

## JK Global Opportunities Fund

June 2015

The Fund fell -4.65% in June (GBP Class, Net of Fees).

June was a difficult month with the Fund erasing the gains and some from the previous month. Equity markets were weak across the board, with particularly sharp corrections in China and parts of Europe. Currencies were relatively stable, with bond market prices slightly weaker (yields slightly higher).

China was a major underperformer. We had mentioned last month that we felt the market had got ahead of itself, and that we had reduced our 'A' share exposure significantly. In the event the Shanghai Composite peaked on 12 June and proceeded to fall 17% over the balance of the month – a very sharp correction even for this volatile market. Monetary conditions tightened in the month with the 7-day repo rate increasing to 3% from 2%. A lack of PBoC policy moves and a large IPO calendar contributed to the decline. The PBoC did cut interest rates and the RRR on 27<sup>th</sup> June at least partly in response to the equity market weakness. Whilst we expect the market to remain volatile, we still believe this to be a much needed correction in a medium-term bull market. We can see good value emerging in many 'H' shares as well as US listed counters such as Alibaba and Baidu, both of which we have been adding to into weakness. Our China exposure is currently around 15% and we will look to rebuild this further as opportunities emerge. We feel in no need to rush though.

Japan performed reasonably well, falling around 2.5% during the month. We reduced some of our Nikkei futures hedges into the correction, increasing the Fund's net long position to 70%. We remain upbeat on the medium term outlook for this market as valuations remain attractive, earnings momentum is still favourable, and foreigners remain underweight. The recent relative outperformance (in US Dollars) should focus investor attention back on this market, and we expect domestic investors to become more active as well after a quieter period year to date. We remain slightly net long of the YEN, partly as a hedge, but also based on the fact that it is now very cheap.

There was some good news for Vietnam during the month as the Ministry of Finance (MOF) finally lifted further the foreign ownership restrictions on the listed equity market. The market has been waiting some time for this and will be interpreted favourably. Details of the decree are still being finalised but we expect that foreign caps will move from 49% to 100%, with exceptions to select sectors such as banking. Vietnam has historically suffered from a liquidity discount compared to its regional peers, and with the market opened further we can reasonably expect a greater level of participation from both locals and foreigners. The market remains good value, and we can buy closed-ended funds exposed to this market on fairly large discounts. The Vietnam Opportunities Fund (our preferred vehicle) is currently trading on a 20% discount.

The mixed performance of the Asian markets this year is starting to throw up some opportunities. For instance, the recent correction in Jardine Matheson looks a bit extreme to us, as does the correction in Samsung Electronics. We have been adding to both.

Like all investors we are becoming rather exasperated by the Greek situation. Greece clearly needs large scale debt relief, but the creditors continue to refuse it. The ECB is acting in a political way in

terms of its liquidity provision which is questionable behaviour. There is no way the Greek economy can find any sort of stability without substantial debt write-offs/forgiveness, and of course without the richer in Greek society paying their taxes, whilst remaining within the confines of the single currency.

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

GBP Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2015	+1.87	+3.87	+0.24	+2.11	+3.89	-4.65							<b>+7.28</b>
2014	-4.02	-1.96	-0.93	-4.69	+0.89	+1.90	+0.06	-1.61	+2.02	+0.09	+7.77	-2.86	<b>-3.86</b>
2013	+6.18	-1.23	+3.52	+8.65	-2.79	-2.93	+3.05	-0.77	+6.43	+0.96	+4.15	+3.23	<b>+31.51</b>
2012	+2.43	+4.74	-0.62	-1.98	-1.54	-0.84	+0.73	+1.49	-0.54	-1.21	+1.25	+4.75	<b>+8.68</b>
2011	-0.92	-0.19	-1.13	+0.80	-2.89	-1.55	-1.43	-1.14	-3.60	+0.94	-2.67	+0.37	<b>-12.71</b>
2010	+0.83	+0.90	+3.77	+1.93	-4.44	+1.69	+0.70	+0.87	+0.02	+1.38	-0.88	+1.74	<b>+8.62</b>
2009				+1.73	+10.1	+2.66	+5.01	+1.23	+1.25	+1.57	-1.14	+3.32	<b>+28.40</b>

USD Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2015	+1.95	+3.92	+0.28	+2.17	+3.81	-4.75							<b>+7.33</b>
2014	-4.07	-1.88	-0.95	-4.73	+0.85	+1.92	+0.05	-1.59	+1.97	+0.18	+7.70	-2.84	<b>-3.91</b>
2013	+6.06	-1.22	+3.54	+8.83	-2.63	-3.09	+3.02	-0.86	+6.57	+1.00	+4.52	+3.38	<b>+32.33</b>
2012	+2.43	+4.80	-0.65	-2.03	-1.50	-0.87	+0.72	+1.52	-0.56	-1.22	+1.23	+4.79	<b>+8.72</b>
2011	-0.95	-0.20	-1.13	+0.82	-2.88	-1.55	-1.50	-1.17	-3.51	+0.94	-2.63	+0.34	<b>-12.73</b>
2010	+0.81	+0.84	+3.74	+1.92	-3.95	+1.76	+0.74	+0.87	+0.01	+1.39	-0.88	+1.72	<b>+9.13</b>
2009	-2.51	+0.03	+3.13	+2.13	+13.8	+3.42	+6.08	+1.06	+0.99	+1.58	-1.10	+3.14	<b>+35.61</b>
2008	-1.76	-0.01	-0.50	+1.22	-1.15	-4.74	-1.58	-1.00	-1.93	-0.05	-0.44	+2.83	<b>-8.92</b>
2007	+2.01	-1.34	-2.35	-0.81	+1.63	+4.04	+0.41	-6.10	+0.14	-1.38	-3.97	-3.74	<b>-11.27</b>
2006	+0.13	-3.78	+3.72	-2.27	-3.75	+1.57	-4.58	+3.13	-0.84	+2.73	-1.03	+1.61	<b>-3.75</b>
2005	-0.75	+1.04	+0.36	-0.65	-1.05	+0.90	+2.01	+1.99	+9.65	+4.55	+7.71	+9.41	<b>+40.31</b>
2004	+0.82	+2.03	+6.57	+0.16	-2.15	+1.61	-1.66	-0.96	-0.48	-0.78	-0.27	+2.18	<b>+6.98</b>
2003											+0.01	+0.39	<b>+0.40</b>

Yen Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2015	+1.96	+3.85	+0.29	+2.08	+3.93	-4.77							<b>+7.29</b>
2014	-4.10	-1.86	-0.96	-4.74	+0.82	+1.90	+0.03	-1.61	+2.03	+0.51	+7.92	-2.93	<b>-3.53</b>
2013	+6.31	-1.17	+3.49	+9.16	-2.78	-3.02	+2.98	-0.88	+6.62	+0.99	+4.61	+3.52	<b>+33.21</b>
2012	+2.35	+5.36	-0.68	-2.00	-1.50	-0.92	+0.66	+1.49	-0.58	-1.26	+1.24	+4.98	<b>+9.18</b>
2011	-0.99	-0.21	-1.17	+0.78	-2.91	-1.54	-1.47	-1.21	-3.52	+0.90	-2.67	+0.25	<b>-13.02</b>
2010	+0.76	+0.82	+3.93	+1.90	-3.62	+1.67	+0.68	+0.83	-0.02	+1.32	-0.92	+1.62	<b>+9.17</b>
2009	-0.44	+2.14	+2.41	+3.29	+17.6	+5.35	+2.75	+1.22	+1.17	+1.98	-1.32	+3.85	<b>+46.57</b>
2008	-1.92	-0.22	-0.69	+1.09	-1.31	-4.88	-1.77	-1.32	-1.87	-1.00	-0.86	+2.31	<b>-11.89</b>
2007	+1.64	-1.67	-2.71	-1.19	+1.26	+3.72	-0.03	-6.09	-0.28	-1.75	-4.16	-4.10	<b>-14.68</b>
2006	-0.31	-4.10	+3.40	-2.55	-4.13	+1.21	-5.00	+2.76	-1.23	+2.29	-1.43	+1.25	<b>-7.99</b>
2005	-0.94	+0.93	+0.20	-0.96	-1.36	+0.67	+2.08	+1.71	+9.66	+4.45	+7.66	+8.98	<b>+37.47</b>
2004	+0.74	+2.04	+6.20	+0.45	-2.20	+1.52	-1.82	-1.04	-0.61	-0.88	-0.40	+2.01	<b>+5.88</b>
2003											-0.06	+0.31	<b>+0.25</b>

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

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

NAV as at 30-Jun-15	
GBP class	179.44
USD class	224.64
Yen class	21,146.05

Source: State Street (Services) Ireland Ltd.

Asset Type as at above date (market exposure % of Total NAV)		
	Long	Short
Level 1	86	-49
Level 2	54	0
Level 3	0	0
Total	140	-49

Source: JK Investment Management LLP.

For more information on the Fund, please see [www.jkim.co.uk](http://www.jkim.co.uk)

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

**Administrator for JK Global Opportunities Fund**

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

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