Creditors	(1,208,546)	-	-	-	(1,208,546)
Net assets attributable to redeemable participating shareholders	(90,293,280)	-	-	-	(90,293,280)
Total contractual undiscounted cash flows	**(91,501,826)**	**-**	**(324,101)**	**(743,270)**	**(92,569,197)**

(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 2018	**Mandatorily at FVTPL - others**	**FVOCI - debt instruments**	**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**	**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**

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

31 December 2018	Carrying amount					Fair value			
	Mandatorily at FVTPL - others	FVOCI - debt instruments	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	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)

	Carrying amount					Fair value			
31 December 2017*	**FVTPL - held for trading**	**FVTPL - designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial assets measured at fair value									
Equity Securities	65,356,135	-	-	-	65,356,135	65,356,135	-	-	65,356,135
Corporate Bonds	1,978,986	-	-	-	1,978,986	-	1,978,986	-	1,978,986
Exchange Traded Fund	-	3,522,572	-	-	3,522,572	3,522,572	-	-	3,522,572
Fund Investment	-	1,278,866	-	-	1,278,866	1,278,866	-	-	1,278,866
Warrant	7,260	-	-	-	7,260	7,260	-	-	7,260
Derivatives - Futures contracts	39,926	-	-	-	39,926	39,926	-	-	39,926
Derivatives - CFDs	530,324	-	-	-	530,324	-	530,324	-	530,324
Derivatives - Forward foreign currency exchange contracts	786,411	-	-	-	786,411	-	786,411	-	786,411
	68,699,042	**4,801,438**	**-**	**-**	**73,500,480**	**70,204,759**	**3,295,721**	**-**	**73,500,480**
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	10,679,347	-	10,679,347	10,679,347	-	-	10,679,347
Amounts due from brokers	-	-	8,361,110	-	8,361,110	-	8,361,110	-	8,361,110
Dividends receivable	-	-	28,260	-	28,260	-	28,260	-	28,260
	-	**-**	**19,068,717**	**-**	**19,068,717**	**10,679,347**	**8,389,370**	**-**	**19,068,717**

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

	Carrying amount					Fair value			
31 December 2017*	**FVTPL - held for trading**	**FVTPL - designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities measured at fair value									
Derivatives - Futures contracts	(324,101)	-	-	-	(324,101)	(324,101)	-	-	(324,101)
Derivatives - CFDs	(743,270)	-	-	-	(743,270)	-	(743,270)	-	(743,270)
	(1,067,371)	**-**	**-**	**-**	**(1,067,371)**	**(324,101)**	**(743,270)**	**-**	**(1,067,371)**
Financial liabilities not measured at fair value									
Performance fees payble	-	-	-	(1,008,809)	(1,008,809)	-	(1,008,809)	-	(1,008,809)
Investment management fees payable	-	-	-	(64,203)	(64,203)	-	(64,203)	-	(64,203)
Audit fees payable	-	-	-	(38,990)	(38,990)	-	(38,990)	-	(38,990)
Other payables and accrued expenses	-	-	-	(35,518)	(35,518)	-	(35,518)	-	(35,518)
Amounts due to brokers	-	-	-	(33,310)	(33,310)	-	(33,310)	-	(33,310)
Depositary fees payable	-	-	-	(15,356)	(15,356)	-	(15,356)	-	(15,356)
Administration fees payable	-	-	-	(7,858)	(7,858)	-	(7,858)	-	(7,858)
Directors' fees payable	-	-	-	(4,502)	(4,502)	-	(4,502)	-	(4,502)
	-	**-**	**-**	**(1,208,546)**	**(1,208,546)**	**-**	**(1,208,546)**	**-**	**(1,208,546)**

* The Company has initially applied IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

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 2018 or during the year ended 31 December 2017.

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 2018 or during the year ended 31 December 2017.

(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 2018 and 31 December 2017 detailing the impact of master netting agreement (MNA) and similar agreements:

Derivative Assets 31 December 2018

				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	731,327	-	731,327	(568,362)	-	162,965
HSBC	25,852	-	25,852	(25,852)	-	-
SuMi Trust	369,261	-	369,261	(369,261)	-	-
	1,126,440	-	**1,126,440**	**(963,475)**	-	**162,965**

4. Financial risks (continued)

(v) Offsetting (continued)

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	-
SuMi Trust	(2,040,033)	-	(2,040,033)	369,261	1,670,772	-
	(2,788,888)	-	**(2,788,888)**	**963,475**	**1,825,413**	-

Derivative Assets 31 December 2017

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	148,835	-	148,835	(148,835)	-	-
HSBC	637,576	-	637,576	(212,946)	-	424,630
	786,411	-	786,411	(361,781)	-	424,630

Derivative Liabilities 31 December 2017

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	(284,175)	-	(284,175)	148,835	135,340	-
HSBC	(212,946)	-	(212,946)	212,946	-	-
	(497,121)	-	(497,121)	361,781	135,340	-

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. 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, Goldman Sachs and State Street London 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 2018**	**31 December 2017**
	USD	**USD**
SuMi Trust	12,797,699	10,679,347
	12,797,699	10,679,347

Amounts due from brokers		
Cash collateral		
Broker	**USD**	**USD**
Goldman Sachs	4,538,268	1,810,814
HSBC	7,760,155	6,480,000
State Street London	-	70,296
	12,298,423	8,361,110

	USD	**USD**
Total amount due from brokers	12,298,423	8,361,110

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 2018 and all the management fees were retained by the Investment Manager.

The Investment Management fee for the year ended 31 December 2018 amounted to USD 761,981 (31 December 2017: USD 600,676). The fee outstanding at the year end was USD 61,395 (31 December 2017 USD 64,203).

6. Fees & expenses (continued)

Performance Fee

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 prior to or on 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. 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 2018 and all the management fees were retained by the Investment Manager.

The Performance fee for the year ended 31 December 2018 amounted to USD 271,468 (31 December 2017: USD 1,574,416). The fee outstanding at the year end was USD Nil (31 December 2017: USD 1,008,809).

Administration Fee

Effective 1 October 2017, 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 upto 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 2018 amounted to USD 93,161 (31 December 2017: USD 154,541).The fee outstanding at the year end was USD 7,556 (31 December 2017: USD 7,858).

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-ofpocket expenses incurred for the benefit of the Company. The Company shall bear the cost of all relevant subcustodian 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 €10,000 per annum (plus VAT if any).

The Depositary fee for the year ended 31 December 2018 amounted to USD 91,478 (31 December 2017: USD 99,697). The fee outstanding at the year end was USD 12,748 (31 December 2017: USD 15,356).

Establishment Costs
The costs of establishing the Company and the JK Global Opportunities 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. Due to the difference in the treatment of these costs there is a difference in the NAV per the financial statements and the NAV as calculated in accordance with the Prospectus (dealing NAV). For a reconciliation of this difference please see Note 11.

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:

	2018 USD	**2017 USD**
Statutory audit of company financial services	42,513	39,088
Tax advisory services	10,068	8,405
Total	52,581	47,493

6. Fees & expenses (continued)

Transaction Costs
Transaction costs paid by the Company during the year ended 31 December 2018 amounted to USD 449,165 (31 December 2017: USD 390,562).

Directors' Fees
Refer to Note 8, Related party disclosures, for details of the Directors' fees for the year ended 31 December 2018.

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 2018 are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

The JK Global Opportunities 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

The JK Global Opportunities 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

7. Share capital (continued)

The JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2016:

	Number of shares outstanding 31 December 2015	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2016	Net asset value per share 31 December 2016*
USD Institutional shares	121,222.79	85.00	(4,202.76)	117,105.03	USD214.59
£ Institutional shares	90,239.35	4,512.13	(22,466.51)	72,284.97	£170.20
YEN Institutional shares	2,499.95	-	-	2,499.95	¥20,039.72
YEN Management Shares	90,713.99	300.00	(8,000.00)	83,013.99	¥30,743.68

*NAV before establishment costs write off (See Note 11).

The Articles of the Company provide that the remuneration of the Directors shall be determined by a resolution of the Directors. Currently, the Simon Ogus and Fiona Ross are entitled to an annual fee of €15,000 each and Gerry Brady is entitled to an annual fee of €20,000. Simon Jones and Francis Kirkpatrick will not receive a fee. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

The Fund did not charge any subscription, redemption or exchange fees during the year ended 31 December 2018 or during the year ended 31 December 2017.

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 of €15,000 in the instance of Simon Ogus, Fiona Ross and €20,000 in respect of 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 2018.

Directors' fees for the year ended 31 December 2018 amounted to USD 53,113 (31 December 2017: USD 52,081). The fee outstanding at the year end was USD Nil (31 December 2017: USD 4,502).

As at 31 December 2018, the following related parties had an interest in JK Global Opportunities Fund, Mr Simon Jones and family held 53,521.17 Yen Management Shares, (31 December 2017: 53,521.17). Mr Francis Kirkpatrick and family held 31,146.52 Yen Management Shares, (31 December 2017: 30,446.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2017: 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 Profit or Loss and 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.

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.

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

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.

Prior to MIFID II coming into effect on 3 January 2018, brokers provided research data and interpretation as part of their brokerage services. In addition the Company used a commission sharing agreement (CSA) under which a broker retained a portion of the commissions attributable to execution and held the balance to the Company's order, which was then used to pay for external research. The amount collected under the CSA in 2017 was USD 226,719.

Effective 3 January 2018 under MIFID II, the payment for external research to the benefit of the fund was unbundled from execution commissions, and replaced by a Research Payment Account in the name of the Investment Manager, funded up until 29 October 2018 by 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 2018 and 31 December 2017 have been used to translate assets and liabilities in other currencies to USD:

	Exchange Rates to USD 2018	**Exchange Rates to USD 2017**
Australian dollar	1.42	1.29
Brazilian real	3.88	3.31
Canadian dollar	-	1.26
Chinese renminbi	6.88	6.51
Danish krona	6.51	6.21
European Union euro	0.87	0.83
Great Britain Pound	0.78	0.74
Hong Kong dollar	7.83	7.81
Indian rupee	69.57	63.84
Indonesian rupiah	14,417.00	13,588.01
Japanese yen	109.70	112.69
Mexican peso	19.65	-
Malaysian ringgit	4.13	4.05
Norwegian krona	-	8.21
Philippine peso	52.39	49.98
Russian ruble	-	57.68
Singapore dollar	1.36	1.34
South African rand	-	12.38
South Korean won	1,114.30	1,067.40
Swedish krona	8.85	8.18
Swiss franc	0.98	0.97
Thai baht	32.32	32.56
Taiwan dollar	30.59	-
Turkish lira	5.29	3.79

11. Reconciliation of Financial Statements NAV to Dealing NAV

JK Global Opportunities Fund at 31 December 2018

	2018 Total USD
NAV per financial statements (under IFRS)	81,163,262
Establishment costs written off	-
Dealing NAV (in accordance with the Prospectus)	81,163,262

	2017 Total USD
NAV per financial statements (under IFRS)	90,293,280
Establishment costs written off	61,825
Dealing NAV (in accordance with the Prospectus)	90,355,105

12. 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.

13. 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 2018 or 31 December 2017.

14. Significant events during the year

During the year, the Prospectus and Supplement were updated following the implementation of MIFID II, the General Data Protection Regulations and Central Bank of Ireland's CP86 legislation.

The Investment Manager opened a Research Payment Account in line with MIFID II regulations.

Sarah English of KB Associates was appointed as designated person for the management functions of Regulatory Compliance, Investment Management, and Distribution.

Brian Boyle of KB Associates was appointed as designated person for the management functions of Fund Risk Management, Operational Risk Management, and Capital and Financial Management.

Angela Godfrey of KB Associates was appointed as the Money Laundering Reporting Officer to the Company.

Walkers Corporate Services (Ireland) Limited were appointed as company secretary date on 26 June 2018 and Apex Fund Services (Ireland) Limited resigned before the appointment date on 25 June 2018.

Frank Ennis resigned as Director of the Fund on 28 August 2018 and Gerry Brady was appointed on 13 September 2018 as Director in his place.

The Company adopted IFRS 9 Financial Instrument in the classification and measurements of its Financial Instrument commencing from 1 January 2018.

15. Significant events after the year end

Subsequent to the reporting date and up to the date of these financial statements, the Company received redemption requests of 5,652.5382 units amounting to US$1,483,535 and subscription requests of 2,960.2985 units amounting to US$889,416.

16. Date of approval of the financial statements

The financial statements were approved by the Directors on 29 April 2019.

JK Funds Plc
Schedule of Investments

JK Global Opportunities Fund
as at 31 December 2018

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 69.21% (31 December 2017: 79.88%)		
	Common Stock 25.11% (31 December 2017: 77.69%)		
	Australia 0.37% (31 December 2017: 1.89%)		
	Health Care		
371,870	Mesoblast Ltd	304,167	0.37
	China 6.00% (31 December 2017: 13.43%)		
	Communications		
10,000	Baidu Inc-Spon ADR	1,586,000	1.95
5,776	YY Inc - ADR	345,751	0.43
	Consumer, Non-cyclical		
23,000	New Oriental Ed & Tech Grp Sponsored ADR	1,260,630	1.55
800	Tal Education Group	21,344	0.03
	Financial		
22,500	Noah Holdings Ltd-Spon ADR / ADS	974,700	1.20
	Non financial corporations		
5,000	Alibaba Group Holding-Sp ADR	685,350	0.84
		4,873,775	6.00
	Denmark Nil (31 December 2017: 2.69%)		
	Germany Nil (31 December 2017: 2.88%)		
	Great Britain 3.19% (31 December 2017: 11.55%)		
	Financials		
30,000	Arbuthnot Banking Group Plc	407,630	0.50
500,000	Empiric Student Property Plc	589,436	0.73
101,386	Provident Financial Plc	743,773	0.92
	Non financial corporations		
28,000	Imperial Brands Plc	849,145	1.04
		2,589,984	3.19
	Guernsey Nil (31 December 2017: 1.88%)		
	Hongkong Nil (31 December 2017: 6.71%)		
	India Nil (31 December 2017: 1.69%)		
	Ireland 1.65% (31 December 2017: 3.31%)		
	Services		
9,500	Accenture Plc-Cl A	1,339,595	1.65
	Italy Nil (31 December 2017: 1.60%)		
	Japan Nil (31 December 2017: 1.25%)		
	Macau Nil (31 December 2017: 1.72%)		

JK Global Opportunities Fund
as at 31 December 2018

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 69.21% (31 December 2017: 79.88%)		
	Common Stock 25.11% (31 December 2017: 77.69%)		
	Philippines 1.12% (31 December 2017: 1.42%)		
	Diversified		
4,000,000	Alliance Global Group Inc	908,570	1.12
	Singapore 1.22% (31 December 2017: 1.42%)		
	Consumer, Cyclical		
166,200	City Developments Limiteds	990,201	1.22
	Sweden 0.95% (31 December 2017: 0.75%)		
	Global		
3,305	Bitcoin Tracker One - SEK	59,406	0.07
50,000	Hennes & Mauritz Ab-B Shs	712,315	0.88
		771,721	0.95
	Taiwan Nil (31 December 2017: 2.42%)		
	Thailand 1.29% (31 December 2017: Nil)		
	Other financial intermediaries		
1,373,800	Charoen Pokphand Foods- NVDR	1,045,652	1.29
	United States 9.32% (31 December 2017: 21.08%)		
	Communications		
20,000	Cisco Systems	866,600	1.07
	Consumer Staples		
30,000	Brown-Forman Corp-Class B	1,427,400	1.76
15,000	Philip Morris International	1,001,400	1.23
5,000	Thermo Fisher Scientific Inc	1,118,950	1.39
	Financial		
10,000	American Express Co	953,200	1.17
10,000	Visa Inc-Class A Shares	1,319,400	1.63
	Non financial corporations		
10,000	Samsung Electronics GDR	867,867	1.07
		7,554,817	9.32
	Total Common Stock	20,378,482	25.11
	Exchange Traded Funds 4.08% (31 December 2017: Nil)		
	Guernsey 1.81% (31 December 2017: Nil)		
	Funds		
345,494	Vinacapital Vietnam Opportun (USD)	1,472,254	1.81
	Ireland 2.27% (31 December 2017: Nil)		
	Health Care		
60,000	Source Nasdaq Biotech UCITS	1,837,200	2.27
	Total Exchange Traded Funds	3,309,454	4.08

JK Global Opportunities Fund
as at 31 December 2018

Number of Shares		Fair Value USD	Fund %
	Transferable Securities 69.21% (31 December 2017: 79.88%)		
	Investment Funds 2.32% (31 December 2017: Nil		
	United States 2.32% (31 December 2017: Nil)		
103,096	Morgan Stanley China A Share Fund	1,882,533	2.32
	Total Investment Funds	1,882,533	2.32
	Corporate Bonds 37.70% (31 December 2017: 2.19%)		
	British Virgin 3.95% (31 December 2017: Nil)		
	Utilities		
3,000,000	China Yangtze Power Internatlbv 0%, 9 Nov 2021	3,208,410	3.95
	Cayman Islands 1.22% (31 December 2017: Nil)		
	Technology		
1,000,000	Semiconductor Manufacturing 0% 7 July 2022	988,610	1.22
	Japan 1.83% (31 December 2017: Nil)		
	Non financial corporations		
150,000,000	Toray Industries Cv 0% 31 Aug 2021	1,483,496	1.83
	Thailand Nil (31 December 2017: 2.19%)		
	United States 30.70% (31 December 2017: Nil)		
	Government		
10,000,000	Treasury Bill 28 Feb 2019	9,962,790	12.27
15,000,000	Treasury Bill 14 Feb 2019	14,957,880	18.43
		24,920,670	30.70
	Total Corporate Bonds	30,601,186	37.70
	Total Transferable Securities	56,171,655	69.21
	Total Investments excluding Financial Derivative Instruments	56,171,655	69.21

Schedule of Investments (continued)

Financial Derivative Instruments 0.02% (31 December 2017: 0.34%)
Contracts for difference (a) (0.16)% (31 December 2017: (0.23)%)

Notional Amount		Unrealised Gain/(Loss) USD	Fund %
	China (0.11)% (31 December 2017: 0.07%)		
125,000	Foshan Haitian Flavouring USD	19,363	0.03
468,200	Hangzhou Hikvision Digital - A	95,397	0.12
15,000	Kweichow Moutai Co Ltd-A_600519	(30,521)	(0.04)
		84,239	0.11
	Great Britain 0.20% (31 December 2017 : 0.01%)		
75,000	Prudential Plc	(159,320)	(0.20)
	Hong Kong Nil (31 December 2017: 0.09%)		
	India Nil (31 December 2017: 0.07%)		
	Italy 0.07% (31 December 2017: Nil)		
3,750	Ferrari NV	(58,387)	(0.07)
	Japan Nil (31 December 2017: (0.13)%)		
	Korea Nil (31 December 2017: 0.01%)		
	Taiwan Nil (31 December 2017: (0.30)%)		
	United States Nil (31 December 2017: (0.06)%)		
	Unrealised gain on contracts for difference	114,760	0.15
	Unrealised loss on contracts for difference	(248,228)	(0.31)
	Net unrealised loss on contracts for difference	(133,468)	(0.16)

Open Forward Foreign Currency Exchange Contracts (b) (0.61)% (31 December 2017: (0.87)%)

Maturity Date	Currency Bought	Amount Bought	Currency Sold	Amount Sold	Unrealised Gain/(Loss) USD	Fund %
11/3/2019	EUR	39,650	USD	45,430	295	-
11/3/2019	GBP	15,800,000	USD	20,241,870	(17,986)	(0.02)
11/3/2019	GBP	19,400,000	USD	24,845,347	(13,490)	(0.02)
11/3/2019	JPY	94,200,000	USD	841,605	21,379	0.02
11/3/2019	USD	1,663	EUR	1,450	(10)	-
11/3/2019	USD	1,217,891	GBP	960,000	(10,902)	(0.01)
11/3/2019	USD	33,896	JPY	3,750,000	(458)	-
14/1/2019	USD	5,000,000	IDR	77,850,000,000	(395,646)	(0.49)
14/1/2019	USD	4,000,000	KRW	4,543,400,000	(80,416)	(0.10)
10/1/2019	USD	5,000,000	GBP	3,908,525	11,649	0.01
		Unrealised gain on open forward foreign currency exchange contracts			33,323	0.03
		Unrealised loss on open forward foreign currency exchange contracts			(518,908)	(0.64)
		Net unrealised loss on open forward foreign currency exchange contracts			(485,585)	(0.61)

Financial Derivative Instruments 0.02% (31 December 2017: 0.34%) (continued)
Open Futures Contracts (c) 0.79% (31 December 2017: (0.31)%)

Notional Amount	Average Cost Price		Unrealised Gain/(Loss) USD	Fund %
9,573,500	96.66	Dollar index long futures Contracts Expiring March 2019	(92,300)	(0.11)
(13,642,202)	3076.00	Euro stoxx 50 short futures Contracts Expiring March 2019	467,889	0.58
(6,263,125)	2610.63	S&P 500 e-mini Short futures Contracts Expiring March 2019	263,438	0.32
	Unrealised gain on open futures contracts		731,327	0.90
	Unrealised loss on open futures contracts		(92,300)	(0.11)
	Net unrealised gain on open futures contracts		639,027	0.79
	Warrant (d) Nil (31 December 2017: 0.01%)			
	Total Financial Derivative Instruments		19,974	0.02

	Fair Value USD	Fund %
Total Investments	56,191,629	69.23
Other Net Assets	24,970,384	30.77
Net Assets	81,162,013	100.00

Analysis of Total Assets	Fund %
Transferable securities admitted to an official stock exchange listing	69.21
Exchange traded financial derivative instruments	0.79
Over - the - counter derivative instruments	(0.77)
Other assets	30.77
	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 Warrant is SuMi Trust.

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 Dec 18 0%	14,933,672
Treasury Bill Feb 18 0%	14,929,737
Treasury Bill Feb 19 0%	14,929,737
Treasury Bill Jun 18 0%	9,962,595
Treasury Bill 28 Feb 19	9,954,597
Alibaba Group Holding-Sp ADR	8,984,335
Tencent Holdings Ltd	6,171,576
Amazon.Com Inc	5,236,878
Treasury Bill Jan 19 0%	4,967,861
Facebook Inc-A (US)	4,899,832
Baidu Inc-Spon ADR	3,897,073
Nvidia Corp	3,456,359
Yy Inc-Adr	3,434,342
Morgan Stanley China A Share Fund	3,276,908
Alphabet Inc - Class A	3,247,738
China Yangtze Power Internatlbv 0%, 9 Nov 2021	3,221,800
Reckitt Benckiser Group Plc	2,997,699
Philip Morris International	2,867,524
American Express Co	2,684,208
Apple Inc	2,646,371

Schedule of Significant Portfolio Changes (unaudited) (continued)

Sales

Portfolio Securities	Proceeds USD
Treasury Bill Dec 18 0%	14,997,356
Treasury Bill Feb 18 0%	14,929,737
Alibaba Group Holding-Sp ADR	10,636,159
Treasury Bill Jun 18 0%	9,991,176
Amazon.Com Inc	9,056,809
Tencent Holdings Ltd	8,422,457
Facebook Inc-A (US)	6,988,331
Treasury Bill Jan 19 0%	4,984,600
Novo-Nordisk A/S-B	4,243,993
Alphabet Inc - Class A	3,995,004
Reckitt Benckiser Group Plc	3,732,191
Ping An Insurance Group Co - H	3,502,820
Apple Inc	3,410,282
Galaxy Entertainment Group L	3,406,819
Nvidia Corp	3,195,763
Samsung Electronics GDR	2,936,168
Yy Inc-Adr	2,918,909
Microsoft Corp	2,888,925
Hdfc Bank Ltd-ADR	2,488,644
Broadcom Ltd.	2,341,473

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 2018 and 31 December 2017 and the VaR limit of the Fund:

JK Global Opportunities Fund	Lowest	VaR at year end	Highest	Average	VaR Limit
31 December 2018	2.46	2.50	12.00	6.56	20%
31 December 2017	6.15	12.15	14.55	10.86	20%

The absolute leverage of the Company's financial derivative instruments based on notional amounts held at 31 December 2018, as a percent of the dealing NAV on that date, was 60% (2017: 91%). 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 2018 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 125,000 in the calendar year to 2018, and variable remuneration of GBP 45,240 in relation to performance in 2017. (2017: Fixed remuneration GBP 116,250 and variable remuneration GBP 20,000). Variable remuneration in 2018 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.

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 2018, contracts for difference (CFDs) on JK Global Opportunities Fund are deemed to be in scope for this SFT regulation.

31 December 2018

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	6,136,410	6.80%	Bi-lateral	6,136,410	-

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	1,320,075
Variation margin	N/A	USD	143,019
Collateral excess	N/A	USD	4,772,309

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	1,494,597

Listed below is the collateral issuer

Name	Value of collateral received	Value of collateral pledged USD
JK Global Opportunities Fund	N/A	7,730,000

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

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 held on the Fund.

Total value of collateral pledged USD	7,730,000
Counterparty	HSBC Bank Plc

Returns and costs of the CFDs

Fund	Income received USD	Realised Losses/Gains USD	Change in Unrealised Gains/Losses USD
JK Global Opportunities Fund	209,419	(4,223,020)	79,478