

JK Global Opportunities Fund

June 2021

USD Class +1.11%, GBP Class +1.11%, YEN Class +1.09%, EUR Class +1.06% in June.

The Fund rose +1.11% (USD Class, net of fees) in June - a month which saw growth/high duration assets stage a comeback as long-term yields rallied. This benefited some of our Chinese tech names, such as Naura Technology (+47%) and Flat Glass (+30%), as well as our long Nasdaq position. Our short US bond trade was the biggest detractor from performance, although downside was limited due to a timely exit from the position.

After a relatively quiet few months in financial markets, we finally witnessed some interesting developments in June, as many of this year's most popular trades unwound. In particular, 'reflation' trades lost some steam, as the dollar rallied, yield curves flattened, and value underperformed growth.

The primary catalyst for this was the relatively hawkish rhetoric coming out of the FED meeting. Although a timeline was not provided on tapering, the FED's 'dot plot' pencilled in rate hikes sooner than expected, with officials now seeing two hikes by the end of 2023, up from zero three months ago. The front-end of bond markets duly sold-off, as investors brought forward their rate hike expectations. In contrast, the long-end rallied, leading to a flattening of the yield curve. The somewhat counter-intuitive fall in long-term yields (after a hawkish surprise), highlights how much term premium (inflation risk) was baked into bond markets. The FED was clearly starting to face a credibility issue with its ultra-loose monetary policy stance, so had no choice but to reset expectations around their reaction function in our view. The upshot was that the FED seemed to mitigate concerns of being behind the curve on inflation, therefore reducing this tail-risk in the long-end of bond markets.

As mentioned earlier, the fall in longer-term yields sparked a rotation out of crowded 'reflation' trades and back into out-of-favour growth sectors like tech. With economic momentum peaking, smaller than expected fiscal stimulus in the US, and skewed positioning, we feel this rotation could have some legs and is why it remains our preferred contrarian trade.

Elsewhere, we have reduced our exposure to Chinese equities, as the growing list of uncertainties facing this asset class makes its short-term outlook less compelling. This is particularly relevant for NASDAQ listed Chinese entities. The government continues its draconian crackdown on the tech sector, expanding its scope from anti-trust and fintech issues to consumer data restrictions, as the recent Didi debacle has shown. We are also becoming uneasy with the more aggressive nature of CCP announcements, fully on display at their 100th-year anniversary celebration. Xi threatening adversaries and beating his chest over Taiwan once again, looks poorly timed against an increasingly hawkish perception of China from the outside world.

In summary, we continue to reduce risk levels in the Fund, whilst we await better entry points from our preferred equity markets.

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 UK Reporting Status.

| USD Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2021 | +2.69 | +1.99 | -0.98 | +1.91 | -1.61 | +1.11 | | | | | | | +5.14 |
| 2020 | -0.27 | -1.87 | -5.25 | +6.27 | +2.16 | +5.24 | +6.50 | +2.75 | -3.05 | +1.43 | +6.40 | +7.77 | +30.72 |
| 2019 | +3.17 | +2.05 | +1.37 | +2.21 | -6.21 | +2.59 | -0.08 | -1.19 | -1.06 | +2.89 | +1.52 | +4.79 | +12.22 |
| 2018 | +6.49 | -1.25 | -1.89 | -0.89 | +3.75 | -3.06 | +0.12 | +1.25 | -2.14 | -6.91 | +0.28 | -4.47 | -9.02 |
| 2017 | +3.07 | -1.06 | +2.06 | +3.56 | +2.15 | -0.31 | +2.96 | +2.35 | +0.63 | +5.47 | +2.60 | +1.71 | +28.09 |
| 2016 | -5.53 | +0.16 | +6.52 | -0.81 | +0.93 | -1.32 | +3.74 | -0.81 | +1.53 | +1.86 | +0.22 | -1.82 | +4.26 |
| 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 |

| GBP Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2021 | +2.54 | +1.97 | -1.12 | +1.86 | -1.59 | +1.11 | | | | | | | +4.79 |
| 2020 | -0.32 | -2.00 | -5.86 | +6.18 | +2.13 | +5.73 | +6.30 | +2.64 | -3.22 | +1.35 | +6.39 | +7.67 | +29.26 |
| 2019 | +2.98 | +1.93 | +1.23 | +2.13 | -6.37 | +2.45 | -0.32 | -1.37 | -1.19 | +2.72 | +1.43 | +4.62 | +10.20 |
| 2018 | +6.32 | -1.45 | -2.01 | -1.05 | +3.67 | -3.30 | -0.01 | +1.14 | -2.35 | -7.11 | +0.08 | -4.64 | -10.85 |
| 2017 | +2.97 | -1.11 | +1.97 | +3.52 | +2.16 | -0.43 | +2.84 | +2.19 | +0.46 | +5.38 | +2.54 | +1.55 | +26.66 |
| 2016 | -5.68 | +0.15 | +6.37 | -0.85 | +0.92 | -1.35 | +3.67 | -0.87 | +1.49 | +1.80 | +0.20 | -1.92 | +3.50 |
| 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 |

| YEN Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2021 | +2.61 | +2.12 | -1.02 | +1.87 | -1.65 | +1.09 | | | | | | | +5.05 |
| 2020 | -0.46 | -1.91 | -5.67 | +6.00 | +2.17 | +5.97 | +6.45 | +1.93 | -3.11 | +1.38 | +6.34 | +7.67 | +29.02 |
| 2019 | +2.95 | +1.87 | +1.16 | +1.97 | -6.37 | +2.35 | -0.27 | -1.42 | -1.29 | +2.63 | +1.38 | +4.47 | +9.36 |
| 2018 | +6.38 | -1.42 | -2.06 | -1.14 | +3.59 | -3.26 | -0.11 | +1.15 | -2.45 | -7.06 | +0.07 | -4.74 | -11.15 |
| 2017 | +2.87 | -1.14 | +1.88 | +3.57 | +2.21 | -0.63 | +2.83 | +2.20 | +0.54 | +5.33 | +2.42 | +1.49 | +26.07 |
| 2016 | -5.47 | +0.00 | +6.50 | -0.83 | +0.89 | -1.40 | +3.87 | -0.93 | +1.38 | +1.74 | +0.07 | -2.01 | +3.36 |
| 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 |

| EURO Class (%) | | | | | | | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2021 | +2.64 | +1.99 | -2.45 | +1.67 | -1.64 | +1.06 | | | | | | | +3.21 |
| 2020 | -0.44 | -1.95 | -5.69 | +6.11 | +2.05 | +5.98 | +6.39 | +2.60 | -3.15 | +1.33 | +6.36 | +7.11 | +28.92 |
| 2019 | +2.90 | +1.82 | +1.11 | +1.96 | -6.46 | +2.34 | -0.22 | -1.44 | -1.31 | +2.63 | +1.38 | +4.49 | +9.07 |
| 2018 | +6.36 | -1.44 | -2.09 | -1.16 | +3.59 | -3.39 | -0.10 | +1.12 | -2.53 | -7.19 | +0.03 | -4.75 | -11.61 |
| 2017 | | | | | | | | | | +3.69* | +2.47 | +1.43 | +7.77* |

*Euro Class started on 04-Oct-17

| NAV as at 30-Jun-21 | |
|---------------------|-----------|
| GBP class | 286.86 |
| USD class | 385.71 |
| Yen class | 33,274.79 |
| Euro Class | 138.25 |

Source: Apex Fund Services (Ireland) Ltd.

| Asset Type as at above date (market exposure % of Total NAV) | | |
|--|------|-------|
| | Long | Short |
| Level 1 | 81 | 0 |
| Level 2 | 31 | 0 |
| Level 3 | 0 | 0 |
| Total | 112 | 0 |

Source: JK Investment Management LLP

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

Administrator for JK Global Opportunities Fund (Orders by 3pm on a Tuesday)

Apex Group Ltd, Dublin Tel: +353 1 411 2949, Fax: +353 1 411 2948

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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: JKIM LLP, Apex Fund Services (Ireland) Ltd.

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