

JK Global Opportunities Fund

June 2017

The Fund fell -0.43% in June (GBP Class, Net of Fees).

The Fund fell slightly during the month, largely due to losses in the bond book. Few changes were made during the month, although some profits were taken in technology stocks after strong runs, with the proceeds left in cash. Bond short positions were reduced somewhat, although that decision is currently under review given recent pronouncements from the ECB and BoE. We have been expecting a mild correction to occur in most risk assets over the summer months, after strong first half moves and an increase in central banks tapering rhetoric, and this seems to have started. We are not expecting too much downside risk, but have raised some cash to buy into dips. In general, the earnings outlook for our stocks remains favourable as do valuations, and in the absence of a serious deterioration in the world economy we believe further gains to be achievable over the balance of the year.

At this juncture we thought it might be worthwhile engaging in a mid-year review of the global macro-economic and financial market environment, to see how things have deviated from the consensus since the start of 2017. In general, the expectation that the reflation theme would prove dominant in 2017 - the 'Trump trade' - has disappointed. Bond yields have failed to move decisively upwards, and reflation beneficiaries within markets have sold-off. Arguably the actual economic environment that we have witnessed has been even better than anticipated for financial markets, with a Goldilocks-like mix of growth and inflation. Trump's failure to do anything meaningful at the policy level has reduced the chance of economic overheating, as well as lowering the threat of a major trade war. The synchronised global expansion that we have witnessed, helped in part by a better than expected economic outturn in Europe, has reduced the pressure on the US Dollar, in turn helping emerging markets. China has continued to grow at a decent rate despite certain macro prudential tightening, and concern over rising debt levels. Global financial conditions have remained supportive, and financial assets, in particular equities have delivered a robust first half performance. Encouragingly, this performance has occurred amidst a backdrop of continued bearish sentiment. Whilst it would seem unlikely that the 2H outturn will prove as positive, the generally low inflation, high corporate profit environment, combined with limited signs of investor exuberance suggest to us that this cycle will remain constructive for a while yet. The biggest risk to this optimistic view is that central banks start to taper/tighten more aggressively than we expect.

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

| NAV as at 30-Jun-17 | |
|---------------------|-----------|
| GBP class | 186.10 |
| USD class | 235.51 |
| Yen class | 21,839.48 |

Source: State Street (Services) Ireland Ltd.

| Asset Type as at above date (market exposure % of Total NAV) | | |
|--|------|-------|
| | Long | Short |
| Level 1 | 83 | -19 |
| Level 2 | 19 | 0 |
| Level 3 | 0 | 0 |
| Total | 102 | -19 |

Source: JK Investment Management LLP.

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

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

Source: GSAS, IFS, State Street Dublin.

| GBP Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2017 | +2.97 | -1.11 | +1.97 | +3.52 | +2.16 | -0.43 | | | | | | | +9.34 |
| 2016 | -5.68 | +0.15 | +6.37 | -0.85 | +0.92 | -1.35 | +3.67 | -0.87 | +1.49 | +1.80 | +0.20 | -1.92 | +3.50 |
| 2015 | +1.87 | +3.87 | +0.24 | +2.11 | +3.89 | -4.65 | -0.16 | -8.20 | -6.51 | +6.29 | +1.40 | -0.77 | -1.69 |
| 2014 | -4.02 | -1.96 | -0.93 | -4.69 | +0.89 | +1.90 | +0.06 | -1.61 | +2.02 | +0.09 | +7.77 | -2.86 | -3.86 |
| 2013 | +6.18 | -1.23 | +3.52 | +8.65 | -2.79 | -2.93 | +3.05 | -0.77 | +6.43 | +0.96 | +4.15 | +3.23 | +31.51 |
| 2012 | +2.43 | +4.74 | -0.62 | -1.98 | -1.54 | -0.84 | +0.73 | +1.49 | -0.54 | -1.21 | +1.25 | +4.75 | +8.68 |
| 2011 | -0.92 | -0.19 | -1.13 | +0.80 | -2.89 | -1.55 | -1.43 | -1.14 | -3.60 | +0.94 | -2.67 | +0.37 | -12.71 |
| 2010 | +0.83 | +0.90 | +3.77 | +1.93 | -4.44 | +1.69 | +0.70 | +0.87 | +0.02 | +1.38 | -0.88 | +1.74 | +8.62 |
| 2009 | | | | +1.73 | +10.1 | +2.66 | +5.01 | +1.23 | +1.25 | +1.57 | -1.14 | +3.32 | +28.40 |

| USD Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2017 | +3.07 | -1.06 | +2.06 | +3.56 | +2.15 | -0.31 | | | | | | | +9.75 |
| 2016 | -5.53 | +0.16 | +6.52 | -0.81 | +0.93 | -1.32 | +3.74 | -0.81 | +1.53 | +1.86 | +0.22 | -1.82 | +4.26 |
| 2015 | +1.95 | +3.92 | +0.28 | +2.17 | +3.81 | -4.75 | -0.15 | -8.28 | -6.48 | +6.34 | +1.36 | -0.74 | -1.65 |
| 2014 | -4.07 | -1.88 | -0.95 | -4.73 | +0.85 | +1.92 | +0.05 | -1.59 | +1.97 | +0.18 | +7.70 | -2.84 | -3.91 |
| 2013 | +6.06 | -1.22 | +3.54 | +8.83 | -2.63 | -3.09 | +3.02 | -0.86 | +6.57 | +1.00 | +4.52 | +3.38 | +32.33 |
| 2012 | +2.43 | +4.80 | -0.65 | -2.03 | -1.50 | -0.87 | +0.72 | +1.52 | -0.56 | -1.22 | +1.23 | +4.79 | +8.72 |
| 2011 | -0.95 | -0.20 | -1.13 | +0.82 | -2.88 | -1.55 | -1.50 | -1.17 | -3.51 | +0.94 | -2.63 | +0.34 | -12.73 |
| 2010 | +0.81 | +0.84 | +3.74 | +1.92 | -3.95 | +1.76 | +0.74 | +0.87 | +0.01 | +1.39 | -0.88 | +1.72 | +9.13 |
| 2009 | -2.51 | +0.03 | +3.13 | +2.13 | +13.8 | +3.42 | +6.08 | +1.06 | +0.99 | +1.58 | -1.10 | +3.14 | +35.61 |
| 2008 | -1.76 | -0.01 | -0.50 | +1.22 | -1.15 | -4.74 | -1.58 | -1.00 | -1.93 | -0.05 | -0.44 | +2.83 | -8.92 |
| 2007 | +2.01 | -1.34 | -2.35 | -0.81 | +1.63 | +4.04 | +0.41 | -6.10 | +0.14 | -1.38 | -3.97 | -3.74 | -11.27 |
| 2006 | +0.13 | -3.78 | +3.72 | -2.27 | -3.75 | +1.57 | -4.58 | +3.13 | -0.84 | +2.73 | -1.03 | +1.61 | -3.75 |
| 2005 | -0.75 | +1.04 | +0.36 | -0.65 | -1.05 | +0.90 | +2.01 | +1.99 | +9.65 | +4.55 | +7.71 | +9.41 | +40.31 |
| 2004 | +0.82 | +2.03 | +6.57 | +0.16 | -2.15 | +1.61 | -1.66 | -0.96 | -0.48 | -0.78 | -0.27 | +2.18 | +6.98 |
| 2003 | | | | | | | | | | | +0.01 | +0.39 | +0.40 |

| YEN Class (%) | | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Ytd |
| 2017 | +2.87 | -1.14 | +1.88 | +3.57 | +2.21 | -0.63 | | | | | | | +8.98 |
| 2016 | -5.47 | +0.00 | +6.50 | -0.83 | +0.89 | -1.40 | +3.87 | -0.93 | +1.38 | +1.74 | +0.07 | -2.01 | +3.36 |
| 2015 | +1.96 | +3.85 | +0.29 | +2.08 | +3.93 | -4.77 | -0.19 | -8.07 | -6.54 | +6.33 | +1.42 | -0.85 | -1.63 |
| 2014 | -4.10 | -1.86 | -0.96 | -4.74 | +0.82 | +1.90 | +0.03 | -1.61 | +2.03 | +0.51 | +7.92 | -2.93 | -3.53 |
| 2013 | +6.31 | -1.17 | +3.49 | +9.16 | -2.78 | -3.02 | +2.98 | -0.88 | +6.62 | +0.99 | +4.61 | +3.52 | +33.21 |
| 2012 | +2.35 | +5.36 | -0.68 | -2.00 | -1.50 | -0.92 | +0.66 | +1.49 | -0.58 | -1.26 | +1.24 | +4.98 | +9.18 |
| 2011 | -0.99 | -0.21 | -1.17 | +0.78 | -2.91 | -1.54 | -1.47 | -1.21 | -3.52 | +0.90 | -2.67 | +0.25 | -13.02 |
| 2010 | +0.76 | +0.82 | +3.93 | +1.90 | -3.62 | +1.67 | +0.68 | +0.83 | -0.02 | +1.32 | -0.92 | +1.62 | +9.17 |
| 2009 | -0.44 | +2.14 | +2.41 | +3.29 | +17.6 | +5.35 | +2.75 | +1.22 | +1.17 | +1.98 | -1.32 | +3.85 | +46.57 |
| 2008 | -1.92 | -0.22 | -0.69 | +1.09 | -1.31 | -4.88 | -1.77 | -1.32 | -1.87 | -1.00 | -0.86 | +2.31 | -11.89 |
| 2007 | +1.64 | -1.67 | -2.71 | -1.19 | +1.26 | +3.72 | -0.03 | -6.09 | -0.28 | -1.75 | -4.16 | -4.10 | -14.68 |
| 2006 | -0.31 | -4.10 | +3.40 | -2.55 | -4.13 | +1.21 | -5.00 | +2.76 | -1.23 | +2.29 | -1.43 | +1.25 | -7.99 |
| 2005 | -0.94 | +0.93 | +0.20 | -0.96 | -1.36 | +0.67 | +2.08 | +1.71 | +9.66 | +4.45 | +7.66 | +8.98 | +37.47 |
| 2004 | +0.74 | +2.04 | +6.20 | +0.45 | -2.20 | +1.52 | -1.82 | -1.04 | -0.61 | -0.88 | -0.40 | +2.01 | +5.88 |
| 2003 | | | | | | | | | | | -0.06 | +0.31 | +0.25 |

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

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

Administrator for JK Global Opportunities Fund

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

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