

**JK Funds Plc**  
**(Investment Company with Variable Capital)**

**Annual Report and Audited Financial Statements**

**For the financial year ended 31 December 2023**

**Registered Number**  
**532101**

# JK Funds Plc

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# JK Funds Plc

## Organisation

### Directors<sup>1</sup>

Mr. Francis Kirkpatrick (British, UK resident)  
Mr. Simon Jones (British, UK resident)  
Ms. Fiona Ross<sup>2</sup> (Irish, Ireland resident)  
Dr. Simon Ogus<sup>2</sup> (British, Hong Kong resident)  
Mr. Gerry Brady<sup>2</sup> (Irish, Ireland resident)

<sup>1</sup> *Non-executive Director*

<sup>2</sup> *Independent Director*

### 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, Promoter 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  
5th floor, 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

### Manager\*

Waystone Management Company (IE) Limited  
35 Shelbourne Road  
4th Floor, Ballsbridge  
Dublin 4, D04 A4E0  
Ireland

\*On 29 September 2023, the Irish fund management company activities of the Waystone Group was consolidated by merging the business of KBA Consulting Management Limited ("KBA"), the Manager of the ICAV, with that of Waystone Management Company (IE) Limited ("WMC"). The surviving entity is WMC.

## 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 2023, the Company had two sub-funds (2022: two sub-funds), 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	US\$1,250,000	£1,000,000	¥130,000,000	€1,150,000
Minimum Additional Subscription	US\$125,000	£100,000	¥13,000,000	€115,000
Minimum Holding	US\$1,250,000	£1,000,000	¥130,000,000	€1,150,000
Institutional	GBP Institutional Shares (unhedged) (I)	JKFDS US Dollar Shares		
Minimum Subscription	£1,000,000	US\$1,250,000		
Minimum Additional Subscription	£100,000	US\$125,000		
Minimum Holding	£1,000,000	US\$1,250,000		
Ordinary	USD Ordinary Shares (O)	GBP Ordinary Shares (O)	YEN Ordinary Shares (O)	EUR Ordinary Shares (O)
Minimum Subscription	US\$125,000	£100,000	¥13,000,000	€115,000
Minimum Additional Subscription	US\$12,500	£10,000	¥1,300,000	€11,500
Minimum Holding	US\$125,000	£100,000	¥13,000,000	€115,000

None of the Ordinary Share Classes in the JK Japan Fund have launched as at 31 December 2023 or subsequently, prior to the approval of the financial statements.

# JK Funds Plc

## Directors' Report

for the year ended 31 December 2023

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 2023.

At 31 December 2023, the Company had two sub-funds (2022: two sub-funds), 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, pages 15 to 18 respectively.

### **Directors<sup>1</sup>**

The following Directors held office during the financial year end 31 December 2023 and 31 December 2022.

Mr. Francis Kirkpatrick (British, UK resident)  
 Mr. Simon Jones (British, UK resident)  
 Ms. Fiona Ross<sup>2</sup> (Irish, Ireland resident)  
 Dr. Simon Ogus<sup>2</sup> (British, Hong Kong resident)  
 Mr. Gerry Brady<sup>2</sup> (Irish, Ireland resident)

<sup>1</sup> *Non-executive Director*

<sup>2</sup> *Independent Director*

The Company has outsourced the day-to-day operations of the Company to JK Investment Management LLP (the "Investment Manager"), Waystone Management Company (IE) Limited (the "Manager"), SMT Trustees (Ireland) Limited (the "Depositary") 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 2023 is as follows:

In JK Global, Mr. Simon Jones and family held 42,139.41 YEN Management Shares (31 December 2022: 50,139.41). Mr. Francis Kirkpatrick and family held 24,123.92 YEN Management Shares (31 December 2022: 24,123.92). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares (31 December 2022: 1,148.33). In JK Japan, Mr. Simon Jones and family held 4,182.96 GBP Institutional Shares (31 December 2022: 2,882.96). Mr. Francis Kirkpatrick held 497.43 EUR Institutional Shares (31 December 2022: 497.43), 500.00 GBP Institutional Shares (Unhedged) (31 December 2022: 500.00), 452.90 USD Institutional Shares (31 December 2022: 452.90) and 1,805.72 GBP Institutional Shares (31 December 2022: 200.10). Dr. Simon Ogus held 990.49 YEN Institutional Shares (31 December 2022: 990.49). 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 years ended 31 December 2023 and 31 December 2022, 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 2023 (2022: 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.

## JK Funds Plc

### Directors' Report (continued)

for the year ended 31 December 2023

#### **Significant events during the year**

On 29 June 2023, the Supplement for JK Global was updated to enable the sub-fund to invest up to 100% of the Net Asset Value of the sub-fund, in aggregate, in open-ended collective investment schemes (including exchange traded funds) which are eligible for investment by a UCITS in accordance with the requirements of the Central Bank.

On 29 September 2023, the Irish fund management company activities of the Waystone Group was consolidated by merging the business of KBA Consulting Management Limited ("KBA"), the Manager of the ICAV, with that of Waystone Management Company (IE) Limited ("WMC"). The surviving entity is WMC.

On 19 October 2023, the Supplement for JK Japan was updated for service provider fees charged to the sub-fund. The investment management fee for JK Japan for the USD, GBP, YEN, EUR, GBP (unhedged) Institutional classes increased from 0.35% to 0.50% per annum with effect from 19 October 2023.

There were no other material significant events during the reporting year ended 31 December 2023.

#### **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**

There were no 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 Funds, 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.

#### **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;

## JK Funds Plc

### Directors' Report (continued)

for the year ended 31 December 2023

#### **Statement of compliance (continued)**

(b) confirm that (continued):

- (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 2023 amounted to USD 54,766 (31 December 2022: USD 52,969). There were no fees outstanding at the year ended 31 December 2023 and 31 December 2022.

No political or charitable donations were made by the Company during the financial year ended 31 December 2023 (2022: 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 Irish funds ("IF") in December 2011 as the Company's corporate governance code. This code can be obtained from the IF website at [www.irishfunds.ie](http://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 of the Manager, 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 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.



## JK Funds Plc

### Directors' Report (continued)

for the year ended 31 December 2023

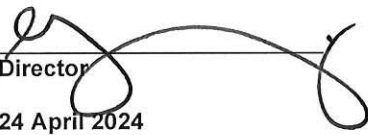
#### *Directors' responsibilities (continued)*


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  
24 April 2024

  
Director

# JK Funds Plc

## Depository's Report

for the year ended 31 December 2023

### 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 2023, 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:  
*Malachy Keady*  
7D37E8ACCEF5152...  
Authorised Signature

DocuSigned by:  
*Mall Whelan*  
797A1D7DA10A4EC...  
Authorised Signature

Dated: 24 April 2024



## 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 ended 31 December 2023, 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.

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 2023 and of its results 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.

#### 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.



## 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 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.

## 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 7, 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

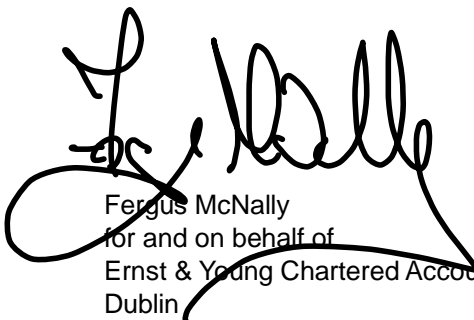
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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.



Fergus McNally  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm  
Dublin

Date: 29 April 2024

## JK Funds Plc

### Investment Manager's Report

for the year ended 31 December 2023

#### JK Global Opportunities Fund

The JK Global Opportunities Fund performance for the financial period 31st December 2022 to 31st December 2023 was as follows (net of fees): USD class +6.39%, GBP class +5.73%, EUR class +4.15%. and YEN class 0.44%.

2023 got off to a rocky start with the collapse of several US regional banks and the forced merger of UBS and Credit Suisse. While this caused some volatility, it was a double-edged sword in some respects, as it forced the FED's hand in providing a liquidity backstop to the financial system. As a result, equities found their footing before staging a Q2 rally. In retrospect, we were too bearish during this period; placing too great a weight on the bleak macro headlines rather the FED's stealth liquidity injection, as well as some positive developments emerging at an individual stock level in the AI space.

Markets continued to "climb the wall of worry" over the summer, as a combination of easing monetary conditions and better-than-expected economic data increased the odds of a "soft landing". The Fund performed well during this period, benefiting from the aforementioned "AI rally".

However, by the time Q3 arrived, the market's focus had shifted to the sharp rise in bond yields. While the summer sell-off in bond markets was attributed to a repricing of recession risk (soft landing), the autumn price action in bond markets was a little less benign. In particular, it was the term premium driving yields higher, which most pundits linked to unexpectedly heavy bond issuance (i.e., "supply") and the continuation of central-bank QT. Meanwhile, concerns over China's property market had come to the fore once again, adding to the general unease sweeping across markets. This was a tricky period to trade, which saw the Fund give back some of its gains made over the summer months.

This soft patch didn't last long, however, as a series of "Goldilocks" economic data prints in November, followed by a dovish surprise by the FED in December, saw equities stage a strong rally going into year-end and bond yields reverse sharply. The Fund made good gains during this period, particularly in high-duration assets in the US and Japanese tech spaces.

#### Outlook

In general, we sense that we are in the early innings of a new bull market, driven by a virtuous cycle of technological advancements (AI) and easier monetary policy. On the latter point, it is comforting to see markets react less sensitively to individual data prints and the timing of eventual interest rate cuts, which has removed some of the volatility we've been used to over the last couple of years.

Instead, the focus seems to have shifted back to earnings and picking stocks geared into promising themes like AI. We are encouraged by recent earnings numbers, particularly in the IT sector, which look sustainable to us. While we expect the benefits of AI to broaden out eventually, until then, we foresee more of the same "winner takes all" environment and narrow market leadership – potentially leading to a bubble in some of these stocks at some point. The Fund is well-placed to capitalize on this.

We are also very upbeat on Japan, which feels like it is only just getting started with the Nikkei hitting all-time highs – after a 34 year wait! We have also been adding to our Gold position recently based on our view that real interest rates have topped out, as well as being a good hedge against the geopolitical uncertainty across the world.

## JK Funds Plc

### Investment Manager's Report (Continued)

for the year ended 31 December 2023

#### JK Japan Fund

The JK Japan Fund performance for the financial period 31st December 2022 to 31st December 2023 was as follows (net of fees): USD class +37.58%, GBP class 33.88%, EUR class +32.41%, YEN class +28.17% and GBP (unhedged) class +13.13%.

2023 was a great year for the JK Japan Fund, as the equity market benefited from numerous tailwinds. At the centre of this was a corporate governance revolution sparked by the Tokyo stock exchange, which saw a swathe of companies initiating share buybacks, restructurings, and more shareholder-friendly capital allocation policies.

The Fund benefited from numerous cases of this, for example in banks, steels, autos, and industrials. The other key area of success for the Fund came from stocks geared into the AI theme, which are predominantly located in the semiconductor space.

#### Outlook

We believe there are a string of positives aligning for Japan. These include a change in interest rates, wage increases, shift from deflation to inflation, corporate governance improvements, ridiculously cheap yen, strong growth in earnings, reasonable valuations, huge domestic deposits earning little or nothing, a doubling of the Japan NISA tax free saving account, inbound tourism booming, big exposure to AI (Artificial Intelligence), and a huge increase in overseas tech companies building factories in Japan to name a few.

We believe there is a long way to go for our selected companies, before we get anywhere near bubble territory and we are optimistic for Japan.

JK Investment Management LLP  
Bury House  
3 Bury Street  
Guildford  
Surrey, GU2 4AW  
England  
24 April 2024

## JK Funds Plc

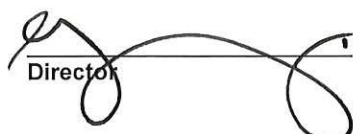
### Statement of Financial Position

as at 31 December 2023


	Note	Company Total As at 31 December 2023 USD	JK Global Opportunities Fund As at 31 December 2023 USD	JK Japan Fund As at 31 December 2023 JPY
<b>Assets</b>				
Cash and cash equivalents	5	10,729,665	3,882,098	965,780,908
<b>Financial assets at fair value through profit or loss:</b>				
Investments in securities	4	200,513,939	86,093,434	16,137,868,000
Derivative Financial Instruments:				
Open forward foreign currency exchange contracts		1,739,353	1,739,353	-
Open futures contracts		495,490	495,490	-
<b>Financial assets at amortised cost:</b>				
Amounts due from brokers	5	4,673,489	4,673,489	-
Dividends receivable		204,274	62,346	20,017,457
Other receivables		186,100	181,309	675,748
Subscription receivable		21,364	-	3,013,217
<b>Total assets</b>		<b>218,563,674</b>	<b>97,127,519</b>	<b>17,127,355,330</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss:</b>				
Derivative Financial Instruments:	4			
Open forward foreign currency exchange contracts		1,088,712	-	153,551,983
Open futures contracts		350,589	350,589	-
Total return swap		141,407	141,407	-
<b>Financial liabilities at amortised cost:</b>				
Investment management fees payable	6	112,526	70,466	5,932,073
Interest payable		54,649	54,649	-
Audit fees payable		46,478	34,856	1,639,113
Other payables and accrued expenses		38,168	21,591	2,338,188
Depository fees payable	6	36,540	14,152	3,157,555
Tax preparation fees payable		26,370	12,755	1,920,222
Redemption payable		23,012	23,012	-
Administration fees payable	6	17,824	8,056	1,377,733
Management company fees payable		5,836	2,876	417,479
<b>Total liabilities (excluding net assets attributable to shareholders)</b>		<b>1,942,111</b>	<b>734,409</b>	<b>170,334,346</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>		<b>216,621,563</b>	<b>96,393,110</b>	<b>16,957,020,984</b>

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

For and on behalf of the Board

  
Director

24 April 2024

  
Director



## JK Funds Plc

### Statement of Financial Position (continued)

as at 31 December 2022

	Note	Company Total As at 31 December 2022 USD	JK Global Opportunities Fund As at 31 December 2022 USD	JK Japan Fund As at 31 December 2022 JPY
<b>Assets</b>				
Cash and cash equivalents	5	11,670,616	7,467,044	551,172,388
<b>Financial assets at fair value through profit or loss:</b>				
Investments in securities	4	152,067,838	79,426,278	9,524,761,300
Derivative Financial Instruments:				
Open forward foreign currency exchange contracts		3,450,928	3,450,928	-
Open futures contracts		569,873	569,873	-
<b>Financial assets at amortised cost:</b>				
Amounts due from brokers	5	7,560,385	7,560,385	-
Other receivables		154,846	150,135	617,739
Dividends receivable		151,283	7,086	18,907,145
<b>Total assets</b>		<b>175,625,769</b>	<b>98,631,729</b>	<b>10,095,458,572</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss:</b>				
Derivative Financial Instruments:				
Open forward foreign currency exchange contracts		6,423,894	2,869,794	466,013,528
Contracts for difference		98,933	98,933	-
Open futures contracts		75,738	75,738	-
<b>Financial liabilities at amortised cost:</b>				
Investment management fees payable	6	84,661	67,525	2,246,843
Administration fees payable	6	76,089	41,801	4,495,895
Other payables and accrued expenses		69,232	36,257	4,323,711
Audit fees payable		45,071	33,801	1,477,779
Depositary fees payable	6	34,891	22,204	1,663,578
Redemption payable		25,060	5,800	2,525,339
Tax preparation fees payable		23,591	11,409	1,597,313
Management company fees payable		6,578	3,433	412,366
<b>Total liabilities (excluding net assets attributable to shareholders)</b>		<b>6,963,738</b>	<b>3,266,695</b>	<b>484,756,352</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>		<b>168,662,031</b>	<b>95,365,034</b>	<b>9,610,702,220</b>

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

## JK Funds Plc

### Statement of Comprehensive Income for the year ended 31 December 2023

		Company Total For the year ended 31 December 2023 USD	JK Global Opportunities Fund For the year ended 31 December 2023 USD	JK Japan Fund For the year ended 31 December 2023 JPY
	Note			
<b>Income</b>				
Dividend income		2,840,034	484,410	333,159,850
Interest income		747,619	743,024	649,907
Other income		61,825	59,567	319,332
Net realised gain on financial assets and foreign exchange		4,991,034	409,657	647,951,844
Net change in unrealised gain on financial assets and foreign exchange		28,224,158	8,580,570	2,778,225,460
Net realised and unrealised gain on financial assets and foreign exchange		33,215,192	8,990,227	3,426,177,304
<b>Total investment income</b>		<b>36,864,670</b>	<b>10,277,228</b>	<b>3,760,306,393</b>
<b>Expenses</b>				
Investment management fees	6	1,107,633	800,983	43,370,017
Research expenses	9	272,913	258,000	2,109,223
Interest expense		269,713	268,897	115,371
Administration fees	6	197,398	95,492	14,412,736
Depositary fees	6	129,408	57,967	10,104,017
Other fees	6	127,688	57,610	9,911,483
Management company fees	6	71,424	35,402	5,094,660
Directors' fees	8	54,766	26,668	3,973,969
Audit fees	6	47,869	35,961	1,684,195
Legal fees		43,494	20,697	3,224,250
Tax preparation fees expense		35,903	18,130	2,513,609
Board meeting expense		17,988	9,118	1,254,430
<b>Total expenses</b>		<b>2,376,197</b>	<b>1,684,925</b>	<b>97,767,960</b>
<b>Gain for the financial year before taxation</b>		<b>34,488,473</b>	<b>8,592,303</b>	<b>3,662,538,433</b>
Withholding taxes on dividend	2	412,988	59,644	49,973,979
<b>Gain for the financial year after taxation</b>		<b>34,075,485</b>	<b>8,532,659</b>	<b>3,612,564,454</b>
<b>Increase in net assets attributable to holders of redeemable participating shares resulting from operations</b>		<b>34,075,485</b>	<b>8,532,659</b>	<b>3,612,564,454</b>

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 Funds Plc

### Statement of Comprehensive Income (continued)

for the year ended 31 December 2022

	Note	Company Total For the year ended 31 December 2022 USD	JK Global Opportunities Fund For the year ended 31 December 2022 USD	JK Japan Fund For the year ended 31 December 2022 JPY
<b>Income</b>				
Dividend income		2,528,836	488,853	268,728,650
Interest income		263,723	261,700	266,428
Other income		6,339	6,264	9,892
Net realised (loss)/gain on financial assets and foreign exchange		(22,108,023)	(28,308,631)	816,811,236
Net change in unrealised loss on financial assets and foreign exchange		(19,378,301)	(6,876,077)	(1,646,928,424)
Net realised and unrealised loss on financial assets and foreign exchange		(41,486,324)	(35,184,708)	(830,117,188)
<b>Total investment expense</b>		<b>(38,687,426)</b>	<b>(34,427,891)</b>	<b>(561,112,218)</b>
<b>Expenses</b>				
Investment management fees	6	1,112,032	903,172	27,513,316
Research expenses	9	246,941	232,000	1,968,203
Administration fees	6	190,015	106,318	11,025,433
Depositary fees	6	136,227	80,511	7,339,518
Other fees		124,507	62,549	8,161,125
Management company fees	6	71,505	40,436	4,092,681
Directors' fees	8	52,969	30,540	2,955,168
Audit fees	6	47,972	35,695	1,617,291
Interest expense		44,763	35,998	1,154,570
Tax preparation fee expense		33,441	17,227	2,135,855
Legal fees		9,343	9,233	14,477
Board meeting expense		8,401	4,709	486,360
<b>Total expenses</b>		<b>2,078,116</b>	<b>1,558,388</b>	<b>68,463,997</b>
<b>Loss for the financial year before taxation</b>		<b>(40,765,542)</b>	<b>(35,986,279)</b>	<b>(629,576,215)</b>
Withholding taxes on dividend	2	332,040	26,043	40,309,299
<b>Loss for the financial year after taxation</b>		<b>(41,097,582)</b>	<b>(36,012,322)</b>	<b>(669,885,514)</b>
<b>Decrease in net assets attributable to holders of redeemable participating shares resulting from operations</b>		<b>(41,097,582)</b>	<b>(36,012,322)</b>	<b>(669,885,514)</b>

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 Funds Plc

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

for the year ended 31 December 2023

Note	Company Total For the year ended 31 December 2023 USD	JK Global Opportunities Fund For the year ended 31 December 2023 USD	JK Japan Fund For the year ended 31 December 2023 JPY
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the year</b>	<b>168,662,031</b>	<b>95,365,034</b>	<b>9,610,702,220</b>
<b>Share transactions</b>	7		
Proceeds from issue of redeemable participating shares	43,089,974	1,027,606	5,948,950,810
Payments on redemptions of redeemable participating shares	(24,194,852)	(8,532,189)	(2,215,196,500)
<b>Net increase/(decrease) in net assets resulting from redeemable participating shares transactions</b>	<b>18,895,122</b>	<b>(7,504,583)</b>	<b>3,733,754,310</b>
Currency translation differences	(5,011,075)	-	-
Net Increase in net assets attributable to holders of redeemable participating shares resulting from operations	34,075,485	8,532,659	3,612,564,454
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>216,621,563</b>	<b>96,393,110</b>	<b>16,957,020,984</b>

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

## JK Funds Plc

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

for the year ended 31 December 2022

Note	Company Total For the year ended 31 December 2022 USD	JK Global Opportunities Fund For the year ended 31 December 2022 USD	JK Japan Fund For the year ended 31 December 2022 JPY
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the year</b>	<b>225,090,128</b>	<b>138,524,761</b>	<b>9,961,942,422</b>
<b>Share transactions</b>			
Proceeds from issue of redeemable participating shares	18,399,351	1,400,861	2,239,225,292
Payments on redemptions of redeemable participating shares	(23,127,844)	(8,548,266)	(1,920,579,980)
<b>Net (decrease)/increase in net assets resulting from redeemable participating shares transactions</b>	<b>(4,728,493)</b>	<b>(7,147,405)</b>	<b>318,645,312</b>
Currency translation differences	(10,602,022)	-	-
Net decrease in net assets attributable to holders of redeemable participating shares resulting from operations	(41,097,582)	(36,012,322)	(669,885,514)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>168,662,031</b>	<b>95,365,034</b>	<b>9,610,702,220</b>

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

## JK Funds Plc

### Statement of Cash Flows

for the year ended 31 December 2023

	Company Total For the year ended 31 December 2023 USD	JK Global Opportunities Fund For the year ended 31 December 2023 USD	JK Japan Fund For the year ended 31 December 2023 JPY
<b>Cash flows from operating activities</b>			
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	34,075,485	8,532,659	3,612,564,454
<b>Adjustment for:</b>			
<i>Decrease/(increase) in operating assets</i>			
Financial assets at fair value through profit or loss	(46,660,143)	(4,881,198)	(6,613,106,700)
Amounts due from broker	2,886,896	2,886,896	-
Other receivables	(31,254)	(31,174)	(58,009)
Dividends receivable	(52,991)	(55,260)	(1,110,312)
<i>(Decrease)/increase in operating liabilities</i>			
Financial liabilities at fair value through profit or loss	(5,017,857)	(2,552,469)	(312,461,545)
Investment management fees payable	27,865	2,941	3,685,230
Management company fees payable	(742)	(557)	5,113
Other payables and accrued expenses	(31,064)	(14,666)	(1,985,523)
Depositary fees payable	1,649	(8,052)	1,493,977
Audit fees payable	1,407	1,055	161,334
Administration fees payable	(58,265)	(33,745)	(3,118,162)
Interest payable	54,649	54,649	-
Tax preparation fees payable	2,779	1,346	322,909
<b>Cash (used in)/provided by operating activities</b>	<b>(14,801,586)</b>	<b>3,902,425</b>	<b>(3,313,607,235)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of redeemable participating shares during the year	43,068,610	1,027,606	5,945,937,593
Redemption of redeemable participating shares during the year	(24,196,900)	(8,514,977)	(2,217,721,839)
<b>Net cash flows provided by/(used in) financing activities</b>	<b>18,871,710</b>	<b>(7,487,371)</b>	<b>3,728,215,754</b>
Net increase/(decrease) in cash and cash equivalents	4,070,124	(3,584,946)	414,608,520
Effect of foreign currency translation	(5,011,075)	-	-
Cash and cash equivalents at the start of the year	11,670,616	7,467,044	551,172,388
<b>Cash and cash equivalents at the end of the year</b>	<b>10,729,665</b>	<b>3,882,098</b>	<b>965,780,908</b>
<b>Supplemental disclosures</b>			
Cash received during the year for interest	747,619	743,024	-
Cash paid during the year for interest	215,064	214,248	115,371
Cash received during the year for dividends	2,787,043	429,150	332,049,538

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

## JK Funds Plc

### Statement of Cash Flows (continued)

for the year ended 31 December 2022

	Company Total For the year ended 31 December 2022 USD	JK Global Opportunities Fund For the year ended 31 December 2022 USD	JK Japan Fund For the year ended 31 December 2022 JPY
<b>Cash flows from operating activities</b>			
Decrease in net assets attributable to holders of redeemable participating shares resulting from operations	(41,097,582)	(36,012,322)	(669,885,514)
<b>Adjustment for:</b>			
<i>(Increase)/decrease in operating assets</i>			
Financial assets at fair value through profit or loss	41,084,629	29,530,739	164,451,023
Amounts due from broker	(3,314,885)	(3,314,885)	-
Other receivables	(71,071)	(70,832)	(103,133)
Dividends receivable	(11,262)	23,195	(6,278,270)
Interest receivable	16,125	16,125	-
<i>Increase/(decrease) in operating liabilities</i>			
Financial liabilities at fair value through profit or loss	5,827,336	2,285,538	464,597,805
Investment management fees payable	(51,152)	(50,346)	182,063
Management company fees payable	6,578	3,433	412,366
Performance fees payable	(1,316,170)	(1,316,170)	-
Other payables and accrued expenses	(5,937)	(3,958)	301,423
Depositary fees payable	18,057	13,272	754,162
Audit fees payable	3,126	2,460	257,492
Administration fees payable	57,389	30,502	3,644,153
Interest payable	(17,439)	(17,439)	-
Tax Preparation Fees Payable	23,591	11,409	1,597,313
<b>Cash provided by/(used in) operating activities</b>	<b>1,151,333</b>	<b>(8,869,279)</b>	<b>(40,069,117)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of redeemable participating shares during the year	18,405,882	1,400,861	2,239,976,842
Redemption of redeemable participating shares during the year	(23,102,784)	(8,542,466)	(1,918,054,641)
<b>Net cash flows (used in)/provided by financing activities</b>	<b>(4,696,902)</b>	<b>(7,141,605)</b>	<b>321,922,201</b>
Net (decrease)/increase in cash and cash equivalents	(3,545,569)	(16,010,884)	281,853,084
Effect of foreign currency translation	(10,602,022)	-	-
Cash and cash equivalents at the start of the year	25,818,207	23,477,928	269,319,304
<b>Cash and cash equivalents at the end of the year</b>	<b>11,670,616</b>	<b>7,467,044</b>	<b>551,172,388</b>
<b>Supplemental disclosures</b>			
Cash received during the year for interest	279,848	277,825	266,428
Cash paid during the year for interest	62,202	53,437	1,154,570
Cash received during the year for dividends	2,517,574	512,048	262,450,380

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 2023

### 1. Summary of material 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 2023, the Company has two active sub-funds, JK Global Opportunities Fund (“JK Global”) and JK Japan Fund (“JK Japan”).

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(m).

Where necessary, certain comparative figures have been reclassified to conform to changes in presentation in the current period.

#### **New Standards, Amendments and Interpretations effective from 1 January 2023**

Up to the date of issue of these financial statements, the International Accounting Standards Board (the “IASB”) has issued a number of amendments, new standards and interpretations which are effective for the period beginning 1 January 2023 and which have been adopted in these financial statements.

#### ***Amendments to IAS 1 – Presentation of Financial Statements and Practice Statement 2: Disclosure of Accounting Policies***

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

#### ***Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate***

The amendments to IAS 8, in which it introduces a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments and improvements noted above are effective from 1 January 2023 and the Company has adopted these, where relevant, from 1 January 2023 and it has not resulted in any change to the presentation of these financial statements.

#### **New or Revised Accounting Standards and Interpretations that have been issued but not yet effective for the year ended 31 December 2023**

The following new standards, amendments to standards and interpretations have been issued to date and are not yet effective for the year ended 31 December 2023 and have not been applied nor early adopted, where applicable in preparing these financial statements:

Description	Effective for accounting periods beginning on or after
IFRS 7 – Supplier Finance Arrangements	1 January 2024



## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 1. Summary of material accounting policies (continued)

##### (a) Basis of presentation (continued)

##### **New or Revised Accounting Standards and Interpretations that have been issued but not yet effective for the year ended 31 December 2023 (continued)**

The Directors of the Company anticipate that the adoption of new standards, interpretations and amendments that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the year of initial application.

##### (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, management consider 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 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. Exchange rates are disclosed in note 10.

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 2023. 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 Shares. This notional adjustment does not have any impact on the net asset value of any individual Fund. For the year ended 31 December 2023, this adjustment amounted to USD 5,011,075 (2022: USD 10,602,022).

##### (c) Financial instruments

###### (i) 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*

Financial assets and liabilities at FVTPL are 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.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 1. Summary of material accounting policies (continued)

##### (c) Financial instruments (continued)

###### (i) Financial Instruments (continued)

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

###### *Financial assets and liabilities at fair value through profit or loss (continued)*

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; and
- 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 other comprehensive income ("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.
- 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 uses 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, interest receivable, subscription receivable, other receivables 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.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 1. Summary of material accounting policies (continued)

##### (c) Financial instruments (continued)

###### (i) Financial Instruments (continued)

##### Impairment of financial assets (continued)

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 Standard & Poor's credit rating.

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

##### 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 Comprehensive Income.

Impairment losses on other financial assets are presented under 'finance costs' and not presented separately in the Statement of Comprehensive Income due to materiality considerations.

# JK Funds Plc

## Notes to the Financial Statements (continued)

for the year ended 31 December 2023

### 1. Summary of material accounting policies (continued)

#### (c) Financial instruments (continued)

##### (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.

##### **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.

##### **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.

##### **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 asset 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.

# JK Funds Plc

## Notes to the Financial Statements (continued)

for the year ended 31 December 2023

### 1. Summary of material accounting policies (continued)

#### (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 holders of redeemable participating shares (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.

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) Material 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.

# JK Funds Plc

## Notes to the Financial Statements (continued)

for the year ended 31 December 2023

### 1. Summary of material accounting policies (continued)

#### (m) Material accounting estimates and judgements (continued)

##### *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, 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.

#### (n) Comparative information

Certain comparative information has been reclassified to conform to current year presentation.

### 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 Revenue Commissioners of Ireland (such as CREST).

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 2. Taxation (continued)

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 2023 and 31 December 2022, the Company entered into contracts for difference, total return swap and futures contracts for investment purposes. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

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	
	2023	2022	2023	2022
	USD	USD	JPY	JPY
Exposure	55,727,385	57,561,513	3,419,270,777	4,191,978,238
Realised gains/(losses)	1,130,606	(9,047,722)	680,099,388	1,077,283,388
Unrealised (losses)/gains	(157,333)	96,333	312,461,545	(558,738,278)

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 Manager delegates 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.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### *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 have 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.

As at 31 December 2023, 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	-	1,550,529	1,550,529
European Union Euro	246,393	10,955,876	11,202,269
Great Britain Pound	342,102	9,515,066	9,857,168
Hong Kong Dollar	104,226	333,408	437,634
Japanese Yen	126,441	2,206,062	2,332,503
<b>Total</b>	<b>819,162</b>	<b>24,560,941</b>	<b>25,380,103</b>

##### JK Japan Fund

	Monetary Assets JPY	Non-Monetary Assets JPY	Net Financial Assets JPY
European Union Euro	10,691,142	-	10,691,142
Great Britain Pound	21,276,221	-	21,276,221
United States Dollar	5,923,227	-	5,923,227
<b>Total</b>	<b>37,890,590</b>	<b>-</b>	<b>37,890,590</b>

As at 31 December 2022, the Company had the following currency risk exposures:

##### JK Global Opportunities Fund

	Monetary Assets USD	Non-Monetary Assets USD	Net Financial Assets USD
European Union Euro	97,374	10,624,017	10,721,391
Great Britain Pound	1,024,878	3,066,716	4,091,594
Hong Kong Dollar	106,222	-	106,222
Japanese Yen	121,731	5,200,786	5,322,517
<b>Total</b>	<b>1,350,205</b>	<b>18,891,519</b>	<b>20,241,724</b>



## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (i) Market Risk (continued)

##### Foreign currency risk (continued)

##### JK Japan Fund

	Monetary Assets	Non-Monetary Assets	Net Financial Assets
	JPY	JPY	JPY
European Union Euro	2,687,477	-	2,687,477
Great Britain Pound	23,862,226	-	23,862,226
United States Dollar	5,537,119	-	5,537,119
<b>Total</b>	<b>32,086,822</b>	<b>-</b>	<b>32,086,822</b>

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 1,269,005 (31 December 2022: USD 1,012,086) on JK Global Opportunities Fund and JPY 1,894,530 (31 December 2022: JPY 1,604,341) 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' supplements. The Manager in respect of the 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.

The following table summarises the Funds' exposure to interest rate risk as at 31 December 2023 and 31 December 2022. The table includes the Funds' trading assets and liabilities at fair value, categorised by the earlier of the contractual re-pricing or maturity dates.

##### As at 31 December 2023

##### JK Global Opportunities Fund

USD	<1 Month	1-3 Months	1-5 Years	Non-	Total
				Interest Bearing	
<b>Assets</b>					
Cash and cash equivalents	3,882,098	-	-	-	3,882,098
Amounts due from brokers	4,673,489	-	-	-	4,673,489
Financial assets at FVTPL	14,969,460	10,955,876	2,222,902	60,180,039	88,328,277
Trade and other receivables	-	-	-	243,655	243,655
<b>Total assets</b>	<b>23,525,047</b>	<b>10,955,876</b>	<b>2,222,902</b>	<b>60,423,694</b>	<b>97,127,519</b>

USD	<1 Month	1-3 Months	1-5 Years	Non-	Total
				Interest Bearing	
<b>Liabilities</b>					
Financial liabilities at FVTPL	-	-	-	(491,996)	(491,996)
Trade and other payables	-	-	-	(242,413)	(242,413)
Net assets attributable to holders of redeemable participating shares	-	-	-	(96,393,110)	(96,393,110)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(97,127,519)</b>	<b>(97,127,519)</b>

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (i) Market Risk (continued)

##### Interest rate risk (continued)

As at 31 December 2023 (continued)

##### JK Japan Fund

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Assets</b>					
Cash and cash equivalents	965,780,908	-	-	-	965,780,908
Financial assets at FVTPL	-	-	-	16,137,868,000	16,137,868,000
Trade and other receivables	-	-	-	20,693,205	20,693,205
Subscription paid in advance	-	-	-	3,013,217	3,013,217
<b>Total assets</b>	<b>965,780,908</b>	<b>-</b>	<b>-</b>	<b>16,161,574,422</b>	<b>17,127,355,330</b>

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Liabilities</b>					
Financial liabilities at FVTPL	-	-	-	(153,551,983)	(153,551,983)
Trade and other payables	-	-	-	(16,782,363)	(16,782,363)
Net assets attributable to holders of redeemable participating shares	-	-	-	(16,957,020,984)	(16,957,020,984)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,127,355,330)</b>	<b>(17,127,355,330)</b>

As at 31 December 2022

##### JK Global Opportunities Fund

USD	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Assets</b>					
Cash and cash equivalents	7,467,044	-	-	-	7,467,044
Amounts due from brokers	7,560,385	-	-	-	7,560,385
Financial assets at FVTPL	10,699,755	25,884,509	8,145,528	38,717,287	83,447,079
Trade and other receivables	-	-	-	157,221	157,221
<b>Total assets</b>	<b>25,727,184</b>	<b>25,884,509</b>	<b>8,145,528</b>	<b>38,874,508</b>	<b>98,631,729</b>

USD	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Liabilities</b>					
Financial liabilities at FVTPL	-	-	-	(3,044,465)	(3,044,465)
Trade and other payables	-	-	-	(222,230)	(222,230)
Net assets attributable to holders of redeemable participating shares	-	-	-	(95,365,034)	(95,365,034)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(98,631,729)</b>	<b>(98,631,729)</b>

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (i) Market Risk (continued)

##### *Interest rate risk (continued)*

31 December 2022 (continued)

##### JK Japan Fund

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Assets</b>					
Cash and cash equivalents	551,172,388	-	-	-	551,172,388
Financial assets at FVTPL	-	-	-	9,524,761,300	9,524,761,300
Trade and other receivables	-	-	-	19,524,884	19,524,884
<b>Total assets</b>	<b>551,172,388</b>	<b>-</b>	<b>-</b>	<b>9,544,286,184</b>	<b>10,095,458,572</b>

JPY	<1 Month	1-3 Months	1-5 Years	Non- Interest Bearing	Total
<b>Liabilities</b>					
Financial liabilities at FVTPL	-	-	-	(466,013,528)	(466,013,528)
Trade and other payables	-	-	-	(18,742,824)	(18,742,824)
Net assets attributable to holders of redeemable participating shares	-	-	-	(9,610,702,220)	(9,610,702,220)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,095,458,572)</b>	<b>(10,095,458,572)</b>

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 2023 would amount to approximately USD 131,788 (2022: USD 340,300) for JK Global Opportunities Fund and JPY Nil (2022: 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 Funds 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 2023 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 729,146 (31 December 2022: USD 453,963) for JK Global Opportunities Fund and JPY 161,378,680 (31 December 2022: JPY 95,247,613) 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.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (ii) Credit Risk (continued)

##### **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 4 (v) of this note for further details of the counterparty risk.

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

##### As at 31 December 2023

##### JK Global Opportunities Fund

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure USD
Goldman Sachs	A1	A+	630,000	1,742,847

##### JK Japan Fund\*

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure JPY
Goldman Sachs	A1	A+	-	(153,551,982)

##### As at 31 December 2022

##### JK Global Opportunities Fund

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure USD
Goldman Sachs	A1	A+	-	976,336

##### JK Japan Fund

Counterparty	Moody's Rating	Standard & Poor's Rating	Collateral Held	Net Exposure JPY
Goldman Sachs	A1	A+	-	(466,013,528)

##### **Depositary risk**

The Company's depositary is SMT Trustees (Ireland) Limited (the "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 2023 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 by Japan Credit Rating Agency Ltd at the reporting date, was AA (2022: AA-).

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (ii) Credit Risk (continued)

##### Amounts arising from ECL (continued)

Impairment on cash and cash equivalents, dividends receivable, amounts due from brokers 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 2023 and 2022.

##### (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 for JK Global Opportunities Fund, and daily cash redemptions of redeemable shares for JK Japan Fund. 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 2023 and 31 December 2022 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 Fund's 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 Fund's 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 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 Funds' 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 2023

	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	-	(350,589)	-	(141,407)	(491,996)
Creditors	(207,557)	-	(34,856)	-	(242,413)
Net assets attributable to holders of redeemable participating shares	(96,393,110)	-	-	-	(96,393,110)
Total contractual undiscounted cash flows	<b>(96,600,667)</b>	<b>(350,589)</b>	<b>(34,856)</b>	<b>(141,407)</b>	<b>(97,127,519)</b>

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (iii) Liquidity Risk (continued)

##### JK Japan Fund (continued)

###### As at 31 December 2023

	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	-	(153,551,983)	-	-	(153,551,983)
Creditors	(15,143,250)	-	(1,639,113)	-	(16,782,363)
Net assets attributable to holders of redeemable participating shares	(16,957,020,984)	-	-	-	(16,957,020,984)
Total contractual undiscounted cash flows	<b>(16,972,164,234)</b>	<b>(153,551,983)</b>	<b>(1,639,113)</b>	<b>-</b>	<b>(17,127,355,330)</b>

##### JK Global Opportunities Fund

###### As at 31 December 2022

	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	(2,838,782)	(106,750)	(98,933)	-	(3,044,465)
Creditors	(188,429)	-	(33,801)	-	(222,230)
Net assets attributable to holders of redeemable participating shares	(95,365,034)	-	-	-	(95,365,034)
Total contractual undiscounted cash flows	<b>(98,392,245)</b>	<b>(106,750)</b>	<b>(132,734)</b>	<b>-</b>	<b>(98,631,729)</b>

##### JK Japan Fund

###### As at 31 December 2022

	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	-	(466,013,528)	-	-	(466,013,528)
Creditors	(17,265,045)	-	(1,477,779)	-	(18,742,824)
Net assets attributable to holders of redeemable participating shares	(9,610,702,220)	-	-	-	(9,610,702,220)
Total contractual undiscounted cash flows	<b>(9,627,967,265)</b>	<b>(466,013,528)</b>	<b>(1,477,779)</b>	<b>-</b>	<b>(10,095,458,572)</b>

#### (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 2023

#### 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 2023	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
<b>Financial assets measured at fair value</b>								
Equity securities	27,085,491	-	-	27,085,491	27,085,491	-	-	27,085,491
Government bonds	25,925,336	-	-	25,925,336	25,925,336	-	-	25,925,336
Corporate bonds	2,222,902	-	-	2,222,902	-	2,222,902	-	2,222,902
Exchange traded fund	12,377,349	-	-	12,377,349	12,377,349	-	-	12,377,349
Fund investment	18,482,356	-	-	18,482,356	-	18,482,356	-	18,482,356
Derivatives - Futures contracts	495,490	-	-	495,490	495,490	-	-	495,490
Derivatives - Forward foreign currency exchange contracts	1,739,353	-	-	1,739,353	-	1,739,353	-	1,739,353
	<b>88,328,277</b>	-	-	<b>88,328,277</b>	<b>65,883,666</b>	<b>22,444,611</b>	-	<b>88,328,277</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	3,882,098	-	3,882,098				
Amounts due from brokers	-	4,673,489	-	4,673,489				
Other receivables	-	181,309	-	181,309				
Dividends receivable	-	62,346	-	62,346				
	-	<b>8,799,242</b>	-	<b>8,799,242</b>				

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (iv) Accounting classifications and fair values (continued)

##### JK Global Opportunities Fund (continued)

31 December 2023	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
<b>Financial liabilities measured at fair value</b>								
Derivatives - Futures contracts	(350,589)	-	-	(350,589)	(350,589)	-	-	(350,589)
Derivatives -Total return swap	(141,407)	-	-	(141,407)	-	(141,407)	-	(141,407)
	<b>(491,996)</b>	-	-	<b>(491,996)</b>	<b>(350,589)</b>	<b>(141,407)</b>	-	<b>(491,996)</b>
<b>Financial liabilities not measured at fair value</b>								
Investment management fees payable	-	-	(70,466)	(70,466)				
Interest payable	-	-	(54,649)	(54,649)				
Audit fees payable	-	-	(34,856)	(34,856)				
Redemption payable	-	-	(23,012)	(23,012)				
Other payables and accrued expenses	-	-	(21,591)	(21,591)				
Depository fees payable	-	-	(14,152)	(14,152)				
Tax Preparation Fees Payable	-	-	(12,755)	(12,755)				
Administration fees payable	-	-	(8,056)	(8,056)				
Management company fees payable	-	-	(2,876)	(2,876)				
	-	-	<b>(242,413)</b>	<b>(242,413)</b>				



## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (iv) Accounting classifications and fair values (continued)

##### JK Global Opportunities Fund (continued)

31 December 2022	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
<b>Financial assets measured at fair value</b>								
Equity securities	8,295,415	-	-	8,295,415	8,295,415	-	-	8,295,415
Government bonds	36,584,263	-	-	36,584,263	36,584,263	-	-	36,584,263
Corporate bonds	8,145,529	-	-	8,145,529	-	8,145,529	-	8,145,529
Exchange traded fund	8,829,211	-	-	8,829,211	8,829,211	-	-	8,829,211
Fund investment	17,571,860	-	-	17,571,860	-	17,571,860	-	17,571,860
Derivatives - Futures contracts	569,873	-	-	569,873	569,873	-	-	569,873
Derivatives - Forward foreign currency exchange contracts	3,450,928	-	-	3,450,928	-	3,450,928	-	3,450,928
	<b>83,447,079</b>	-	-	<b>83,447,079</b>	<b>54,278,762</b>	<b>29,168,317</b>	-	<b>83,447,079</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	7,467,044	-	7,467,044				
Amounts due from brokers	-	7,560,385	-	7,560,385				
Other receivables	-	150,135	-	150,135				
Dividends receivable	-	7,086	-	7,086				
	-	<b>15,184,650</b>	-	<b>15,184,650</b>				

**JK Funds Plc****Notes to the Financial Statements (continued)**

for the year ended 31 December 2023

**4. Financial risks (continued)****(iv) Accounting classifications and fair values (continued)****JK Global Opportunities Fund (continued)**

31 December 2022	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
<b>Financial liabilities measured at fair value</b>								
Derivatives - Futures contracts	(75,738)	-	-	(75,738)	(75,738)	-	-	(75,738)
Derivatives - CFDs	(98,933)	-	-	(98,933)	-	(98,933)	-	(98,933)
Derivatives - Forward foreign currency exchange contracts	(2,869,794)	-	-	(2,869,794)	-	(2,869,794)	-	(2,869,794)
	<b>(3,044,465)</b>	-	-	<b>(3,044,465)</b>	<b>(75,738)</b>	<b>(2,968,727)</b>	-	<b>(3,044,465)</b>
<b>Financial liabilities not measured at fair value</b>								
Investment management fees payable	-	-	(67,525)	(67,525)				
Administration fees payable	-	-	(41,801)	(41,801)				
Other payables and accrued expenses	-	-	(36,257)	(47,666)				
Audit fees payable	-	-	(33,801)	(33,801)				
Depositary fees payable	-	-	(22,204)	(22,204)				
Tax preparation fees payable	-	-	(11,409)	(11,409)				
Redemption payable	-	-	(5,800)	(5,800)				
Management company fees payable	-	-	(3,433)	(3,433)				
	-	-	<b>(222,230)</b>	<b>(222,230)</b>				

**JK Funds Plc****Notes to the Financial Statements (continued)**

for the year ended 31 December 2023

**4. Financial risks (continued)****(iv) Accounting classifications and fair values (continued)****JK Japan Fund**

31 December 2023	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
<b>Financial assets measured at fair value</b>								
Equity securities	16,137,868,000	-	-	16,137,868,000	16,137,868,000	-	-	16,137,868,000
	<b>16,137,868,000</b>	-	-	<b>16,137,868,000</b>	<b>16,137,868,000</b>	-	-	<b>16,137,868,000</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	965,780,908	-	965,780,908				
Dividends receivable	-	20,017,457	-	20,017,457				
Subscription receivable	-	3,013,217	-	3,013,217				
Other receivables	-	675,748	-	675,748				
	-	<b>989,487,330</b>	-	<b>989,487,330</b>				

**JK Funds Plc****Notes to the Financial Statements (continued)**

for the year ended 31 December 2023

**4. Financial risks (continued)****(iv) Accounting classifications and fair values (continued)****JK Japan Fund (continued)**

31 December 2023	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
<b>Financial liabilities measured at fair value</b>								
Derivatives - Forward foreign currency exchange contracts	(153,551,983)	-	-	(153,551,983)	-	(153,551,983)	-	(153,551,983)
	<b>(153,551,983)</b>	-	-	<b>(153,551,983)</b>	-	<b>(153,551,983)</b>	-	<b>(153,551,983)</b>
<b>Financial liabilities not measured at fair value</b>								
Investment management fees payable	-	-	(5,932,073)	(5,932,073)				
Depositary fees payable	-	-	(3,157,555)	(3,157,555)				
Other payables and accrued expenses	-	-	(2,338,188)	(2,338,188)				
Tax preparation fees payable	-	-	(1,920,222)	(1,920,222)				
Audit fees payable	-	-	(1,639,113)	(1,639,113)				
Administration fees payable	-	-	(1,377,733)	(1,377,733)				
Management company fees payable	-	-	(417,479)	(417,479)				
	-	-	<b>(16,782,363)</b>	<b>(16,782,363)</b>				

**JK Funds Plc****Notes to the Financial Statements (continued)**

for the year ended 31 December 2023

**4. Financial risks (continued)****(iv) Accounting classifications and fair values (continued)****JK Japan Fund (continued)**

31 December 2022	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
<b>Financial assets measured at fair value</b>								
Equity securities	9,524,761,300	-	-	9,524,761,300	9,524,761,300	-	-	9,524,761,300
	<b>9,524,761,300</b>	-	-	<b>9,524,761,300</b>	<b>9,524,761,300</b>	-	-	<b>9,524,761,300</b>
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	-	551,172,388	-	551,172,388				
Dividends receivable	-	18,907,145	-	18,907,145				
Other receivables	-	617,739	-	617,739				
	-	<b>570,697,272</b>	-	<b>570,697,272</b>				

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (iv) Accounting classifications and fair values (continued)

##### JK Japan Fund (continued)

31 December 2022	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
<b>Financial liabilities measured at fair value</b>								
Derivatives - Forward foreign currency exchange contracts	(466,013,528)	-	-	(466,013,528)	-	(466,013,528)	-	(466,013,528)
	<b>(466,013,528)</b>	-	-	<b>(466,013,528)</b>	-	<b>(466,013,528)</b>	-	<b>(466,013,528)</b>
<b>Financial liabilities not measured at fair value</b>								
Other payables and accrued expenses	-	-	(4,323,711)	(4,323,711)				
Administration fees payable	-	-	(4,495,895)	(4,495,895)				
Redemption payable	-	-	(2,525,339)	(2,525,339)				
Investment management fees payable	-	-	(2,246,843)	(2,246,843)				
Depositary fees payable	-	-	(1,663,578)	(1,663,578)				
Tax preparation fees payable	-	-	(1,597,313)	(1,597,313)				
Audit fees payable	-	-	(1,477,779)	(1,477,779)				
Management company fees payable	-	-	(412,366)	(412,366)				
	-	-	<b>(18,742,824)</b>	<b>(18,742,824)</b>				

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 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 2023 or during the year ended 31 December 2022.

There were no prices required to be provided during the year by the Manager 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 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 2023 or during the year ended 31 December 2022.

##### (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 Financial Position – the gross derivative assets are presented as financial assets at fair value through profit or loss and the gross derivative liabilities are presented as financial liabilities at fair value through profit or loss.

Below are the disclosures per counterparty as at 31 December 2023 and 31 December 2022 detailing the impact of master netting agreement (“MNA”) and similar agreements:

#### JK Global Opportunities Fund

##### Derivative

##### Assets

31 December

2023

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	USD	USD	USD
Goldman Sachs	2,234,843	-	2,234,843	(491,996)	-	1,742,847
	<b>2,234,843</b>	<b>-</b>	<b>2,234,843</b>	<b>(491,996)</b>	<b>-</b>	<b>1,742,847</b>

##### Derivative

##### Liabilities

31 December

2023

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	USD	USD	USD
Goldman Sachs	(491,996)	-	(491,996)	491,996	-	-
	<b>(491,996)</b>	<b>-</b>	<b>(491,996)</b>	<b>491,996</b>	<b>-</b>	<b>-</b>

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 4. Financial risks (continued)

##### (v) Offsetting (continued)

##### JK Global Opportunities Fund (continued)

###### Derivative

###### Assets

31 December

2022

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	USD	USD	USD
Goldman Sachs	1,189,671	-	1,189,671	(213,335)	-	976,336
	<b>1,189,671</b>	<b>-</b>	<b>1,189,671</b>	<b>(213,335)</b>	<b>-</b>	<b>976,336</b>

###### Derivative

###### Liabilities

31 December

2022

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	USD	USD	USD
Goldman Sachs	(213,335)	-	(213,335)	213,335	-	-
	<b>(213,335)</b>	<b>-</b>	<b>(213,335)</b>	<b>213,335</b>	<b>-</b>	<b>-</b>

##### JK Japan Fund

###### Derivative

###### Liabilities

31 December

2023

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	JPY	JPY	JPY
Goldman Sachs	(153,551,983)	-	(153,551,983)	-	-	(153,551,983)
	<b>(153,551,983)</b>	<b>-</b>	<b>(153,551,983)</b>	<b>-</b>	<b>-</b>	<b>(153,551,983)</b>

###### Derivative

###### Liabilities

31 December

2022

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	JPY	JPY	JPY
Goldman Sachs	(466,013,528)	-	(466,013,528)	-	-	(466,013,528)
	<b>(466,013,528)</b>	<b>-</b>	<b>(466,013,528)</b>	<b>-</b>	<b>-</b>	<b>(466,013,528)</b>



## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 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 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 2023	31 December 2022
	USD	USD
Future cash	4,673,489	7,560,385
	<b>4,673,489</b>	<b>7,560,385</b>

Cash and cash equivalents	31 December 2023	31 December 2022
	USD	USD
SuMi Trust	3,875,930	7,462,369
The Northern Trust Company	6,168	4,675
	<b>3,882,098</b>	<b>7,467,044</b>

##### Amounts due from brokers

###### Cash collateral

Broker	USD	USD
	Goldman Sachs	4,673,489
	<b>4,673,489</b>	<b>7,560,385</b>

	USD	USD
<b>Total amount due from brokers</b>	<b>4,673,489</b>	<b>7,560,385</b>

##### JK Japan Fund

There was no restricted cash for JK Japan Fund.

Cash and cash equivalents	31 December 2023	31 December 2022
	JPY	JPY
SuMi Trust	876,303,512	547,446,875
The Northern Trust Company	89,477,396	3,725,513
	<b>965,780,908</b>	<b>551,172,388</b>

#### 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 2023 and 2022 and all the management fees were retained by the Investment Manager.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 6. Fees & expenses (continued)

##### *Investment Management Fee (continued)*

##### **JK Japan Fund**

The Investment Manager receives from the Company an annual investment management fee which is payable monthly in arrears in respect of all Share Classes other than JKFDs 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 for the period from 1 January 2023 to 18 October 2023 and 0.50 per cent thereafter, and 0.50 per cent of the NAV of the Ordinary Share Classes (before deduction of that week's investment management fees). The JKFDs US Dollar Shares will not be subject to an annual investment management fee on the basis that JKFDs 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 2023 and all the management fees were retained by the Investment Manager.

The Investment Management fee for the year ended 31 December 2023 amounted to USD 800,983 (31 December 2022: USD 903,172) for JK Global and JPY 43,370,017 (31 December 2022: JPY 27,513,316) for JK Japan. The fee outstanding at the year end was USD 70,466 (31 December 2022: USD 67,525) for JK Global and JPY 5,932,073 (31 December 2022: JPY 2,246,843) for JK Japan.

##### *Performance Fee*

##### **JK Global Opportunities Fund**

The performance fee will be calculated and accrued weekly as at each valuation point. The initial calculation period will be the period beginning on 26 November 2020 and ending 24 December 2021 (the "Calculation Period"). Thereafter, each Calculation Period shall be the period beginning on the day following the end of the prior calculation period and ending on the last valuation point in December in each year (each a "Calculation Period") and is payable to the Investment Manager annually in arrears within 14 calendar days of the end of each Calculation Period (the "Payment Date").

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 Net Asset Value per Share of the relevant Class on the last valuation point of the current Calculation Period and, the higher of the High Water Mark and the initial offer price (the "Share Performance"). The initial offer price shall be taken as the starting price for this calculation. No performance fee is accrued or paid until (a) the net asset value per Share exceeds the previous highest net asset value per Share on which the performance fee was paid at the end of a Calculation Period, or (b) the initial offer price, if higher; and the performance fee is only payable or paid on the increase of the net asset value per share over the amount in (a) or (b) above, whichever is higher.

For the purposes of performance fee calculation, the Net Asset Value per Share shall be calculated before the deduction of any unrealised performance fee and will have any relevant distributions added back into the Net Asset Value. 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 Net Asset Value per Share on which a performance fee was paid at the end of a Calculation Period 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 Net Asset Value per Share subsequently falls back below the HWM.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 6. Fees & expenses (continued)

##### *Performance Fee (continued)*

##### **JK Global Opportunities Fund (continued)**

The performance fee accrues and is taken into account in the calculation of the Net Asset Value per Share on a weekly basis and crystallises on an annual basis. The differences in the Net Asset Value 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 at each Payment Date and will not be open to the possibility of manipulation. As the performance fee depends on the performance of the Net Asset Value 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 US Dollar amount equivalent to the Share Performance x 15 per cent and is payable on the number of Shares in issue at the end of the Calculation Period.

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 2023 and 2022 and all the management fees were retained by the Investment Manager.

For the year ended 31 December 2023 and 31 December 2022, there were no performance fees paid or payable for JK Global.

##### **JK Japan Fund**

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

##### *Manager Fee*

Waystone Management Company (IE) Limited (the "Manager") was appointed as the Manager of the Company. The Manager is entitled to receive out of the assets of the Funds, an annual fee, accrued on each dealing day and payable monthly in arrears, at an annual rate of up to 0.03% per annum of the Net Asset Value of the Funds. The management fee is based on a sliding scale applied to the aggregate assets across all Funds, subject to an annual minimum fee of €50,000 based on a single Fund and an annual minimum fee of €15,000 for each additional Fund. The management fee shall be subject to the imposition of VAT, if required.

The Manager fee for the year ended 31 December 2023 amounted to USD 35,402 (31 December 2022: USD 40,436) for JK Global and JPY 5,094,660 (31 December 2022: JPY 4,092,681) for JK Japan. The fee outstanding at the year ended was USD 2,876 (31 December 2022: USD 3,433) for JK Global and JPY 417,479 (31 December 2022: JPY 412,366) for JK Japan.

##### *Administration Fee*

##### **JK Global Opportunities Fund and JK Japan 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 and JK Japan an annual administration fee of 10 basis points per annum of the NAV when aggregate sub-fund value is up to EUR 100 million, 8 basis points per annum of the NAV when aggregate sub-fund value is between EUR 100 million to 200 million, 4 basis points per annum of the NAV when aggregate sub-fund value is greater than EUR 200 million. These are subject to minimum fees in 2023 of EUR 4,806 per month (EUR 57,671 per annum) for JK Global and EUR 4,398 per month (EUR 52,777 per annum) for JK Japan. These fees are payable monthly in arrears.

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

The Administrator will prepare financial statements for the Funds. An all-inclusive fee in 2023 of EUR 7,500 per annum for each sub-fund will be charged for the preparation of draft financial statements.

The Administrator will provide manager and client reporting in 2023 via a secure web portal for a recurring monthly charge of EUR 267.

The minimum fees above will increase each year at a rate of 3% per annum with the next such increase taking place on 1 January 2024.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 6. Fees & expenses (continued)

##### *Administration Fee (continued)*

##### **JK Global Opportunities Fund and JK Japan Fund (continued)**

The Administration fee for the year ended 31 December 2023 amounted to USD 95,492 (31 December 2022: USD 106,318) for JK Global and JPY 14,412,736 (31 December 2022: JPY 11,025,433) for JK Japan. The fee outstanding at the year end was USD 8,056 (31 December 2022: USD 41,801) for JK Global and JPY 1,377,733 (31 December 2022: JPY 4,495,895) for JK Japan.

##### *Depositary Fee*

##### **JK Global Opportunities Fund and JK Japan Fund**

The Depositary is entitled to receive from JK Global and JK Japan an annual depositary fee of 3 basis points per annum of the NAV when aggregate sub-fund value is up to USD 100 million, 2 basis points per annum of the NAV when aggregate fund value is between USD 100 million to USD 200 million, 1.5 basis points per annum of the NAV when aggregate sub-fund value is greater than USD 200 million. Subject to a minimum monthly fee of USD 2,000 per calendar month (USD 24,000 per annum) (plus VAT if any).

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).

For JK Global, 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).

The Depositary fee for the year ended 31 December 2023 amounted to USD 57,967 (31 December 2022: USD 80,511) for JK Global and JPY 10,104,017 (31 December 2022: JPY 7,339,518) for JK Japan. The fee outstanding at the year end was USD 14,152 (31 December 2022: USD 22,204) for JK Global and JPY 3,157,555 (31 December 2022: JPY 1,663,578) 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**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Statutory audit of company financial services	35,961	35,695
Tax advisory services	13,249	12,347
<b>Total</b>	<b>49,210</b>	<b>48,042</b>

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 6. Fees & expenses (continued)

##### JK Japan Fund (continued)

###### *Auditors' Remuneration (continued)*

The remuneration (including expenses), for all work carried out by the statutory audit firm in respect of the financial year is as follows:

##### JK Japan Fund

	<b>2023</b>	<b>2022</b>
	<b>JPY</b>	<b>JPY</b>
Statutory audit of company financial services	1,684,195	1,617,291
Tax advisory services	1,986,784	1,729,023
<b>Total</b>	<b>3,670,979</b>	<b>3,346,314</b>

###### *Transaction Costs*

Transaction costs paid by the Company during the year ended 31 December 2023 amounted to USD 252,822 (31 December 2022: USD 322,977). These represent purchases and sales transaction costs and include identifiable brokerage charges, commissions, transaction related taxes and other market charges. These are included within net realised and unrealised gain/(loss) on financial assets and foreign exchange in the Statement of Comprehensive Income.

###### *Directors' Fees*

Refer to Note 8, Related party disclosures, for details of the Directors' fees for the year ended 31 December 2023.

###### *Interest expense*

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

#### 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 the 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 2023 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 as at 31 December 2023:

	<b>Number of shares outstanding 31 December 2022</b>	<b>Shares subscribed</b>	<b>Shares redeemed</b>	<b>Number of shares outstanding 31 December 2023</b>	<b>Net asset value per share 31 December 2023</b>
USD Institutional shares	133,221.34	-	(7,799.85)	125,421.49	\$309.37
EUR Institutional shares	1,145.17	-	(745.19)	399.98	€105.71
GBP Institutional shares	95,297.92	4,029.78	(11,637.07)	87,690.63	£225.74
YEN Institutional shares	8,079.89	-	-	8,079.89	¥24,536.07
YEN Management Shares	81,850.10	-	(8,080.00)	73,770.10	¥59,150.26

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 7. Share capital (continued)

JK Global Opportunities Fund has the following Redeemable Participating Shares in issue as at 31 December 2022:

	Number of shares outstanding 31 December 2021	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2022	Net asset value per share 31 December 2022
USD Institutional shares	135,412.34	6,134.73	(8,325.73)	133,221.34	\$290.78
EUR Institutional shares	3,259.17	-	(2,114.00)	1,145.17	€101.50
GBP Institutional shares	103,400.85	2,481.17	(10,584.10)	95,297.92	£213.51
YEN Institutional shares	14,079.89	4,060.31	(10,060.31)	8,079.89	¥24,427.80
YEN Management Shares	87,372.92	3,275.00	(8,797.82)	81,850.10	¥48,718.06

JK Global Opportunities Fund has the following Redeemable Participating Shares in issue as at 31 December 2021:

	Number of shares outstanding 31 December 2020	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2021	Net asset value per share 31 December 2021
USD Institutional shares	123,490.66	19,037.42	(7,115.74)	135,412.34	\$368.42
EUR Institutional shares	968.70	2,690.47	(400.00)	3,259.17	€131.65
GBP Institutional shares	87,354.48	33,032.29	(16,985.92)	103,400.85	£273.51
YEN Institutional shares	14,079.89	-	-	14,079.89	¥31,721.97
YEN Management Shares	87,275.58	668.85	(571.51)	87,372.92	¥60,583.18

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

JK Japan Fund has the following Redeemable Participating Shares in issue as at 31 December 2023:

	Number of shares outstanding 31 December 2022	Shares* subscribed	Shares* redeemed	Number of shares outstanding 31 December 2023	Net asset value per share 31 December 2023*
EUR Institutional shares	497.43	3,411.18	-	3,908.61	€151.05
GBP Institutional shares	28,859.64	6,169.97	(11,645.27)	23,384.34	£192.93
GBP Institutional shares unhedged	133,466.99	42,263.36	(176.72)	175,553.63	£109.32
YEN Institutional shares	243,184.59	390,525.59	(85,822.64)	547,887.54	¥18,330.87
USD Institutional shares	58,009.33	-	(57,556.43)	452.90	\$202.18
JKFDS USD shares	15,676.71	-	(3,733.15)	11,943.56	\$1,515.41

\*The subscriptions and redemptions of shares during the year include switches in/out between GBP Institutional, GBP Institutional unhedged, YEN Institutional and USD Institutional shares.

None of the Ordinary Share Classes in the JK Japan Fund have launched as at 31 December 2023 or subsequently, prior to the approval of the financial statements.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 7. Share capital (continued)

JK Japan Fund has the following Redeemable Participating Shares in issue as at 31 December 2022:

	Number of shares outstanding 31 December 2021	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2022	Net asset value per share 31 December 2022*
EUR Institutional shares	12,781.93	-	(12,284.50)	497.43	€114.08
GBP Institutional shares	28,946.43	2,359.94	(2,446.73)	28,859.64	£144.11
GBP Institutional shares unhedged	54,679.11	78,818.66	(30.78)	133,466.99	£96.63
YEN Institutional shares	260,147.28	59,634.31	(76,597.00)	243,184.59	¥ 14,301.70
USD Institutional shares	58,009.33	-	-	58,009.33	\$146.95
JKFDS USD shares	19,160.14	-	(3,483.43)	15,676.71	\$1,120.89

JK Japan Fund has the following Redeemable Participating Shares in issue as at 31 December 2021:

	Number of shares outstanding 31 December 2020	Shares subscribed	Shares redeemed	Number of shares outstanding 31 December 2021	Net asset value per share 31 December 2021*
EUR Institutional shares	5,242.16	7,539.77	-	12,781.93	€129.54
GBP Institutional shares	19,861.29	9,401.39	(316.25)	28,946.43	£161.99
GBP Institutional shares unhedged	3,289.00	51,390.11	-	54,679.11	£111.77
YEN Institutional shares	70,150.59	191,483.69	(1,487.00)	260,147.28	¥ 16,260.33
USD Institutional shares	452.90	57,556.43	-	58,009.33	\$163.84
JKFDS USD shares	3,514.23	15,645.91	-	19,160.14	\$1,242.99

\*NAV before establishment costs write off.

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

The Funds did not charge any subscription, redemption or exchange fees during the year ended 31 December 2023 or during the year ended 31 December 2022.

#### 8. Related party disclosures

JK Investment Management LLP (the "Investment Manager, Promoter and Distributor"), the Manager and the Directors are considered related parties under IAS 24 "Related Party Disclosures".

##### Director's Fees

The Directors, or where applicable the service provider of the Directors, are entitled to an annual fee for their services in the instance of Dr. Simon Ogus, Ms. Fiona Ross and Mr. Gerry Brady for the Company and its Funds – JK Global Opportunities Fund and JK Japan Fund. Mr. Francis Kirkpatrick and Mr. 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 2023.

Directors' fees for the year ended 31 December 2023 amounted to USD 26,668 (31 December 2022: USD 30,540) for JK Global and JPY 3,973,969 (31 December 2022: JPY 2,955,168) for JK Japan. As at 31 December 2023 and 31 December 2022, there were no Director fee outstanding for JK Global and JK Japan.

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 8. Related party disclosures (continued)

##### Director's Fees (continued)

As at 31 December 2023, the following related parties had an interest in JK Global. Mr. Simon Jones and family held 42,139.41 YEN Management Shares, (31 December 2022: 50,139.41). Mr. Francis Kirkpatrick and family held 24,123.92 YEN Management Shares (31 December 2022: 24,123.92). Dr. Simon Ogus held 1,148.33 USD Ordinary Shares (31 December 2022: 1,148.33). In JK Japan, Mr. Simon Jones and family held 4,182.96 GBP Institutional Shares (31 December 2022: 2,882.96). Mr. Francis Kirkpatrick held 497.43 EUR Institutional Shares (31 December 2022: 497.43), 500.00 GBP Institutional Shares (Unhedged) (31 December 2022: 500.00), 452.90 USD Institutional Shares (31 December 2022: 452.90) and 1,805.72 GBP Institutional Shares (31 December 2022: 200.10). Dr. Simon Ogus held 990.49 YEN Institutional Shares (31 December 2022: 990.49). None of the other Directors or their family members held shares in the Company at any time during the years ended 31 December 2023 and 31 December 2022.

Cross-investments are considered transactions within the Company's Funds. As at 31 December 2023, JK Global Opportunities Fund held 11,943.56 (31 December 2022: 15,676.70) JKFD USD shares in JK Japan Fund the carrying amount of which is USD 18,099,374 (31 December 2022: 17,571,860).

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 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.

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 2023, the research charge expensed directly to the Company was USD 272,913 (2022: USD 246,941).



## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 10. Exchange rates

The financial statements are prepared in U.S. Dollar (USD). The following exchange rates at 31 December 2023 and 31 December 2022 have been used to translate assets and liabilities in other currencies to USD:

	<b>Exchange Rates to USD</b>	<b>Exchange Rates to JPY</b>
	<b>31 December 2023</b>	<b>31 December 2023</b>
Australian Dollar	1.47	-
Brazilian Real	4.85	-
Chinese Renminbi	7.10	-
Danish Krona	6.75	-
European Union Euro	1.10	155.72
Great Britain Pound	1.27	179.56
Hong Kong Dollar	7.81	-
Indian Rupee	83.17	-
Indonesian Rupiah	15,396.01	-
Japanese Yen	141.04	1.00
Mexican Peso	16.97	-
Malaysian Ringgit	4.59	-
Philippine Peso	55.34	-
Singapore Dollar	1.32	-
South Korean Won	1,294.36	-
Swedish Krona	10.07	-
Swiss Franc	1.19	-
Thai Baht	34.26	-
US Dollar	1.00	0.0071

	<b>Exchange Rates to USD</b>	<b>Exchange Rates to JPY</b>
	<b>31 December 2022</b>	<b>31 December 2022</b>
Australian Dollar	1.47	-
Brazilian Real	5.28	-
Chinese Renminbi	6.90	-
Danish Krona	6.95	-
European Union Euro	1.07	140.40
Great Britain Pound	1.21	158.50
Hong Kong Dollar	7.80	-
Indian Rupee	82.74	-
Indonesian Rupiah	15,568.01	-
Japanese Yen	131.12	1.00
Mexican Peso	19.50	-
Malaysian Ringgit	4.40	-
Philippine Peso	55.72	-
Singapore Dollar	1.34	-
South Korean Won	1,260.35	-
Swedish Krona	10.43	-
Swiss Franc	1.08	-
Thai Baht	34.61	-
US Dollar	1.00	0.0076

## JK Funds Plc

### Notes to the Financial Statements (continued)

for the year ended 31 December 2023

#### 11. Reconciliation of net asset value

As at 31 December 2023, there were no difference between financial statement NAV and the dealing NAV.

	Company Total As at 31 December 2022 USD	JK Global Opportunities Fund As at 31 December 2022 USD	JK Japan Fund As at 31 December 2022 JPY
NAV per financial statements (under IFRS)	168,662,031	95,365,034	9,610,702,220
Establishment costs written off	1,579	-	1,392,270
Amortised establishment costs	-	-	(1,185,181)
Dealing NAV (in accordance with the Prospectus)	<b>168,663,610</b>	<b>95,365,034</b>	<b>9,610,909,309</b>

#### 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 2023 or 31 December 2022.

#### 14. Significant events during the year

On 29 June 2023, the Supplement for JK Global was updated to enable the sub-fund to invest up to 100% of the Net Asset Value of the sub-fund, in aggregate, in open-ended collective investment schemes (including exchange traded funds) which are eligible for investment by a UCITS in accordance with the requirements of the Central Bank.

On 29 September 2023, the Irish fund management company activities of the Waystone Group was consolidated by merging the business of KBA Consulting Management Limited ("KBA"), the Manager of the ICAV, with that of Waystone Management Company (IE) Limited ("WMC"). The surviving entity is WMC.

On 19 October 2023, the Supplement for JK Japan was updated for service provider fees charged to the sub-fund. The investment management fee for JK Japan for the USD, GBP, YEN, EUR, GBP (unhedged) Institutional classes increased from 0.35% to 0.50% per annum with effect from 19 October 2023.

There were no other material significant events during the reporting year ended 31 December 2023.

#### 15. Significant events after the year end

There were no 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 24 April 2024.

# JK Funds Plc

## Schedule of Investments

### JK Global Opportunities Fund as at 31 December 2023

Number of Shares		Fair Value USD	Net Assets %
	<b>Transferable Securities 89.31% (31 December 2022: 83.29%)</b>		
	<b>Common Stock 28.10% (31 December 2022: 8.70%)</b>		
	<b>Argentina Nil% (31 December 2022: 1.33%)</b>		
	<b>Bermuda 0.24% (31 December 2022: Nil%)</b>		
	<b>Financials</b>		
4,253	Axis Capital Holding Ltd	235,489	0.24
	<b>Canada 0.95% (31 December 2022: Nil%)</b>		
	<b>Technology</b>		
35,000	Nuvei Corp-Subordinate VTG	919,100	0.95
	<b>China 3.62% (31 December 2022: 2.01%)</b>		
	<b>Communications</b>		
30,200	Alibaba Group Holding-Sp ADR	2,340,802	2.43
31,800	Meituan-Class B	333,408	0.35
	<b>Consumer, Non-cyclical</b>		
3,610	New Oriental Education & Technology Sponsored ADR	264,541	0.27
	<b>Technology</b>		
5,900	Netease Inc-ADR	549,644	0.57
		<b>3,488,395</b>	<b>3.62</b>
	<b>Denmark 1.61% (31 December 2022: 0.00%)</b>		
	<b>Health Care</b>		
15,000	Novo Nordisk	1,550,529	1.61
	<b>Great Britain 8.71% (31 December 2022: 3.03%)</b>		
	<b>Consumer, Non-cyclical</b>		
21,243	Astrazeneca Plc	2,866,713	2.98
28,468	Cranswick Plc	1,380,119	1.43
	<b>Financials</b>		
30,000	Arbuthnot Banking Group Plc	383,840	0.40
300	Arbuthnot Banking-Non Voting	2,674	-
95,518	Jupiter Fund Management	113,578	0.12
157,831	Molten Ventures Plc	557,795	0.58
87,045	RIT Capital Partners Plc	2,085,576	2.16
	<b>Real Estate</b>		
466,425	Tritax Big Box Reit Plc	1,002,938	1.05
		<b>8,393,233</b>	<b>8.71</b>
	<b>Singapore Nil% (31 December 2022: 0.85%)</b>		
	<b>South Africa Nil% (31 December 2022: 0.13%)</b>		
	<b>United States 12.43% (31 December 2022: 1.35%)</b>		
	<b>Communications</b>		
6,978	Expedia Group Inc	1,059,191	1.10
10,000	Uber Technologies Inc	615,700	0.64
	<b>Consumer, Non-cyclical</b>		
33,621	CVS Health Corp	2,654,714	2.76
30,000	PayPal Holdings Inc	1,842,300	1.91

# JK Funds Plc

## Schedule of Investments (continued)

### JK Global Opportunities Fund as at 31 December 2023

Number of Shares		Fair Value USD	Net Assets %
	<b>Transferable Securities 89.31% (31 December 2022: 83.29%)</b>		
	<b>Common Stock 28.10% (31 December 2022: 8.70%)</b>		
	<b>United States 12.43% (31 December 2022: 1.35%)</b>		
	<b>(continued)</b>		
	<b>Health Care</b>		
20,000	Bristol-Myers Squibb Co	1,026,200	1.06
13,626	Revance Therapeutics Inc.	119,773	0.12
25,100	Organon & Co	361,942	0.38
35,000	Pfizer Inc	1,007,650	1.05
	<b>Technology</b>		
2,225	Acm Research Inc – Class A	43,477	0.05
2,050	NVIDIA Corp	1,015,200	1.05
5,000	Snowflake Inc - Class A	994,999	1.03
80,000	Riot Platforms Inc	1,237,600	1.28
		<b>11,978,746</b>	<b>12.43</b>
	<b>Taiwan 1.04% (31 December 2022: Nil%)</b>		
	<b>Technology</b>		
5,000	Taiwan Semi ADR	519,999	0.54
		<b>27,085,491</b>	<b>28.10</b>
	<b>Total Common Stock</b>		
	<b>Exchange Traded Funds 12.84% (31 December 2022: 9.26%)</b>		
	<b>Great Britain 0.56% (31 December 2022: 0.06%)</b>		
	<b>Finance</b>		
500,000	Harmony Energy Income Trust	504,148	0.52
13,534	JPMorgan China Group & Inc Plc	38,251	0.04
		<b>542,399</b>	<b>0.56</b>
	<b>Guernsey 2.08% (31 December 2022: 1.95%)</b>		
	<b>Funds</b>		
345,494	VinaCapital Vietnam Opportunity Fund Limited	2,005,709	2.08
	<b>Ireland Nil% (31 December 2022: 6.36%)</b>		
	<b>Jersey 6.73% (31 December 2022: 0.89%)</b>		
	<b>Financials</b>		
214,322	GCP Infrastructure Investment Ltd	196,453	0.20
32,500	Wisdom Tree Physical Gold	6,294,925	6.53
	<b>Other MFIs/ Money market funds</b>		
17,500	Gold Bullion Securities Ltd	3,337,863	3.47
		<b>9,829,241</b>	<b>10.20</b>
	<b>Total Exchange Traded Funds</b>	<b>12,377,349</b>	<b>12.84</b>
	<b>Investment Funds 19.18% (31 December 2022: 18.43%)</b>		
	<b>Ireland 18.78% (31 December 2022: 18.43%)</b>		
11,944	JK Japan Fund USD JKFDS Shares	18,099,374	18.78
	<b>Great Britain 0.40% (31 December 2022: 0.06%)</b>		
273,163	Gore Street Energy Storage Fund Plc	307,423	0.32
54,450	Gresham House Energy Storage Fund	75,559	0.08
		<b>382,982</b>	<b>0.40</b>
	<b>Total Investment Funds</b>	<b>18,482,356</b>	<b>19.18</b>

## JK Funds Plc

### Schedule of Investments (continued)

JK Global Opportunities Fund  
as at 31 December 2023

Number of Shares		Fair Value USD	Net Assets %			
	<b>Bonds 29.19% (31 December 2022: 46.90%)</b>					
	<b>Government Bonds 26.88% (31 December 2022: 38.36%)</b>					
	<b>Germany 11.35% (31 December 2022: 11.22%)</b>					
	<b>Government</b>					
10,000,000	German Treasury Bill Mar 24 0%	<u>10,955,876</u>	<u>11.35</u>			
	<b>United States 15.53% (31 December 2022: 27.14%)</b>					
	<b>Government</b>					
15,000,000	Treasury Bill Jan 24 0%	<u>14,969,460</u>	<u>15.53</u>			
	<b>Total Government Bonds</b>	<u>25,925,336</u>	<u>26.88</u>			
	<b>Corporate Bonds 2.31% (31 December 2022: 8.54%)</b>					
	<b>Japan 2.31% (31 December 2022: 4.90%)</b>					
	<b>Industrial</b>					
300,000,000	Senko Group Holdings Co	<u>2,222,902</u>	<u>2.31</u>			
	<b>Total Corporate Bonds</b>	<u>2,222,902</u>	<u>2.31</u>			
	<b>Total Bonds 29.19% (31 December 2022: 46.90%)</b>	<u>28,148,238</u>	<u>29.19</u>			
	<b>Total Transferable Securities</b>	<u>86,093,434</u>	<u>89.31</u>			
	<b>Total Investments excluding Financial Derivative Instruments</b>	<u>86,093,434</u>	<u>89.31</u>			
	<b>Financial Derivative Instruments 1.81% (31 December 2022: 1.02%)</b>					
	<b>Contracts for Difference (a) (0.10)% (31 December 2022: (0.10)%)</b>					
	<b>Open Forward Foreign Currency Exchange Contracts (b) 1.81% (31 December 2022: 0.61%)</b>					
<b>Maturity Date</b>	<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Unrealised Gain/(Loss) USD</b>	<b>Net Assets %</b>
20/2/2024	EUR	40,700	USD	44,654	359	-
20/2/2024	GBP	23,300,000	USD	29,091,565	579,050	0.60
20/2/2024	GBP	19,350,000	USD	24,159,733	480,885	0.50
22/2/2024	JPY	730,000,000	CNY	35,563,957	187,216	0.20
20/2/2024	JPY	192,000,000	USD	1,315,076	56,064	0.26
22/2/2024	JPY	727,357,500	USD	5,000,000	195,930	0.20
22/2/2024	JPY	733,505,500	USD	5,000,000	<u>239,849</u>	<u>0.25</u>
					1,739,353	1.81
					<u>1,739,353</u>	<u>1.81</u>

## JK Funds Plc

### Schedule of Investments (continued)

#### JK Global Opportunities Fund as at 31 December 2023

Financial Derivative Instruments 1.81% (31 December 2022: 1.02%)  
Open Future Contracts (c) 0.15% (31 December 2022: 0.52%)

Notional Amount	Average Cost Price		Unrealised Gain/(Loss) USD	Net Assets %	
4,193,846	2,376	Topix Index OSE Mar 24 Contracts Expiring March 2024	(16,839)	(0.02)	
12,628,625	104	US Dollar Index FNX-ICE Mar 24 Contracts Expiring March 2024	(333,750)	(0.34)	
17,023,500	16,528	Nasdaq 100 E-Mini CME Mar 24 Contracts Expiring March 2024	495,490	0.51	
		Unrealised gain on open futures contracts	495,490	0.51	
		Unrealised loss on open futures contracts	(350,589)	(0.36)	
		<b>Net unrealised gain on open futures contracts</b>	<b>144,901</b>	<b>0.15</b>	
		<b>Total return swap (d) (0.15)% (31 December 2022: Nil)</b>			
Notional Amount	Underlying Security	CCY	Termination Date	Unrealised Gain/(Loss) USD	Net Assets %
4,790,113	GS Custom China - GSCBJKCH	USD	06/09/2024	(141,407)	(0.15)
				<b>Unrealised loss on Total return swap</b>	
				<b>(141,407)</b>	<b>(0.15)</b>
				<b>Total Financial Derivative Instruments 1.81% (31 December 2022: 1.02%)</b>	
				<b>1,742,847</b>	<b>1.81</b>
				Fair Value USD	Net Assets %
	<b>Total Investments</b>			87,836,281	91.12
	<b>Other Net Assets</b>			8,556,829	8.88
	<b>Net Assets</b>			<b>96,393,110</b>	<b>100.00</b>

## JK Funds Plc

### Schedule of Investments (continued)

<u>Analysis of Total Assets</u>	<u>Net Assets %</u>
Transferable securities admitted to an official stock exchange listing	70.13
UCITS	19.18
Over-the-counter derivative instruments	1.81
Other assets	8.88
	<u>100.00</u>

- (a) The counterparty for the total return SWAP 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 total return SWAP is Goldman Sachs.

# JK Funds Plc

## Schedule of Investments (continued)

JK Japan Fund  
as at 31 December 2023

Number of Shares		Fair Value JPY	Net Assets %
	<b>Transferable Securities 95.17% (31 December 2022 :99.11%)</b>		
	<b>Common Stock 95.17% (31 December 2022: 99.11%)</b>		
	<b>Japan 95.17% (31 December 2022: 99.11%)</b>		
	<b>Communications</b>		
95,000	M3 Inc	221,635,000	1.31
2,478,900	Nippon Telegraph & Telephone Corp	427,114,470	2.52
		<b>648,749,470</b>	<b>3.83</b>
	<b>Consumer Discretionary</b>		
242,900	Mazda Motor Corporation	370,058,150	2.18
529,400	Nissan Motor Ltd	293,393,480	1.73
64,100	Oriental Land Co Ltd	336,589,100	1.99
85,400	Yokohama Rubber Co Ltd	276,098,200	1.63
		<b>1,276,138,930</b>	<b>7.53</b>
	<b>Consumer, Cyclical</b>		
33,100	Sony Group Corp	443,871,000	2.62
228,000	Toyota Motor Corp	590,634,000	3.48
		<b>1,034,505,000</b>	<b>6.10</b>
	<b>Consumer, Non-cyclical</b>		
130,600	Japan Tobacco Inc	476,037,000	2.81
56,000	Sysmex Corp	440,048,000	2.59
		<b>916,085,000</b>	<b>5.40</b>
	<b>Energy</b>		
141,100	Inpex Corp	<b>268,724,950</b>	<b>1.58</b>
	<b>Financials</b>		
120,200	Mitsubishi Estate Co Ltd	233,548,600	1.38
621,900	Mitsubishi UFJ Financial Group Inc	753,431,850	4.44
143,600	Mizuho Financial Group Inc	346,435,000	2.04
969,000	Nomura Holdings Inc	617,931,300	3.65
113,900	Sumitomo Mitsui Financial Group Inc	783,632,000	4.62
99,600	Tokio Marine Holdings Inc	351,488,400	2.07
		<b>3,086,467,150</b>	<b>18.20</b>
	<b>Health Care</b>		
27,000	Hoya Corp	475,875,000	2.81
143,900	Olympus Corp	293,627,950	1.73
		<b>769,502,950</b>	<b>4.54</b>
	<b>Industrial</b>		
32,300	Ebara Corp	269,640,400	1.59
35,600	Hitachi Ltd Tokyo	362,052,000	2.14
52,200	Komatsu Ltd	192,513,600	1.14
42,400	Kurita Water Industries Ltd	234,048,000	1.38
102,300	Makita Corporation	397,947,000	2.35
172,600	Mitsubishi Electric Corp	345,027,400	2.03
38,900	Mitsubishi Heavy Industries Ltd Tokyo	320,574,900	1.89
118,700	Miura Co Ltd CMN	333,309,600	1.96



# JK Funds Plc

## Schedule of Investments (continued)

JK Japan Fund  
as at 31 December 2023

Number of Shares		Fair Value JPY	Net Assets %				
	<b>Transferable Securities 95.17% (31 December 2022: 99.11%)</b>						
	<b>Common Stock 95.17% (31 December 2022: 99.11%)</b>						
	<b>Japan 95.17% (31 December 2022: 99.11%)</b>						
	<b>Industrial (continued)</b>						
108,100	Modec CMN	250,575,800	1.48				
6,100	SMC Corp Japan	462,136,000	2.72				
		<b>3,167,824,700</b>	<b>18.68</b>				
	<b>Information Technology</b>						
8,900	Keyence Corp	552,868,000	3.26				
		<b>552,868,000</b>	<b>3.26</b>				
	<b>Material</b>						
94,900	JFE Holdings Inc	207,593,750	1.22				
110,400	Kobe Steel Ltd	201,424,800	1.19				
67,300	Nippon Steel & Sumitomo Metal Corp	217,379,000	1.28				
117,700	Shin-Etsu Chemical Co Ltd	696,430,900	4.11				
		<b>1,322,828,450</b>	<b>7.80</b>				
	<b>Technology</b>						
97,900	Advantest Corp	469,626,300	2.77				
116,200	Murata Manufacturing Co Ltd	347,786,600	2.05				
49,500	Nintendo Co Ltd	364,270,500	2.15				
248,000	Panasonic Corporation	346,332,000	2.04				
163,000	Renesas Electronics Corp	415,487,000	2.45				
166,600	Rohm Co Ltd	450,236,500	2.66				
46,000	TDK Corp	308,982,000	1.82				
15,500	Tokyo Electron Ltd	391,452,500	2.31				
		<b>3,094,173,400</b>	<b>18.25</b>				
	<b>Total Common Stock</b>	<b>16,137,868,000</b>	<b>95.17</b>				
	<b>Total Transferable Securities</b>	<b>16,137,868,000</b>	<b>95.17</b>				
	<b>Total Investments excluding Financial Derivative Instruments</b>	<b>16,137,868,000</b>	<b>95.17</b>				
<b>Maturity Date</b>	<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Unrealised Gain/(Loss) JPY</b>	<b>Net Assets %</b>	
8/2/2024	EUR	576,000	JPY	91,691,884	(2,354,463)	(0.02)	
8/2/2024	GBP	4,380,000	JPY	801,679,284	(19,289,289)	(0.11)	
8/2/2024	USD	89,000	JPY	13,132,742	(646,847)	-	
8/2/2024	USD	18,070,000	JPY	2,666,318,850	(131,261,384)	(0.78)	
					Unrealised loss on open forward foreign currency exchange contracts	(153,551,983)	(0.91)
					<b>Net unrealised loss on open forward foreign currency exchange contracts</b>	<b>(153,551,983)</b>	<b>(0.91)</b>

## JK Funds Plc

### Schedule of Investments (continued)

JK Japan Fund  
as at 31 December 2023

	Fair Value JPY	Net Assets %
<b>Total Investments</b>	15,984,316,017	94.26
<b>Other Net Assets</b>	972,704,967	5.74
<b>Net Assets</b>	<b>16,957,020,984</b>	<b>100.00</b>

#### Analysis of Total Assets

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

Net Assets %
95.17
(0.91)
5.74
<b>100.00</b>

(a) The counterparties for the open forward foreign currency exchange contracts is 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

##### Portfolio Securities

	<b>Cost</b>
	<b>USD</b>
Treasury Bill Apr 23 0%	23,792,457
Treasury Bill Jul 23 0%	23,674,780
Treasury Bill Jan 24 0%	19,717,828
German Treasury Bill Jun 23 0%	10,892,065
German Treasury Bill Sep 23 0%	10,854,707
German Treasury Bill Apr 23 0%	10,702,418
German Treasury Bill Mar 24 0%	10,688,011
German Treasury Bill Dec 23 0%	10,657,681
Alibaba Group Holding Sp- ADR	6,642,183
Wisdom Tree Physical Gold	6,104,610
Treasury Bill Jun 23 0%	4,948,867
NVIDIA Corp	3,451,341
Nomura Holdings Inc	3,170,717
Astrazeneca Plc	3,087,707
Broadcom Ltd	2,518,620
Sumitomo Mitsui Financial GR	2,470,791
PayPal Holdings Inc	2,459,560
CVS Health Corp	2,425,773
Gold Bullion Securities Ltd	2,351,313
ASML Holding NV	2,137,390

**JK Funds Plc****Schedule of Significant Portfolio Changes (unaudited) (continued)****JK Global Opportunities Fund****Sales****Proceeds****Portfolio Securities****USD**

Treasury Bill Apr 23 0%	23,991,900
Treasury Bill Jul 23 0%	23,851,038
Treasury Bill Feb 23 0%	21,991,933
German Treasury Bill Apr 23 0%	10,947,253
German Treasury Bill Jun 23 0%	10,943,146
German Treasury Bill Dec 23 0%	10,791,722
German Treasury Bill Jan 23 0%	10,754,237
German Treasury Bill Sep 23 0%	10,747,641
KraneShares CSI China Internet UCITS ETF	8,019,882
JK Japan Fund USD JKFDS Shares	5,000,000
Treasury Bill Jun 23 0%	4,992,688
Treasury Bill Jan 24 0%	4,971,508
Treasury Bill Mar 23 0%	3,998,533
Alibaba Group Holding-Sp ADR	3,774,630
Cindai Capital Ltd 0 02/28/23	3,482,500
Nomura Holdings Inc	3,105,377
NVIDIA Corp	3,095,669
Broadcom Ltd	2,592,599
Sumitomo Mitsui Financial Group	2,464,481
Farfetch Ltd Class-A	2,258,306
Mitsubishi UFJ Financial Group	2,130,252

**JK Funds Plc****Schedule of Significant Portfolio Changes (unaudited) (continued)****JK Japan Fund**

<b>Purchases</b>	<b>Cost</b>
<b>Portfolio Securities</b>	<b>JPY</b>
Renesas Electronics Corp	716,237,626
Keyence Corp	653,428,900
Tokyo Electron Ltd	511,582,400
Rohm Co Ltd	510,422,071
Advantest Corp	499,851,851
Nippon Steel & Sumitomo Metal Corp	476,393,454
Mizuho Financial Group Inc	426,406,208
Panasonic Holdings Corp	419,615,158
Nissan Motor Ltd Tokyo	395,804,516
Nomura Holdings Inc	317,704,250
Hitachi Ltd Tokyo	313,172,398
TDK Corp	311,714,239
Mitsubishi Heavy Industries Ltd Tokyo	298,013,290
Nippon Yusen KK	254,171,155
Shin-Etsu Chemical Co Ltd	253,933,870
Nomura Holdings INC	252,115,745
Kobe Steel Ltd	250,926,974
M3 Inc	244,609,290
Sony Corporation	237,784,373
Yokohama Rubber Cmn	237,025,296
Mitsubishi Estate Co Ltd	236,189,606
Sumitomo Mitsui Fin Group Inc Cmn	235,322,802
Inpex Corp	222,250,337
Systemex Corp (JT)	213,289,400
Mitsubishi UFJ Financial Group Inc	210,548,486
Komatsu Ltd	195,297,048
Takeda Pharmaceutical Co Ltd	179,431,010
SMC Corp	178,999,000
Olympus Corporation Cmn	178,934,738
Mazda Motor Corporation	176,568,976
JFE Holdings Inc	174,369,540
Olympus Corp	172,054,519
Hoya Corp	170,257,000
Mazda Motor Corporation	168,256,439
Toyota Motor Corp	154,677,219

**JK Funds Plc****Schedule of Significant Portfolio Changes (unaudited) (continued)****JK Japan Fund****Sales****Proceeds****Portfolio Securities****JPY**

Renesas Electronics Corp	605,102,247
Keyence Corp	470,790,000
Bandai Namco Holdings Inc	368,672,459
Mitsubishi UFJ Financial Group Inc	339,624,304
Inpex Corp	271,258,256
Resona Holdings Inc	259,051,250
TDK Corp	247,659,342
Daikin Industries Ltd	247,323,250
Fujifilm Holdings Corp	242,503,467
Toyota Motor Corp	235,720,075
Nippon Steel & Sumitomo Metal Corp	223,649,640
Sumitomo Mitsui Financial Group Inc	221,154,419
Nippon Yusen Kk	207,827,182
Takeda Pharmaceutical Co Ltd	196,482,897
NTT Data Corp	196,027,234
Tokyo Electron Ltd	185,458,850
Advantest Corp	185,362,560
Nintendo Co Ltd	178,817,100
Daiichi Sankyo Co Ltd	177,702,891
Konami Group Corp	173,870,601
Tokio Marine Holdings Inc	165,888,260
Chugai Pharmaceutical Ltd	156,551,838
Sony Group Corp	155,276,800
Kawasaki Heavy Industries	151,713,601
IHI Corp Tokyo	146,730,060
Terumo Corporation	145,405,340
Dip Corp	139,760,671
Goldwin Inc	138,829,200
Tokio Marine Holdings Inc	126,284,177
Panasonic Holdings Corp	125,790,109
Goldwin Inc	121,958,100
TDK Corp Cmn	116,383,944
M3 Inc	111,668,130
Nippon Steel Corp	90,255,660

# 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 Manager has advised the Directors that they consider the 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 Global's 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 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 consider 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 Global's 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 2023 and 31 December 2022 and the VaR limit of the JK Global:

<b>JK Global Opportunities Fund</b>	<b>Lowest</b>	<b>VaR at year end</b>	<b>Highest</b>	<b>Average</b>	<b>VaR Limit</b>
31 December 2023	1.65%	10.55%	16.82%	6.88%	20.00%
31 December 2022	1.39%	4.43%	9.26%	4.37%	20.00%

The absolute leverage of the JK Global Opportunities Fund's financial derivative instruments based on notional amounts held at 31 December 2023, as a percent of the dealing NAV on that date, was 62% (2022: 78%). 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 (Unaudited)

The Manager has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosure Regulations.

The Manager’s remuneration policy applies to its identified staff whose professional activities might have a material impact on the Company’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the Company. The Manager’s policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager’s remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager’s remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the Company that have a material impact on the Company’s risk profile during the financial year to 31 December 2023 (the Manager’s financial year):

<b>Fixed remuneration</b>	<b>EUR</b>
Senior Management	1,578,804
Other identified staff	-
<b>Variable remuneration</b>	
Senior Management	28,006
Other identified staff	-
<b>Total remuneration paid</b>	<b>1,606,810</b>

No of identified staff – 17

Neither the Manager nor the Company pays any fixed or variable remuneration to identified staff of the Investment Manager.

On 29 September 2023, KBA Consulting Management Limited, the Manager of the Company, completed its merger with Waystone Management Company (IE) Limited (“WMC”). WMC is the surviving entity post-merger and as such, the Company’s Manager is WMC from this date and the above remuneration figures are the total remuneration for WMC.

There have been no material changes made to the Remuneration Policy or the Manager’s remuneration practices and procedures during the financial year.

## 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 2023, contracts for difference ("CFDs") and swaps on JK Global Opportunities Fund are deemed to be in scope for this SFT regulation.

#### 31 December 2022

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	4,790,113	4.97%	Bi-lateral	4,790,113	-

#### Listed below is the counterparty used for the CFDs

##### Goldman Sachs International

Type	Quality	Currency	Maturity tenor of the collateral Open maturity
<b>Cash</b>			
Initial margin	N/A	USD	(986,304)
Variation margin	N/A	USD	1,636,863
Collateral excess	N/A	USD	(20,559)

#### 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
<b>Cash</b>			
Initial and variation margin	N/A	USD	1,814,315

#### Listed below is the collateral issuer

Name	Value of collateral received	Value of collateral received USD
JK Global Opportunities Fund	N/A	630,000

#### Re-investment of collateral received

Returns on cash collateral re-invested	N/A
--	-----

#### 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 received USD	630,000
Counterparty	Goldman Sachs International

**Returns and costs of the CFDs**

Fund	Interest Expense	Realised Gains/ (Losses)	Change in Unrealised Gains/(Losses)
	USD	USD	USD
JK Global Opportunities Fund	(22,079)	(129,518)	98,933

**Returns and costs of the Swaps**

Fund	Income Received	Dividend WHT	Interest Expense	Realised Gains/ (Losses)	Change in Unrealised Gains/(Losses)
	USD	USD	USD	USD	USD
JK Global Opportunities Fund	41,204	(6,172)	(216,198)	(2,119,774)	(141,407)

## **JK Funds Plc**

### **Appendix 4 (Unaudited)**

#### **Sustainable Finance Disclosure Regulation and EU Taxonomy Disclosure**

The Funds have been categorised as Article 6 financial products for the purposes of the Sustainable Finance Disclosure Regulation. For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.