

JK Funds Plc
(Investment Company with Variable Capital)

Annual Report and Audited Financial Statements

For the financial year ended 31 December 2020

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. Gerry Brady* (Irish, Ireland resident)

** Independent non-executive.*

Administrator

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

Registered Office

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

Auditor

Ernst & Young
Chartered Accountants and Statutory Audit Firm
Harcourt Centre
Harcourt Street
Dublin 2, D02 YA40
Ireland

Company Secretary

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

Investment Manager and Distributor

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

Depository

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

Legal Advisors

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

Legal Advisors

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

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 (as amended) and has limited liability in Ireland.

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

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

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

The investment objective of the JK Global Opportunities Fund (“JK Global”) is to achieve above average long term capital appreciation. JK Global 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 strategic short term positions and tactical long term positions across global markets (including emerging markets). JK Global may also invest in exchange traded notes. JK Global is actively managed and is not managed by reference to a benchmark. JK Global may invest up to 100 per cent of the entire portfolio in emerging markets.

The investment objective of the JK Japan Fund (“JK Japan”) is to achieve long term capital appreciation. JK Japan will seek to achieve its investment objective by investing primarily in Japanese equities, which are listed or traded on a Recognised Exchange including, but without limitation, common and preferred stock. JK Japan may also hold cash and deposits within the Depositary’s sub-custodian network pending investment. JK Japan may at any particular time be invested up to 100 per cent of the entire portfolio in Japanese equities. It is expected that JK Japan will typically be invested in under 50 Japanese equities.

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 2020 the Company had two sub-funds (2019: one sub-fund), namely JK Global Opportunities Fund and JK Japan Fund. The base currency of JK Global Opportunities Fund is US dollar and JK Japan Fund is Japanese Yen. The Funds offered accumulation Shares. The Share Classes and type of Shares are:

JK Global Opportunities Fund

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

JK Funds Plc

Background to the Company (continued)

JK Japan Fund

Institutional	Share Classes			
	USD Institutional Shares (I)	GBP Institutional Shares (I)	YEN Institutional Shares (I)	EUR Institutional Shares (I)
Minimum Subscription	USD1,250,000	GBP1,000,000	YEN130,000,000	EUR1,150,000
Minimum Additional Subscription	USD125,000	GBP100,000	YEN13,000,000	EUR115,000
Minimum Holding	USD1,250,000	GBP1,000,000	YEN130,000,000	EUR1,150,000
Institutional	GBP Institutional Shares (unhedged) (I)	JKFDS US Dollar Shares		
Minimum Subscription	GBP1,000,000	USD1,250,000		
Minimum Additional Subscription	GBP100,000	USD125,000		
Minimum Holding	GBP1,000,000	USD1,250,000		
Ordinary	USD Ordinary Shares (O)	GBP Ordinary Shares (O)	YEN Ordinary Shares (O)	EUR Ordinary Shares (O)
Minimum Subscription	USD125,000	GBP100,000	YEN13,000,000	EUR115,000
Minimum Additional Subscription	USD12,500	GBP10,000	YEN1,300,000	EUR11,500
Minimum Holding	USD125,000	GBP100,000	YEN13,000,000	EUR115,000

JK Funds Plc

Directors' Report

for the year ended 31 December 2020

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 2020.

At 31 December 2020 the Company had two sub-funds (2019: one sub-fund), namely JK Global Opportunities Fund ("JK Global") and JK Japan Fund ("JK Japan") (collectively the "Funds").

Results for the year and state of affairs

The results for the year are set out in the Statement of Comprehensive Income and the state of affairs of the Company is set out in the Statement of Financial Position, page 15 to 18 respectively.

Directors

The following Directors held office during the financial year end and as at 31 December 2020.

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

* *Independent non-executive.*

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

Directors' and Secretary's interests

The Secretary does not hold any beneficial interest in the shares of the Company.

The Directors' beneficial interest in shares of the Company held during the year and as at 31 December 2020 is as follows:

In JK Global, Mr Simon Jones and family held 50,139.41 Yen Management Shares, (31 December 2019: 52,797.42). Mr Francis Kirkpatrick and family held 27,120.92 Yen Management Shares, (31 December 2019: 32,377.08). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2019: 1,148.33). In JK Japan, Mr Simon Jones and family held 2,882.96 GBP Institutional Shares, Mr Francis Kirkpatrick held 497.43 EUR Institutional Shares, 500.00 GBP Institutional Shares (Unhedged), 452.90 USD Institutional Shares and 1,194.53 GBP Institutional Shares. 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 Funds 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 Funds will normally be reinvested and the Company will not ordinarily make distributions in respect of any Class. However, this is at the Directors' discretion.

There were no dividends declared or paid during the year 31 December 2020 (2019: USD Nil).

Review of business

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

Risk management objectives and policies

Details of the Company's material financial risks are included in Note 4 of the Financial Statements.

Significant events during the year

JK Japan was launched on 4 March 2020. The base currency of the JK Japan is Japanese Yen "JPY" and it has 10 shares classes split between institutional and ordinary share investors. JK Japan seeks to achieve its investment objective by investing in a portfolio of Japanese equities that the Investment Manager believes to be undervalued given their long term growth and business prospects. JK Japan was approved to operate by the Central Bank as at 30 December 2019.

JK Funds Plc

Directors' Report (continued)

for the year ended 31 December 2020

Significant events during the year (continued)

In December 2019, an outbreak of a contagious respiratory virus now known as the COVID - 19 (Coronavirus) occurred and it has since spread globally. The virus has resulted in government authorities in many countries globally taking extreme measures to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities such as bars, restaurants and sports facilities. This has resulted in a major disruption to businesses both regionally and globally.

The pandemic has created volatility and price fluctuations in the global financials. The full impact of this COVID-19 pandemic over the financial year has been difficult to assess and quantify, however any impacts to the Company will be reflected in the Company's underlying investment valuations. The Directors and Investment Manager have closely monitored the situation on a daily basis and have implemented certain internal controls to mitigate any exposures to related risks which have arisen over the financial year.

There were no other material significant events occurred during the reporting year ended 31 December 2020.

Going Concern Assessment

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

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

Significant events after the year end

Subsequent to the reporting date and up to the date of these financial statements, JK Global Opportunities Fund received subscription request of 27,213.59 shares amounting to US\$10,172,311 and redemption request of 3,702.68 shares amounting to US\$1,528,134. JK Japan Fund received subscription request of 46,359.54 shares amounting to JPY 2,350,383,946 and redemption request of 165.00 shares amounting to JPY 2,665,435.

Updated Prospectus was issued on 09 March 2021 to reflect Sustainable Finance Disclosure Regulation disclosures.

There were no other events subsequent to the financial year end which require disclosure in these financial statements.

Independent auditor

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

Adequate accounting records

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

Audit committee

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

Statement on relevant audit information

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

- (a) as far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- (b) the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

JK Funds Plc

Directors' Report (continued)

for the year ended 31 December 2020

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 2020 amounted to USD 57,603 (31 December 2019: USD 58,693). The fee outstanding at the year end was USD Nil (31 December 2019: USD Nil).

No political or charitable donations were made by the Company during the financial year ended 31 December 2020 (2019: USD Nil).

Corporate Governance Statement

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

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

Connected Persons

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

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

Directors' Responsibilities

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

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

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

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

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

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Directors' Report (continued)

for the year ended 31 December 2020

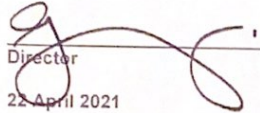
Directors' Responsibilities (continued)

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

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

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

For and on behalf of the Board


Director
22 April 2021


Director

JK Funds Plc

Depository's Report

for the year ended 31 December 2020

Report of the Depository to the Shareholders

We have enquired into the conduct of the JK Funds plc ('the Company') for the financial year ended 31 December 2020, in our capacity as Depository to the Company.

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

Responsibilities of the Depository

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

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

Basis of Depository Opinion

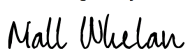
The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulations 33 - 37 inclusively contained in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance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

Opinion

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

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

SMT Trustees (Ireland) Limited

DocuSigned by:

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Dated: 22 April 2021

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JK Funds Plc ('the Company') for the year ended 31 December 2020, which comprise the Statement of financial position, Statement of comprehensive income, Statement of changes in net assets attributable to holders of redeemable participating shares, Statement of cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Continued /...

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

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

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

Continued /...

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

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This description forms part of our auditor's report.

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

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



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

Dublin

Date: 28 April 2021

JK Funds Plc

Investment Manager's Report

for the year ended 31 December 2020

JK Global Opportunities Fund

The JK Global Opportunities Fund performance for the financial period 31st December 2019 to 31st December 2020 was as follows (Net of fees): USD class +30.72%, GBP class +29.26%, YEN class +29.02%, and EUR class +28.92%.

The Fund rose +30.72% in 2020, which was one of the most extreme market environments we have ever witnessed, as investors grappled with a unique set of health, economic, social, and political factors brought about by the COVID-19 pandemic.

The Fund navigated the volatility in markets relatively successfully, as we were quick to reduce risk exposures aggressively once it became clear that the virus was spreading globally, limiting downside in the February/March crash. Our portfolio hedges provided further downside protection during this period, including our long YEN position. We also took advantage of the significant uptick in market volatility to engage in various option strategies which added further value – mainly writing put options on equity market indices.

Having avoided the brunt of the collapse and built-up large cash reserves in doing so, we began to put this to work again in April, as policymakers unleashed extraordinary stimulus measures to prop up economies and markets. The FED, in particular, reacted quickly to backstop the dollarized global financial system by redeploying GFC-era swap lines and a new treasury repo facility with foreign central banks, which helped stabilise funding markets and avoid significant credit events. At the same time, central banks everywhere aggressively slashed interest rates and opened the liquidity taps, whilst governments provided fiscal support to replace the lost income of businesses and consumers.

Markets staged a strong rally off the lows in response, although there were significant divergences in relative sector returns. The Fund capitalised on this by investing in businesses with strong balance sheets and earnings resilience, namely US and Chinese tech, which we identified as being key beneficiaries of the stay-at home economy. Our long exposure to Japan through high-quality growth companies and a Nikkei dividend future also added to gains in this period.

Volatility returned in September and October, as investors started to discount the likelihood of a messy US election, whilst further lockdowns were being imposed in response to a 'second wave' of COVID. The Fund's relatively cautious positioning during this period helped us weather these market gyrations reasonably successfully. Our overweight position in Chinese equities also led to some outperformance, as China found itself insulated from the political shenanigans in the West, therefore providing a good way to diversify our equity exposures.

As predicted, the US election was a shambles. However, as it became clear that Biden had won, markets staged a relief rally, seeming to view larger fiscal spending and a less erratic style of diplomacy favourably. The assumption of a split Congress at the time also boosted sentiment, as expectations for the more radical elements of the Democrats' agenda being implemented, namely broad-based tax increases, dwindled.

Shortly after, we received news that Pfizer, Moderna and Astrazeneca had all achieved impressive efficacy rates in their vaccine trials, providing further impetus to the rally and a rotation into more cyclical sectors. The Fund initiated positions in numerous resource names (BHP, Antofagasta, Rio Tinto) to capitalise on this rotation, which paid off handily in the final two months of the year. Asian equities also posted strong returns in this period, which benefited the Fund's overweight exposure to the region through companies like Samsung, UMC and Longi Green.

Outlook

As vaccine rollouts have picked-up momentum in recent months, the 'reflation' narrative has become further entrenched in markets and accelerated the rotation into value. The JK Global Opportunities Fund has responded by reducing exposures to some of our previously high-flying growth stocks in favour of more cyclical names such as Flight Centre, Affiliated Mangers and Akzo Nobel. We have also increased our short positions in developed bond markets, which have added value as long-term yields have risen.

The big question facing investors now is how much further rates will rise from here, as this holds the key to portfolio construction currently. We maintain our view that the biggest upside risk for bond yields is inflation, as Modern Monetary Theory (MMT) style policies garner further legitimacy, whilst central banks remain committed to ultra-loose monetary policies. JPMorgan Asset Management estimates that the combined central bank and government stimulus measures already totalled \$20tn last year, or more than a fifth of global economic output. The upshot of this is that 20% of all dollars in circulation have been created in the last year, much of which has found its way into the real economy, as evidenced from the surge in broad money (M2) globally. Unlike QE, where new money sits idly as excess reserves – trapping inflation in asset markets – the rise of MMT presents a potential paradigm shift where inflation could migrate to goods prices.

JK Funds Plc

Investment Manager's Report (Continued)

for the year ended 31 December 2020

JK Global Opportunities Fund (continued)

Outlook (continued)

With more multi-trillion-dollar stimulus packages in the pipeline this year and central banks becoming increasingly subservient to bond markets through policies like YCC, we could find ourselves with central banks easing into overheating economies; adding fuel to the fire before eventually capitulating to raise rates. Signs of inflation are already emerging in commodity markets and supply bottlenecks in numerous industries will eventually see businesses pass on higher costs to consumers in our view. Putting all this together, we fear that central banks could find themselves behind the curve on inflation, particularly in light of Jerome Powell's recent air of complacency that any inflation will be "transient" and that "central banks learned how to deal with inflation decades ago".

Given the above, we will continue to look for opportunities to increase our short interest rate positioning, reduce duration across asset classes (where long), and focus on finding good risk : reward opportunities, most of which have been found in the convertible bond space of late.

JK Japan Fund

The JK Japan Fund was launched on the 3rd March 2020. Performance from the launch date to 31st December 2020 was as follows. YEN Class +42.13%, GBP Class +41.69%, USD Class +42.57%. The GBP (Unhedged) Class was launched on 14th October 2020 and was +7.78% to 31st December 2020. The EUR Class was launched on 28th October 2020 and this class was +13.62% to 31st December 2020.

This Fund is not benchmarked but performance is compared to the Topix Index, which over the period from 3rd March 2020 to 31st December 2020 was up +19.90%. The Fund, therefore significantly outperformed this comparison index.

This outperformance can be attributed to the Fund's concentration in high-quality growth companies, which were able to weather the Coronavirus pandemic well as a result of their healthy balance sheets and flexible business models.

Outlook

We remain optimistic on the medium-term outlook for the JK Japan Fund's holdings, many of which have reported better than expected earnings during this most challenging period, with dividends maintained – a testament to their balance sheet strength.

Turnover remains fairly low, with the portfolio focussed on robust businesses, whose managements' have a laser focus on profitability, and a proven ability to allocate the firms' capital effectively. We have found opportunities of late in some quality cyclical areas (e.g. Sumitomo Chemical, Showa Denko, and Mitsubishi Corp), as well as financials and have increased weightings. This decision has been driven by our belief that there will be a stronger than expected economic recovery globally this year. However, the core GARP focus of the fund remains.

We expect a strong earnings rebound in Japan as the vaccination programs allow global economies to re—open.

JK Investment Management LLP
Bury House
3 Bury Street
Guildford
Surrey GU2 4AW
England
April 2021

JK Funds Plc

Statement of Financial Position

as at 31 December 2020

	Note	Company Total	JK Global	JK Japan Fund*
		As at 31 December 2020 USD	Opportunities Fund As at 31 December 2020 USD	As at 31 December 2020 JPY
Assets				
Cash and cash equivalents	5	19,762,201	19,524,953	24,495,894
Financial assets at fair value through profit or loss:				
Investments in securities	4	118,993,299	101,159,087	1,841,382,402
Derivative Financial Instrument:				
Contracts for difference		4,109,729	4,109,729	-
Open futures contracts		2,033,076	2,033,076	-
Open forward foreign currency exchange contracts		1,865,791	1,772,350	9,647,734
Financial assets at amortised cost:				
Amounts due from brokers	5	1,984,879	1,234,453	77,481,495
Other receivables		180,849	179,644	124,371
Subscription receivable		91,628	91,628	-
Dividends receivable		50,160	16,223	3,504,040
Interest receivable		11,954	11,954	-
Total assets		149,083,566	130,133,097	1,956,635,936
Liabilities				
Financial liabilities at fair value through profit or loss:				
Derivative Financial Instrument:	4			
Open futures contracts		320,106	320,106	-
Open forward foreign currency exchange contracts		192,140	152,670	4,075,329
Contracts for difference		171,103	171,103	-
Financial liabilities at amortised cost:				
Performance fees payable	6	1,137,307	1,137,307	-
Amounts due to brokers	5	311,757	-	32,188,869
Investment management fees payable	6	101,904	97,677	436,417
Other payables and accrued expenses		67,978	39,296	2,961,430
Audit fees payable		45,285	33,675	1,198,701
Administration fees payable	6	13,877	9,887	411,956
Depositary fees payable	6	8,167	5,151	311,447
Total liabilities (excluding net assets attributable to shareholders)		2,369,624	1,966,872	41,584,149
Net assets attributable to holders of redeemable participating shareholders at the at the end of the year		146,713,942	128,166,225	1,915,051,787

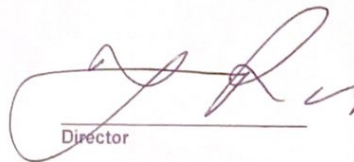
The accompanying notes form an integral part of these financial statements

*JK Japan was launched on 4 March 2020.

For and on behalf of the Board


Director

22 April 2021


Director

JK Funds Plc

Statement of Financial Position (continued)

as at 31 December 2019

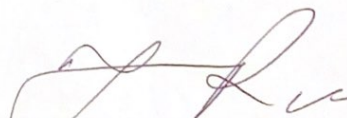
	Note	Company Total	JK Global
		As at 31 December 2019 USD	Opportunities Fund As at 31 December 2019 USD
Assets			
Cash and cash equivalents	5	9,211,641	9,211,641
Financial assets at fair value through profit or loss:			
Investments in securities	4		
Derivative Financial Instrument		70,023,306	70,023,306
Contracts for difference			
Open futures contracts		1,276,377	1,276,377
Open forward foreign currency exchange contracts		213,041	213,041
Total return swap		1,378,151	1,378,151
Financial assets at amortised cost:			
Amounts due from brokers	5	636,382	636,382
Other receivables		8,507,932	8,507,932
Subscription receivable		40,791	40,791
Dividends receivable		-	-
Interest receivable		92,361	92,361
Total assets		91,379,982	91,379,982
Liabilities			
Financial liabilities at fair value through profit or loss:			
Derivative Financial Instrument:	4		
Open futures contracts		168,900	168,900
Open forward foreign currency exchange contracts			
Contracts for difference		1,084,084	1,084,084
Financial liabilities at amortised cost:			
Performance fees payable	6	-	-
Amounts due to brokers	5	-	-
Investment management fees payable	6	66,196	66,196
Other payables and accrued expenses		33,995	33,995
Audit fees payable		29,437	29,437
Administration fees payable	6	8,173	8,173
Depository fees payable	6	16,533	16,533
Total liabilities (excluding net assets attributable to shareholders)		1,533,047	1,533,047
Net assets attributable to holders of redeemable participating shareholders at the at the end of the year		89,846,935	89,846,935

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

For and on behalf of the Board


Director

22 April 2021


Director

JK Funds Plc

Statement of Comprehensive Income

for the year ended 31 December 2020

		Company Total	JK Global Opportunities Fund	JK Japan Fund* For the financial period from 4 March 2020 to 31 December 2020
		For the year ended 31 December 2020	For the year ended 31 December 2020	31 December 2020
Note		USD	USD	JPY
Income				
		773,687	439,337	35,438,400
		80,191	80,191	-
		38,632	38,632	-
		252	156	10,228
		29,292,849	26,248,333	322,694,326
		14,166,420	10,290,040	410,865,216
		43,459,269	36,538,373	733,559,542
		44,352,031	37,096,689	769,008,170
Expenses				
	6	865,771	803,249	6,626,826
	9	130,987	118,548	1,318,393
	6	119,017	97,644	2,265,325
	6	102,507	72,496	3,180,936
	6	3,090,274	3,090,274	-
	8	57,603	47,945	1,023,637
	6	44,833	33,674	1,182,720
		55,522	32,321	2,459,110
		221,704	220,637	113,096
		225,570	123,047	10,866,642
		4,913,788	4,639,835	29,036,685
		39,438,243	32,456,854	739,971,485
	2	107,738	57,586	5,315,761
		39,330,505	32,399,268	734,655,724
		39,330,505	32,399,268	734,655,724

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 Japan was launched on 4 March 2020.

JK Funds Plc

Statement of Comprehensive Income (continued)

for the year ended 31 December 2019

	Note	Company Total For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2019 USD
Income			
Dividend income		1,416,663	1,416,663
Interest income		335,416	335,416
Management fee rebate		-	-
Other income		-	-
Net realised gain on financial assets and foreign exchange		254,426	254,426
Net change in unrealised gain on financial assets and foreign exchange		10,874,267	10,874,267
Net realised and unrealised gain on financial assets and foreign exchange		11,128,693	11,128,693
Total investment income		12,880,772	12,880,772
Expenses			
Investment management fees	6	680,708	680,708
Research expenses	9	360,000	360,000
Administration fees	6	83,541	83,541
Depositary fees	6	77,097	77,097
Performance fees	6	-	-
Directors' fees	8	58,693	58,693
Audit fees	6	33,262	33,262
Legal fees		533	533
Interest expense		355,678	355,678
Other fees		136,375	136,375
Total expenses		1,785,887	1,785,887
Gain for the financial year before taxation		11,094,885	11,094,885
Withholding taxes on dividend	2	179,716	179,716
Gain for the financial year after taxation		10,915,169	10,915,169
Increase in net assets attributable to holders of redeemable participating shares resulting from operations		10,915,169	10,915,169

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

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

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

for the year ended 31 December 2020

	Company Total	JK Global Opportunities Fund	JK Japan Fund* For the financial period from 4 March 2020 to 31 December 2020
Note	For the year ended 31 December 2020 USD	For the year ended 31 December 2020 USD	JPY
Net assets attributable to redeemable participating shareholders at the beginning of the year	89,846,935	89,846,935	-
Share transactions	7		
Proceeds from issue of redeemable participating shares	40,181,972	7,890,734	3,422,612,935
Payments on redemptions of redeemable participating shares	(23,125,298)	(1,970,712)	(2,242,216,872)
Net increase in net assets resulting from redeemable participating shares transactions	17,056,674	5,920,022	1,180,396,063
Currency translation differences	479,828	-	-
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	39,330,505	32,399,268	734,655,724
Net assets attributable to holders of redeemable participating shareholders at the end of the year	146,713,942	128,166,225	1,915,051,787

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

*JK Japan was launched on 4 March 2020.

JK Funds Plc

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

for the year ended 31 December 2019

	Note	Company Total For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2019 USD
Net assets attributable to redeemable participating shareholders at the beginning of the year		81,163,262	81,163,262
Share transactions	7		
Proceeds from issue of redeemable participating shares		3,401,203	3,401,203
Payments on redemptions of redeemable participating shares		(5,632,699)	(5,632,699)
Net decrease in net assets resulting from redeemable participating shares transactions		(2,231,496)	(2,231,496)
Currency translation differences		-	-
Increase in net assets attributable to holders of redeemable participating shares resulting from operations		10,915,169	10,915,169
Net assets attributable to holders of redeemable participating shareholders at the end of the year		89,846,935	89,846,935

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

JK Funds Plc

Statement of Cash Flows

for the year ended 31 December 2020

	Company Total	JK Global Opportunities Fund	JK Japan Fund*
	For the year ended 31 December 2020 USD	For the year ended 31 December 2020 USD	For the financial period from 4 March 2020 to 31 December 2020 JPY
Cash flows from operating activities			
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	39,330,505	32,399,268	734,655,724
Adjustment for:			
<i>(Increase)/decrease in operating assets</i>			
Financial assets at fair value through profit or loss	(53,474,638)	(35,546,985)	(1,851,030,136)
Amounts due from broker	6,523,053	7,273,479	(77,481,495)
Other receivables	(140,058)	(138,853)	(124,371)
Dividends receivable	42,201	76,138	(3,504,040)
Interest receivable	(11,954)	(11,954)	-
<i>Increase/(decrease) in operating liabilities</i>			
Financial liabilities at fair value through profit or loss	(695,364)	(734,834)	4,075,329
Performance fees payable	1,137,307	1,137,307	-
Amounts due to broker	311,757	-	32,188,869
Investment management fees payable	35,708	31,481	436,417
Other payables and accrued expenses	33,983	5,301	2,961,430
Audit fees payable	15,848	4,238	1,198,701
Administration fees payable	5,704	1,714	411,956
Depositary fees payable	(8,366)	(11,382)	311,447
Cash (used in)/provided by operating activities	(6,894,314)	4,484,918	(1,155,900,169)
Cash flows from financing activities			
Proceeds from issue of redeemable participating shares during the year	40,090,344	7,799,106	3,422,612,935
Redemption of redeemable participating shares during the year	(23,125,298)	(1,970,712)	(2,242,216,872)
Net cash flows provided by financing activities	16,965,046	5,828,394	1,180,396,063
Net increase/(decrease) in cash and cash equivalents	10,070,732	10,313,312	24,495,894
Effect of foreign currency translation	479,828	-	-
Cash and cash equivalents at the start of the year	9,211,641	9,211,641	-
Cash and cash equivalents at the end of the year	19,762,201	19,524,953	24,495,894
Supplemental disclosures			
Cash received during the year for interest	68,237	68,237	-
Cash paid during the year for interest	221,704	220,637	113,096
Cash received during the year for dividends	815,888	515,475	31,934,360

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

*JK Japan was launched on 4 March 2020.

JK Funds Plc

Statement of Cash Flows (continued)

for the year ended 31 December 2019

	Company Total For the year ended 31 December 2019 USD	JK Global Opportunities Fund For the year ended 31 December 2019 USD
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	10,915,169	10,915,169
Adjustment for:		
<i>(Increase)/decrease in operating assets</i>		
Financial assets at fair value through profit or loss	(16,476,192)	(16,476,192)
Amounts due from broker	3,790,491	3,790,491
Other receivables	1,522	1,522
Dividends receivable	(52,332)	(52,332)
Interest receivable	-	-
<i>Increase/(decrease) in operating liabilities</i>		
Financial liabilities at fair value through profit or loss	519,277	519,277
Performance fees payable	-	-
Amounts due to broker	(35,988)	(35,988)
Investment management fees payable	4,801	4,801
Other payables and accrued expenses	(4,067)	(4,067)
Audit fees payable	(9,446)	(9,446)
Administration fees payable	617	617
Depository fees payable	3,785	3,785
Cash used in operating activities	(1,342,363)	(1,342,363)
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares during the year	3,401,203	3,401,203
Redemption of redeemable participating shares during the year	(5,644,898)	(5,644,898)
Net cash flows used in financing activities	(2,243,695)	(2,243,695)
Net increase/(decrease) in cash and cash equivalents	(3,586,058)	(3,586,058)
Effect of foreign currency translation	-	-
Cash and cash equivalents at the start of the year	12,797,699	12,797,699
Cash and cash equivalents at the end of the year	9,211,641	9,211,641
Supplemental disclosures		
Cash received during the year for interest	335,416	335,416
Cash paid during the year for interest	355,678	355,678
Cash received during the year for dividends	1,364,331	1,364,331

Cash and cash equivalents for JK Global as at December 31, 2020 and December 31, 2019 includes margin cash amounting to US\$350,000 and US\$7,060,000 respectively, considered to be restricted cash. See Note 2 (e) for additional disclosure regarding restricted cash.

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 2020

1. Summary of significant accounting policies

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

(a) Basis of presentation

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

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

The Company is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the Company, with each Fund comprising a separate and distinct schedule of investments. As at 31 December 2020, the Company has two active sub-funds, of which JK Japan Fund was launched on 4 March 2020.

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

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

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

New standards, amendments and interpretations effective from 1 January 2020

IAS 1 – Presentation of Financial Statements, IAS 8 – Accounting Policies, Changes in Accounting Policies

The Amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by primary users. These amendments had no impact on the Company’s financial statements, and it is not expected to have any future impact.

There are no other standards, interpretations or amendments to existing standards that are effective for the financial year beginning on 1 January 2020 that would be expected to have a material impact on the Company.

(b) Foreign currency

Functional and presentation currency

The primary objective of the Company is to generate returns in U.S. Dollar (“USD”), its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD in order to handle the issue, acquisition and resale of the Company’s redeemable shares. The Company’s performance is evaluated in USD. Therefore, the management considers the USD as the functional currency of the Company as which most faithfully represents the economic effects of the underlying transactions, events and conditions.

The combined financial statements are presented in USD. Returns are to be generated in USD and JPY in line with each Fund’s investment policy. There will be currency hedging for the non-base currency share classes in each Fund in order to replicate those returns in the shareholder’s currency. The presentation and functional currency of the JK Global and JK Japan is USD and Japanese Yen (“JPY”), respectively.

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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

(b) Foreign currency (continued)

Transactions and balances (continued)

For the purpose of producing the combined Statement of Financial Position of the Company, the Statement of Financial Position of JK Japan is translated into USD using exchange rates as at 31 December 2020. For the purpose of producing the combined Statement of Comprehensive Income and the combined Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares of the Non-USD Fund, average exchange rates are used. The difference arising from translation of the primary financial statements at different exchange rates, for the purpose of producing the combined financial statements, is included as a foreign currency translation adjustment in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Share. This notional adjustment does not have any impact on the net asset value of any individual Fund. For the year ended 31 December 2020, this adjustment amounted to USD479,828 (2019: nil).

(c) Financial instruments

(i) IFRS 9 – Financial Instruments

Classification and measurements of financial assets and financial liabilities

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

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

Financial assets and liabilities at fair value through profit or loss

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

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

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

The Company has applied the measurement category of FVTPL for its investments as:-

- The business model is neither hold-to-collect nor held to collect and sale;
- Collection of contractual cash flows is incidental to the objective of the model;
- The investment objective of the Funds is to achieve above average long term capital appreciation;
- NAV is calculated at Fair Value

Financial assets and liabilities at fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

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

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

On subsequent measurement of financial assets;

- debt investments at FVOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

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

Financial assets and liabilities at fair value through other comprehensive income (continued)

- equity investment at FVOCI are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets and liabilities held at amortised cost

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

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

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

Impairment of financial assets

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

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

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) IFRS 9 – Financial Instruments (continued)

Impairment of financial assets (continued)

Measurement of ECLs

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

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

Credit-impaired financial assets

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

Presentation of impairment

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

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

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

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

(ii) Specific Instruments

Contracts for difference ("CFDs")

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

Forward and spot foreign exchange currency contracts

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

Futures contracts

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Specific Instruments (continued)

Total return swaps

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

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

As at 31 December 2020, the funds no longer hold Total return swaps (2019: USD 636,382).

Fund Investment

The fair value of any investment which is a unit of or participation in an investment fund is the latest available unaudited net assets value of such unit or participation. Units or shares in exchange traded funds will be valued at the latest available net asset value, or if listed or traded on a regulated market, at the last quoted trade price.

(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) Restricted Cash

Restricted cash represents amounts pledged as collateral for derivatives traded by the Company or cash that has restrictions on its use with the financial institution in which it is deposited. These restrictions are contractually mandated and the restriction will lapse when the Company ceases trading in derivatives or fulfils the terms for the cash to become unrestricted.

(f) 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. Details of the impact of offsetting arrangements are included in note 4 (v).

(g) 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.

(h) Unrealised and realised gain/(loss) on investments at fair value through profit or loss

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

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

(i) 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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

(i) Dividend income and dividend expense (continued)

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.

(j) Interest income and interest expense

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

(k) 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.

(l) 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 Company.

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

(m) 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 2020

2. Taxation

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

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

A chargeable event does not include:

- i. Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- ii. An exchange of shares representing one sub-fund for another sub-fund of the Company; or
- iii. An exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund; or
- iv. Certain exchanges of shares between spouses and former spouses.

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

- i. A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, is held by the Company;
- ii. Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations; or
- iii. Any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue commissioners (such as CREST).

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

3. Financial Derivative Instruments and Efficient Portfolio Management

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

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

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set out in the UCITS Regulations;
- (c) their risks are adequately captured by the risk management process of the Company; and
- (d) they cannot result in a change to the Company’s declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

During the year ended 31 December 2020 and 31 December 2019, the Company entered into contracts for difference, options, futures contracts and total return swap for investment purposes. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

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

Forward foreign currency contracts were utilised by the Company for efficient portfolio management purposes during the year, in particular hedging of non-base currency share classes.

	JK Global Opportunities Fund		JK Japan Fund	
	2020 USD	2019 USD	2020 JPY	2019 JPY
Exposure	79,638,419	49,314,889	991,447,347	-
Realised gains/(losses)	1,847,597	(192,384)	(72,451,853)	-
Unrealised gains	893,711	899,386	5,572,405	-

Transaction costs on forwards are embedded in their contract price and are therefore not separately identifiable for disclosure within the financial statements. The counterparties to the forward foreign currency contracts are disclosed at the end of the Schedule of Investments.

4. Financial risks

Introduction and overview

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

Risk management structure

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

Risk measurement and reporting system

The Investment Manager monitors and measures the overall risk exposure of the Company.

Risk mitigation

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

(i) Market Risk

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

Foreign currency risk

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

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(i) Market Risk (continued)

Currency risk (continued)

As at 31 December 2020, the Company had the following currency risk exposures:

JK Global Opportunities Fund

	Monetary Assets USD	Non-Monetary Assets USD	Net Financial Assets USD
Australian Dollar	11,954	4,274,367	4,286,321
Chinese Yuan	4,723	-	4,723
European Union Euro	354,504	10,905,226	11,259,730
Great Britain Pound	770,753	8,905,145	9,675,898
Hong Kong Dollar	158,410	2,849,828	3,008,238
Japanese Yen	2,345,892	5,270,121	7,616,013
Swedish Krona	-	850,650	850,650
Total	3,646,236	33,055,337	36,701,573

JK Japan Fund*

	Monetary Assets JPY	Non-Monetary Assets JPY	Net Financial Assets JPY
European Union Euro	2,759,277	-	2,759,277
Great Britain Pound	3,390,205	-	3,390,205
United States Dollar	2,198,589	-	2,198,589
Total	8,348,071	-	8,348,071

*JK Japan Fund launched on 04 March 2020.

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

JK Global Opportunities Fund

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

Had the exchange rate between USD and other currencies to which the Company is exposed increased or decreased by 5% with all other variables held constant, the decrease or increase respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 1,835,079 (31 December 2019: USD 1,294,826) on JK Global Opportunities Fund and JPY 417,404 on JK Japan Fund.

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 Funds' 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 Funds' 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.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(i) Market Risk (continued)

Interest rate risk (continued)

The following table summarises the Funds' exposure to interest rate risk as at 31 December 2020 and 2019. The table includes the Funds' trading assets and liabilities at fair value, categorised by the earlier of the contractual re-pricing or maturity dates.

31 December 2020

JK Global Opportunities Fund

USD	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
Assets					
Cash and cash equivalents	19,524,953	-	-	-	19,524,953
Amounts due from brokers	1,234,453	-	-	-	1,234,453
Financial assets at FVTPL	-	29,997,651	10,056,527	69,020,064	109,074,242
Trade and other receivables	-	-	-	299,449	299,449
Total assets	20,759,406	29,997,651	10,056,527	69,319,513	130,133,097

USD	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
Liabilities					
Financial liabilities at FVTPL	-	-	-	(643,879)	(643,879)
Trade and other payables	-	-	-	(1,322,993)	(1,322,993)
Redeemable participating shares	-	-	-	(128,166,225)	(128,166,225)
Total liabilities	-	-	-	(130,133,097)	(130,133,097)

JK Japan Fund*

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
Assets					
Cash and cash equivalents	24,495,894	-	-	-	24,495,894
Amounts due from brokers	77,481,495	-	-	-	77,481,495
Financial assets at FVTPL	-	-	-	1,851,030,136	1,851,030,136
Trade and other receivables	-	-	-	3,628,411	3,628,411
Total assets	101,977,389	-	-	1,854,658,547	1,956,635,936

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
Liabilities					
Financial liabilities at FVTPL	-	-	-	(4,075,329)	(4,075,329)
Trade and other payables	-	-	-	(37,508,820)	(37,508,820)
Redeemable participating shares	-	-	-	(1,915,051,787)	(1,915,051,787)
Total liabilities	-	-	-	(1,956,635,936)	(1,956,635,936)

*Japan Fund launched on 04 March 2020.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(i) Market Risk (continued)

Interest rate risk (continued)

31 December 2019

JK Global Opportunities Fund

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

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

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 2020 would amount to approximately USD 400,542 (2019: USD 61,029) for JK Global Opportunities Fund and JPY Nil for JK Japan Fund 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 Funds' investments.

If the actual market prices at 31 December 2020 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 611,049 (31 December 2019: USD 639,204) for JK Global Opportunities Fund and JPY 18,413,824 for JK Japan Fund.

(ii) Credit Risk

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

Counterparty Risk

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

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(ii) Credit Risk (continued)

31 December 2020

JK Global Opportunities Fund

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure
Goldman Sachs	A1	A+	350,000	7,275,999

JK Japan Fund*

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure
Goldman Sachs	A1	A+	-	5,572,405

*Japan Fund launched on 04 March 2020.

31 December 2019

JK Global Opportunities Fund

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

Depositary risk

The Company's Depositary is SMT Trustees (Ireland) Limited ('Depositary'). Substantially all of the assets and cash of the Company are held within its custodial network. Bankruptcy or insolvency of the Depositary, its custodial network or of its ultimate parent company Sumitomo Mitsui Trust Holdings Inc. may cause the Company's rights with respect to its investments held by the Depositary to be delayed. The maximum exposure to this risk at 31 December 2020 is the total value of investments and cash and cash equivalent balances held with the Depositary.

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

The credit rating of Sumitomo Mitsui Trust Holdings Inc., the ultimate parent company of the Depositary, as provided Japan Credit Rating Agency Ltd at the reporting date, was AA- (2019: AA-).

Amounts arising from ECL

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

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

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

Due to the low credit risk of the financial assets at amortised cost, the Expected Credit Loss was determined to be immaterial and no impairment was recognised on the Funds' during the year ended 31 December 2020 and 2019.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(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 Funds 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 2020 and 31 December 2019 no such borrowings existed.

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

Deferred Redemptions

Subject to any statement to the contrary in respect of a particular Fund in its relevant Supplement, the Directors may defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10 per cent of a Funds' 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 Funds' 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 Funds' 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:

JK Global Opportunities Fund

As at 31 December 2020

	Less than 1 month	1-3 months	Less than 1 year	Greater than 1 year	Total
Liabilities	USD	USD	USD	USD	USD
Financial liabilities at FVTPL	(229,200)	(243,576)	-	(171,103)	(643,879)
Creditors	(1,322,993)	-	-	-	(1,322,993)
Net assets attributable to redeemable participating shareholders	(128,166,225)	-	-	-	(128,166,225)
Total contractual undiscounted cash flows	(129,718,418)	(243,576)	-	(171,103)	(130,133,097)

JK Japan Fund*

As at 31 December 2020

	Less than 1 month	1-3 months	Less than 1 year	Greater than 1 year	Total
Liabilities	JPY	JPY	JPY	JPY	JPY
Financial liabilities at FVTPL	-	(4,075,329)	-	-	(4,075,329)
Creditors	(37,508,820)	-	-	-	(37,508,820)
Net assets attributable to redeemable participating shareholders	(1,915,051,787)	-	-	-	(1,915,051,787)
Total contractual undiscounted cash flows	(1,952,560,607)	(4,075,329)	-	-	(1,956,635,936)

*Japan Fund launched on 04 March 2020.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iii) Liquidity Risk (continued)

JK Global Opportunities Fund

As at 31 December 2019

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

(iv) Accounting classifications and fair values

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

The fair value hierarchy has the following levels as defined under IFRS 13.

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

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

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

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

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

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

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

JK Global Opportunities Fund

31 December 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets measured at fair value								
Equity Securities	52,420,118	-	-	52,420,118	52,420,118	-	-	52,420,118
Corporate Bonds	40,054,178	-	-	40,054,178	-	40,054,178	-	40,054,178
Exchange Traded Fund	4,895,679	-	-	4,895,679	4,895,679	-	-	4,895,679
Fund Investment	3,789,112	-	-	3,789,112	-	3,789,112	-	3,789,112
Derivatives - Futures contracts	2,033,076	-	-	2,033,076	2,033,076	-	-	2,033,076
Derivatives - CFDs	4,109,729	-	-	4,109,729	-	4,109,729	-	4,109,729
Derivatives - Forward foreign currency exchange contracts	1,772,350	-	-	1,772,350	-	1,772,350	-	1,772,350
	109,074,242	-	-	109,074,242	59,348,873	49,725,369	-	109,074,242
Financial assets not measured at fair value								
Cash and cash equivalents	-	-	19,524,953	19,524,953	19,524,953	-	-	19,524,953
Amounts due from brokers	-	-	1,234,453	1,234,453	-	1,234,453	-	1,234,453
Other receivables	-	-	179,644	179,644	-	179,644	-	179,644
Subscription receivable	-	-	91,628	91,628	-	91,628	-	91,628
Dividends receivable	-	-	16,223	16,223	-	16,223	-	16,223
Interest receivable	-	-	11,954	11,954	-	11,954	-	11,954
	-	-	21,058,855	21,058,855	19,524,953	1,533,902	-	21,058,855

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

JK Global Opportunities Fund (continued)

31 December 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial liabilities measured at fair value								
Derivatives - Futures contracts	(320,106)	-	-	(320,106)	(320,106)	-	-	(320,106)
Derivatives - CFDs	(171,103)	-	-	(171,103)	-	(171,103)	-	(171,103)
Derivatives - Forward foreign currency exchange contracts	(152,670)	-	-	(152,670)	-	(152,670)	-	(152,670)
	(643,879)	-	-	(643,879)	(320,106)	(323,773)	-	(643,879)
Financial liabilities not measured at fair value								
Performance fees payable	-	-	(1,137,307)	(1,137,307)	-	(1,137,307)	-	(1,137,307)
Investment management fees payable	-	-	(97,677)	(97,677)	-	(97,677)	-	(97,677)
Other payables and accrued expenses	-	-	(39,296)	(39,296)	-	(39,296)	-	(39,296)
Audit fees payable	-	-	(33,675)	(33,675)	-	(33,675)	-	(33,675)
Administration fees payable	-	-	(9,887)	(9,887)	-	(9,887)	-	(9,887)
Depositary fees payable	-	-	(5,151)	(5,151)	-	(5,151)	-	(5,151)
	-	-	(1,322,993)	(1,322,993)	-	(1,322,993)	-	(1,322,993)

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

JK Global Opportunities Fund (continued)

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

JK Global Opportunities Fund (continued)

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

JK Japan Fund*

31 December 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	JPY	JPY	JPY	JPY	JPY	JPY	JPY	JPY
Financial assets measured at fair value								
Equity Securities	1,841,382,402	-	-	1,841,382,402	1,841,382,402	-	-	1,841,382,402
Derivatives - Forward foreign currency exchange contracts	9,647,734	-	-	9,647,734	-	9,647,734	-	9,647,734
	1,851,030,136	-	-	1,851,030,136	1,841,382,402	9,647,734	-	1,851,030,136
Financial assets not measured at fair value								
Cash and cash equivalents	-	24,495,894	-	24,495,894	24,495,894	-	-	24,495,894
Amounts due from brokers	-	77,481,495	-	77,481,495	-	77,481,495	-	77,481,495
Dividends receivable	-	3,504,040	-	3,504,040	-	3,504,040	-	3,504,040
Other receivables	-	124,371	-	124,371	-	124,371	-	124,371
	-	105,605,800	-	105,605,800	24,495,894	81,109,906	-	105,605,800

*Japan Fund launched on 04 March 2020.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

JK Japan Fund* (continued)

31 December 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	JPY	JPY	JPY	JPY	JPY	JPY	JPY	JPY
Financial liabilities measured at fair value								
Derivatives - Forward foreign currency exchange contracts	(4,075,329)	-	-	(4,075,329)	-	(4,075,329)	-	(4,075,329)
	(4,075,329)			(4,075,329)	-	(4,075,329)	-	(4,075,329)
Financial liabilities not measured at fair value								
Amounts due to brokers	-	-	(32,188,869)	(32,188,869)	-	(32,188,869)	-	(32,188,869)
Other payables and accrued expenses	-	-	(2,961,430)	(2,961,430)	-	(2,961,430)	-	(2,961,430)
Audit fees payable	-	-	(1,198,701)	(1,198,701)	-	(1,198,701)	-	(1,198,701)
Investment management fees payable	-	-	(436,417)	(436,417)	-	(436,417)	-	(436,417)
Administration fees payable	-	-	(411,956)	(411,956)	-	(411,956)	-	(411,956)
Depository fees payable	-	-	(311,447)	(311,447)	-	(311,447)	-	(311,447)
	-	-	(37,508,820)	(37,508,820)	-	(37,508,820)	-	(37,508,820)

*Japan Fund launched on 04 March 2020.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(iv) Accounting classifications and fair values (continued)

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

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

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. JK Global and JK Japan held no level 3 investments during the year ended 31 December 2020 or during the year ended 31 December 2019.

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 2020 or during the year ended 31 December 2019.

(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 2020 and 31 December 2019 detailing the impact of master netting agreement (MNA) and similar agreements:

JK Global Opportunities Fund

Derivative

Assets

31 December
2020

Counterparty	Derivative assets subject to a MNA by counterparty USD	Amount offset in Statement of Financial Position USD	Net amount presented in Statement of Financial Position USD	Related amounts not offset in Statement of Financial Position		
				Financial instruments USD	Cash collateral received USD	Net amount of derivative exposure USD
Goldman Sachs	7,437,121	-	7,437,121	(161,121)	-	7,276,000
	7,437,121	-	7,437,121	(161,121)	-	7,276,000

Derivative

Liabilities

31 December
2020

Counterparty	Derivative liabilities subject to a MNA by counterparty USD	Amount offset in Statement of Financial Position USD	Net amount presented in Statement of Financial Position USD	Related amounts not offset in Statement of Financial Position		
				Financial instruments USD	Cash collateral pledged USD	Net amount of derivative exposure USD
Goldman Sachs	(161,121)	-	(161,121)	161,121	-	-
	(161,121)	-	(161,121)	161,121	-	-

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

4. Financial risks (continued)

(v) Offsetting (continued)

JK Global Opportunities Fund (continued)

Derivative

Assets

31 December

2019

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
				USD	USD	USD
Goldman Sachs	849,423	-	849,423	(572,483)	-	276,940
HSBC	1,848,297	-	1,848,297	-	-	1,848,297
	2,697,720	-	2,697,720	(572,483)	-	2,125,237

Derivative

Liabilities

31 December

2019

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

JK Japan Fund*

Derivative

Assets

31 December

2020

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
				JPY	JPY	JPY
Goldman Sachs	5,572,405	-	5,572,405	-	-	5,572,405
	5,572,405	-	5,572,405	-	-	5,572,405

*JK Japan Fund launched on 04 March 2020.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

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

Substantially all of the cash, bank overdrafts and deposits, including overnight deposits are held with SMT Trustees (Ireland) Limited and The Northern Trust Company. Amounts from and due to brokers include margin cash and cash collateral held in relation to the Funds' 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 SuMi Trust and is subject to the counterparty risk of those entities. See Note 4, Credit and Counterparty Risk for further details.

JK Global Opportunities Fund

Restricted cash	31 December 2020	31 December 2019
	USD	USD
Future cash	879,730	-
Dividend receivables	4,723	-
Marginal cash	350,000	-
	1,234,453	-

Cash and cash equivalents	31 December 2020	31 December 2019
	USD	USD
SuMi Trust	19,521,147	9,208,105
The Northern Trust Company	3,806	3,536
	19,524,953	9,211,641

Amounts due from brokers

Cash collateral

Broker	USD	USD
Goldman Sachs	1,234,453	4,507,932
HSBC	-	4,000,000
	1,234,453	8,507,932

	USD	USD
Total amount due from brokers	1,234,453	8,507,932

JK Japan Fund*

There were no restricted cash for JK Japan Fund.

Cash and cash equivalents	31 December 2020
	JPY
SuMi Trust	24,088,029
The Northern Trust Company	407,865
	24,495,894

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

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

Amounts due from brokers

Unsettled trades

Broker

SuMi Trust

JPY

77,481,495

77,481,495

JPY

Total amount due from brokers

77,481,495

Amounts due to brokers

Unsettled trades

Broker

SuMi Trust

JPY

(32,188,869)

(32,188,869)

JPY

Total amount due to brokers

(32,188,869)

*JK Japan Fund launched on 04 March 2020.

6. Fees & expenses

Investment Management Fee

JK Global Opportunities Fund

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

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all the investment management fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash. There was no such transaction during the year 31 December 2020 and 2019 and all the management fees were retained by the Investment Manager.

JK Japan Fund

The Investment Manager receives from the Company an annual investment management fee which is payable monthly in arrears in arrears in respect of all Share Classes other than JK FDS US Dollar Shares and is accrued and calculated daily as at each Valuation Point. The amount of such investment management fee is 0.35 per cent of the NAV of the Institutional Classes of Shares and 0.5 per cent of the NAV of the Ordinary Share Classes (before deduction of that week's investment management fees). The JK FDS US Dollar Shares will not be subject to an annual investment management fee on the basis that JK FDS US Dollar Shares may only be purchased by other sub-funds of the Company (each an "Investing Fund") and, accordingly, holders of shares in an Investing Fund are already subject to an investment management fee which is payable to the Investment Manager at the level of the Investing Fund.

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 investment management fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash. There was no such transaction during the year 31 December 2020 and all the management fees were retained by the Investment Manager.

The Investment Management fee for the year ended 31 December 2020 amounted to USD 803,249 (31 December 2019: USD 680,708) for JK Global and JPY 6,626,826 for JK Japan. The fee outstanding at the year end was USD 97,677 (31 December 2019: USD 66,196) for JK Global and JPY 436,417 for JK Japan.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

6. Fees & expenses (continued)

Performance Fee

JK Global Opportunities Fund

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

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

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

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

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

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

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all of the performance fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash. There is no performance fee in respect of the Management Shares. There was no such transaction during the year 31 December 2020 and 2019 and all the management fees were retained by the Investment Manager.

JK Japan Fund

There is no performance fee imposed on any share class for JK Japan Fund.

The Performance fee for the year ended 31 December 2020 amounted to USD 3,090,274 (31 December 2019: USD Nil) for JK Global and JPY Nil for JK Japan. The fee outstanding at the year end was USD 1,137,307 (31 December 2019: USD Nil) for JK Global and JPY Nil for JK Japan.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

6. Fees & expenses (continued)

Administration Fee

JK Global Opportunities Fund

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

JK Japan Fund

The Administrator is entitled to receive from JK Japan an annual administration fee of 10 basis points per annum of the NAV when aggregate fund value is up to EUR 100 million, 8 basis points per annum of the NAV when aggregate fund value is between EUR 100 million to 200 million, 6 basis points per annum of the NAV when aggregate fund value is value is between EUR 200 million to 300 million, 4 basis points per annum of the NAV when aggregate fund value is greater than EUR 300 million, subject to minimum fees of EUR 2,500 per month (EUR 30,000 per annum) for the first year, this will be waived for the initial 6 months. Thereafter, all services will be provided at a minimum of EUR 50,000 per annum. These fees are payable monthly in arrears.

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

The Administrator will provide draft financial statements for the Funds. An all-inclusive fee of EUR 5,000 per annum for each Fund will be charged for the preparation of draft financial statements.

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

The Administration fee for the year ended 31 December 2020 amounted to USD 97,644 (31 December 2019: USD 83,541) for JK Global and JPY 2,265,325 for JK Japan. The fee outstanding at the year end was USD 9,887 (31 December 2019: USD 8,173) for JK Global and JPY 411,956 for JK Japan.

Depositary Fee

JK Global Opportunities Fund

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

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

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

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

JK Japan Fund

The Depositary will be entitled to receive out of the assets of the Fund a maximum fee of 0.03% of the Net Asset Value of the Fund per annum subject to minimum monthly fee out of the Net Asset Value of the Fund, calculated as at each Valuation Point and payable monthly in arrears.

The Depositary will be entitled to receive the following minimum monthly fees:

Trustee fees

Year 1: US\$2,000

Year 2: US\$2,500

Year 3: US\$3,250

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

6. Fees & expenses (continued)

Depository Fee (continued)

The Depository will be entitled to be paid a once off on boarding fee of US \$4,000 (plus VAT if any) which may be amortised as part of the establishment costs.

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

The Depository fee for the year ended 31 December 2020 amounted to USD 72,496 (31 December 2019: USD 77,097) for JK Global and JPY 3,180,936 JK Japan. The fee outstanding at the year end was USD 5,151 (31 December 2019: USD 16,533) for JK Global and JPY 311,447 for JK Japan.

Establishment Costs

The costs of establishing the Company and the Funds 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:

JK Global Opportunities Fund

	2020	2019
	USD	USD
Statutory audit of company financial services	33,674	33,262
Tax advisory services	11,756	11,470
Total	45,430	44,732

JK Japan Fund

	2020	2019
	JPY	JPY
Statutory audit of company financial services	1,182,720	-
Tax advisory services	1,532,500	-
Total	2,715,220	-

Transaction Costs

Transaction costs paid by the Company during the year ended 31 December 2020 amounted to USD 31,581 (31 December 2019: USD 19,917).

Directors' Fees

Refer to Note 8, Related party disclosures, for details of the Directors' fees for the year ended 31 December 2020.

Interest expenses

Interest expenses is recognised on a time-proportionate basis using the effective interest method and recognised in the Profit or Loss of the Statement of Profit or Loss and Other Comprehensive Income. Interest expense includes interest on bank and broker balances.

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

7. Share capital

On establishment and registration of JK Funds Plc in Ireland on 30 August 2013, the authorised share capital of the Company became 2 Subscriber Shares of €1 par value per Share and 1,000,000,000,000 Shares of no par value initially designated as unclassified shares. The Subscriber Shares do not form part of the net assets of the Funds 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 2020 are shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2020:

	Number of shares outstanding 31 December 2019	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2020	Net asset value per share 31 December 2020
USD Institutional shares	118,602.73	6,138.75	(1,250.82)	123,490.66	USD366.87
€ Institutional shares	400.00	568.70	-	968.70	€133.95
£ Institutional shares	83,193.81	9,584.87	(5,424.20)	87,354.48	£273.75
YEN Institutional shares	4,019.58	10,060.31	-	14,079.89	¥31,674.13
YEN Management Shares	86,465.77	911.81	(102.00)	87,275.58	¥54,057.35

JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2019:

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

JK Global Opportunities Fund has the following Redeemable Participating Shares in issue at 31 December 2018:

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

*NAV before establishment costs write off.

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

7. Share capital (continued)

JK Japan Fund has the following Redeemable Participating Shares in issue at 31 December 2020:

	Number of shares outstanding 31 December 2019	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2020	Net asset value per share 31 December 2020*
Eur Institutional shares	-	5,242.16	-	5,242.16	€113.62
£ Institutional shares	-	20,164.93	(303.64)	19,861.29	£141.69
£ Institutional shares Unhed	-	3,289.00	-	3,289.00	£107.78
YEN Institutional shares	-	76,190.21	(6,039.62)	70,150.59	¥ 14,212.99
USD Institutional shares	-	162,298.53	(161,845.63)	452.90	USD142.57
USD shares	-	3,514.23	-	3,514.23	USD1078.22

*NAV before establishment costs write off.

Except YEN share class and GBP unhedged share class, all the share classes in the JK Japan are hedged.

The Funds did not charge any subscription, redemption or exchange fees during the year ended 31 December 2020 or during the year ended 31 December 2019.

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 Disclosures".

The Directors, or where applicable the service provider of the Director, are entitled to an annual fee for their services in the instance of Simon Ogus, Fiona Ross and Gerry Brady for the Company and its Funds – JK Global Opportunities Fund and JK Japan Fund. Francis Kirkpatrick and Simon Jones do not receive an annual fee for their service as Directors. There were no Directors' fees waived during the year ended 31 December 2020.

Directors' fees for the year ended 31 December 2020 amounted to USD 47,945 (31 December 2019: USD 58,693) for JK Global and JPY 1,023,637 for JK Japan. The fee outstanding at the year end was USD Nil (31 December 2019: USD Nil) for JK Global and JPY Nil for JK Japan.

As at 31 December 2020, the following related parties had an interest in JK Global, Mr Simon Jones and family held 50,139.41 Yen Management Shares, (31 December 2019: 52,797.42). Mr Francis Kirkpatrick and family held 27,120.92 Yen Management Shares, (31 December 2019: 32,377.08). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares, (31 December 2019: 1,148.33). In JK Japan, Mr Simon Jones and family held 2,882.96 GBP Institutional Shares, Mr Francis Kirkpatrick held 497.43 EUR Institutional Shares, 500.00 GBP Institutional Shares (Unhedged), 452.90 USD Institutional Shares and 1,194.53 GBP Institutional Shares. None of the other Directors or their family members held shares in the Company at any time during the reporting year.

Cross-investments are considered transactions within the Company's Funds. As at 31 December 2020, JK Global Opportunities Fund hold 3,514.23 (31 December 2019: Nil) shares in JK Japan Fund the carrying amount of which is USD 3,789,112 (31 December 2019: Nil).

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

9. Directed Brokerage / Soft Commissions and Research Costs

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

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

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

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

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

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

Under MIFID II regulations, the provision of investment research to the Investment Manager is separately invoiced by research providers and brokers, as opposed to being bundled into commission costs or by use of soft commissions. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Company, and is funded by a Research Payment Account (RPA) in the name of the Investment Manager.

In the twelve months to 31 December 2020, the research charge expensed directly to the Company was USD 130,987 (2019: USD 360,000). This includes a credit in 2020 to reflect an adjustment to actual research costs incurred on an accruals basis and converted into USD.

10. Exchange rates

The financial statements are prepared in U.S. Dollar (USD). The following exchange rates at 31 December 2020 and 31 December 2019 have been used to translate assets and liabilities in other currencies to USD:

	Exchange Rates to USD	Exchange Rates to JPY
	31 December 2020	31 December 2020
Australian dollar	1.30	-
Brazilian real	5.19	-
Chinese renminbi	6.53	-
Danish krona	6.09	-
European Union euro	1.22	126.1800
Great Britain Pound	1.37	141.1500
Indian rupee	73.04	-
Indonesian rupiah	13,913.00	-
Japanese yen	103.25	1.0000
Mexican peso	19.91	-
Malaysian ringgit	4.02	-
Philippine peso	48.02	-
South Korean won	1,089.66	-
Swedish krona	8.23	-
Swiss franc	1.13	-
Thai baht	29.96	-
Taiwan dollar	28.09	-
Turkish lira	7.44	-
US dollar	1.00	0.0097

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

10. Exchange rates (continued)

	Exchange Rates to USD
	31 December 2019
Australian dollar	1.43
Brazilian real	4.02
Chinese renminbi	6.96
Danish krona	6.66
European Union euro	0.89
Great Britain Pound	0.75
Hong Kong dollar	7.79
Indian rupee	71.23
Indonesian rupiah	13,846.00
Japanese yen	108.61
Mexican peso	18.93
Malaysian ringgit	4.09
Philippine peso	50.66
Singapore dollar	1.35
South Korean won	1,155.99
Swedish krona	9.37
Swiss franc	0.97
Thai baht	29.74
Taiwan dollar	29.91
Turkish lira	5.94

11. Reconciliation of net asset value

	Company Total As at 31 December 2020 USD	JK Global Opportunities Fund As at 31 December 2020 USD	JK Japan Fund As at 31 December 2020 JPY
NAV per financial statements (under IFRS)	146,713,942	128,166,225	1,915,051,787
Establishment costs written off	22,296	-	3,201,424
Amortised establishment costs	-	-	(899,395)
Dealing NAV (in accordance with the Prospectus)	146,736,238	128,166,225	1,917,353,816

	Company Total As at 31 December 2019 USD	JK Global Opportunities Fund As at 31 December 2019 USD
NAV per financial statements (under IFRS)	89,846,935	89,846,935
Establishment costs written off	-	-
Dealing NAV (in accordance with the Prospectus)	89,846,935	89,846,935

JK Funds Plc

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

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 Funds 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 2020 or 31 December 2019.

14. Significant events during the year

JK Japan was launched on 4 March 2020. The base currency of JK Japan is Japanese Yen "JPY" and it has 10 shares classes split between institutional and ordinary share investors. JK Japan seeks to achieve its investment objective by investing in a portfolio of Japanese equities that the Investment Manager believes to be undervalued given their long term growth and business prospects. JK Japan was approved by the Central Bank as at 30 December 2019.

In December 2019, an outbreak of a contagious respiratory virus now known as the COVID - 19 (Coronavirus) occurred and it has since spread globally. The virus has resulted in government authorities in many countries globally taking extreme measures to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities such as bars, restaurants and sports facilities. This has resulted in a major disruption to businesses both regionally and globally.

The pandemic has created volatility and price fluctuations in the global financials. The full impact of this COVID-19 pandemic over the financial year has been difficult to assess and quantify, however any impacts to the Company will be reflected in the Funds' underlying investment valuations. The Directors and Investment Manager have closely monitored the situation on a daily basis and have implemented certain internal controls to mitigate any exposure to related risks which have arisen over the financial year.

There were no other material significant events occurring during the reporting year ended 31 December 2020.

15. Significant events after the year end

Subsequent to the reporting date and up to the date of these financial statements, JK Global Opportunities Fund received subscription request of 27,213.59 shares amounting to US\$10,172,311 and redemption request of 3,702.68 shares amounting to US\$1,528,134. JK Japan Fund received subscription request of 46,359.54 shares amounting to JPY 2,350,383,946 and redemption request of 165.00 shares amounting to JPY 2,665,435.

Updated Prospectus was issued on 09 March 2021 to reflect Sustainable Finance Disclosure Regulation disclosures.

There were no other events subsequent to the financial year end which require disclosure in these financial statements.

16. Date of approval of the financial statements

The financial statements were approved by the Directors on 22 April 2021.

JK Funds Plc

Schedule of Investments

JK Global Opportunities Fund
as at 31 December 2020

Number of Shares		Fair Value USD	Net Assets %
	Transferable Securities 78.93% (31 December 2019: 77.93%)		
	Common Stock 41.55% (31 December 2019: 63.02%)		
	Australia 1.54% (31 December 2019: Nil)		
	Basic Material		
75,000	BHP Group Plc	1,973,606	1.54
	China 2.87% (31 December 2019: 17.58%)		
	Communications		
75,000	Meituan-Class B	2,849,828	2.22
	Technology		
19,191	Kingsoft Cloud Holdings-ADR	835,768	0.65
		<u>3,685,596</u>	<u>2.87</u>
	Denmark Nil (31 December 2019: 1.13%)		
	France 1.74% (31 December 2019: 0.66%)		
	Non financial corporations		
2,072	Hermes Intl	2,226,586	1.74
	Germany 1.54% (31 December 2019: Nil)		
	Information Technology		
15,000	SAP SE	1,969,625	1.54
	Great Britain 5.48% (31 December 2019: 13.07%)		
	Basic Materials		
25,000	Rio Tinto Plc	1,869,373	1.46
	Consumer, Non-cyclical		
36,131	Cranswick Plc	1,738,566	1.36
	Energy		
35,000	Ceres Power Holdings Plc	631,554	0.49
	Financials		
30,000	Arbuthnot Banking Group Plc	318,853	0.25
300	Arbuthnot Banking-Non Voting	2,645	-
	Non financial corporations		
125,000	Antofagasta Plc	2,461,454	1.92
		<u>7,022,445</u>	<u>5.48</u>
	Ireland 2.59% (31 December 2019: 2.23%)		
	Materials		
35,000	Vaneck Gold Miners	1,360,275	1.06
	Services		
7,500	Accenture Plc-CI A	1,959,075	1.53
		<u>3,319,350</u>	<u>2.59</u>

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2020

Number of Shares		Fair Value USD	Net Assets %
	Transferable Securities 78.93% (31 December 2019: 77.93%)		
	Common Stock 41.55% (31 December 2019: 63.02%)		
	Japan 2.65% (31 December 2019: Nil)		
	Health Care		
150,000	Cyberdyne Inc	1,054,722	0.82
	Communications		
30,000	Softbank Group Corp	2,341,307	1.83
		<u>3,396,029</u>	<u>2.65</u>
	Korea, Republic 4.51% (31 December 2019: 3.32%)		
	Technology		
3,169	Samsung Electr-GDR	5,783,425	4.51
	Netherlands 1.89% (31 December 2019: Nil)		
	Technology		
5,000	Asml Holding NV	2,428,434	1.89
	Spain Nil (31 December 2019: 0.59%)		
	Sweden Nil (31 December 2019: 1.25%)		
	Taiwan 1.70% (31 December 2019: 1.29%)		
	Technology		
20,000	Taiwan Semi ADR	2,180,800	1.70
	United States 14.38% (31 December 2019: 21.90%)		
	Communications		
1,000	Alphabet Inc - Class A	1,752,640	1.37
500	Amazon.Com Inc	1,628,465	1.27
	Energy		
5,000	Enphase Energy Inc	877,350	0.68
	Financial		
25,000	Affiliated Managers Group	2,542,500	1.98
5,000	Visa Inc-Class A Shares	1,093,650	0.85
	Manufacturing		
100,000	Ballard Power Systems Inc	2,340,000	1.83
	Technology		
300	Acm Research Inc-Class A	24,375	0.02
3,000	Adobe Systems Inc	1,500,360	1.17
17,800	Apple Inc	2,361,882	1.84
10,000	Microsoft Corp	2,224,200	1.74
4,000	Nvidia Corp	2,088,800	1.63
		<u>18,434,222</u>	<u>14.38</u>
	Total Common Stock	<u>52,420,118</u>	<u>40.89</u>

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2020

Number of Shares		Fair Value USD	Net Assets %
	Transferable Securities 78.93% (31 December 2019: 77.93%)		
	Exchange Traded Funds 3.16% (31 December 2019: 8.11%)		
	Guernsey 1.57% (31 December 2019: 1.71%)		
	Funds		
345,494	Vinacapital Vietnam Opportun (USD)	2,007,234	1.57
	Jersey Nil (31 December 2019: 6.40)		
	Sweden 2.25% (31 December 2019: Nil)		
	Financials		
1,500	Bitcoin Tracker One - EUR	2,037,795	1.59
6,305	Bitcoin Tracker One - SEK	850,650	0.66
		<u>2,888,445</u>	<u>2.25</u>
	Total Exchange Traded Funds	<u>4,895,679</u>	<u>3.82</u>
	Investment Funds 2.96% (31 December 2019: 0.00%)		
	Ireland 2.96% (31 December 2019: Nil)		
3,514	JK Japan Fund US Dollar Institutional Shares	3,789,112	2.96
		<u>3,789,112</u>	<u>2.96</u>
	Bonds 31.26% (31 December 2019: 6.80%)		
	Corporate Bonds 7.85% (31 December 2019: 6.80%)		
	Australia 3.34% (31 December 2019: 0.00%)		
	Consumer, Cyclical		
5,000,000	Flight Centre Ltd	4,274,367	3.34
	British Virgin 1.75% (31 December 2019: 3.65%)		
	Consumer, Cyclical		
1,500,000	Anllian Capital Ltd	2,242,785	1.75
	Malasiya 2.76% (31 December 2019: 0.00%)		
	Financial		
3,500,000	Cindai Capital Ltd	3,539,375	2.76
		<u>10,056,527</u>	<u>7.85</u>
	Government Bonds 31.26% (31 December 2019: Nil)		
	United States 23.41% (31 December 2019: Nil)		
20,000,000	Treasury Bill 4 Feb 2021	19,998,881	15.6
10,000,000	Treasury Bill 4 Mar 2021	9,998,770	7.81
		<u>29,997,651</u>	<u>23.41</u>
	Total Bonds	<u>40,054,178</u>	<u>31.26</u>
	Total Transferable Securities	<u>101,159,087</u>	<u>78.93</u>
	Total Investments excluding Financial Derivative Instruments	<u>101,159,087</u>	<u>78.93</u>

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2020

Financial Derivative Instruments 5.67% (31 December 2019: 2.37%)
Contracts for Difference (a) 3.07% (31 December 2019: 1.28%)

Notional Amount		Unrealised Gain/(Loss) USD	Net Assets %
China 3.07% (31 December 2019: 0.51%)			
49,970	Aier Eye Hospital Group Co-A CFD - USD	143,438	0.11
20,000	Contemporary Amperex Techn-A (CFD - USD)	368,945	0.29
250,000	East Money Information Co-A CFD - USD	167,789	0.13
250,000	Flat Glass Group Co Ltd-A - CFD - USD	(50,705)	(0.04)
25,000	Gigadevice Semiconductor B-A CFD - USD	70,411	0.05
99,965	Glodon Co Ltd-A- CFD - USD	(24,236)	(0.02)
125,000	Hundsun Technologies Inc - A CFD USD	137,597	0.11
200,000	Longi Green Energy Technol-A CFD - USD	520,065	0.41
200,000	Luxshare Precision Industr-A CFD - USD	(61,804)	(0.05)
500,000	Nari Technology Co Ltd-A CFD - USD	388,879	0.30
75,000	Naura Technology Group CFD - USD	133,043	0.10
40,000	Shenzhen Mindray Bio-Medic-A CFD - USD	334,738	0.26
50,000	Will Semiconductor Ltd-A CFD - USD	379,885	0.31
250,000	Yonyou Network Technology-A CFD - USD	68,321	0.05
225,000	Zhongji Innolight Co Ltd-A - CFD - USD	(34,358)	(0.03)
		2,542,008	1.98
Japan Nil (31 December 2019: 0.53%)			
Korea, Republic 0.83 (31 December 2019: 0.00%)			
5,500	Samsung Sdi Co Ltd CFD - USD	1,069,243	0.83
Taiwan Nil (31 December 2019: 0.24%)			
United States 0.26% (31 December 2019: Nil)			
300,000	Nan Ya Printed Circuit Board CFD - USD	327,375	0.26
	Unrealised gain on contracts for difference	4,109,729	3.21
	Unrealised loss on contracts for difference	(171,103)	(0.14)
	Net unrealised gain on contracts for difference	3,938,626	3.07

JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2020

Financial Derivative Instruments 5.67% (31 December 2019: 2.37%)
Open Forward Foreign Currency Exchange Contracts (b) 1.26% (31 December 2019: 0.33%)

Maturity Date	Currency Bought	Amount Bought	Currency Sold	Amount Sold	Unrealised Gain/(Loss) USD	Net Assets %
16/02/2021	EUR	74,000	JPY	9,364,048	(215)	-
03/03/2021	EUR	2,100	USD	2,543	26	-
03/03/2021	EUR	50,000	USD	59,651	1,514	-
03/03/2021	GBP	30,300,000	USD	40,482,982	952,298	0.74
03/03/2021	GBP	21,850,000	USD	29,182,226	697,671	0.54
03/03/2021	GBP	1,600,000	USD	2,143,526	44,475	0.03
03/03/2021	GBP	1,250,000	USD	1,674,630	34,747	0.03
16/02/2021	JPY	9,364,048	USD	90,948	(211)	-
03/03/2021	JPY	414,500,000	USD	3,976,897	40,232	0.03
03/03/2021	JPY	16,900,000	USD	162,399	1,387	-
26/02/2021	USD	5,000,000	CNH	33,163,450	(82,080)	(0.06)
26/02/2021	USD	10,000,000	CNH	65,713,520	(70,164)	(0.05)
Unrealised gain on open forward foreign currency exchange contracts					1,772,350	1.37
Unrealised loss on open forward foreign currency exchange contracts					(152,670)	(0.11)
Net unrealised gain on open forward foreign currency exchange contracts					1,619,680	1.26

Financial Derivative Instruments 5.67% (31 December 2019: 2.37%)
Open Future Contracts (c) 1.34% (31 December 2019: 0.05%)

Notional Amount	Average Cost Price		Unrealised Gain/(Loss) USD	Net Assets %
6,377,724	310	Nikkei Dividend Contracts Expiring March 2022	1,874,092	1.46
(9,264,159)	134	Long Gilt Future Contracts Expiring January 2021	(90,906)	(0.07)
(4,329,688)	175	Us Long Bond(CBT) Contracts Expiring January 2021	55,469	0.04
(5,339,063)	218	US Ultra Bond CBT Contracts Expiring January 2021	103,515	0.09
(5,313,600)	16,948	FTSE China A50 Contracts Expiring January 2021	(229,200)	(0.18)
Unrealised gain on open futures contracts			2,033,076	1.59
Unrealised loss on open futures contracts			(320,106)	(0.25)
Net unrealised gain on open futures contracts			1,712,970	1.34

Total Return Swap (d) Nil (31 December 2019: 0.71)

Total Financial Derivative Instruments	7,271,276	5.67
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JK Funds Plc

Schedule of Investments (continued)

JK Global Opportunities Fund
as at 31 December 2020

	Fair Value USD	Net Assets %
Total Investments	108,430,363	84.60
Other Net Assets	19,735,862	15.40
Net Assets	<u>128,166,225</u>	<u>100.00</u>

	Net Assets %
<u>Analysis of Total Assets</u>	
Transferable securities admitted to an official stock exchange listing	78.93
Exchange traded financial derivative instruments	1.34
Over-the-counter derivative instruments	4.33
Other assets	<u>15.40</u>
	<u>100.00</u>

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

JK Funds Plc

Schedule of Investments (continued)

JK Japan Fund
as at 31 December 2020

Number of Shares		Fair Value JPY	Net Assets %
	Transferable Securities 96.18% (31 December 2019: Nil)		
	Common Stock 96.18% (31 December 2019: Nil)		
	Japan 96.18% (31 December 2019: Nil)		
	Basic Materials		
2,400	Shin-Etsu Chemical Co Ltd	43,296,000	2.26
	Communications		
7,000	M3 Inc	68,201,000	3.56
13,700	Sms Co Ltd	54,115,000	2.83
10,000	Softcreate Holdings Corp	27,740,000	1.45
		<u>150,056,000</u>	<u>7.84</u>
	Consumer Discretionary		
2,000	Hikari Tsushin Inc. CMN	48,360,000	2.53
6,500	Sony Corporation	66,852,500	3.49
		<u>115,212,500</u>	<u>6.02</u>
	Consumer Staples		
	Pigeon Corp	<u>22,551,500</u>	<u>1.18</u>
	Consumer, Cyclical		
2,200	Oriental Land Co Ltd	37,488,000	1.96
8,500	Toyota Motor Corp	67,634,500	3.53
		<u>105,122,500</u>	<u>5.49</u>
	Consumer, Non-cyclical		
4,300	GMO Payment Gateway Inc	59,512,000	3.11
16,300	Japan Tobacco Inc (JT)	34,262,600	1.79
10,000	Peptidream Inc	52,400,000	2.74
7,300	Shiseido Co Ltd	52,092,800	2.72
7,000	Unicharm Corp	34,244,000	1.79
		<u>232,511,400</u>	<u>12.15</u>
	Financials		
8,200	Wealthnavi Inc	<u>20,746,000</u>	<u>1.08</u>
	Health Care		
12,300	Chugai Pharmaceutical Ltd	67,686,900	3.53
55,000	Cyberdyne Inc	39,930,000	2.09
2,100	Sysmex Corp	26,040,000	1.36
		<u>133,656,900</u>	<u>6.98</u>
	Industrial		
2,000	Daikin Industries Ltd	45,840,000	2.39
9,800	Katitas Co Ltd	32,585,000	1.70
1,100	Keyence Corp	63,800,001	3.33
7,700	Makita Corporation	39,809,000	2.08
40,800	Mitsubishi Electric Corp	63,525,600	3.32
5,300	Murata Manufacturing Co Ltd	49,396,000	2.58
2,300	Nidec Corp Com	29,854,000	1.56
7,400	Nihon M&A Center CMN	51,060,000	2.67
700	SMC Corp Japan	44,065,000	2.30
		<u>419,934,601</u>	<u>21.93</u>

JK Funds Plc

Schedule of Investments (continued)

JK Japan Fund
as at 31 December 2020

Number of Shares		Fair Value JPY	Net Assets %
	Transferable Securities 96.18% (31 December 2019: Nil)		
	Common Stock 96.18% (31 December 2019: Nil)		
	Japan 96.18% (31 December 2019: Nil)		
	Information Technology		
4,200	Fujitsu Limited	62,601,000	3.27
4,000	Hoya Corp	57,080,000	2.98
13,400	Itochu Techno-Solutions Corp	49,379,000	2.58
1,100	Nintendo Co. Ltd.	72,413,000	3.78
60,000	Renesas Electronics Corp	64,740,000	3.38
		<u>306,213,000</u>	<u>15.99</u>
	Material		
25,000	Showa Denko K K	54,925,000	2.87
150,000	Sumitomo Chemical Company Cmn	62,250,001	3.25
		<u>117,175,001</u>	<u>6.12</u>
	Non financial corporations		
3,600	Kao Corp	28,692,000	1.5
	Technology		
3,700	Oracle Corp Japan	49,765,000	2.6
2,500	Tdk Corp Cmn	38,850,000	2.03
1,500	Tokyo Electron Ltd	57,600,000	3.01
		<u>146,215,000</u>	<u>7.64</u>
	Total Common Stock	<u>1,841,382,402</u>	<u>96.18</u>
	Total Transferable Securities	<u>1,841,382,402</u>	<u>96.18</u>
	Total Investments excluding Financial Derivative Instruments	<u>1,841,382,402</u>	<u>96.18</u>

JK Funds Plc

Schedule of Investments (continued)

JK Japan Fund
as at 31 December 2020

Financial Derivative Instruments 0.26% (31 December 2019: Nil)
Open Forward Foreign Currency Exchange Contracts (a) 0.26% (31 December 2019: Nil)

Maturity Date	Currency Bought	Amount Bought	Currency Sold	Amount Sold	Unrealised Gain/(Loss) JPY	Net Assets %
16/02/2021	EUR	50,000	JPY	6,193,375	118,696	0.01
16/02/2021	EUR	36,000	JPY	4,474,288	70,403	-
16/02/2021	EUR	500,000	JPY	62,141,725	978,987	0.05
16/02/2021	GBP	2,450,000	JPY	338,439,080	7,339,414	0.35
16/02/2021	GBP	170,000	JPY	23,652,211	340,582	0.02
16/02/2021	GBP	82,000	JPY	11,374,901	198,093	0.01
16/02/2021	JPY	72,840,964	USD	700,000	601,559	0.03
16/02/2021	USD	220,000	JPY	22,887,018	(183,205)	(0.01)
16/02/2021	USD	60,000	JPY	6,216,612	(24,663)	-
16/02/2021	USD	3,400	JPY	353,708	(2,831)	-
16/02/2021	USD	4,200,000	JPY	437,301,060	(3,864,630)	(0.20)
Unrealised gain on open forward foreign currency exchange contracts					5,572,405	0.26
Net unrealised gain on open forward foreign currency exchange contracts					5,572,405	0.26

	Fair Value JPY	Net Assets %
Total Investments	1,846,954,807	96.44
Other Net Assets	68,096,980	3.56
Net Assets	1,915,051,787	100.00

Analysis of Total Assets

Transferable securities admitted to an official stock exchange listing	96.18
Over - the - counter derivative instruments	0.26
Other assets	3.56
	100.00

(a) The counterparties for the open forward foreign currency exchange contracts are Goldman Sachs.

JK Funds Plc

Schedule of Significant Portfolio Changes (unaudited)

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

JK Global Opportunities Fund

Purchases	Cost
Portfolio Securities	USD
Treasury Bill 28 May 20 0%	25,000,000
Treasury Bill Apr 20 0%	23,950,001
Treasury Bill Feb 21 0%	19,996,311
Treasury Bill Dec 20 0%	19,996,257
JK Japan Fund - US Dollar Institutional Shares	16,000,000
Tencent Holdings Ltd	10,295,269
Treasury Bill Mar 21 0%	9,998,617
Treasury Bill Nov 20 0%	9,997,875
Treasury Bill Aug 20 0%	9,997,806
Meituan-Class B	9,054,681
Microsoft Corp	8,369,255
Alibaba Group Holding-SP ADR	8,266,077
Taiwan Semi ADR	6,003,153
Amazon.Com Inc	5,377,135
Nvidia Corp	4,467,627
Apple Inc	3,779,515
Flight Centre Ltd Nov 27 2.5%	3,775,354
Twilio Inc - A	3,631,347
Cindai Capital Ltd	3,565,400
JKFDS US Dollar Shares	3,514,229

JK Funds Plc

Schedule of Significant Portfolio Changes (unaudited) (continued)

JK Global Opportunities Fund

Sales

	Proceeds
Portfolio Securities	USD
Treasury Bill 28 May 20 0%	24,997,797
Treasury Bill Apr 20 0% New	23,999,510
JK Japan Fund - US Dollar Institutional Shares	20,393,429
Treasury Bill Dec 20 0%	19,998,857
Tencent Holdings Ltd	18,621,699
Alibaba Group Holding-SP ADR	13,227,684
Treasury Bill Aug 20 0%	9,999,854
Treasury Bill Nov 20 0%	9,998,275
Amazon.Com Inc	7,586,411
Microsoft Corp	7,561,773
Meituan-Class B	6,507,478
Baidu Inc-Spon ADR	5,555,378
Taiwan Semi ADR	5,303,742
Facebook Inc-A (US)	5,270,368
Gold Bullion Securities Ltd	5,229,159
Twilio Inc – A	4,112,049
Zscaler Inc	3,754,478
Wisdom Tree Physical Gold	3,551,097
Palo Alto Networks Inc	3,144,407
NVIDIA CORP	3,057,130

JK Funds Plc

Schedule of Significant Portfolio Changes (unaudited) (continued)

JK Japan Fund

Purchases	Cost
Portfolio Securities	JPY
Oracle Corp Japan	147,029,797
Softbank Group Corp	132,971,550
Chugai Pharmaceutical Ltd	111,075,650
Gmo Payment Gateway Inc	110,544,298
M3 Inc	110,132,265
Nippon Telegraph & Telephone Corp	109,734,899
Tokio Marine Holdings Cmn	106,458,948
Sony Corporation	103,666,947
Fujitsu Limited	103,061,298
Toyota Motor Corp	102,677,898
Nidec Corp Com	101,246,200
Shiseido Co Ltd	97,612,549
Mitsubishi Electric Corp	95,922,065
Hikari Tsushin Inc. Cmn	93,679,000
Itochu Techno-Solutions Corp	90,994,721
Tokyo Electron Ltd	88,236,500
Nintendo Co. Ltd.	86,796,499
Nihon M&A Center Cmn	85,730,867
Keyence Corp	85,411,500
Takeda Pharmaceutical Co Ltd	85,342,440

JK Funds Plc

Schedule of Significant Portfolio Changes (unaudited) (continued)

JK Japan Fund

Sales

Proceeds

Portfolio Securities

JPY

Softbank Group Corp	131,099,500
M3 Inc	123,078,300
Oracle Corp Japan	118,383,500
Nidec Corp Com	109,333,500
GMO Payment Gateway Inc	109,163,500
Nihon M&A Center Cmn	102,655,100
Tokio Marine Holdings Cmn	100,080,960
Nippon Telegraph & Telephone Corp	93,654,340
Takeda Pharmaceutical Co Ltd	85,196,101
Daiichi Sankyo Co Ltd	82,914,249
Grace Technology	80,480,501
Azbil Corp	73,938,700
Rakuten Inc	72,563,702
Sysmex Corp	71,139,350
Sony Corporation	68,377,600
Keyence Corp	66,867,000
Chugai Pharmaceutical Ltd	64,679,701
Fujitsu Limited	63,813,500
Pan Pacific International Ho	62,443,450
Katitas Co Ltd	60,167,149

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 JK Global.

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 JK Global may use an “absolute” VaR model where the measurement of VaR is relative to the NAV of the JK Global or the JK Global 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 JK Global may not exceed either:

- (i) 4.47 per cent of the NAV of the JK Global, 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 JK Global, 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 JK Global 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 JK Global 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 JK Global when calculated using VaR methodology. VaR is the advanced risk measurement methodology used to assess the JK Globals’ 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 JK Global 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 JK Global 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 JK Global) under normal circumstances is not expected to be more than 350 per cent of the NAV of the JK Global. It is possible that leverage may exceed this range and the JK Global may be subject to higher leverage levels from time to time. The Investment Manager expects that the leverage employed by the JK Global will not exceed 500 per cent of the NAV of the JK Global. 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 JK Global 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 JK Globals’ 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 JK Global and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The JK Global 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 JK Global, based on the above quantitative standards. The absolute VaR model is considered appropriate as the JK Global does not define the investment target in relation to a benchmark.

JK Funds Plc

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 2020 and 31 December 2019 and the VaR limit of the JK Global:

JK Global Opportunities Fund	Lowest	VaR at year end	Highest	Average	VaR Limit
31 December 2020	4.38	10.42	17.26	11.22	20%
31 December 2019	2.41	6.89	10.64	6.18	20%

The absolute leverage of the JK Global Opportunities Fund's financial derivative instruments based on notional amounts held at 31 December 2020, as a percent of the dealing NAV on that date, was 59% (2019: 101%). This represents the gross notional value without netting of contracts for difference, index futures, currency forwards excluding hedging of non-base currency share classes. JK Japan Fund does not employ financial derivative instruments apart from hedging of non-base currency share classes.

JK Japan will use the commitment approach methodology to accurately measure, monitor and manage the "leverage" effect produced by the use of derivatives. JK Japan employs a Risk Management Process which enables it to accurately measure, monitor and manage the various risks associated with FDIs.

The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract and allowing for any netting and hedging arrangements, as described in the Risk Management Process of the Company.

Using the commitment approach, JK Japan will not be leveraged in excess of 100% of its net assets as a result of the use of derivatives. JK Japan's global exposure must not exceed its total Net Asset Value.

JK Funds Plc

Appendix 2 (Unaudited)

Remuneration Disclosure

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

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

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

Identified Staff

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

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

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

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

Variable Remuneration

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

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

Investment Manager Remuneration

The total number of Identified Staff of the Investment Manager working directly on the Company's business as at 31 December 2020 was 5 (2019: 4). The variable compensation paid by the Investment Manager to its Staff Members, including Identified Staff of the Investment Manager, is not guaranteed and relates to the entirety of the business of the parent company of the Investment Manager. The Directors Francis Kirkpatrick and Simon Jones of the Company are partners in the Investment Manager, and receive an equal profit share rather than remuneration. Other identified staff were paid fixed remuneration of GBP 201,250 in the calendar year to 2020, and variable remuneration of GBP 80,000 in relation to performance in 2020, and variable remuneration of GBP 9,228 in relation to 2019 (2019: Fixed remuneration GBP 136,250 and variable remuneration GBP 35,000). 50% of Variable remuneration in 2020 has been deferred for a period of two years and is contingent on the performance of the Company.

Remuneration Committee

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

JK Funds Plc

Appendix 2 (Unaudited) (continued)

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 2020, contracts for difference (CFDs) and swaps on JK Global Opportunities Fund are deemed to be in scope for this SFT regulation.

31 December 2020

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	29,920,417	23.35%	Bi-lateral	29,920,417	-

Listed below is the counterparty used for the CFDs

Goldman Sachs International

Type	Quality	Currency	Maturity tenor of the collateral Open maturity
Cash			
Initial margin	N/A	USD	4,925,969
Variation margin	N/A	USD	(4,023,174)
Collateral excess	N/A	USD	966,069

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

Goldman Sachs International

Type	Quality	Currency	Maturity tenor of the collateral Open maturity
Cash			
Initial and Variation margin	N/A	USD	(1,518,864)

Listed below is the collateral issuer

Name	Value of collateral received	Value of collateral pledged USD
JK Global Opportunities Fund	N/A	350,000

Re-investment of collateral received

Returns on Cash Collateral re-invested	N/A
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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

JK Funds Plc

Appendix 3 (Unaudited) (continued)

Securities Financing Transactions Regulation (continued)

Safe-keeping of collateral pledged

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

Total value of collateral pledged USD	350,000
Counterparty	Goldman Sachs International

Returns and costs of the CFDs

Fund	Income received USD	Realised Gains/ Losses USD	Change in Unrealised Gains/Losses USD
JK Global Opportunities Fund	98,835	8,657,299	2,787,979

Returns and costs of the Swaps

Fund	Income received USD	Realised Gains/ Losses USD	Change in Unrealised Gains/Losses USD
JK Global Opportunities Fund	-	556,661	(636,382)