

JK Funds Plc
(Investment Company with Variable Capital)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2016

Registered Number
532101

JK Funds Plc

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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)

** Independent non-executive.*

Administrator

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registered Office

2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Auditors

Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Company Secretary

MFD Secretaries Limited
2nd Floor
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Investment Manager and Distributor

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

Depository

State Street Custodial Services (Ireland)
Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisors

In Ireland
Maples and Calder
75 St Stephen's Green
Dublin 2
Ireland

Legal Advisors

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

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. As the Company is availing of the provisions of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, it is intended that each Fund will have segregated liability from the other Funds, with any liability incurred on behalf of or attributable to a Fund being discharged solely out of the assets of that Fund and accordingly, that the Company will not be liable as a whole to third parties for the liability of each Fund.

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 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 2016, the Company had one sub-fund, namely JK Global Opportunities Fund (the "Fund").

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 macro trading 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.

JK Funds Plc

Directors' Report

for the year ended 31 December 2016

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 2016.

At 31 December 2016 the Company had one sub-fund, namely JK Global Opportunities Fund (the "Fund").

Results for the year and state of affairs

The results for the year are set out in the Statement of Comprehensive Income and the state of affairs of the Company is set out in the Statement of Financial Position.

Directors

The following Directors held office on 31 December 2016.

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)

** Independent non-executive.*

The Company has delegated the day-to-day management and running of the Company to JK Investment Management LLP (the "Investment Manager"), State Street Custodial Services (Ireland) Limited (the "Depository") and State Street 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 2016 is as follows:

Mr Simon Jones and family held 52,045.21 Yen Management Shares, (31 December 2015: 60,045.21). Mr Francis Kirkpatrick and family held 30,131.52 Yen Management Shares, (31 December 2015: 29,831.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2015: 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.

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

Please see Note 15 for significant events during the year.

JK Funds Plc

Directors' Report (continued)

for the year ended 31 December 2016

Significant events after the year end

Please see Note 16 for significant events after the year end.

Independent auditor

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

Adequate accounting records

In accordance with Section 281 to 285 of the Companies Act 2014, the measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records is the outsourcing to the Administrator who use appropriate systems and procedures. The accounting records are kept at the offices of State Street Fund Services (Ireland) Limited, the Administrator, at 78 Sir John Rogerson's Quay, Dublin 2.

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 2016 amounted to USD 51,293 (31 December 2015: USD 34,699). The fee outstanding at the year end was USD 1,444 (31 December 2015: USD 253).

JK Funds Plc

Directors' Report (continued)

for the year ended 31 December 2016

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.

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

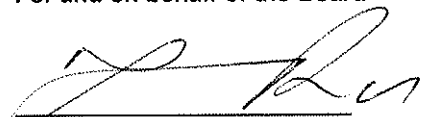
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any 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.

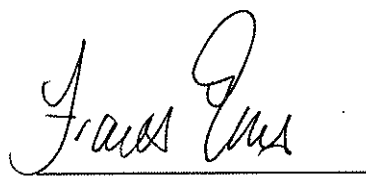
The Directors are responsible for keeping adequate accounting records that are sufficient to:

- 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 keeping adequate 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

26 April 2017

JK Funds Plc

Depository's Report

for the year ended 31 December 2016

To the Shareholders of JK Funds Plc (the "Company")

We have enquired into the conduct of the Company for the year ended 31 December 2016, in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) 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 Depository

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) 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 shareholders.

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 Depository must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) 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 its investment and borrowing powers by the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the 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, the UCITS Regulations and 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"); and

(ii) otherwise in accordance with the provisions of the Deed of Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.



State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

26 April 2017

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

We have audited the financial statements of JK Funds Plc for the year ended 31 December 2016 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to holders of redeemable participating shares, Statement of Cash flows, Schedule of Investments and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is Irish law, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out 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 otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report, the Depositary's Report, the Investment Manager's report, and the Schedule of Significant Portfolio Changes to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Continued /...

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JK FUNDS PLC
(Continued)**

Opinion on financial statements

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 2016 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs 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 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended).

Matters on which we are required to report by 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.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Aidan Tiernan

for and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm

Dublin

27 April 2017

JK Funds Plc

Investment Manager's Report

for the year ended 31 December 2016

The Fund rose +4.26%, (USD class, net of fees), during the year in US Dollars, which compared with a rise of 7.51% (total return USD) in the MSCI World Index. Returns were largely driven by the performance of US equities to which the Fund had minimal exposure.

In terms of attribution for 2016, the main positive contributions came from the tactical currency book; gold and resource equities; Vietnamese and U.K. equities (driven by the Fund's holding in ARM Holdings); and the bond book. Negative contributions derived from the China, Japan, and Korean equity books (all fairly small).

Market Commentary

2016 was a challenging year for investors, with global equities (ex-US) delivering low nominal returns, with bonds fairly flat. This is in line with our view on theoretical long-run returns, which we expect to be in the low single digits, given current inflated prices.

The year started poorly, with big moves in bonds, commodities (in particular oil) and equities signalling a growing risk of recession, deflation, and financial contagion. By the end of the year, courtesy in part to Mr Trump, sentiment had turned 180 degrees, with economic optimism, rising bond yields, and rallying equity markets the order of the day.

During the year there were two major political events, Brexit and the U.S. election. Brexit in our view was the more straightforward of the two from a financial market perspective, although we were surprised at the speed of the rebound in risk assets post result. The election of Trump, and the subsequent second order financial market impacts were more surprising. Whilst we had felt at the time that the market was mispricing the risk of a Trump victory, we completely misjudged the financial market reaction to his election. We had expected a far more cautious response, and had considerably reduced risk exposures as a result.

Investment Outlook and Strategy

Heading into 2017, the investment outlook is one that might well prove more exciting for the macro investor than it has for many years, as central bank(s) influence on asset prices dwindles. Essentially, the 'elephant in the room' that simply sought to drive interest rates and bond yields down to zero, is played out. This policy has left bond markets massively over-valued and distorted valuations of many financial assets. Furthermore, fiscal expansion seems to us, more likely, to generate inflation than real growth. As prices adjust, and Dollar liquidity tightens, we would expect to see some major moves in asset classes. We have noted before how investors have thrown liquidity at 'bond proxies' and yield, at the expense of cyclical, financial, and 'value' counters, and how yields have been 'chased' in higher risk areas such as emerging markets. We have also noted how global finance is more dollarized today than at any time in history, and how debt levels also continue to rise. This is a heady cocktail of risk for financial markets and economies.

As a result of this, the Fund continues to run a conservative policy. Cash levels are high as we want the optionality to exploit market dislocations. We remain short of global bond markets, and remain active in currencies on a tactical basis. Strategically we like the Dollar, but are aware that this is a strong consensus view right now. Within equities we are focusing our attention on counters that we believe will be of interest to a potential acquirer, such as Imperial Tobacco, and have increased exposures to the U.S.

Value is beginning to emerge in Europe, with some interesting restructuring stories such as Hugo Boss AG. Asia presents more of a conundrum, and until Trump's actual policies become clearer we will remain side-lined despite some decent value. We have reduced Japan exposures and cut the YEN hedge given that the consensus has shifted so much over the last few months.

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

April 2017

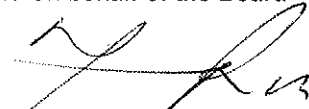
JK Funds Plc

Statement of Financial Position

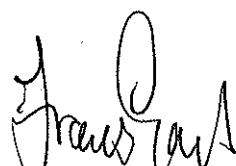
| | Note | JK Global Opportunities Fund As at 31 December 2016 USD | JK Global Opportunities Fund As at 31 December 2015 USD |
|---|------|--|--|
| Assets | | | |
| Financial assets at fair value through profit or loss: | 4 | | |
| Designated at fair value: | | | |
| Investments | | 40,931,397 | 55,170,667 |
| Held for trading: | | | |
| Financial derivative instruments: | | | |
| Contracts for difference | | 127,487 | 2,411,436 |
| Open forward foreign currency exchange contracts | | 1,262,056 | 523,185 |
| Open futures contracts | | 6,845 | 287,154 |
| Options purchased | | 74,548 | - |
| Cash and cash equivalents | 5 | 7,815,557 | 7,101,589 |
| Amounts due from brokers | 5 | 13,958,351 | 9,893,375 |
| Dividends receivable | | 53,994 | 193,042 |
| Interest receivables | | 1,637 | - |
| Total assets | | 64,231,872 | 75,580,448 |
| Liabilities | | | |
| Financial liabilities at fair value through profit or loss: | 4 | | |
| Held for trading: | | | |
| Financial derivative instruments: | | | |
| Contracts for difference | | 299,277 | 266,307 |
| Open forward foreign currency exchange contracts | | 946,232 | 1,014,767 |
| Open futures contracts | | 454,051 | 82,782 |
| Payable for fund shares redeemed | | 12,119 | 1,006,947 |
| Investment management fees payable | 6 | 44,043 | 52,581 |
| Depositary fees payable | 6 | 3,203 | 8,032 |
| Administration fees payable | 6 | 3,355 | 13,270 |
| Audit fees payable | 6 | 14,106 | 44,390 |
| Directors' fees payable | 8 | 1,444 | 253 |
| Other payables and accrued expenses | | 40,599 | 37,427 |
| Total liabilities (excluding net assets attributable to shareholders) | | 1,818,429 | 2,526,756 |
| Net assets attributable to holders of redeemable participating shareholder | | 62,413,443 | 73,053,692 |

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

For and on behalf of the Board



Director



Director

26 April 2017

JK Funds Plc

Statement of Comprehensive Income

| | Note | JK Global Opportunities Fund For the year ended 31 December 2016 USD | JK Global Opportunities Fund For the year ended 31 December 2015 USD |
|--|------|--|--|
| Income | | | |
| Dividend income | | 1,425,224 | 1,314,058 |
| Interest income | | 46,863 | 27,351 |
| Net realised loss on financial assets and foreign exchange | | (3,028,882) | (1,385,898) |
| Net change in unrealised loss on financial assets and foreign exchange | | (754,146) | (830,301) |
| Net realised and unrealised loss on financial assets and foreign exchange | | (3,783,028) | (2,216,199) |
| Total investment expense | | (2,310,941) | (874,790) |
| Expenses | | | |
| Investment management fees | 6 | 528,519 | 667,523 |
| Administration fees | 6 | 117,670 | 149,973 |
| Depositary fees | 6 | 92,033 | 86,891 |
| Performance fees | 6 | - | 564,542 |
| Directors' fees | 8 | 51,293 | 34,699 |
| Audit fees | 6 | 31,863 | 27,409 |
| Transfer Agency fees | | 63,400 | 59,950 |
| Legal fees | | 102,361 | 32,773 |
| Interest expense | | 155,844 | 233,172 |
| Other fees | | 74,646 | 97,908 |
| Total expenses | | 1,217,629 | 1,954,840 |
| Loss for the financial year before taxation | | (3,528,570) | (2,829,630) |
| Withholding taxes | 2 | 103,787 | 170,487 |
| Loss for the financial year after taxation | | (3,632,357) | (3,000,117) |
| Decrease in net assets attributable to holders of redeemable participating shares resulting from operations | | (3,632,357) | (3,000,117) |

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

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

JK Funds Plc

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

| | JK Global Opportunities Fund For the year ended 31 December 2016 USD | JK Global Opportunities Fund For the year ended 31 December 2015 USD |
|---|--|--|
| Net assets attributable to redeemable participating shareholders at the beginning of the year | 73,053,692 | 81,872,860 |
| Share transactions | 7 | |
| Proceeds from issue of redeemable participating shares | 1,120,790 | 2,840,553 |
| Payments on redemptions of redeemable participating shares | (8,128,682) | (8,659,604) |
| Net decrease in net assets resulting from redeemable participating shares transactions | (7,007,892) | (5,819,051) |
| Decrease in net assets attributable to holders of redeemable participating shares resulting from operations | (3,632,357) | (3,000,117) |
| Net assets attributable to holders of redeemable participating shareholders at the end of the year | 62,413,443 | 73,053,692 |

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

JK Funds Plc

Statement of Cash Flows

| | JK Global Opportunities Fund For the year ended 31 December 2016 USD | JK Global Opportunities Fund For the year ended 31 December 2015 USD |
|---|--|--|
| Cash flows from operating activities | | |
| Decrease in net assets attributable to holders of redeemable participating shares resulting from operations | (3,632,357) | (3,000,117) |
| Adjustment for: | | |
| <i>Decrease/(increase) in operating assets</i> | | |
| Financial assets at fair value through profit or loss | 15,990,109 | (334,257) |
| Amounts due from broker | (4,064,976) | 571,123 |
| Dividends receivable | 139,048 | (100,746) |
| Interest receivable | (1,637) | - |
| <i>Increase/(decrease) in operating liabilities</i> | | |
| Financial liabilities at fair value through profit or loss | 335,704 | (151,570) |
| Investment management fees payable | (8,538) | (5,515) |
| Depositary fees payable | (4,829) | (824) |
| Administration fees payable | (9,915) | (4,777) |
| Audit fees payable | (30,284) | (12,902) |
| Directors' fees payable | 1,191 | 253 |
| Other payables and accrued expenses | 3,172 | (32,459) |
| Cash provided by/(used in) operating activities | 8,716,688 | (3,071,791) |
| Cash flows from financing activities | | |
| Proceeds from issue of redeemable participating shares during the year | 1,120,790 | 2,840,553 |
| Redemption of redeemable participating shares during the year | (9,123,510) | (7,652,657) |
| Net cash flows used in financing activities | (8,002,720) | (4,812,104) |
| Net increase/(decrease) in cash and cash equivalents | 713,968 | (7,883,895) |
| Cash and cash equivalents at the start of the year | 7,101,589 | 14,985,484 |
| Cash and cash equivalents at the end of the year | 7,815,557 | 7,101,589 |
| Supplemental disclosures | | |
| Cash received during the year for interest | 45,226 | 27,351 |
| Cash paid during the year for interest | 149,361 | 240,515 |
| Cash received during the year for dividends | 2,066,804 | 2,294,781 |

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 2016

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 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. As the Company is availing of the provisions of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, it is intended that each Fund will have segregated liability from the other Funds, with any liability incurred on behalf of or attributable to a Fund being discharged solely out of the assets of that Fund and accordingly, that the Company will not be liable as a whole to third parties for the liability of each Fund.

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 financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

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).

(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 currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions and balances

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

(c) Financial instruments

(i) Classification

The Company classifies its investments in debt and equity securities, and derivatives, as financial assets at fair value through profit or loss. This category has two sub-categories:

Financial assets and liabilities designated at fair value through profit or loss upon initial recognition:

Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition on the basis that they are not classified as held for trading but are managed and have their performance evaluated on a fair value basis in accordance with the Company's investment policies.

Financial assets and liabilities held for trading:

These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are categorised as held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes.

The Company invests in transferable securities and derivatives (forward foreign currency exchange contracts, contracts for difference, options contracts and futures contracts) – all of which are measured at fair value through profit or loss.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within net change in unrealised gain or loss in financial assets and foreign exchange in the period in which they arise.

(iii) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets and liabilities held by the Company is the last traded prices for investments held long. The Directors believe that last traded prices best represent fair value in accordance with IFRS 13.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a recognised market will be valued at its probable realisation value estimated with care and in good faith by the Directors in consultation with the Investment Manager or by a competent person, firm or corporation appointed by the Directors and approved for such purpose by the Depositary.

(iv) 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 payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the CFDs, may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFDs are valued at the CFDs ultimate settlement date. The realised gain or loss is disclosed in the Statement of Comprehensive Income as net realised gain or loss on financial assets and foreign exchange. The Company utilises these CFDs agreements as an efficient means of hedging and for obtaining exposure to certain underlying investments. Through CFDs, the Company can in effect be exposed to increases or decreases in the value of an equity and to decreases or increases in the value of a related equity. Such trades are consistent with the overall strategy of the Company. The fair value of the CFDs are reported as an asset or liability as appropriate on the Statement of Financial Position and movements in the fair value are recorded in the Statement of Comprehensive Income as part of net change in unrealised gain 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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

(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

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 Comprehensive Income for the Company.

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

(h) Dividend income and dividend expense

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

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

Dividend expense is recognised when the dividend liability is established.

(i) Interest income and interest expense

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

(j) Expenses

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

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.

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

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

(l) Significant accounting estimates and judgements

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

Going concern

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

Fair value of financial instruments

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

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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1. Summary of significant accounting policies (continued)

New standards, amendments and interpretations issued but not effective for periods beginning 1 January 2016 and not early adopted

IFRS 9, Financial Instruments (effective for annual periods beginning on or after 1 January 2018) requires all recognised financial assets that are currently within the scope of IAS 39 - Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

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;

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

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

(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 2016 and 31 December 2015, the Company entered into contracts for difference, options contracts and futures contracts for investment purposes. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

Forward foreign currency contracts were utilised by the 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 2016 were USD 979,565 and USD 315,824 (31 December 2015: USD (193,898) and USD (491,582)) 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.

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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(i) Market risk (continued)

Currency risk (continued)

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 2016, the Fund had the following currency risk exposures:

| | Monetary Assets USD | Non-Monetary Assets USD | Net Financial Assets USD |
|---------------------|------------------------|----------------------------|-----------------------------|
| Chinese renminbi | 154,674 | - | 154,674 |
| Danish krone | - | 1,622,867 | 1,622,867 |
| European Union euro | 1,551,216 | 2,900,473 | 4,451,689 |
| Hong Kong dollar | 496,719 | 2,498,237 | 2,994,956 |
| Indonesian rupiah | 2,083 | 30,700 | 32,783 |
| Japanese yen | 1,155,786 | 1,608,565 | 2,764,351 |
| Pound sterling | (181,520) | 10,918,159 | 10,736,639 |
| Russian ruble | 40,294 | - | 40,294 |
| South Korean won | 11,461 | - | 11,461 |
| Swiss franc | 98 | - | 98 |
| Thai baht | - | 28,466 | 28,466 |
| Turkish lira | 195,424 | - | 195,424 |
| Total | 3,426,235 | 19,607,467 | 23,033,702 |

As at 31 December 2015, the Fund had the following currency risk exposures:

| | Monetary Assets USD | Non-Monetary Assets USD | Net Financial Assets USD |
|---------------------|------------------------|----------------------------|-----------------------------|
| Chinese renminbi | 50,548 | - | 50,548 |
| European Union euro | 309,950 | 2,280,127 | 2,590,077 |
| Hong Kong dollar | 22,249 | 5,439,825 | 5,462,074 |
| Indonesian rupiah | - | 43,526 | 43,526 |
| Japanese yen | 1,882,176 | 18,814,862 | 20,697,038 |
| Malaysian ringgit | - | 782,399 | 782,399 |
| Pound sterling | 593,716 | 11,515,668 | 12,109,384 |
| South Korean won | (97,026) | - | (97,026) |
| Swiss franc | 100 | - | 100 |
| Thai baht | - | 520,168 | 520,168 |
| Total | 2,761,713 | 39,396,575 | 42,158,288 |

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 1,151,685 (31 December 2015: USD 2,107,914).

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 2016. 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. As at 31 December 2015, the only interest-bearing asset in the portfolio was the Company's cash balance, which was mainly held in U.S. dollars and was invested at short-term market interest rates. As a result, the Company was not subject to significant amounts of direct risk due to fluctuations in the prevailing levels of market interest rates.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(i) Market risk (continued)

Interest rate risk (continued)

| USD | <1 Month | 1-3 Months | 1-5 Years | Non- Interest Bearing | Total |
|--|-------------------|------------------|------------------|-----------------------------|---------------------|
| Assets | | | | | |
| Cash and cash equivalents | 7,815,557 | - | - | - | 7,815,557 |
| Amounts due from brokers | 13,958,351 | - | - | - | 13,958,351 |
| Financial assets at fair value through profit or loss | 4,998,685 | 7,994,720 | 2,022,500 | 27,386,428 | 42,402,333 |
| Trade and other receivables | - | - | - | 55,631 | 55,631 |
| Total assets | 26,772,593 | 7,994,720 | 2,022,500 | 27,442,059 | 64,231,872 |
| Liabilities | | | | | |
| Financial liabilities at fair value through profit or loss | - | - | - | (1,699,560) | (1,699,560) |
| Trade and other payables | - | - | - | (118,869) | (118,869) |
| Redeemable participating shares | - | - | - | (62,413,443) | (62,413,443) |
| Total liabilities | - | - | - | (64,231,872) | (64,231,872) |

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 2016 would amount to approximately USD 150,159 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 2016 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 259,155 (31 December 2015: USD 551,707).

(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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

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 2016

| Counterparty | Moody's Rating | Standard & Poor's Rating | Collateral Held | Net Exposure |
|---------------------|----------------|--------------------------|-----------------|--------------|
| Goldman Sachs | A1 | A+ | 1,660,000 | 607,319 |
| HSBC | Aa2 | AA- | 5,230,000 | Nil |
| State Street London | Aa1 | AA- | 2,100,000 | Nil |

31 December 2015

| Counterparty | Moody's Rating | Standard & Poor's Rating | Collateral Held | Net Exposure |
|---------------------|----------------|--------------------------|-----------------|--------------|
| Goldman Sachs | Aa3 | BB+ | 2,220,000 | 284,804 |
| HSBC | Aa2 | AA- | 4,100,000 | 2,048,103 |
| State Street London | Aa2 | AA- | 1,060,000 | Nil |

Depositary risk

The Company's Depositary is State Street Custodial Services (Ireland) Limited ('Depositary'). Substantially all of the assets and cash of the Company are held within the custodial network. Bankruptcy or insolvency of the Depositary or of its parent company State Street Corporation 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 2016 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, 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 or certain depositories used by the Depositary, in relation to the Company's cash held by the Depositary. In event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company.

The credit rating of State Street Corporation, the parent company of the Depositary, as provided by Fitch rating agency at the reporting date, was AA- (2015: AA+).

(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 2016 and 31 December 2015 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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(iii) Liquidity Risk (continued)

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.

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 2016 | 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 fair value through profit or loss | - | (1,400,283) | (186,181) | (113,096) | (1,699,560) |
| Creditors | (118,869) | - | - | - | (118,869) |
| Net assets attributable to redeemable participating shareholders | (62,413,443) | - | - | - | (62,413,443) |
| Total contractual undiscounted cash flows | <u>(62,532,312)</u> | <u>(1,400,283)</u> | <u>(186,181)</u> | <u>(113,096)</u> | <u>(64,231,872)</u> |

| As at 31 December 2015 | Less than 1 month | 1-3 months | Greater than 1 year | Total |
|--|----------------------|-----------------|------------------------|---------------------|
| Liabilities | USD | USD | USD | USD |
| Financial liabilities at fair value through profit or loss | (1,014,767) | (82,782) | (266,307) | (1,363,856) |
| Creditors | (1,162,900) | - | - | (1,162,900) |
| Net assets attributable to redeemable participating shareholders | (73,053,692) | - | - | (73,053,692) |
| Total contractual undiscounted cash flows | <u>(75,231,359)</u> | <u>(82,782)</u> | <u>(266,307)</u> | <u>(75,580,448)</u> |

(iv) Fair value

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.

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(iv) Fair value (continued)

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.

The following tables summarises the fair value hierarchy the Company's financial assets and liabilities measured as at fair value at 31 December 2016:

31 December 2016

| | Level 1 USD | Level 2 USD | Level 3 USD | Total Balance USD |
|---|-------------------|--------------------|----------------|-------------------------|
| Assets | | | | |
| Financial assets held for trading: | | | | |
| - Equity Securities | 25,915,492 | - | - | 25,915,492 |
| - Corporate Bonds | - | 2,022,500 | - | 2,022,500 |
| - Government Bonds – Treasury Bills | 12,993,405 | - | - | 12,993,405 |
| - Derivatives - Futures contracts | 6,845 | - | - | 6,845 |
| - Derivatives - CFDs | - | 127,487 | - | 127,487 |
| - Derivatives - Options contracts | - | 74,548 | - | 74,548 |
| - Derivatives - Forward foreign currency exchange contracts | - | 1,262,056 | - | 1,262,056 |
| Total Assets | 38,915,742 | 3,486,591 | - | 42,402,333 |
| Liabilities | | | | |
| Financial liabilities held for trading: | | | | |
| - Derivatives - Futures contracts | (454,051) | - | - | (454,051) |
| - Derivatives - CFDs | - | (299,277) | - | (299,277) |
| - Derivatives - Forward foreign currency exchange contracts | - | (946,232) | - | (946,232) |
| Total Liabilities | (454,051) | (1,245,509) | - | (1,699,560) |

The following tables summarises the fair value hierarchy the Company's financial assets and liabilities measured as at fair value at 31 December 2015:

31 December 2015

| | Level 1 USD | Level 2 USD | Level 3 USD | Total Balance USD |
|---|-------------------|--------------------|----------------|-------------------------|
| Assets | | | | |
| Financial assets held for trading: | | | | |
| - Equity Securities | 55,170,667 | - | - | 55,170,667 |
| - Derivatives - Futures contracts | 287,154 | - | - | 287,154 |
| - Derivatives - CFDs | - | 2,411,436 | - | 2,411,436 |
| - Derivatives - Forward foreign currency exchange contracts | - | 523,185 | - | 523,185 |
| Total Assets | 55,457,821 | 2,934,621 | - | 58,392,442 |
| Liabilities | | | | |
| Financial liabilities held for trading: | | | | |
| - Derivatives - Futures contracts | (82,782) | - | - | (82,782) |
| - Derivatives - CFDs | - | (266,307) | - | (266,307) |
| - Derivatives - Forward foreign currency exchange contracts | - | (1,014,767) | - | (1,014,767) |
| Total Liabilities | (82,782) | (1,281,074) | - | (1,363,856) |

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.

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(iv) Fair value (continued)

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 2016 or during the year ended 31 December 2015.

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 2016 or during the year ended 31 December 2015.

(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 2016 and 31 December 2015 detailing the impact of an MNA and similar agreements:

Derivative Assets 31 December 2016

| 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 | 1,077,991 | - | 1,077,991 | (470,672) | - | 607,319 |
| HSBC | 127,487 | - | 127,487 | (127,487) | - | - |
| State Street London | 265,458 | - | 265,458 | (265,458) | - | - |
| | <u>1,470,936</u> | <u>-</u> | <u>1,470,936</u> | <u>(863,617)</u> | <u>-</u> | <u>607,319</u> |

Derivative Liabilities 31 December 2016

| 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 | (470,672) | - | (470,672) | 470,672 | - | - |
| HSBC | (299,277) | - | (299,277) | 127,487 | 171,790 | - |
| State Street London | (929,611) | - | (929,611) | 265,458 | 664,153 | - |
| | <u>(1,699,560)</u> | <u>-</u> | <u>(1,699,560)</u> | <u>863,617</u> | <u>835,943</u> | <u>-</u> |

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

4. Financial risks (continued)

(v) Offsetting (continued)

| 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 | 367,586 | - | 367,586 | (82,782) | - | 284,804 |
| HSBC | 2,411,436 | - | 2,411,436 | (363,333) | - | 2,048,103 |
| State Street London | 442,753 | - | 442,753 | (442,753) | - | - |
| | 3,221,775 | - | 3,221,775 | (888,868) | - | 2,332,907 |

| 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 | (82,782) | - | (82,782) | 82,782 | - | - |
| HSBC | (363,333) | - | (363,333) | 363,333 | - | - |
| State Street London | (917,741) | - | (917,741) | 442,753 | 474,988 | - |
| | (1,363,856) | - | (1,363,856) | 888,868 | 474,988 | - |

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 State Street Bank and Trust Company. Amounts from and due to brokers includes margin cash and cash collateral held in relation to the Fund's derivative contracts. Futures cash is held by the futures exchanges in respect of margin requirements and by Goldman Sachs within client money protection. Cash collateral is held with HSBC, 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. The prior year balances for cash and cash equivalents and amounts due from brokers have been updated to be consistent with the current year presentation.

| Cash and cash equivalents | 31 December 2016 | 31 December 2015 |
|-------------------------------------|------------------|------------------|
| | USD | USD |
| State Street Bank and Trust Company | 7,815,557 | 7,101,589 |

Amounts due from brokers

Cash collateral

| Broker | USD | USD |
|---------------------|-----------|-----------|
| Goldman Sachs | 1,660,000 | 2,220,000 |
| HSBC | 5,230,000 | 4,100,000 |
| State Street London | 2,100,000 | 1,060,000 |
| | 8,990,000 | 7,380,000 |

Margin cash

| Broker | USD | USD |
|---------------|-----------|-----------|
| Goldman Sachs | 4,968,351 | 2,513,375 |

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

5. Cash and cash equivalents and amounts due from and to brokers (continued)

| | 31 December 2016 | 31 December 2015 |
|-------------------------------|------------------|------------------|
| | USD | USD |
| Total amount due from brokers | 13,958,351 | 9,893,375 |

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.

The Investment Management fee for the year ended 31 December 2016 amounted to USD 528,519 (31 December 2015: USD 667,523). The fee outstanding at the year end was USD 44,043 (31 December 2015: USD 52,581).

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.

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

6. Fees & expenses (continued)

Performance Fee (continued)

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.

The Performance fee for the year ended 31 December 2016 amounted to USD Nil (31 December 2015: USD 564,542). There were no fees outstanding as at 31 December 2016 or as at 31 December 2015.

Administration and Depositary Fees

The Administrator and the Depositary are entitled to receive from the Company an annual fee which is payable monthly in arrears and is accrued and calculated weekly as at each Valuation Point at a rate of up to 0.15% per cent of the NAV of the Fund subject to a minimum monthly fee of \$10,000.

The Administrator is entitled to reasonable agreed upon transaction, transfer agency and other charges (which will be at normal commercial rates) and a fee for the production of reports and statements of up to \$80,000.

The Depositary is entitled to be repaid, out of the assets of the Fund, the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The reasonable out-of-pocket expenses of the Administrator and Depositary will be borne by the Fund.

The Administration fee for the year ended 31 December 2016 amounted to USD 117,670 (31 December 2015: USD 149,973). The fee outstanding at the year end was USD 3,355 (31 December 2015: USD 13,270).

For the year ended 31 December 2016, there were additional fees paid to the Administrator, including UCITS reporting fee, Transfer agency fee and Financial reporting fee of USD 88,400 (31 December 2015: USD 84,072). The fees outstanding at the year end were USD 8,927 (31 December 2015: USD 9,708).

The Depositary fee for the year ended 31 December 2016 amounted to USD 92,033 (31 December 2015: USD 86,891). The fee outstanding at the year end was USD 3,203 (31 December 2015: USD 8,032).

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:

| | 2016 | 2015 |
|---|---------------|---------------|
| | USD | USD |
| Statutory audit of company financial services | 31,863 | 27,409 |
| Other assurance work | - | - |
| Tax advisory services | 10,259 | 11,684 |
| Total | <u>42,122</u> | <u>39,093</u> |

Transaction Costs

Transaction costs paid by the Company during the year ended 31 December 2016 amounted to USD 685,836 (31 December 2015: USD 642,426).

Directors' Fees

Refer to Note 8, Related party disclosures, for details of the Directors' fees for the year ended 31 December 2016.

7. Share capital

On establishment and registration of JK Funds Plc in Ireland on 30 August 2013, the authorised share capital of the

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

7. Share capital (continued)

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 2016 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 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 |

The JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2015:

| | Number of shares outstanding 31 December 2014 | Shares subscribed | Shares redeemed | Number of shares outstanding 31 December 2015 | Net asset value per share 31 December 2015* |
|--------------------------|---|----------------------|--------------------|---|--|
| USD Institutional shares | 125,797.49 | 5,918.90 | (10,493.60) | 121,222.79 | USD205.83 |
| £ Institutional shares | 104,791.64 | 5,417.60 | (19,969.89) | 90,239.35 | £164.44 |
| YEN Institutional shares | 2,499.95 | - | - | 2,499.95 | ¥ 19,388.38 |
| YEN Management Shares | 95,430.35 | 83.64 | (4,800.00) | 90,713.99 | ¥ 34,494.65 |

The JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2014:

| | Number of shares outstanding 31 December 2013 | Shares subscribed | Shares redeemed | Number of shares outstanding 31 December 2014 | Net asset value per share 31 December 2014* |
|--------------------------|---|----------------------|--------------------|---|--|
| USD Institutional shares | 124,438.03 | 6,061.28 | (4,701.82) | 125,797.49 | USD209.29 |
| £ Institutional shares | 93,643.76 | 16,321.74 | (5,173.86) | 104,791.64 | £167.27 |
| YEN Institutional shares | 2,499.95 | - | - | 2,499.95 | ¥ 19,709.25 |
| YEN Management Shares | 95,284.76 | 145.59 | - | 95,430.35 | ¥ 35,276.23 |

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

The Directors are permitted to impose an initial fee on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and have discretion to waive this fee in whole or in part. The Initial Fee, where charged, will be payable to the Investment Manager. It is not the Directors' current intention that any redemption fee be imposed.

An exchange fee of up to 5 per cent of the redemption proceeds of the Class of Shares which is being exchanged may be payable. The redemption proceeds of the Class of Shares which is being exchanged will be reduced by the amount of the

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

7. Share capital (continued)

exchange fee (if any) and the net amount applied in subscribing for the Shares of the other Class. The Directors may waive payment of the exchange fee in whole or in part at their discretion. The exchange fee will be retained by the Fund.

The Fund did not charge any subscription, redemption or exchange fees during the year ended 31 December 2016 or during the year ended 31 December 2015.

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 Frank Ennis 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 was no Directors' fees waived during the year ended 31 December 2016.

Directors' fees for the year ended 31 December 2016 amounted to USD 51,293 (31 December 2015: USD 34,699). The fee outstanding at the year end was USD 1,444 (31 December 2015: USD 253).

As at 31 December 2016, the following related parties had an interest in JK Global Opportunities Fund, Mr Simon Jones and family held 52,045.21 Yen Management Shares, (31 December 2015: 60,045.21). Mr Francis Kirkpatrick and family held 30,131.52 Yen Management Shares, (31 December 2015: 29,831.52). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2015: 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 Comprehensive Income respectively.

9. Soft commissions

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.

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

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

During the year ended 31 December 2016, the value of these goods and services attributable to the Fund amounted to USD 262,306 (2015: USD 232,721).

10. Exchange rates

The financial statements are prepared in U.S. Dollar (USD). The following exchange rates at 31 December 2016 and 31 December 2015 have been used to translate assets and liabilities in other currencies to USD:

| | Exchange Rates to USD | Exchange Rates to USD |
|-------------------|-----------------------|-----------------------|
| | 2016 | 2015 |
| Australian dollar | 1.39 | 1.37 |
| Brazilian real | 3.25 | 3.96 |

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Notes to the Financial Statements (continued)

for the year ended 31 December 2016

10. Exchange rates (continued)

| | Exchange Rates to USD | Exchange Rates to USD |
|---------------------|-----------------------|-----------------------|
| | 2016 | 2015 |
| Canadian dollar | 1.34 | 1.38 |
| Chinese renminbi | 6.95 | 6.49 |
| Danish krona | 7.06 | 6.87 |
| European Union euro | 0.95 | 0.92 |
| Hong Kong dollar | 7.75 | 7.75 |
| Indian rupee | 67.87 | 66.16 |
| Indonesian rupiah | 13,472.50 | 13,785.00 |
| Japanese yen | 116.88 | 120.20 |
| Malaysian ringgit | 4.49 | 4.29 |
| Norwegian krona | 8.64 | 8.85 |
| Philippine peso | 49.71 | 47.06 |
| Pound sterling | 0.81 | 0.68 |
| Russian ruble | 61.35 | 73.00 |
| Singapore dollar | 1.45 | 1.42 |
| South African rand | 13.73 | 15.47 |
| South Korean won | 1,207.80 | 1,172.55 |
| Swedish krona | 9.11 | 8.44 |
| Swiss franc | 1.02 | 1.00 |
| Thai baht | 35.81 | 35.99 |
| Turkish lira | 3.53 | 2.92 |

11. Reconciliation of Financial Statements NAV to Dealing NAV

JK Global Opportunities Fund at 31 December 2016

| | Total USD |
|---|-------------------|
| NAV per financial statements (under IFRS) | 62,413,443 |
| Establishment costs written off | 143,624 |
| Dealing NAV (in accordance with the Prospectus) | <u>62,557,067</u> |

JK Global Opportunities Fund at 31 December 2015

| | Total USD |
|---|-------------------|
| NAV per financial statements (under IFRS) | 73,053,692 |
| Establishment costs written off | 210,447 |
| Dealing NAV (in accordance with the Prospectus) | <u>73,264,139</u> |

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 2016 or 31 December 2015.

14. Directed brokerage fees

There were no directed brokerage fees charged during the years ended 31 December 2016 or 31 December 2015.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

15. Significant events during the year

Effective 6 May 2016, State Street Custodial Services (Ireland) Limited was appointed as the Depositary to the Fund.

There was a new Prospectus of the Company issued on 6 May 2016, this was updated to reflect the introduction of UCITS V. UCITS V became effective during the financial year resulting in but not limited to changes in relation to the Depositary and the requirement for remuneration disclosures in the annual financial statements.

In March 2015, the Central Bank of Ireland introduced Investor Money Regulations ('IMR'). These regulations, which became effective on 1 July 2016, detail material changes to the current rules in relation to investor money, and are designed to increase transparency and enhance investor protection. In response to these regulations, cash accounts held with a third party banking entity for collection of subscriptions, payment of redemptions and dividends for the Company were re-designated, and are now deemed assets of the Company. As at 31 December 2016, there were no amounts held in these cash accounts for JK Global Opportunities Fund in relation to either subscription monies or redemption and dividend payments.

There have been no other significant events affecting the Company during the year.

16. Significant events after the year end

There have been no significant events affecting the Company since the year end that require amendment to or disclosure in the financial statements.

17. Date of approval of the financial statements

The financial statements were approved by the Directors on 26 April 2017.

JK Funds Plc

Schedule of Investments

JK Global Opportunities Fund as at 31 December 2016

| Number of Shares | | Fair Value USD | Fund % |
|---------------------|--|-------------------|-----------|
| | Transferable Securities 65.58% (31 December 2015: 75.52%) | | |
| | Common Stock 41.52% (31 December 2015: 75.52%) | | |
| | Bermuda 2.70% (31 December 2015: 2.03%) | | |
| | Diversified | | |
| 30,500 | Jardine Matheson Holdings Ltd | 1,685,125 | 2.70 |
| | Cayman Islands 2.71% (31 December 2015: 14.70%) | | |
| | Commingled Fund | | |
| 500,000 | VinaCapital Vietnam Opportunity Fund Ltd | 1,688,388 | 2.71 |
| | China Nil (31 December 2015: 1.27%) | | |
| | Denmark 2.60% (31 December 2015: Nil) | | |
| | Pharmaceuticals | | |
| 45,000 | Novo Nordisk A/S | 1,622,867 | 2.60 |
| | Germany 0.98% (31 December 2015: 0.19%) | | |
| | Consumer Discretionary | | |
| 10,000 | Hugo Boss AG | 611,906 | 0.98 |
| | Guernsey Nil (31 December 2015: 2.60%) | | |
| | Hong Kong Nil (31 December 2015: 3.76%) | | |
| | India 0.97% (31 December 2015: Nil) | | |
| | Financials | | |
| 10,000 | HDFC Bank Ltd | 606,800 | 0.97 |
| | Indonesia 0.05% (31 December 2015: 0.06%) | | |
| | Private Placement | | |
| 3,760,000 | Modern Internasional | 30,700 | 0.05 |
| | Ireland 2.34% (31 December 2015: 1.95%) | | |
| | Commingled Fund | | |
| 5,000 | Boost BTP 10Y 3x Short Daily ETP | 317,321 | 0.51 |
| 3,000 | Boost Bund 10Y 3x Short Daily ETP | 190,267 | 0.30 |
| 8,000 | Boost Gilts 10Y 3x Short Daily ETP | 539,298 | 0.86 |
| 5,000 | Boost US Treasuries 10Y 3x Short Daily ETP | 415,481 | 0.67 |
| | | 1,462,367 | 2.34 |
| | Italy 4.00% (31 December 2015: 2.41%) | | |
| | Consumer Discretionary | | |
| 736,600 | Prada SpA | 2,498,237 | 4.00 |

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2016

| Number of Shares | | Fair Value USD | Fund % |
|---------------------|--|-------------------|--------------|
| | Transferable Securities 65.58% (31 December 2015: 75.52%) (continued) | | |
| | Common Stock 41.52% (31 December 2015: 75.52%) (continued) | | |
| | Japan 2.58% (31 December 2015: 25.76%) | | |
| | Financials | | |
| 62,500 | Star Mica Co Ltd | 1,049,198 | 1.68 |
| 96,000 | Takara Leben Co Ltd | 559,367 | 0.90 |
| | | <u>1,608,565</u> | <u>2.58</u> |
| | Korea Nil (31 December 2015: 4.54%) | | |
| | Malaysia Nil (31 December 2015: 1.07%) | | |
| | Spain 2.19% (31 December 2015: 1.65%) | | |
| | Consumer Discretionary | | |
| 40,000 | Industria de Diseno Textil SA | 1,365,498 | 2.19 |
| | Taiwan Nil (31 December 2015: 0.78%) | | |
| | Thailand 0.05% (31 December 2015: 0.71%) | | |
| | Consumer Discretionary | | |
| 1,477,354 | BTS Group Holdings | 28,466 | 0.05 |
| | United Kingdom 13.92% (31 December 2015: 11.22%) | | |
| | Commingled Fund | | |
| 606,443 | BlackRock World Mining Trust Plc | 2,514,934 | 4.03 |
| | Consumer Discretionary | | |
| 49,659 | Sky Plc | 606,489 | 0.97 |
| | Energy | | |
| 100,000 | BP Plc | 628,031 | 1.01 |
| | Financials | | |
| 30,000 | Arbuthnot Banking Group Plc | 523,154 | 0.84 |
| 1,209,567 | Empiric Student Property Plc | 1,580,110 | 2.53 |
| | Private Placement | | |
| 65,000 | Imperial Tobacco Group Plc | 2,837,755 | 4.54 |
| | | <u>8,690,473</u> | <u>13.92</u> |
| | United States 6.43% (31 December 2015: Nil) | | |
| | Basic Materials | | |
| 10,000 | Dow Chemical Co | 572,200 | 0.92 |
| | Consumer Discretionary | | |
| 10,000 | Ralph Lauren Corp | 903,200 | 1.44 |
| | Financials | | |
| 5,000 | Berkshire Hathaway Inc | 814,900 | 1.31 |
| 20,000 | JP Morgan Chase & Co | 1,725,800 | 2.76 |
| | | <u>4,016,100</u> | <u>6.43</u> |

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2016

| Number of Shares | | Fair Value USD | Fund % |
|----------------------------|--|---|-------------------|
| | Transferable Securities 65.58% (31 December 2015: 75.52%) (continued) Common Stock 41.52% (31 December 2015: 75.52%) (continued) | | |
| | Virgin Islands Nil (31 December 2015: 0.82%) | | |
| | Total Common Stock | <u>25,915,492</u> | <u>41.52</u> |
| | Corporate Bonds 3.24% (31 December 2015: Nil) Cayman Islands 3.24% (31 December 2015: Nil) Private Placement | | |
| 2,000,000 | AYC Finance Ltd 0.500% due 02/05/2019 | <u>2,022,500</u> | <u>3.24</u> |
| | Total Corporate Bonds | <u>2,022,500</u> | <u>3.24</u> |
| | Government Bonds – Treasury Bills 20.82 % (31 December 2015: Nil) United States 20.82% (31 December 2015: Nil) | | |
| 5,000,000 | United States Treasury Bill - zero coupon due 26/01/2017 | 4,998,685 | 8.01 |
| 8,000,000 | United States Treasury Bill - zero coupon due 23/02/2017 | <u>7,994,720</u> | <u>12.81</u> |
| | Total Government Bonds – Treasury Bills | <u>12,993,405</u> | <u>20.82</u> |
| | Total Transferable Securities | <u>40,931,397</u> | <u>65.58</u> |
| | Total Investments excluding Financial Derivative Instruments | <u>40,931,397</u> | <u>65.58</u> |
| | Financial Derivative Instruments (0.37)% (31 December 2015: 2.54%) Contracts for Difference (a) (0.28)% (31 December 2015: 2.93%) | | |
| Notional Amount | | Unrealised Gain/(Loss) USD | Fund % |
| | China Nil (31 December 2015: 0.16%) | | |
| | Japan (0.10)% (31 December 2015: 1.86%) | | |
| 10,000 | Daito Trust Construction Co Ltd | 127,487 | 0.20 |
| 40,000 | Japan Tobacco Inc | (93,775) | (0.15) |
| 15,000 | Sysmex Corp | <u>(92,406)</u> | <u>(0.15)</u> |
| | | <u>(58,694)</u> | <u>(0.10)</u> |
| | Korea Nil (31 December 2015: 0.91%) | | |
| | Taiwan (0.18)% (31 December 2015: Nil) | | |
| 150,000 | MediaTek Inc | <u>(113,096)</u> | <u>(0.18)</u> |
| | Unrealised gain on contracts for difference | 127,487 | 0.20 |
| | Unrealised loss on contracts for difference | <u>(299,277)</u> | <u>(0.48)</u> |
| | Net unrealised loss on contracts for difference | <u>(171,790)</u> | <u>(0.28)</u> |

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund as at 31 December 2016

Financial Derivative Instruments (0.37)% (31 December 2015: 2.54%) (continued)
Open Forward Foreign Currency Exchange Contracts (b) 0.51% (31 December 2015: (0.67)%)

| Maturity Date | Amount Bought | Amount Sold | Unrealised Gain/(Loss) USD | Fund % | |
|-----------------|--------------------|--|--|------------------|---------------|
| 01/03/2017 | EUR 3,535,860 | GBP 3,000,000 | 29,858 | 0.05 | |
| 01/03/2017 | GBP 3,000,000 | EUR 3,523,319 | (16,621) | (0.03) | |
| 01/03/2017 | GBP 9,000,000 | JPY 1,262,061,000 | 278,969 | 0.45 | |
| 14/03/2017 | GBP 12,500,000 | USD 15,792,313 | (361,106) | (0.58) | |
| 14/03/2017 | GBP 18,000,000 | USD 22,744,530 | (523,593) | (0.83) | |
| 01/03/2017 | JPY 869,064,000 | GBP 6,000,000 | 51,584 | 0.08 | |
| 01/03/2017 | JPY 437,352,000 | GBP 3,000,000 | 49,986 | 0.08 | |
| 03/01/2017 | JPY 351,903,300 | USD 3,000,000 | 10,937 | 0.02 | |
| 01/03/2017 | JPY 467,917,200 | USD 4,000,000 | 14,456 | 0.02 | |
| 01/03/2017 | JPY 352,731,600 | USD 3,000,000 | 26,231 | 0.04 | |
| 14/03/2017 | JPY 51,000,000 | USD 449,141 | (11,303) | (0.02) | |
| 01/03/2017 | RUB 329,450,000 | EUR 5,000,000 | 36,426 | 0.06 | |
| 01/03/2017 | TRY 11,807,250 | USD 3,304,576 | 2,514 | - | |
| 01/03/2017 | TRY 12,376,000 | USD 3,500,000 | (33,609) | (0.05) | |
| 01/03/2017 | USD 10,000,000 | CNH 69,790,000 | 154,674 | 0.25 | |
| 01/03/2017 | USD 10,000,000 | JPY 1,121,300,000 | 379,903 | 0.61 | |
| 01/03/2017 | USD 3,500,000 | TRY 12,001,500 | 138,502 | 0.22 | |
| 01/03/2017 | USD 3,500,000 | TRY 12,181,750 | 88,016 | 0.14 | |
| | | | | | |
| | | | Unrealised gain on open forward foreign currency exchange contracts | 1,262,056 | 2.02 |
| | | | Unrealised loss on open forward foreign currency exchange contracts | (946,232) | (1.51) |
| | | | Net unrealised gain on open forward foreign currency exchange contracts | 315,824 | 0.51 |
| | | | | | |
| | | | Open Futures Contracts (c) (0.72)% (31 December 2015: 0.28%) | | |
| Notional Amount | Average Cost Price | | Unrealised Gain/(Loss) USD | Fund % | |
| (6,990,083) | (139.80) | 50 of Euro BTP Short Futures Contracts Expiring March 2017 | (131,622) | (0.21) | |
| (6,318,008) | (157.95) | 40 of Euro OAT Short Futures Contracts Expiring March 2017 | (74,528) | (0.12) | |
| (12,861,605) | (1.29) | 10 of Japan 10 Year Bond (OSE) Short Futures Contracts Expiring March 2017 | 6,845 | 0.01 | |
| (4,541,270) | (151.38) | 30 of Long Gilt Short Futures Contracts Expiring March 2017 | (110,916) | (0.18) | |
| 2,474,250 | 4,948.50 | 25 of NASDAQ 100 EMINI Long Futures Contracts Expiring March 2017 | (42,250) | (0.07) | |
| 5,670,313 | 2,268.13 | 50 of S&P500 EMINI Long Futures Contracts Expiring March 2017 | (79,813) | (0.13) | |
| (4,504,766) | (150.16) | 30 of US Long Bond Short Futures Contracts Expiring March 2017 | (14,922) | (0.02) | |
| | | | | | |
| | | | Unrealised gain on open futures contracts | 6,845 | 0.01 |
| | | | Unrealised loss on open futures contracts | (454,051) | (0.73) |
| | | | Net unrealised loss on open futures contracts | (447,206) | (0.72) |

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund as at 31 December 2016

Financial Derivative Instruments (0.37)% (31 December 2015: 2.54%) (continued)
Options Purchased (d) 0.12% (31 December: Nil)

| Maturity Date | Notional Amount | Description | Currency | Fair Value USD | Fund % |
|--|-----------------|--------------------------|----------|----------------|--------|
| 21/09/2017 | 5,000,000,000 | 6M JPY LIBOR at 2.47 Put | JPY | 52,533 | 0.08 |
| 21/09/2017 | 10,000,000,000 | 6M JPY LIBOR at 2.13 Put | JPY | 22,015 | 0.04 |
| Options purchased at fair value | | | | 74,548 | 0.12 |
| Total Financial Derivative Instruments | | | | (228,624) | (0.37) |
| | | | | Fair Value USD | Fund % |
| Total Investments | | | | 40,702,773 | 65.21 |
| Other Net Assets | | | | 21,710,670 | 34.79 |
| Net Assets | | | | 62,413,443 | 100.00 |

| | Fund % |
|--|--------|
| Analysis of Total Assets | |
| Transferable securities admitted to an official stock exchange listing | 63.72 |
| Exchange traded financial derivative instruments | 0.01 |
| Over the counter financial derivative instruments | 2.28 |
| Other assets | 33.99 |
| | 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 State Street Bank.
 (c) The counterparty for the open futures contracts is Goldman Sachs.
 (d) The counterparty for the options purchased is Goldman Sachs.

JK Funds Plc

Schedule of Significant Portfolio Changes

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 |
| United States Treasury Bill zero coupon due 07/07/2016 | 13,994,174 |
| United States Treasury Bill zero coupon due 26/01/2017 | 9,991,858 |
| United States Treasury Bill zero coupon due 15/09/2016 | 8,996,054 |
| United States Treasury Bill zero coupon due 23/02/2017 | 7,992,956 |
| United States Treasury Bill zero coupon due 31/03/2016 | 6,996,651 |
| Imperial Brands Plc | 3,178,162 |
| ETFS Physical Gold | 2,907,936 |
| Facebook Inc | 2,723,305 |
| Wynn Macau Ltd | 2,714,304 |
| JD.com Inc | 2,454,738 |
| JP Morgan Chase & Co | 2,383,234 |
| Cheung Kong Property Holdings Ltd | 2,340,619 |
| Ralph Lauren Corp | 2,218,925 |
| BlackRock World Mining Trust Plc | 2,126,629 |
| Tencent Holdings Ltd | 2,124,374 |
| Sumitomo Mitsui Financial Group Inc | 2,065,937 |
| Alibaba Group Holding Ltd | 2,064,803 |
| AYC Finance Ltd 0.500% due 02/05/2019 | 2,038,333 |
| Taiwan Semiconductor Manufacturing Co Ltd | 1,937,480 |
| PeptiDream Inc | 1,882,120 |
| Burberry Group Plc | 1,865,448 |
| Industria de Diseno Textil SA | 1,861,336 |
| Hugo Boss AG | 1,773,314 |
| Novo Nordisk A/S | 1,713,113 |
| Sun Hung Kai Properties Ltd | 1,638,507 |
| Tritax Big Box REIT Plc | 1,632,263 |
| Inpex Corp | 1,596,393 |
| Galaxy Entertainment Group Ltd | 1,573,669 |
| Kakaku.com Inc | 1,566,493 |
| SMS Co Ltd | 1,547,976 |
| Ctrip.com International Ltd | 1,457,435 |
| Sands China Ltd | 1,433,983 |

JK Funds Plc

Schedule of Significant Portfolio Changes (continued)

| Sales | Proceeds |
|--|------------|
| Portfolio Securities | USD |
| United States Treasury Bill zero coupon due 07/07/2016 | 13,997,650 |
| United States Treasury Bill zero coupon due 15/09/2016 | 8,998,221 |
| United States Treasury Bill zero coupon due 31/03/2016 | 6,998,860 |
| United States Treasury Bill zero coupon due 26/01/2017 | 4,997,375 |
| JD.com Inc | 3,426,573 |
| Alibaba Group Holding Ltd | 3,210,717 |
| Galaxy Entertainment Group Ltd | 3,030,266 |
| ETFS Physical Gold | 2,979,819 |
| Empiric Student Property Plc | 2,865,202 |
| Sands China Ltd | 2,815,657 |
| Facebook Inc | 2,727,166 |
| Tencent Holdings Ltd | 2,682,032 |
| Cheung Kong Property Holdings Ltd | 2,628,795 |
| VPC Specialty Lending Investments Plc | 2,585,818 |
| iShares Gold Producers UCITS ETF USD | 2,584,864 |
| Wynn Macau Ltd | 2,584,179 |
| Sumitomo Mitsui Financial Group Inc | 2,347,165 |
| Taiwan Semiconductor Manufacturing Co Ltd | 2,289,950 |
| Samsung Electronics Co Ltd | 2,189,825 |
| VinaCapital Vietnam Opportunity Fund Ltd | 2,157,685 |
| Dip Corp | 2,043,768 |
| Burberry Group Plc | 1,972,873 |
| Apax Global Alpha Ltd | 1,876,261 |
| Sun Hung Kai Properties Ltd | 1,855,755 |
| Japan Airlines Co Ltd | 1,801,575 |
| SMS Co Ltd | 1,780,467 |
| Inpex Corp | 1,697,672 |
| Tritax Big Box REIT Plc | 1,647,996 |
| PeptiDream Inc | 1,592,145 |

JK Funds Plc

Appendix 1 (Unaudited)

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.

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Appendix 1 (Unaudited) (continued)

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 2016 and 31 December 2015 and the VaR limit of the Fund:

| JK Global Opportunities Fund | Lowest | VaR at year end | Highest | Average | VaR Limit |
|-------------------------------------|---------------|----------------------------|----------------|----------------|------------------|
| 31 December 2016 | 4.05696 | 6.15 | 13.24212 | 9.25469 | 20% |
| 31 December 2015 | 3.09052 | 7.15 | 15.60217 | 10.33771 | 20% |

The absolute leverage of the Company's financial derivative instruments based on notional amounts held at 31 December 2016, as a percent of the dealing NAV on that date, was 308% (2015: 191%). This represents the gross notional value without netting of contracts for difference, index futures, currency forwards including hedging non-base currency.

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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 delegated, 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. Accordingly, "Identified Staff" for the purpose of this Remuneration Policy comprises the Board.

As the Board has delegated 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 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.

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.

JK Funds Plc

Appendix 3 (Unaudited)

Securities Financing Transactions Regulation

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

For the year ended 31 December 2016, contracts for difference (CFDs) on JK Global Opportunities Fund are deemed to be in scope for this SFT regulation.

31 December 2016

| 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 | 4,689,641 | 7.60 | Bi-lateral | 3,684,266 | 1,005,375 |

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 | 677,964 |
| Variation margin | N/A | USD | 155,492 |
| Excess collateral | N/A | USD | 4,396,544 |

Listed below is the collateral issuer

| Name | Value of collateral received | Value of collateral pledged USD |
|------------------------------|------------------------------|---------------------------------|
| JK Global Opportunities Fund | N/A | 5,230,000 |

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 | 5,230,000 |
| Counterparty | HSBC Bank Plc |

Returns and costs of the CFDs

| Fund | Income received USD | Realised Gains/Losses USD | Unrealised Gains/Losses USD |
|------------------------------|---------------------|---------------------------|-----------------------------|
| JK Global Opportunities Fund | 539,531.87 | (1,855,395) | 2,544,512 |

