

JK Global Opportunities Fund

April 2016

The Fund fell -0.85% in April (GBP Class, Net of Fees).

The Fund declined by -0.85% during the month, with weakness mainly attributable to the Fund's Japanese equity holdings and its small short position in the YEN. More generally, Asia Pacific equities underperformed global equities, with U.S. equities posting a small gain. Commodities, in particular oil and gold, continued to rally. A number of industrial metals also witnessed strong gains, although we are less sure of how sustainable this will be given what appears to be a substantial element of Chinese investors' speculative activity in these markets. Volumes and interest in general seems to be waning, with markets suggesting a 'sell in May' strategy after the strong rally since mid-February might be appropriate. In general, earnings reports are mixed, be it in the U.S., Asia, or Europe, with most high frequency economic data suggesting demand is slowing down. China has been a relative bright spot of late although we question how sustainable this recent uptick in growth will be. Political risks appear to be increasing, with Trump continuing to advance despite everyone's assurance to the contrary, and the Brexit vote is looming. It's Ground Hog Day once again in Greece as they look to refinance their, quite frankly, ludicrous debt load. This charade will highlight once again the reality that the EU has singularly failed to deal with the aftermath of the 'Global Financial Crisis 2008', and in turn might well provide ammunition to for the 'Leave' campaign to further advance its case. This assumes some competence on behalf of the leading lights of said campaign though...

As noted above, Chinese growth has picked-up recently as a result of easier monetary policy and a front-loading of fiscal stimulus measures. The property market has started bubbling up again, and concerns about excessive corporate debt appear to have abated, for the time being at least. Both the currency and equity markets have stabilised, helping sentiment globally. Financial conditions in the U.S. have eased significantly over the past few months, thanks to a weakening dollar, rallying equities, and falling corporate bond spreads. This might affect the 'dovish' FED at some point during the second half of the year if it results in an uptick in economic activity although we remain sceptical. More likely to us is that growth remains subdued, the FED and other central banks remain 'easy', supporting many risk assets in a state of suspended animation as the great central bank Ponzi scheme rolls on towards its eventual, inevitable, denouement.

Japanese equities remain vulnerable, and the BOJ's decision to do nothing this month further hurt sentiment. This decision looks political to us – the BOJ was simply unwilling to admit that NIRP has been a flop – as opposed to economic where the signs clearly show that growth is slowing and inflation falling once again. The looming G7 summit probably influenced the decision not to do anything as well. Japan, despite looking good value once again, is of little interest given waning momentum, both in terms of market and policy. The one bright spot though is the momentum behind the Mothers/OTC markets right now, suggesting that individuals have not altogether given up on all things domestic. Whilst we have reduced exposures to Japanese equities significantly, we remain involved in the smaller company growth space alluded to above.

Investment strategy and generating meaningful returns will remain challenging. The weaker Dollar of late has helped sentiment but we think further weakness is unlikely from here. There is a real chance

of further extreme volatility at any moment given the cocktail of risks currently faced by the markets. As noted in last month's report, we are adopting a more cautious approach as we head into the summer months, and will only look to deploy capital should the markets suffer a meaningful correction.

JK Global Opportunities Fund is a weekly dealing UCITS fund. It can be held by ISA's, SIPP's, Pensions, Charities, Family offices, Endowments, as a direct holding or through a Private Wealth Manager. All classes have Reporting Status.

NAV as at 30-Apr-16	
GBP class	163.83
USD class	205.77
Yen class	19,358.70

Source: State Street (Services) Ireland Ltd.

Asset Type as at above date (market exposure % of Total NAV)		
	Long	Short
Level 1	80	-25
Level 2	32	0
Level 3	0	0
Total	112	-25

Source: JK Investment Management LLP.

All data is Net of management and performance fees. Fund was launched on November 3rd 2003. GBP Class launched 1st April 2009.

Mandate broadened to Asia Inc Japan and Name of Fund changed April 1st 2009. Please note that performance from 1st April 2009 to 30th August 2013 is for the JK Absolute Return Fund. This Fund re-domiciled from Cayman to Ireland becoming an Irish UCITS on 30th August 2013 and changed its name to The JK Global Opportunities Fund. Management and performance fees have also been reduced from this date (see Prospectus in for details). Historic performance is not a guide to future returns.

Source: GSAS, IFS, State Street Dublin.

GBP Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2016	-5.68	+0.15	+6.37	-0.85									-0.37
2015	+1.87	+3.87	+0.24	+2.11	+3.89	-4.65	-0.16	-8.20	-6.51	+6.29	+1.40	-0.77	-1.69
2014	-4.02	-1.96	-0.93	-4.69	+0.89	+1.90	+0.06	-1.61	+2.02	+0.09	+7.77	-2.86	-3.86
2013	+6.18	-1.23	+3.52	+8.65	-2.79	-2.93	+3.05	-0.77	+6.43	+0.96	+4.15	+3.23	+31.51
2012	+2.43	+4.74	-0.62	-1.98	-1.54	-0.84	+0.73	+1.49	-0.54	-1.21	+1.25	+4.75	+8.68
2011	-0.92	-0.19	-1.13	+0.80	-2.89	-1.55	-1.43	-1.14	-3.60	+0.94	-2.67	+0.37	-12.71
2010	+0.83	+0.90	+3.77	+1.93	-4.44	+1.69	+0.70	+0.87	+0.02	+1.38	-0.88	+1.74	+8.62
2009				+1.73	+10.1	+2.66	+5.01	+1.23	+1.25	+1.57	-1.14	+3.32	+28.40

USD Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2016	-5.53	+0.16	+6.52	-0.81									-0.03
2015	+1.95	+3.92	+0.28	+2.17	+3.81	-4.75	-0.15	-8.28	-6.48	+6.34	+1.36	-0.74	-1.65
2014	-4.07	-1.88	-0.95	-4.73	+0.85	+1.92	+0.05	-1.59	+1.97	+0.18	+7.70	-2.84	-3.91
2013	+6.06	-1.22	+3.54	+8.83	-2.63	-3.09	+3.02	-0.86	+6.57	+1.00	+4.52	+3.38	+32.33
2012	+2.43	+4.80	-0.65	-2.03	-1.50	-0.87	+0.72	+1.52	-0.56	-1.22	+1.23	+4.79	+8.72
2011	-0.95	-0.20	-1.13	+0.82	-2.88	-1.55	-1.50	-1.17	-3.51	+0.94	-2.63	+0.34	-12.73
2010	+0.81	+0.84	+3.74	+1.92	-3.95	+1.76	+0.74	+0.87	+0.01	+1.39	-0.88	+1.72	+9.13
2009	-2.51	+0.03	+3.13	+2.13	+13.8	+3.42	+6.08	+1.06	+0.99	+1.58	-1.10	+3.14	+35.61
2008	-1.76	-0.01	-0.50	+1.22	-1.15	-4.74	-1.58	-1.00	-1.93	-0.05	-0.44	+2.83	-8.92
2007	+2.01	-1.34	-2.35	-0.81	+1.63	+4.04	+0.41	-6.10	+0.14	-1.38	-3.97	-3.74	-11.27
2006	+0.13	-3.78	+3.72	-2.27	-3.75	+1.57	-4.58	+3.13	-0.84	+2.73	-1.03	+1.61	-3.75
2005	-0.75	+1.04	+0.36	-0.65	-1.05	+0.90	+2.01	+1.99	+9.65	+4.55	+7.71	+9.41	+40.31
2004	+0.82	+2.03	+6.57	+0.16	-2.15	+1.61	-1.66	-0.96	-0.48	-0.78	-0.27	+2.18	+6.98
2003											+0.01	+0.39	+0.40

Yen Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2016	-5.47	+0.00	+6.50	-0.83									-0.15
2015	+1.96	+3.85	+0.29	+2.08	+3.93	-4.77	-0.19	-8.07	-6.54	+6.33	+1.42	-0.85	-1.63
2014	-4.10	-1.86	-0.96	-4.74	+0.82	+1.90	+0.03	-1.61	+2.03	+0.51	+7.92	-2.93	-3.53
2013	+6.31	-1.17	+3.49	+9.16	-2.78	-3.02	+2.98	-0.88	+6.62	+0.99	+4.61	+3.52	+33.21
2012	+2.35	+5.36	-0.68	-2.00	-1.50	-0.92	+0.66	+1.49	-0.58	-1.26	+1.24	+4.98	+9.18
2011	-0.99	-0.21	-1.17	+0.78	-2.91	-1.54	-1.47	-1.21	-3.52	+0.90	-2.67	+0.25	-13.02
2010	+0.76	+0.82	+3.93	+1.90	-3.62	+1.67	+0.68	+0.83	-0.02	+1.32	-0.92	+1.62	+9.17
2009	-0.44	+2.14	+2.41	+3.29	+17.6	+5.35	+2.75	+1.22	+1.17	+1.98	-1.32	+3.85	+46.57
2008	-1.92	-0.22	-0.69	+1.09	-1.31	-4.88	-1.77	-1.32	-1.87	-1.00	-0.86	+2.31	-11.89
2007	+1.64	-1.67	-2.71	-1.19	+1.26	+3.72	-0.03	-6.09	-0.28	-1.75	-4.16	-4.10	-14.68
2006	-0.31	-4.10	+3.40	-2.55	-4.13	+1.21	-5.00	+2.76	-1.23	+2.29	-1.43	+1.25	-7.99
2005	-0.94	+0.93	+0.20	-0.96	-1.36	+0.67	+2.08	+1.71	+9.66	+4.45	+7.66	+8.98	+37.47
2004	+0.74	+2.04	+6.20	+0.45	-2.20	+1.52	-1.82	-1.04	-0.61	-0.88	-0.40	+2.01	+5.88
2003											-0.06	+0.31	+0.25

For more information on the Fund, please see www.jkim.co.uk

For dealing, please place orders with the Administrator by **3pm on a Tuesday**

Administrator for JK Global Opportunities Fund

Attn: JK TA Dealing Team Tel: +353 1 242 5433

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