

**JK Global Opportunities Fund**

**March 2016**

The Fund rose +6.37% in March (GBP Class, Net of Fees).

The Fund rose +6.37% during the month as risk assets staged a recovery, helped by 'dovish' comments from the FED and stability in the Chinese YUAN. We feel this is more of a short covering rally and not too sure how long it will last so we have been taking profits into the rally, raising cash and awaiting better entry levels.

The Fund saw strong performances from many of its Asian holdings, in particular property and casino companies in Hong Kong. We have been encouraged to see Li Ka Shing buying back shares in Cheung Kong Property Holdings, as well as the Kwoks in SHK Properties. These insiders are usually worth following and so despite the recent share price appreciation we will remain holders. We have taken some money out of Japan though, where we are becoming less convinced about the potential for 'Abenomics', and where we have become more concerned about BOJ policy. A strong YEN is a headwind as well, and we are already starting to see some rather disappointing earnings announcements. Whilst it is true that the market looks cheap, we have always felt that Japan is a policy driven, momentum market in the eyes of foreign investors, and given both these factors are heading into reverse we are not keen to hang around to witness the fallout. Gold, and our gold stock holdings continue to perform well, and given our macro views highlighted below, we remain holders. Cash is currently 25% of the Fund.

In our view the Fed's dovish comments in March were all about weakening the USD. The 100 level on the DXY (USD index) is proving formidable resistance, and seems to illicit a response from the US authorities every time we are in its vicinity. USD weakness helps crude and commodity exporters and the emerging markets, which have suffered from commodity price weakness and tight USD financial conditions. China is a major beneficiary of this softening in US policy as USD weakness enables China to continue devaluing against the rest of the world without actually having to do anything. This obviously is not good for the YEN and to a degree the EURO. The Japanese authorities are between a rock and a hard place, with Abe heading the G7 at a time when beggar thy neighbour currency policy is becoming a hot topic. The scope for a major YEN weakening initiative (even if this were possible from here) looks impossible geopolitically for the time being. In general, it looks to us like the BOJ and ECB are scraping the policy barrel, with only the FED with any ability to influence events from here.

We have noted before how we feel that the last few months will prove to have been a 'tipping point' in terms of the market's perception of G7 central bank credibility. The markets' reaction to both the ECB and BOJ's policy of negative interest rates has been most disappointing, and we assume to central bankers and 'academics', somewhat surprising (Note: to any normal person, residing in the real world, the potential consequences of all this monetary chicanery is becoming all too evident, and not surprisingly individuals are starting to take evasive action, be it by building up physical cash reserves, gold, or exploring the investment potential of crypto-currencies etc.). Despite this, the powers that be seem to be ploughing on regardless, with talk of 'helicopter money' and an expansion of the already destructive negative interest rate policies. We are reminded of the definition of madness, credited to Einstein, who said "the definition of insanity is doing the same thing over and over again, but expecting

different results". So expect more of the same from the ECB and BOJ over the coming months (although not imminently as noted above), and possibly the FED. Our risk radar, therefore, is on high alert as we know that these unconventional monetary policies have created major distortions in the government bond, equity and currency markets, which will eventually be unwound.

***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 31-Mar-16	
GBP class	165.23
USD class	207.44
Yen class	19,520.78

Source: State Street (Services) Ireland Ltd.

Asset Type as at above date (market exposure % of Total NAV)		
	Long	Short
Level 1	70	-12
Level 2	39	0
Level 3	0	0
Total	109	-12

Source: JK Investment Management LLP.

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.

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.

GBP Class (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2016	-5.68	+0.15	+6.37										<b>+0.48</b>
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	<b>-1.69</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
2016	-5.53	+0.16	+6.52										<b>+0.78</b>
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	<b>-1.65</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
2016	-5.47	+0.00	+6.50										+0.68
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](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

**For the use of Professional Investors only**

## Important Notice

**This document is issued by JK Investment Management LLP ("JKIM") only to, and is directed only at persons who are professional clients and eligible counterparties for the purposes of the Markets in Financial Instruments Directive ("MiFID"). Information contained in this document must not be relied on or acted upon by any other persons. This document is only intended for use by investors registered or domiciled in EEA jurisdictions.**

**Please contact JKIM if you require any further information on your status.**

JKIM is authorised and regulated by the Financial Conduct Authority of the United Kingdom ("FCA") and is registered in England under Registration No: OC304800. The registered office address of JKIM is Bury House, 3 Bury Street, Guildford, Surrey GU2 4AW. The regulatory status of JKIM can be confirmed on the FCA website at <http://www.fsa.gov.uk/register/>.

The material contained in this document is directed only at persons or entities in any jurisdiction or country where such access to information contained herein and use thereof is not contrary to local law or regulation. Accordingly, all persons who read this document are required to inform themselves of and to comply with any such restrictions.

**Information Only: Nothing in this document** constitutes or forms part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, shares, units or other interests ("Shares") in investments referred to herein. Nor shall this document form the basis of, or be relied on in connection with, any contract for Shares. Applications to invest in any product referred to in this document must only be made on the basis of the documentation relating to the specific investment and you should refer to your investment adviser. If you are in any doubt about the information contained in this document please call us on 01483 301142 or consult a professional financial adviser.

**No Reliance and No Advice: The information contained in this document is provided solely on the basis that you make your own investment decision and does not constitute a personal recommendation or investment advice.** You alone will bear the sole responsibility of evaluating the merits and risks associated with the use of any such information, opinions, estimates and content. JKIM only provides information on its own products. The information contained in this document is provided without obligation on the part of JKIM or its associates and on the understanding that any person who acts upon it or changed his investment position in reliance on it does so entirely at his own risk. Furthermore, the firm is not in a position to advise retail clients (as defined in the FCA Handbook) on your particular circumstances and particular merits of investing in the products.

Nothing contained in this document constitutes investment, legal, tax or other advice nor is to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision.

**Accuracy of Information:** Although JKIM has taken all reasonable care to ensure that the information contained in this document is accurate at the time of publication, no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of such information and no liability is accepted by JKIM for the accuracy or completeness of such information. All information, opinions, estimates and content in this document are provided by JKIM for information purposes only and are subject to change without notice. Information contained in this document is current only at the date it is first posted and may no longer be true or complete when received by you.

**Risk Factors:** Past performance may not be repeated and should not be seen as a guide to future performance. The value of investments and the income from them may go down as well as up, and investors may not get back the amount originally invested. Exchange rates may cause the value of overseas investments and the income arising from them to rise or fall. The levels and bases of and reliefs from taxation may change. Investors should consult their own tax adviser in order to understand any applicable tax consequences. This list of risk factors is not complete and reference should be made to the documentation relating to the specific investment. An investment should only be made after receiving and reviewing the prospectus or offering memorandum and the risk factors contained therein.

**No Warranty:** The information, opinions, estimates and content in this document are provided without any representations or warranties of any kind (including, without limitation, representations or warranties as to their accuracy, reliability or completeness), whether express or implied.

**Limitation of Liability:** JKIM does not accept any liability for any direct, indirect, special or consequential loss or damage (in each case, including but not limited to: business interruption, loss of profits, loss of revenue, loss of anticipated savings and/or loss of good will), arising from, or in connection with the use of information contained in this document; or any decisions you make based on the information, opinions, estimates and content made available to you in this document whether or not such loss is reasonable foreseeable as at the date you read this document or JKIM has been advised of the possibility of you incurring such loss or damage, and whether occasioned by the negligence of JKIM or its employees, agent or subcontractors. This is not intended to exclude or restrict any duty or liability that JKIM has to its customers under the "regulatory system" in the United Kingdom (as defined in the FCA Handbook) or which may not be excluded or restricted as a matter of applicable law.

## For further information please contact

Francis Kirkpatrick  
JK Investment Management LLP  
Bury House  
3 Bury Street  
Guildford  
Surrey GU2 4AW  
Tel: +44 1483 301 142  
Fax: +44 1483 452 219  
Email: [fk@jkim.co.uk](mailto:fk@jkim.co.uk)