

JKC FUND

Société d'Investissement à Capital Variable

R.C.S. Luxembourg B 144.551

Annual Report, including Audited Financial Statements as at December 31, 2023

LA FRANCAISE JKC China Equity

LA FRANCAISE JKC Asia Equity

No subscription can be received on the basis of this Annual Report, including Audited Financial Statements. Subscriptions are only valid if made on the basis of the current prospectus and relevant Key Information Document ("KID") which will be accompanied by a copy of the latest available Annual Report, including Audited Financial Statements and a copy of the latest available unaudited Semi-Annual Report, if published after such Annual Report, including Audited Financial Statements.

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Organisation of the SICAV

Organisation of the SICAV

Chairman:

Fabrice JACOB, Founder and CEO
JK Capital Management Ltd.

Directors:

Sabrina HUI REN, Partner and Portfolio Manager,
JK Capital Management Ltd.

Laurent JACQUIER-LAFORGE (until July 17, 2023)
La Française Asset Management

Guillaume BRICKA (since July 18, 2023)
La Française Asset Management

Registered Office:

BNP Paribas, Luxembourg Branch,
60, Avenue J.F. Kennedy,
L-1855, Luxembourg
Grand-Duchy of Luxembourg

Depository and Paying Agent:

BNP Paribas, Luxembourg Branch,
60, Avenue J.F. Kennedy,
L-1855, Luxembourg
Grand-Duchy of Luxembourg

Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent:

BNP Paribas, Luxembourg Branch,
60, Avenue J.F. Kennedy,
L-1855, Luxembourg
Grand-Duchy of Luxembourg

Independent Auditor:

Ernst & Young S.A.
35, avenue J.F. Kennedy
L-1855, Luxembourg
Grand-Duchy of Luxembourg

Management Company:

La Française Asset Management
128, Boulevard Raspail,
F-75006 Paris,
France

Organisation of the SICAV (continued)**Investment Manager:**

JK Capital Management Ltd.
16/F, Shun Ho Tower,
24-30 Ice House Street, Central,
Hong Kong

Hedging Manager:

BNP Paribas, Luxembourg Branch,
60, Avenue J.F. Kennedy,
L-1855, Luxembourg
Grand-Duchy of Luxembourg

GENERAL INFORMATION (UNAUDITED)

General Information

JKC FUND (the "SICAV" or the "Fund") is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "*Société d'Investissement à Capital Variable*".

The SICAV was incorporated for an unlimited period of time on January 19, 2009 and is governed by the Luxembourg law of August 10, 1915 on commercial companies, as amended, and by the Part 1 of the Law of December 17, 2010 concerning undertakings for collective investment in transferable securities, as may be amended from time to time.

The SICAV is registered at the "*Registre de Commerce et des Sociétés*" with the District Court of Luxembourg under the number B 144.551.

The Articles of Incorporation were published in the "*Mémorial C, Recueil des Sociétés et Associations*" (the "Mémorial") of February 20, 2009.

The net asset value of each Sub-Fund is consolidated in USD and will be determined and dated in Luxembourg under the overall responsibility of the Board of Directors of the SICAV on each Business Day ("Valuation Day"). The computation and publication of the Net Asset Value of each Valuation Day will be done on the following Business Day using the last available prices of such Valuation Day.

The net asset value, the subscription price and the redemption price along with any other notices to the shareholders are available at the registered office of the SICAV.

The prospectus, unaudited Semi Annual and Annual Reports including audited Financial Statements may be obtained at the registered office of the SICAV.

Additional determination of the net asset value per share is made on December 31, 2023 for financial reporting purposes.

As at December 31, 2023, the SICAV has two Sub-Funds, named:

- JKC FUND - LA FRANÇAISE JKC China Equity;
- JKC FUND - LA FRANÇAISE JKC Asia Equity.

Directors' Report

Management Policy of the Sub-Funds

The past year was supposed to be a good year for Asia, and particularly for China that finally emerged from three years of strict zero-Covid policy that saw the country cut off from the rest of the world. Like everyone in the financial community we were looking forward to the economic rebound of China and the positive impact it would have had on the region. And like everyone else we could not have been more wrong.

The re-opening of China turned out to be a reality check over the extent of the damages done to the pillars of the Chinese economy by uncompromising policies implemented between 2020 and 2022. The most profound impact that will likely last for years, if not decades, is the way Chinese citizens are now managing their money and the way they spend it. Gone are the days when the middle class was storing wealth through properties and spending spare cash in overseas shopping trips and buying expensive cars imported from Europe.

The property crisis that unfolded over the past three and a half years has had a profound impact on the Chinese economy in a permanent way. If there is one action taken by the Chinese government that has had more impact than any other, it is the crackdown on the debt level of its property developers and on their business model that consisted in using deposits paid by buyers of new projects to complete the construction of older ones. The government is now facing the situation where most privately owned developers are in default, several years of inventory of unfinished flats are sitting idle to be digested and property prices are declining across the country.

The idea that China may surpass one day the United States to become the largest economy in the world looks today like a distant memory. Many economists argue that China has entered a new era that may not be dissimilar to the 1990-2000 lost decade of Japan.

In this new era where China is no longer the locomotive of the world's growth, then where is traction going to come from? In our views, the answer resides in large countries driven by young population, high birth rates, political stability and competent leadership. In Asia, these four filters point towards Indonesia, Vietnam and of course India that has a real opportunity to become the "new China".

The past year has seen forces moving in these directions. In India and Vietnam, traction came from what the Modi government branded the "China + 1" strategy, i.e. the de-risking away from China that had become too unpredictable, and many would argue too unreliable, through a geographical diversification of supply chains. In Indonesia it was mineral resources, and more specifically nickel, that suddenly put the country under the spotlight of new energy players. In India and Vietnam, it was the need for contract manufacturers to move their electronic and textile supply chains out of China at the request of their global customers.

Contract manufacturers from China, Taiwan and Korea have moved factories and dedicated large amounts of capital to India, Vietnam and increasingly to Indonesia. Which brings us to the interesting situation where China may no longer be the global engine of growth, but at the same time an increasing number of Chinese companies are becoming world leaders as many of them were first movers when nearshoring and de-globalisation became mainstream policies in developed countries. Alongside Taiwanese and Korean companies, Chinese companies quickly became the largest investors in Vietnam, Indonesia and India (whenever allowed by an increasingly suspicious Modi government) as well as in strategic countries of Europe and the Americas such as Serbia and Mexico.

Geopolitics accelerated that process in 2023. Tension between China and the United States reached an alarming level over the summer, the two super-powers staring at each other with defiance when the status of Taiwan became a magnet for warmongers. Despite alarming media headlines, the Taiwanese stock market ended up being the best performing market in Asia in 2023, investors being far more interested in the spades and shovels of artificial intelligence than in the risk of a hot war in the Formosa Strait. We never believed in a hot war, and we still don't as long as the Taiwanese president refrains from declaring independency.

Portfolio review

2023 was another humbling year for the manager. The positive sentiment triggered by the re-opening of China only lasted one month. To the surprise and deep frustration of many, the remaining eleven months witnessed five legs down. In the end, the MSCI China index slumped by approximately 30% from its January peak and ended the year down 13.2%, repeatedly testing new lows month after month, reflecting a combination of softening economic data, a lukewarm policy response and a complete lack of confidence. It was the third consecutive year of negative return, the index having recorded a drop of 48.5% since the end of 2020. The CSI 300 index that tracks the A share market of China did somewhat better: it was down 11.4% in 2023 and 34.2% over the past three years.

Other Asian markets had their own lives, and thankfully brighter ones. Other than Thailand which was haunted by political uncertainties and saw its SET benchmark index drop by 15%, all other Asian markets did better than China. In summary, India benefited from China's loss with a robust domestic economy, a repositioning of global supply chains away from China, and fund inflows by global money managers. The Nifty 50 index of India gained 20% in 2023.

In Korea and Taiwan, equity markets benefitted from the restocking of semiconductors and the rise of new search engines and internet platforms using Artificial Intelligence (ChatGPT, Bard), the past year's hottest topic. The KOSPI index of Korea gained 19% whereas the TAIEX index of Taiwan gained 27% and was the best performing market across the region. The Indonesian benchmark index JCI returned 6% return despite weak consumption under inflationary pressure. It was a non-event year for Singapore, Malaysia and the Philippines, with local indices ending the year roughly where they had started it.

Directors' Report (continued)

As to our holdings, we are exposed to Korea, Taiwan, India, Indonesia, Singapore and China. Our Korean stocks did slightly better than the local index stocks (+24% compared to +22% for the Korean stocks that are included in the MSCI Asia ex Japan benchmark), thanks to the AI-related rally in the fourth quarter. We are fully confident about the quality of our Korean investments.

Our Taiwanese holdings gained 23% when the Taiwanese companies included in the MSCI Asia ex Japan benchmark gained 31%, mainly because the index has more exposure to semiconductors and to AI-related names than we do. At this juncture we do not see reasons to make drastic changes to our Taiwanese exposure.

We reshuffled our Indian holdings during the year after we underperformed the local market in the first three quarters. We increased the number of Indian holdings in the fund and we cut our exposure to the more volatile names. We performed in line with the benchmark since the reshuffling with our names gaining approximately 12%. We intend to add more names in India, taking advantage of the country's structural growth.

Our stock selection in Indonesia was poor in 2023 as our holdings that are all mid-cap names dropped on average by 18% while the Indonesian names within the MSCI Asia ex-Japan benchmark rose by 8%. This is because the Indonesian market was divided in two camps, the large caps gaining 13.3% on average while the mid-caps lost 20%. We do not intend to add to Indonesia for the time being as our current exposure is twice as much as the benchmark.

Our China exposure was the biggest drag of the year, and a real headache to manage as all sectors performed badly, with the sole exception of oil and coal. We started the year well, with a 5% outperformance secured in the first two months, but then we failed to assess the market implications of an economic recovery that kept on disappointing month after month. After making some gradual de-risking trades in the second quarter, we took more actions in the third quarter when we cut high-beta consumer discretionary holdings that had been hit by a slow recovery of domestic consumption, thus reducing the tracking error.

We also decided in August to abandon the structural overweight to China we had maintained over the past decade and to rebalance in favour of India where growth opportunities are many. All these measures helped to stabilize the performance in the last quarter of the year, particularly outside of China, but it was not enough to recoup the earlier underperformance.

When we reviewed 2023, we could not help but ask ourselves why it took us so long to adjust our portfolios despite writing about warning signs regarding a weaker recovery of China since February. The reason was that we did not want to make the same mistake as the one we made at the end of 2022, i.e. missing a powerful rally. As a result, we hesitated to trim good quality high beta companies trading at dirt cheap levels as we did not want to miss any solid market rebound. We paid a dear price for our persistence to remain exposed to a market driven to capitulation by weak sentiment and where valuations had become irrelevant.

LA FRANCAISE JKC Asia Equity

The Sub-Fund went down by 58% in 2023 when the index went up by 3.6%. The main performance drag came from China Meidong, Rianlon and Silergy, three Chinese companies. We kept our exposure to Meidong, the Porsche dealership, for too long. Our view at the start of the year that their business would recover alongside the Chinese economy was wrong. Chinese consumers' spending patterns never returned to their pre-Covid levels. Typical middle-upper-class Porsche buyers also suffered from falling property values and stock market investments. In addition, we overestimated the loyalty of Porsche buyers amid rising competition in China. In 2023, the electric car market in China witnessed a price war led by the two global electric vehicle (EV) leaders, namely BYD and Tesla. Every car brand in China was forced to join a furious race to launch new fancy and smart functions at compelling prices. A Porsche car now offers far less attractive specifications other than mechanical features than new EV car models from BYD, Xpeng, Li Auto or Nio. We should have reckoned that the Chinese auto market was the most difficult one to conquer in the EV era and that Porsche is so far on the losing end.

One common factor that applied to both China Meidong and Rianlon was that they expanded when the economic downturn was about to hit. To the management's defense, they could not have foreseen better than us the 2023 downturn of the Chinese economy, but we should have placed less weight on both names, especially when we started seeing weakening macro numbers. The case of Silergy was unfortunate as we decided to cut losses near the bottom of the semiconductor cycle as we worried about inventory write-down risks and the time needed to gain back its competitive edge, especially when its main (and much larger) competitor, Texas Instruments, had decided to engage in a price war.

All three are good companies led by capable management with proven track records and high business ethics, which, however, was not enough to make them good investments in 2023.

On the positive side, Ningbo Tuopu, Chroma Ltd and Leeno Industrial helped the full-year performance. Ningbo Tuopu benefited from the growth of its main client, Tesla. Tuopu is among the key suppliers of Tesla's EV cars, battery packs, and robot business. With its semiconductor testing equipment, Taiwanese company Chroma received increasing system-level testing orders related to Artificial Intelligence (AI) chip making, NVIDIA being one of its core AI clients. Similarly, Leeno Industrial in Korea enjoyed better pricing on products sold to its clients who work on enabling AI and Augmented/Virtual Reality functionality on smartphones and other devices.

Directors' Report (continued)

LA FRANCAISE JKC China Equity

The Sub-Fund declined by 23.2% in 2023 when the index dropped by 13.2%. The main performance drag came from China Meidong, Rianlon and Li Ning. As detailed above Meidong and Rianlon are good companies which expanded at the wrong time. Li Ning, a sportswear retailer, suffered from its team having mis-managed channel inventories by underestimating the economic downturn, a mistake that we did not expect them to make given the company's track record.

On the positive side, Ningbo Tuopu, Zhejiang Sanhua and Shanghai Bochu helped the full-year performance. Sanhua is similar to Tuopu inasmuch that it benefited from the growth of its core client, Tesla, by offering thermal management components for Tesla's cars, battery packs, and robots. Shanghai Bochu did very well in 2023, being one of the few companies in our portfolio which rode the economic downturn being perfectly positioned. Not only the company grew its top line fast but it also managed to expand its gross margin simultaneously by upgrading its technology.

Our ESG endeavours in 2023

The year 2023 unfolded against a backdrop of escalating climate crises, with unprecedented temperature surges, devastating floods, and a slew of environmental upheavals underscoring the urgency of addressing climate change. Yet, headwinds in 2023, from surging interest rates to political tensions, have also made ESG or environmentally focused investments even more challenging within the asset management community.

However, in the face of these multifaceted challenges, we kept on expanding our ESG initiatives throughout the year. This unwavering commitment translated into seamlessly integrating ESG considerations into our investment decisions, unlocking new opportunities and enhancing risk management.

In the past year, we further leveraged this momentum by establishing a more comprehensive ESG due diligence procedure for all portfolio companies and refining our existing engagement framework. A testament to this commitment was the enriched content of our monthly and annual reports, which now incorporate detailed ESG insights, thereby fostering greater transparency and accountability. Furthermore, by strengthening our efforts on proxy voting, we became more vocal on a number of critical issues such as director nomination, executive compensation and information disclosure through shareholders meetings.

In line with our anticipations, 2023 saw significant progress in the refinement of global ESG regulations. The landmark issuance of the IFRS Sustainability Disclosure Standards by the International Sustainability Standards Board (ISSB) symbolized a monumental step toward harmonizing and standardizing sustainability disclosures on a global scale. Concurrently, the European Union's (EU) unveiling of the Corporate Sustainability Reporting Directive (CSRD) marked a watershed moment, extending the ambit of mandatory ESG disclosures to all large-scale EU enterprises and to Asian companies with significant EU-based operations. On our own turf, regulatory bodies in Mainland China, Hong Kong and India displayed commendable resolve, intensifying their regulatory oversight to curtail greenwashing practices and bolster corporate transparency through stringent disclosure requirements and rating agency regulations.

Updates on major developments like these often arise in our conversations with portfolio companies and are discussed at length in our ESG newsletters, underscoring our commitment to improving the disclosure quality of our portfolio companies and enhancing stakeholder transparency.

As we transition into 2024, the impending US election cycle is expected to amplify scrutiny and debate around ESG practices and policies. However, undaunted by potential political vicissitudes, we remain steadfastly dedicated to continually enhancing and refining our ESG integration within our investment procedures. For us, ESG is not merely a fleeting investment trend; rather, it constitutes an integral aspect deeply ingrained in our fundamental-driven investment strategies. Our overarching objective remains unwavering: to deliver superior and sustainable capital returns to our clients and investors while championing responsible investment practices that resonate with our collective vision for a more sustainable future.

2024 OUTLOOK

Given how wrong we were a year ago when making predictions for 2023, we will refrain from trying to guess what will happen to equity markets in 2024. We can however lay out a few ideas that could help the thinking process.

Starting with the best performing market of the region and the most exciting macro story, India is surprisingly not that expensive. Its SENSEX index is trading at 20.6x its next 12 months earnings, only slightly above its 19.9x 5-year average. Most likely Narendra Modi will be re-appointed as India's prime minister in a few months, and we believe the investment community will love it. At this point we cannot find any reason to turn bearish on India.

China is in trouble, and there is no visible sign that the economic situation will get better anytime soon. Its leadership seems lost, having underestimated the impact of the decisions it made over the past three years. Its rivals are taking advantage of its difficulties through economic coercion at a time when its three economic pillars (domestic demand, property investments, exports) are all battered. Market valuation is at rock bottom, the CSI 300 index trading at 10.4x its next 12 months earnings, and the MSCI China at 9.0x (both 1.5 standard deviation below their 5-year average). The Chinese equity market has underperformed other large markets for three years in a row. How much longer will it last and how much cheaper can it get? No-one knows.

Taiwan and Korea that we tend to blend will both benefit from the rebound of the tech sector. However, this rebound may not be as strong as it may look for the reason that it is triggered by the end of a destocking process of logic and memory chips that lasted for 18 months. The process of restocking will probably be short-lived, unless there is a surge in demand for electronic gadgets despite a global environment mired in recession, or unless there is a technology breakthrough that could pull up the entire sector. Of course, Artificial Intelligence (AI) is already that breakthrough, but one should be mindful that valuations of AI-related companies have already gone up significantly.

Directors' Report (continued)

The trajectory of the US dollar is to be watched closely. A weakening dollar should be positive for emerging markets, especially those with significant USD debt such as Indonesia. And this is precisely what may happen in the first half of the year when the US Fed starts cutting rates ahead of other major central banks. Any dollar weakness may be short-lived as the European Central Bank and the Bank of England are expected to follow the Fed's path in the second half of the year, at which stage the USD could regain its lost ground.

Performances

Name	ISIN	Classe	Performance
JKC Fund - LA FRANCAISE JKC Asia Equity	LU0611874305	JKC Fund - LA FRANCAISE JKC Asia Equity (Class GP USD)	-7.98%
JKC Fund - LA FRANCAISE JKC Asia Equity	LU0611874057	JKC Fund - LA FRANCAISE JKC Asia Equity (Class I EUR-HEDGED)	-9.95%
JKC Fund - LA FRANCAISE JKC Asia Equity	LU0611874131	JKC Fund - LA FRANCAISE JKC Asia Equity (Class I USD)	-7.92%
JKC Fund - LA FRANCAISE JKC Asia Equity	LU0611874487	JKC Fund - LA FRANCAISE JKC Asia Equity (Class P EUR-HEDGED)	-10.60%
JKC Fund - LA FRANCAISE JKC China Equity	LU0421713362	JKC Fund - LA FRANCAISE JKC China Equity (Class GP EUR-HEDGED)	-24.94%
JKC Fund - LA FRANCAISE JKC China Equity	LU0415808285	JKC Fund - LA FRANCAISE JKC China Equity (Class GP USD)	-23.21%
JKC Fund - LA FRANCAISE JKC China Equity	LU0547182096	JKC Fund - LA FRANCAISE JKC China Equity (Class I EUR-HEDGED)	-24.98%
JKC Fund - LA FRANCAISE JKC China Equity	LU0438073230	JKC Fund - LA FRANCAISE JKC China Equity (Class I USD)	-23.18%
JKC Fund - LA FRANCAISE JKC China Equity	LU0611873836	JKC Fund - LA FRANCAISE JKC China Equity (Class P EUR-HEDGED)	-25.42%
JKC Fund - LA FRANCAISE JKC China Equity	LU0611873919	JKC Fund - LA FRANCAISE JKC China Equity (Class P USD)	-23.76%

The Board of Directors of the SICAV

Luxembourg, April 17, 2024

Note: The figures stated in this report are historical and not necessarily indicative of future performance

Independent auditor's report

To the Shareholders of
JKC Fund
60, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Opinion

We have audited the financial statements of JKC Fund (the "SICAV") and of each of its sub-funds, which comprise the statement of net assets, the securities portfolio and the financial derivative instruments as at December 31, 2023, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SICAV and of each of its sub-funds as at December 31, 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the *réviseur d'entreprises agréé*" for the audit of the financial statements" section of our report. We are also independent of the SICAV in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standard Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of JKC Fund for the year ended December 31, 2022 were audited by another "réviseur d'entreprises agréé" who expressed an unmodified opinion on those financial statements on April 5, 2023.

Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines 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 Board of Directors of the SICAV is responsible for assessing the SICAV’s and each of its sub-funds’ ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the SICAV either intends to liquidate the SICAV or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” 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 a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the SICAV.
- Conclude on the appropriateness of the Board of Directors of the SICAV's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the SICAV or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Nicolas Bannier

Luxembourg, April 18, 2024

Statistics

		December 31, 2023	December 31, 2022	December 31, 2021
LA FRANCAISE JKC China Equity				
Net Asset Value	USD	12,216,494.52	15,598,950.18	26,172,757.20
Net asset value per share				
Class GP EURO-HEDGED	EUR	34.05	45.37	65.31
Class GP USD	USD	55.07	71.73	100.49
Class I EURO-HEDGED	EUR	33.97	45.27	65.15
Class I USD	USD	55.33	72.04	100.88
Class P EURO-HEDGED	EUR	66.92	89.74	129.91
Class P USD	USD	80.23	105.23	148.45
Number of shares				
Class GP EURO-HEDGED		8,515.94	7,854.01	8,518.32
Class GP USD		1,000.00	1,300.00	1,300.00
Class I EURO-HEDGED		145,010.00	150,849.86	150,924.86
Class I USD		99,267.85	99,117.85	130,714.26
Class P EURO-HEDGED		11,975.08	6,857.26	6,226.61
Class P USD		285.26	388.13	813.77
LA FRANCAISE JKC Asia Equity				
Net Asset Value	USD	15,904,691.26	38,292,779.80	53,639,678.57
Net asset value per share				
Class GP USD	USD	122.03	132.61	177.70
Class I EURO-HEDGED	EUR	107.14	118.99	163.59
Class I USD	USD	128.50	139.55	186.92
Class P EURO-HEDGED	EUR	107.26	119.98	165.95
Number of shares				
Class GP USD		778.02	159,278.02	159,178.02
Class I EURO-HEDGED		130,902.45	132,028.89	132,402.37
Class I USD		1,966.54	2,073.55	2,073.55
Class P EURO-HEDGED		548.64	898.78	1,782.45

Combined Statement

Combined Statement of Net Assets as at December 31, 2023

	Notes	USD
Assets		
Investment in securities at cost		24,303,614.96
Unrealised appreciation / (depreciation) on securities		955,693.77
Investment in securities at market value	3.b	25,259,308.73
Cash at bank		2,474,235.36
Net unrealised appreciation on forward foreign exchange contracts	3.c, 10	491,706.78
Dividends and interest receivable		26,653.31
Total assets		28,251,904.18
Liabilities		
Bank overdraft		10,070.83
Accrued expenses		120,213.02
Other liabilities		434.55
Total liabilities		130,718.40
Net assets at the end of the year		28,121,185.78

Combined Statement of Operations and Changes in Net Assets for the year ended December 31, 2023

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.i	467,990.35
Bank interest		75,105.37
Other income		29,375.11
Total income		572,470.83
Expenses		
Management fees	7	540,941.98
Management Company fees	6	66,255.64
Depository fees and safekeeping		42,946.73
Hedging management fees	8	7,167.22
Operating fees	15	153,724.36
Professional fees	11	117,307.04
Distribution fees	14	2,464.31
Transaction costs	13	187,552.24
Taxe d'abonnement	9	4,566.47
Bank interest and charges		16,091.55
Publication fees		9,670.00
Research fees	16	144,085.42
Other expenses	12	91,333.60
Total expenses		1,384,106.56
Net investment income / (loss)		(811,635.73)
Net realised gain / (loss) on:		
Investments	3.d	(5,459,207.20)
Foreign currencies transactions	3.d	32.11
Forward foreign exchange contracts	3.c, 10	(272,227.19)
Net realised gain / (loss) for the year		(6,543,038.01)
Net change in unrealised appreciation / (depreciation) on:		
Investments	3.g	2,574,592.34
Forward foreign exchange contracts	3.c, 3.g, 10	488,747.59
Increase / (Decrease) in net assets as a result of operations		(3,479,698.08)
Proceeds received on subscription of shares		2,120,028.66
Net amount paid on redemption of shares		(24,410,874.78)
Net assets at the beginning of the year		53,891,729.98
Net assets at the end of the year		28,121,185.78

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

LA FRANCAISE JKC China Equity (in USD)

Statement of Net Assets as at December 31, 2023

	Notes	USD
Assets		
Investment in securities at cost		11,510,577.38
Unrealised appreciation / (depreciation) on securities		(560,882.65)
Investment in securities at market value	3.b	10,949,694.73
Cash at bank		1,164,743.32
Net unrealised appreciation on forward foreign exchange contracts	3.c, 10	150,087.57
Dividends and interest receivable		10,575.50
Total assets		12,275,101.12
Liabilities		
Bank overdraft		200.97
Accrued expenses		58,405.63
Other liabilities		-
Total liabilities		58,606.60
Net assets at the end of the year		12,216,494.52

Statement of Operations and Changes in Net Assets for the year ended December 31, 2023

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.i	234,667.39
Bank interest		36,106.32
Other income		8,351.08
Total income		279,124.79
Expenses		
Management fees	7	228,911.52
Management Company fees	6	32,452.08
Depository fees and safekeeping		21,569.42
Hedging management fees	8	2,375.56
Operating fees	15	79,542.29
Professional fees	11	51,938.15
Distribution fees	14	1,208.59
Transaction costs	13	66,187.31
Taxe d'abonnement	9	2,083.29
Bank interest and charges		5,127.88
Publication fees		3,730.00
Research fees	16	51,384.72
Other expenses	12	43,106.68
Total expenses		589,617.49
Net investment income / (loss)		(310,492.70)
Net realised gain / (loss) on:		
Investments	3.d	(3,851,490.35)
Foreign currencies transactions	3.d	7,027.82
Forward foreign exchange contracts	3.c, 10	(108,321.57)
Net realised gain / (loss) for the year		(4,263,276.80)
Net change in unrealised appreciation / (depreciation) on:		
Investments	3.g	371,653.96
Forward foreign exchange contracts	3.c, 3.g, 10	148,991.21
Increase / (Decrease) in net assets as a result of operations		(3,742,631.63)
Proceeds received on subscription of shares		1,067,767.23
Net amount paid on redemption of shares		(707,591.26)
Net assets at the beginning of the year		15,598,950.18
Net assets at the end of the year		12,216,494.52

Statement of Changes in Number of Shares

	Number of Shares in issue at the beginning of the year	Number of Shares subscribed	Number of Shares redeemed	Number of Shares in issue at the end of the year
Class GP EURO-HEDGED	7,854.01	3,301.10	2,639.18	8,515.93
Class GP USD	1,300.00	-	300.00	1,000.00
Class I EURO-HEDGED	150,849.86	-	5,839.86	145,010.00
Class I USD	99,117.85	150.00	-	99,267.85
Class P EURO-HEDGED	6,857.26	8,587.84	3,470.02	11,975.08
Class P USD	388.13	-	102.87	285.26

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

LA FRANCAISE JKC China Equity (in USD)

Securities Portfolio as at December 31, 2023

Quantity/ Nominal	Name	Currency	Market Value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Auto and Auto Parts				
54,733.00	NINGBO TUOPU GROUP CO LTD-A	CNY	567,225.24	4.64
152,009.00	FUYAO GLASS INDUSTRY GROUP-A	CNY	801,389.64	6.56
140,492.00	ZHEJIANG SANHUA INTELLIGEN-A	CNY	582,395.33	4.77
			1,951,010.21	15.97
Building materials				
216,000.00	XINYI GLASS HOLDINGS LTD	HKD	242,318.01	1.98
			242,318.01	1.98
Chemical				
60,385.00	RIANLON CORP-A	CNY	251,682.17	2.06
			251,682.17	2.06
Distribution & Wholesale				
14,500.00	YUM CHINA HOLDINGS INC	HKD	616,872.57	5.05
			616,872.57	5.05
Electric & Electronic				
12,912.00	MAXSCEND MICROELECTRONICS -A	CNY	256,703.38	2.10
			256,703.38	2.10
Financial services				
106,200.00	BOC AVIATION LTD	HKD	811,945.12	6.65
			811,945.12	6.65
Food services				
65,400.00	INNER MONGOLIA YILI INDUS-A	CNY	246,672.36	2.02
118,000.00	CHINA RESOURCES BEER HOLDING	HKD	516,815.99	4.23
			763,488.35	6.25
Industrial Equipment				
35,473.00	HANGZHOU HONGHUA DIGITAL T-A	CNY	499,718.97	4.09
13,972.00	SHANGHAI BOCHU ELECTRONIC-A	CNY	498,639.68	4.08
233,000.00	SANY HEAVY EQUIPMENT INTL	HKD	225,284.18	1.84
192,563.00	NARI TECHNOLOGY CO LTD-A	CNY	606,018.65	4.96
			1,829,661.48	14.97
Internet				
57,900.00	ALIBABA GROUP HOLDING LTD	HKD	560,567.85	4.59
3,800.00	PDD HOLDINGS INC	USD	555,978.00	4.55
30,700.00	TENCENT HOLDINGS LTD	HKD	1,154,309.47	9.46
			2,270,855.32	18.60
Metal and Mining				
436,000.00	ZIJIN MINING GROUP CO LTD-H	HKD	710,233.95	5.81
100,000.00	JCHX MINING MANAGEMENT CO -A	CNY	532,415.81	4.36
			1,242,649.76	10.17
Textile				
69,200.00	SHENZHOU INTERNATIONAL GROUP	HKD	712,508.37	5.83
			712,508.37	5.83
			10,949,694.74	89.63
Total securities portfolio			10,949,694.73	89.63

Financial Derivative Instruments as at December 31, 2023

Purchase		Sale		Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
Forward foreign exchange contracts						
6,028,654.16	EUR	6,517,488.27	USD	31/01/2024	6,028,654.16	150,124.86
191,925.62	USD	173,567.09	EUR	31/01/2024	173,567.09	(37.29)
Total Forward foreign exchange contracts						150,087.57

Summary of net assets

	% NAV
Total securities portfolio	10,949,694.73 89.63
Total financial derivative instruments	150,087.57 1.23
Cash at bank	1,164,542.35 9.53
Other assets and liabilities	(47,830.13) (0.39)
Total net assets	12,216,494.52 100.00

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

LA FRANCAISE JKC China Equity (in USD)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Shares	100.00	89.63
	100.00	89.63

Country allocation	% of portfolio	% of net assets
China	57.89	51.89
Cayman Islands	24.34	21.81
Singapore	7.42	6.65
USA	5.63	5.05
Hong Kong	4.72	4.23
	100.00	89.63

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
TENCENT HOLDINGS LTD	Internet	1,154,309.47	9.45
BOC AVIATION LTD	Financial services	811,945.12	6.65
FUYAO GLASS INDUSTRY GROUP-A	Auto and Auto Parts	801,389.63	6.56
SHENZHOU INTERNATIONAL GROUP	Textile	712,508.37	5.83
ZIJIN MINING GROUP CO LTD-H	Metal and Mining	710,233.95	5.81
YUM CHINA HOLDINGS INC	Distribution & Wholesale	616,872.57	5.05
NARI TECHNOLOGY CO LTD-A	Industrial Equipment	606,018.65	4.96
ZHEJIANG SANHUA INTELLIGEN-A	Auto and Auto Parts	582,395.33	4.77
NINGBO TUOPU GROUP CO LTD-A	Auto and Auto Parts	567,225.24	4.64
ALIBABA GROUP HOLDING LTD	Internet	560,567.85	4.59

LA FRANCAISE JKC Asia Equity (in USD)

Statement of Net Assets as at December 31, 2023

	Notes	USD
Assets		
Investment in securities at cost		12,793,037.58
Unrealised appreciation / (depreciation) on securities		1,516,576.42
Investment in securities at market value	3.b	14,309,614.00
Cash at bank		1,309,492.04
Net unrealised appreciation on forward foreign exchange contracts	3.c, 10	341,619.21
Dividends and interest receivable		16,077.81
Total assets		15,976,803.06
Liabilities		
Bank overdraft		9,869.86
Accrued expenses		61,807.39
Other liabilities		434.55
Total liabilities		72,111.80
Net assets at the end of the year		15,904,691.26

Statement of Operations and Changes in Net Assets for the year ended December 31, 2023

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.i	233,322.96
Bank interest		38,999.05
Other income		21,024.03
Total income		293,346.04
Expenses		
Management fees	7	312,030.46
Management Company fees	6	33,803.56
Depository fees and safekeeping		21,377.31
Hedging management fees	8	4,791.66
Operating fees	15	74,182.07
Professional fees	11	65,368.89
Distribution fees	14	1,255.72
Transaction costs	13	121,364.93
Taxe d'abonnement	9	2,483.18
Bank interest and charges		10,963.67
Publication fees		5,940.00
Research fees	16	92,700.70
Other expenses	12	48,226.92
Total expenses		794,489.07
Net investment income / (loss)		(501,143.03)
Net realised gain / (loss) on:		
Investments	3.d	(1,607,716.85)
Foreign currencies transactions	3.d	(6,995.71)
Forward foreign exchange contracts	3.c, 10	(163,905.62)
Net realised gain / (loss) for the year		(2,279,761.21)
Net change in unrealised appreciation / (depreciation) on:		
Investments	3.g	2,202,938.38
Forward foreign exchange contracts	3.c, 3.g, 10	339,756.38
Increase / (Decrease) in net assets as a result of operations		262,933.55
Proceeds received on subscription of shares		1,052,261.43
Net amount paid on redemption of shares		(23,703,283.52)
Net assets at the beginning of the year		38,292,779.80
Net assets at the end of the year		15,904,691.26

Statement of Changes in Number of Shares

	Number of Shares in issue at the beginning of the year	Number of Shares subscribed	Number of Shares redeemed	Number of Shares in issue at the end of the year
Class GP USD	159,278.02	-	158,500.00	778.02
Class I EURO-HEDGED	132,028.89	-	1,126.44	130,902.45
Class I USD	2,073.55	6,889.00	6,996.00	1,966.54
Class P EURO-HEDGED	898.78	-	350.14	548.64

The accompanying notes are an integral part of these financial statements

LA FRANCAISE JKC Asia Equity (in USD)

Securities Portfolio as at December 31, 2023

Quantity/ Nominal	Name	Currency	Market Value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Auto and Auto Parts				
6,792.00	BAJAJ AUTO LTD	INR	554,799.32	3.49
10,041.00	EICHER MOTORS LTD	INR	499,976.17	3.14
47,319.00	NINGBO TUOPU GROUP CO LTD-A	CNY	490,390.28	3.08
134,667.00	FUYAO GLASS INDUSTRY GROUP-A	CNY	709,962.82	4.46
			2,255,128.59	14.17
Chemical				
3,968.00	HANSOL CHEMICAL CO LTD	KRW	699,383.46	4.40
			699,383.46	4.40
Distribution & Wholesale				
258,600.00	SHENG SIONG GROUP LTD	SGD	313,667.08	1.97
37,706.00	POYA INTERNATIONAL CO LTD	TWD	678,181.15	4.26
12,450.00	YUM CHINA HOLDINGS INC	HKD	529,659.55	3.33
			1,521,507.78	9.56
Electric & Electronic				
64,000.00	TAIWAN SEMICONDUCTOR MANUFAC	TWD	1,236,604.56	7.78
3,081.00	LEENO INDUSTRIAL INC	KRW	484,433.94	3.05
44,000.00	CHROMA ATE INC	TWD	305,371.47	1.92
15,838.00	MAXSCEND MICROELECTRONICS -A	CNY	314,875.16	1.98
13,836.00	SAMSUNG ELECTRONICS CO LTD	KRW	843,330.97	5.30
9,700.00	VOLTRONIC POWER TECHNOLOGY	TWD	540,460.58	3.40
41,000.00	SINBON ELECTRONICS CO LTD	TWD	399,439.69	2.51
2,587.00	PARK SYSTEMS CORP	KRW	348,508.80	2.19
			4,473,025.17	28.13
Financial services				
89,800.00	BOC AVIATION LTD	HKD	686,560.00	4.32
			686,560.00	4.32
Healthcare				
7,144,300.00	MEDIKALOKA HERMINA TBK PT	IDR	691,368.89	4.35
50,887.00	RAINBOW CHILDRENS MEDICARE	INR	729,575.92	4.59
			1,420,944.81	8.94
Industrial Equipment				
16,317.00	KPIT TECHNOLOGIES LTD	INR	296,843.92	1.87
20,607.00	GMM PFAUDLER LTD	INR	399,169.97	2.51
100,011.00	NARI TECHNOLOGY CO LTD-A	CNY	314,746.50	1.98
22,624.00	HANGZHOU HONGHUA DIGITAL T-A	CNY	318,711.19	2.00
			1,329,471.58	8.36
Internet				
9,100.00	TENCENT HOLDINGS LTD	HKD	342,156.88	2.15
			342,156.88	2.15
Metal and Mining				
396,000.00	ZIJIN MINING GROUP CO LTD-H	HKD	645,074.88	4.06
58,096.00	JCHX MINING MANAGEMENT CO -A	CNY	309,312.29	1.94
			954,387.17	6.00
Textile				
60,900.00	SHENZHOU INTERNATIONAL GROUP	HKD	627,048.56	3.94
			627,048.56	3.94
			14,309,614.00	89.97
Total securities portfolio			14,309,614.00	89.97

Financial Derivative Instruments as at December 31, 2023

Purchase		Sale		Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
Forward foreign exchange contracts						
14,036,965.01	EUR	15,183,081.62	USD	31/01/2024	14,036,965.01	341,619.21
Total Forward foreign exchange contracts						341,619.21

Summary of net assets

	% NAV
Total securities portfolio	14,309,614.00 89.97
Total financial derivative instruments	341,619.21 2.15
Cash at bank	1,299,622.18 8.17
Other assets and liabilities	(46,164.13) (0.29)
Total net assets	15,904,691.26 100.00

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

LA FRANCAISE JKC Asia Equity (in USD)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Shares	100.00	89.97
	100.00	89.97

Country allocation	% of portfolio	% of net assets
Taiwan	22.08	19.87
China	21.69	19.50
India	17.33	15.60
South Korea	16.61	14.94
Singapore	6.99	6.29
Cayman Islands	6.77	6.09
Indonesia	4.83	4.35
USA	3.70	3.33
	100.00	89.97

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
TAIWAN SEMICONDUCTOR MANUFAC	Electric & Electronic	1,236,604.56	7.78
SAMSUNG ELECTRONICS CO LTD	Electric & Electronic	843,330.97	5.30
RAINBOW CHILDRENS MEDICARE	Healthcare	729,575.92	4.59
FUYAO GLASS INDUSTRY GROUP-A	Auto and Auto Parts	709,962.82	4.46
HANSOL CHEMICAL CO LTD	Chemical	699,383.46	4.40
MEDIKALOKA HERMINA TBK PT	Healthcare	691,368.89	4.35
BOC AVIATION LTD	Financial services	686,560.00	4.32
POYA INTERNATIONAL CO LTD	Distribution & Wholesale	678,181.15	4.26
ZIJIN MINING GROUP CO LTD-H	Metal and Mining	645,074.88	4.06
SHENZHOU INTERNATIONAL GROUP	Textile	627,048.56	3.94

Notes to the Financial Statements as at December 31, 2023

Note 1 - General information

JKC Fund (the "SICAV" or the Fund) is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable". The SICAV was incorporated for an unlimited period of time on January 19, 2009 and is governed by the Luxembourg law of August 10, 1915 on commercial companies, as amended, and by the Part 1 of the Law of December 17, 2010 concerning undertakings for collective investment in transferable securities, as may be amended from time to time.

The SICAV is registered at the "Registre de Commerce et des Sociétés" with the District Court of Luxembourg under the number B 144.551.

La Française Asset Management (the "Management Company") has been appointed as Management Company of the SICAV. It was incorporated on October 13, 1978 as a simplified joint stock company under French law for an unlimited period and is registered with the "Registre du Commerce et des Sociétés" in Paris.

The following Sub-Funds are open to subscription as at December 31, 2023:

- LA FRANÇAISE JKC China Equity;
- LA FRANÇAISE JKC Asia Equity.

Note 2 - Shares of the SICAV

The Sub-Fund LA FRANÇAISE JKC China Equity offers ten Capitalisation Shares:

Class I EURO-HEDGED	Shares denominated in EUR and intended for institutional investors of the Fund
Class I USD	Shares denominated in USD and intended for institutional investors of the Fund
Class GP EURO-HEDGED	Shares denominated in EUR and intended for retail investors of the Fund
Class GP USD	Shares denominated in USD and intended for retail investors of the Fund
Class P EURO-HEDGED	Shares denominated in EUR and intended for all types of investors subscribing through Independent Financial Advisors of the Fund
Class P USD	Shares denominated in USD and intended for all types of investors subscribing through Independent Financial Advisors of the Fund
Class S EURO-HEDGED	Shares denominated in EUR and intended for institutional investors, subject to a high minimum of holding
Class S USD	Shares denominated in USD and intended for institutional investors, subject to a high minimum of holding
Class T EURO-HEDGED	Shares denominated in EUR and intended for: 1 any investors, and, in case of subscription or distribution of shares in the European Union ("EU") only, who are: - financial intermediaries which are not allowed by the local laws applicable to them to receive and/or retain any commissions or other non-monetary benefits; or - distributors providing portfolio management and/or investment advice on an independent basis (as defined by MiFID) within the EU; or - distributors which have entered into a separate fee agreement with their client regarding the provision of non-independent advice (as defined by MiFID) and where such distributor does not receive and/or retain any commission or other non-monetary benefit. 2 funds of funds;
Class T USD	Shares denominated in USD and intended for: 1 any investors, and, in case of subscription or distribution of shares in the EU only, who are: - financial intermediaries which are not allowed by the local laws applicable to them to receive and/or retain any commissions or other non-monetary benefits; or - distributors providing portfolio management and/or investment advice on an independent basis (as defined by MiFID) within the EU; or - distributors which have entered into a separate fee agreement with their client regarding the provision of non-independent advice (as defined by MiFID) and where such distributor does not receive and/or retain any commission or other non-monetary benefit; 2 funds of funds;

The classes S EURO HEDGED, S USD, T EURO-HEDGED and T USD are currently not active.

The assets of the Classes will be invested jointly in accordance with the Sub-Fund's investment policy. Class I EURO-HEDGED, Class GP EURO-HEDGED, Class P EURO-HEDGED, S EURO-HEDGED and T EURO-HEDGED Shares, denominated in EUR, will be hedged against the foreign exchange rate risk between the EUR and the currencies of the underlying assets of the Sub-Fund linked to the USD, Asian currencies being treated in the same way as the USD.

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 2 - Shares of the SICAV (continued)

The hedging technique used by the Hedging Manager is based on rolling over EUR/USD forward foreign exchange contracts.

The Sub-Fund JKC Fund - LA FRANÇAISE JKC Asia Equity offers eight Capitalisation Shares:

Class I EURO-HEDGED	Shares denominated in EUR and intended for institutional investors of the Fund
Class I USD	Shares denominated in USD and intended for institutional investors of the Fund
Class GP EURO-HEDGED	Shares denominated in EUR and intended for retail investors of the Fund
Class GP USD	Shares denominated in USD and intended for retail investors of the Fund
Class P EURO-HEDGED	Shares denominated in EUR and intended for all types of investors subscribing through Independent Financial Advisors of the Fund
Class P USD	Shares denominated in USD and intended for all types of investors subscribing through Independent Financial Advisors of the Fund
Class T-EURO HEDGED	Shares denominated in EUR and intended for: 1 any investors, and, in case of subscription or distribution of shares in the European Union ("EU") only, who are : - financial intermediaries which are not allowed by the local laws applicable to them to receive and/or retain any commissions or other non-monetary benefits; or - distributors providing portfolio management and/or investment advice on an independent basis (as defined by MiFID) within the EU; or - distributors which have entered into a separate fee agreement with their client regarding the provision of non-independent advice (as defined by MiFID) and where such distributor does not receive and/or retain any commission or other non-monetary benefit. 2 funds of funds;
Class T USD	Shares denominated in USD and intended for: 1 any investors, and, in case of subscription or distribution of shares in the EU only, who are: - financial intermediaries which are not allowed by the local laws applicable to them to receive and/or retain any commissions or other non-monetary benefits; or - distributors providing portfolio management and/or investment advice on an independent basis (as defined by MiFID) within the EU; or - distributors which have entered into a separate fee agreement with their client regarding the provision of non-independent advice (as defined by MiFID) and where such distributor does not receive and/or retain any commission or other non-monetary benefit; 2 funds of funds;

The classes T EURO-HEDGED, Class GP EURO-HEDGED, Class P USD and Class T USD are currently not active.

The assets of the Classes will be invested jointly in accordance with the Sub-Fund's investment policy. Class I EURO-HEDGED, Class GP EURO-HEDGED, Class P EURO-HEDGED and Class T EURO-HEDGED Shares, denominated in EUR, will be hedged against the foreign exchange rate risk between the EUR and the currencies of the underlying assets of the Sub-Fund linked to the USD, Asian currencies being treated in the same way as the USD.

The hedging technique used by the Hedging Manager is based on rolling over EUR/USD forward foreign exchange contracts.

Note 3 - Accounting Principles

The Financial Statements of JKC FUND (the "SICAV" or the "Fund") have been prepared in accordance with accounting principles generally accepted in Luxembourg, including the following significant policies:

a) Combined

The combined financial statements of the SICAV are expressed in USD and correspond to the sum of the corresponding items in the financial statements of the different sub-funds at the end of the year.

b) Valuation of investments

The value of each security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.

The value of each security or other asset which is quoted or dealt in on any other regulated market that operates regularly, is recognized and is open to the public (a "Regulated Market") will be based on its last available price in Luxembourg.

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 3 - Accounting Principles (continued)

In the event that any assets are not listed nor dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any other Regulated Market as aforesaid, the price as determined pursuant to the two above sub-paragraphs is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the SICAV.

Units or shares of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price, in the opinion of the Board of Directors of the SICAV, is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors of the SICAV on a fair and equitable basis.

All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors of the SICAV.

c) Valuation of forward foreign exchange contracts

The unrealised appreciation / (depreciation) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at the valuation date.

d) Net realised gain / (loss)

The net realised gain / (loss) on sale of investments and derivatives is determined on the basis of the average cost of investments and derivatives sold. The net gain / (loss) on variation of exchange rates is recorded in the account "Net realised gain / (loss) on foreign currencies transactions" during the sale transaction.

e) Foreign currency translation

The Fund maintains its accounting records in USD. The value of all assets and liabilities expressed in currencies other than USD are converted into USD at the exchange rate prevailing at the closing date of the financial statements.

The value of the combined statement of net assets of the SICAV equals the sum of all different Sub-Funds' net assets converted into USD at the exchange rate prevailing on closing date in Luxembourg.

Income and expenses in currencies other than USD are converted into USD at the exchange rate prevailing on payment date.

f) Acquisition cost of investments

The cost of investments expressed in currencies other than USD is converted into USD at the exchange rate prevailing on purchase date.

g) Unrealised appreciation / (depreciation)

In accordance with current practices, unrealised appreciation / (depreciation) at the end of the Financial year are accounted for in the statement of net assets. Net change in unrealised appreciation / (depreciation) result is presented in the statement of operations and changes in net assets.

h) Purchases and sales of investments

The details of purchases and sales of investments of the year may be obtained at the registered office of the Fund.

i) Income, expenses and accruals

Interests on bonds and current accounts are accounted for on a day-to-day basis. Dividends are booked on an ex-dividend basis. Dividends are stated net of irrecoverable withholding taxes, if any.

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 4 - Exchange rates at December 31, 2023

1 USD =	7.092201 CNY	1 USD =	83.213733 INR
1 USD =	0.905264 EUR	1 USD =	1,287.900059 KRW
1 USD =	7.808582 HKD	1 USD =	1.319106 SGD
1 USD =	15,397.000272 IDR	1 USD =	30.69049 TWD

Note 5 - Subscription and redemption fee

After the initial subscription period, the subscription price corresponds to the Net Asset Value per Share for the relevant Class on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 5% of the applicable relevant Net Asset Value per Share and which shall revert to the sales agents.

The redemption price shall be based on the Net Asset Value per Share for the relevant Class on the relevant Valuation Day. A redemption fee of a maximum of 1.5% of the applicable relevant Net Asset Value will be levied at the discretion of the Board of Directors and will revert to the Investment Manager, provided that the principle of equal treatment of shareholders be complied with.

In the Sub-Fund LA FRANÇAISE JKC China Equity, for classes I EURO-HEDGED, I USD, P EURO-HEDGED, P USD, T EURO-HEDGED, S USD, S EURO-HEDGED and T USD no redemption fee will be levied.

In the Sub-Fund LA FRANÇAISE JKC Asia Equity, for classes I EURO-HEDGED, I USD, P EURO-HEDGED, P USD, T EURO-HEDGED and T USD, no redemption fee will be levied.

Note 6 - Management Company fee

A management fee is payable to the Management Company by each Sub-Fund in remuneration for its services. Such fee is set at a maximal annual rate of 0.10% per annum with a minimum of EUR 30,000 per annum, payable quarterly in arrears and calculated on the average of the net assets of the Sub-Fund for the relevant quarter.

Note 7 - Investment Management fees and Performance fees

LA FRANCAISE JKC China Equity

Management fees per share class

Class I EURO-HEDGED	1.50% p.a.
Class I USD	1.50% p.a.
Class GP EURO-HEDGED	1.50% p.a.
Class GP USD	1.50% p.a.
Class P EURO-HEDGED	2.20% p.a.
Class P USD	2.20% p.a.
Class S USD	0.95% p.a.
Class S EURO-HEDGED	0.95% p.a.
Class T EURO-HEDGED	1.50% p.a.
Class T USD	1.50% p.a.

Performance fees

In addition, for the Classes I EURO-HEDGED, I USD, GP EURO-HEDGED, GP USD, P EURO-HEDGED, P USD, T EURO-HEDGED and T USD the Investment Manager is entitled to receive, within ten Business Days of the last Business Day of each calendar year, a performance fee equal to 15% of the performance of the Net Asset Value per Share for Classes I EURO-HEDGED, I USD, GP EURO-HEDGED, GP USD, P EURO-HEDGED, P USD, T EURO-HEDGED and T USD;

There is a performance of the Net Asset Value per Share of the Class if there is an increase in the Net Asset Value per Share of the Class compared to the highest Net Asset Value per Share ever previously achieved for this Class ("Reference Net Asset Value", i.e. the last Net Asset Value on which a performance fee has been booked or the Initial Subscription Price for new Classes of Shares).

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 7 - Investment Management fees and Performance fees (continued)

Under the high-water mark principle, if there is an under-performance for a given period, this underperformance will be taken into consideration, which means that the Reference Net Asset Value of the Class will be maintained, until a performance of the Net Asset Value per Share of the Class is recorded.

The amount of the performance fee will be accrued on each Valuation Day, based on the outstanding Shares of the Class on that day.

The performance reference period is, throughout the life of the relevant Class, from the 1st trading day in January to the last trading day in December of each calendar year.

Sampling frequency:

The performance fee is collected for the benefit of the Investment Manager within ten Business Days following the last Business Day of each calendar year. Under no circumstances may the reference period of the fund be less than one year unless the fund is liquidated prior to the end of a calendar year.

Performance fee calculation method:

• During the reference period:

- If the Sub-Fund's Net Asset Value is greater than the Reference Net Asset Value, the variable portion of performance fees will represent 15% of the performance of the Net Asset Value per Share for Classes I EURO-HEDGED, I USD, GP EURO-HEDGED, GP USD, P EURO-HEDGED, P USD, T EURO-HEDGED and T USD.
- The performance fee will be calculated net of all costs.
- This difference will be the subject of a provision for performance fees when calculating the Net Asset Value.

In the event of redemption, the portion of the provision made, corresponding to the number of shares redeemed, is definitively acquired by the Investment Manager.

• At the end of the reference period:

If during the performance reference period the Reference Net Asset Value has changed, the performance fees provisioned during the reference period is definitively acquired by the Investment Manager.

If during the performance reference period the Reference Net Asset Value did not change, the performance fees will be zero.

For the year ended December 31, 2023, no performance fees were accrued nor paid by the Sub-Fund LA FRANCAISE JKC China Equity.

The payment for third party service

The Investment Manager is further entitled to be reimbursed by the Management Company at the charge of the Sub-Fund, the expenses paid to third party services providers by the Investment Manager for the use of computer databases necessary to the day-to-day management of the Sub-Fund (such as subscriptions to Bloomberg, Reuters, Dow Jones News Services, etc.), such reimbursements to be capped to USD 4,000 per month.

LA FRANCAISE JKC Asia Equity

Management fees per share class

Class I EURO-HEDGED	1.50% p.a.
Class I USD	1.50% p.a.
Class GP EURO-HEDGED	1.50% p.a.
Class GP USD	1.50% p.a.
Class P EURO-HEDGED	2.20% p.a.
Class P USD	2.20% p.a.
Class T EURO-HEDGED	1.50% p.a.
Class T USD	1.50% p.a.

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 7 - Investment Management fees and Performance fees (continued)

Performance fees

In addition, the Investment Manager is entitled to receive, within ten Business Days of the last Business Day of each calendar year, a performance fee equal to 15% of the performance of the Net Asset Value per Share of the Class.

There is a performance of the Net Asset Value per Share of the Class if there is an increase in the Net Asset Value per Share of the Class compared to the highest Net Asset Value per Share ever previously achieved for this Class ("Reference Net Asset Value" – i.e. the last Net Asset Value on which a performance fee has been booked or the Initial Subscription Price for new share classes).

Under the high water mark principle, if there is an under-performance for a given period, this underperformance will be taken into consideration, which means that the Reference Net Asset Value of the Class will be maintained, until a performance of the Net Asset Value per Share of the Class is recorded.

The amount of the performance fee will be accrued on each Valuation Day, based on the outstanding Shares of the Class on that day.

The performance reference period is, throughout the life of the relevant Class, from the 1st trading day in January to the last trading day in December of each calendar year.

Sampling frequency:

The performance fee is collected for the benefit of the Investment Manager within ten Business Days following the last Business Day of each calendar year. Under no circumstances may the reference period of the fund be less than one year unless the fund is liquidated prior to the end of a calendar year.

Performance fee calculation method:

- During the reference period:
 - If the Sub-Fund's Net Asset Value is greater than Reference Net Asset Value, the variable portion of performance fees will represent 15% of the performance of the Net Asset Value per Share of the Class.
 - The performance fee will be calculated net of all costs.
 - This difference will be the subject of a provision for performance fees when calculating the Net Asset Value.

In the event of redemption, the portion of the provision made, corresponding to the number of shares redeemed, is definitively acquired by the Investment Manager.

- At the end of the reference period:
 - If during the performance reference period the Reference Net Asset Value has changed, the performance fees provisioned during the reference period is definitively acquired by the Investment Manager.
 - If during the performance reference period the Reference Net Asset Value did not change, the performance fees will be zero

For the year ended December 31, 2023, no performance fees were accrued nor paid for the Sub-Fund LA FRANCAISE JKC Asia Equity.

The payment for third party service

The Investment Manager is further entitled to be reimbursed by the Management Company at the charge of the Sub-Fund, the expenses paid to third party services providers by the Investment Manager for the use of computer databases necessary to the day-to-day management of the Sub-Fund (such as subscriptions to Bloomberg, Reuters, Dow Jones News Services, etc.), such reimbursements to be capped to USD 4,000 per month.

Note 8 - Hedging management fees

Each Sub-Fund pays a hedging fee to the Hedging Manager at the charge of Classes I EURO-HEDGED, GP EURO-HEDGED and P EURO-HEDGED at the rate of 0.05% per annum, payable monthly in arrears and calculated on the average of the net assets of the Sub-Fund attributable to these Classes for the relevant month.

Notes to the Financial Statements as at December 31, 2023 (continued)

Note 9 - *Taxe d'abonnement* (subscription tax)

The Fund is subject to Luxembourg tax laws.

Under current law and practice, the Fund is not liable to any Luxembourg income tax. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum, such tax being payable quarterly and calculated on the basis of the net assets of the Sub-Fund at the end of the relevant quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Classes dedicated to institutional investors (Classes I EURO-HEDGED, I USD and S EURO- HEDGED).

Note 10 - Forward foreign exchange contracts

As at December 31, 2023, the Sub-Fund LA FRANCAISE JKC China Equity held positions in forward foreign exchange contracts. The counterparty for all of these positions is BNP Paribas.

As at December 31, 2023, the Sub-Fund LA FRANCAISE JKC Asia Equity held positions in forward foreign exchange contracts. The counterparty for all of these positions is BNP Paribas.

Note 11 - Professional fees

The caption "Professional fees" include mainly Legal and Audit Fees.

Note 12 - Other expenses

This caption is mainly composed of Transfer agent fees, Paying agent fees, Service fees and Other exceptional loss.

Note 13 - Transaction costs

The SICAV incurred transaction costs which have been defined as brokerage fees, certain taxes and certain custodian fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. The global amounts of transaction costs are taken into account through the Statements of Operations and Changes in Net Assets. In line with market practices for debt securities, the transaction fees are included in the spreads relating to the purchase and sale of debt securities.

Note 14 - Distribution fees

The SICAV is registered with the Belgian Financial Markets and Services Authority ("FSMA") in accordance with Article 154 of the Financial Markets Act. Funds registered for public distribution in Belgium are subject to an annual tax of 0.0925% of the net assets of the shares distributed in Belgium via Belgian intermediaries as at December 31 of the previous year.

Note 15 - Operating fees

This caption is mainly composed of Operating fees, Domiciliation fees, Accounting fees and Financial reporting fees.

Note 16 - Research fees

The Fund pays out of the assets of the relevant Sub-Fund research fees (up to 0.20% p.a. of the average Net Asset Value of a Sub-Fund).

Note 17 - Changes in the composition of the Securities Portfolio

The report on changes in the composition of the Securities Portfolio for each Sub-Fund is available upon request and free of charge from the registered office of the SICAV and the Representative Principal / agent in France.

Notes to the Financial Statements as at December 31, 2023 (continued)**Note 18 – Russia/Ukraine conflict**

On 24 February 2022, Vladimir Putin ordered the invasion of Ukraine, triggering a panic in the capital markets. It is worth mentioning the recent worsening of geopolitical tensions, which has led to the Russian military attack on Ukraine beginning in the last week of February 2022, with repercussions also on sanctions by the international community against Russia. This supposes a relevant factor of uncertainty, which is already being reflected in the behavior of risk assets, mainly in drops in equities and also in strong price increases for raw materials. Depending on the evolution of this situation, this factor may be decisive for the evolution of the risk premiums in the financial markets, the levels of economic activity, the inflation rates and therefore the monetary policy path followed by the main Central Banks. However, the impact on the Fund and its holdings was limited due to the lack of exposure to these countries.

Note 19 - Subsequent events

The change of Management Company becomes effective on May 1, 2024, following the merger-absorption of La Francaise AM by Credit Mutuel AM.

Additional Information (unaudited)

SFT Regulation

During the year ended December 31, 2023, the SICAV did not engage in transactions which are subject of EU Regulation No 2015/2365 on the transparency of securities financing transactions and of reuse. Accordingly, no global, concentration or transaction data, or information on the reuse or safekeeping of collateral is required to be reported for the Sub-Funds.

Information on risk measurement

The sub-funds' global risk exposure is monitored by using the commitment approach. In that respect, financial derivative instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

Remuneration Policy

Remuneration Policy of the Management Company

The Remuneration Policy of the Management Companies of the La Française Group governs the remuneration of all staff members. The La Française Group ensures compliance with a remuneration policy that is a source of value and motivation for its teams, and it makes sure that said remuneration is allocated fairly for equivalent positions and responsibilities.

The Policy is determined so as to avoid conflicts of interest. It promotes sound and efficient risk management and does not encourage risk taking that would be incompatible with the risk profiles, regulations and constitutive documents of the AIFs or UCITS, or incompatible with the interests of clients.

For the 2023 calendar year, remuneration is distributed as follows (in EUR):

La Française Asset Management	
Assets under management :	10 413 419 817€
Total staff (*) :	95 persons
Total Remuneration	8 975 464,33€
Fix Remuneration	7 039 945,66€
Variable remuneration	1 035 518,67€
Senior Management	1 569 819,57€
Risk takers	4 043 375,56€

Variable remuneration is based on a global envelope which is a function of the consolidated Gross Operating Profit of the La Française Group. This envelope is allocated on a discretionary basis within each business line, based on set collective objectives and then allocated to each employee linked to the fulfilment of the set objectives.

The Policy was reviewed and approved by the Group's Supervisory Board with support from the Group Remuneration Committee and the Group Entity Remuneration Committee. It has satisfactorily completed a central, independent internal assessment.

Further information on governance and the guiding principles of the Remuneration Policy is available on the La Française website: www.la-francaise.com.

Remuneration information with regard to the delegate of the Management Company

This disclosure does not include remuneration of employees of entities to which the Management Company has delegated portfolio management functions.

Remuneration Policy of the Investment Manager Delegated

JKC Capital Management

JKC Capital Management Ltd	
Assets under management	86 455 250 USD
Total staff	14 staff members
Total Remuneration	1 668 827,96 USD
Fix Remuneration	1 668 827,96 USD
Variable remuneration	0 USD
Senior Management	251 282,05 USD
Risk takers	497 435,90 USD
Salary attributable to JKC Asia / China Equity Fund	555 744,83 USD

Additional Information (unaudited) (continued)**Sustainable Finance Disclosure Regulation (SFDR)**

As at December 31, 2023, the sub-funds below promote environmental/social characteristics (SFDR (EU) 2019/2088, article 8):

- LA FRANCAISE JKC China Equity
- LA FRANCAISE JKC Asia Equity

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: JKC FUND - LA FRANÇAISE JKC China Equity

Legal entity identifier: 5493008J670UNATKPJ07

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ____%

☒ ☐ No

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by The fund include but are not limited to, environmental performance (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), positive social objectives (gender diversity and equality, social inclusion, intellectual property protection, welfare and wellbeing, health and safety, fair labour practices, financial inclusion) and robust corporate governance practices (management quality, board independence, alignment of interests and board diversity).

The promotion of these environmental and social characteristics has been conducted through the systematic implementation of ESG Integration and Negative Screening Policy.

ESG Integration - the Investment Manager is committed to systematically implementing its ESG Integration Policy, which also covers Materiality Analysis, ESG Performance Profiling, Governance Analysis and Active Engagement. Through the implementation of such policy, the Investment Manager aims to invest in companies with strong or improving ESG performance track records.

Negative sectoral and regional screening - for sectoral exclusion, the Investment Manager is committed to implementing negative screening on controversial weapons, tobacco and thermal coal to mitigate environmental, social and governance risks. Besides exclusions based on sectors and industries, the Investment Manager excludes companies that are doing business with certain blacklisted countries.

● ***How did the sustainability indicators perform?***

In general, all environmental, social and governance indicators performed well during the reference period. But since the sustainability factors used for evaluating each investment vary, we are not able to provide a overall score.

The portfolio's carbon intensity (WACI), is the sustainability indicator used to evaluate all the portfolio companies. During the reporting period, the WACI of the portfolio has been increase from 183.6 to 190.0, representing a 3.4% YoY increase. The slight increase in WACI is mainly due to the change in portfolio holdings and positioning.

The WACI is calculated by the sum of weighted average carbon intensity of each portfolio companies, in tons CO₂ / \$M revenue.

● ***...and compared to previous periods?***

Between 2021 and 2022, the WACI of the portfolio has been reduced from 248 to 183.6, representing a 26% YoY reduction.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The fund does not commit to make any sustainable investments.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

NA

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Investment Manager aims to mitigate the adverse impacts of its investment decisions on sustainability factors by means of exclusion, active engagement and proxy voting.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund does not commit to make any sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Managers engages with portfolio companies for potential improvement on relevant Principle Adverse Impacts (PAIs) by taking into consideration the sector in which the investee company operates. If engagement is not successful in improving on PAIs, investments in these companies may be reduced or sold.



What were the top investments of this financial product?

Largest Investments	Sectors	% Assets (Yearly Average)	Country
SHENZHOU INTERNATIONAL GROUP	Consumer Discretionary	5.69	China
BOC AVIATION LTD	Industrials	5.34	Singapore
ZIJIN MINING GROUP CO LTD-H	Materials	5.08	China
ZHEJIANG SANHUA INTELLIGEN-A	Industrials	5.03	China
NARI TECHNOLOGY CO LTD-A	Industrials	4.98	China
RIANLON CORP-A	Materials	4.94	China
CHINA RESOURCES BEER HOLDING	Consumer Staples	4.79	China
NINGBO TUOPU GROUP CO LTD-A	Consumer Discretionary	4.79	China
YUM CHINA HOLDINGS INC	Consumer Discretionary	4.75	China
XINYI GLASS HOLDINGS LTD	Industrials	4.49	China
CHINA MEIDONG AUTO HOLDINGS	Consumer Discretionary	4.27	China
INNER MONGOLIA YILI INDUS-A	Consumer Staples	3.99	China
CHINA INTERNATIONAL CAPITA-H	Financials	3.89	China
SILERGY CORP	Information Technology	3.77	China
LI NING CO LTD	Consumer Discretionary	3.69	China

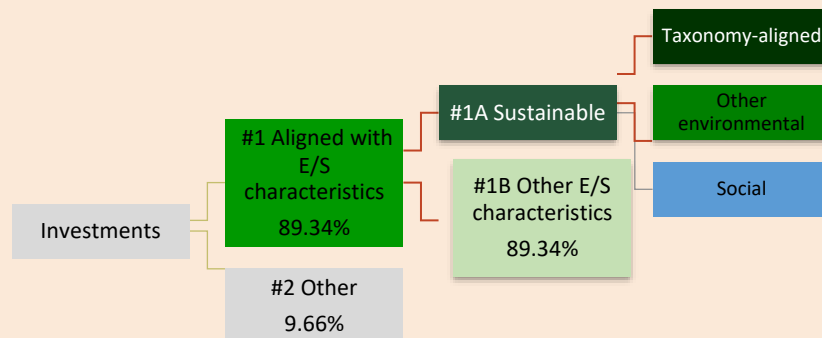
What was the proportion of sustainability-related investments?

The fund does not commit to make any sustainable investments.

What was the asset allocation?



Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or

● In which economic sectors were the investments made?

GICS Sector	GICS Industries	% Assets (Yearly Average)
Consumer Discretionary	Broadline Retail	2.15
	Specialty Retail	4.27
	Textiles, Apparel & Luxury Goods	9.37
	Automobile Components	6.38
	Hotels, Restaurants & Leisure	5.56
Communication Services	Entertainment	0.3
	Interactive Media & Services	2.54
Consumer Staples	Beverages	4.79
	Food Products	3.99
Financials	Capital Markets	3.89
Health Care	Biotechnology	3.37
	Health Care Equipment & Supplies	1.15
Industrials	Building Products	4.49
	Electrical Equipment	4.98
	Trading Companies & Distributors	5.34
	Machinery	12.54
	Marine Transportation	0.55
Materials	Chemicals	4.94
	Metals & Mining	6.17
Others	Others	6.16



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments.

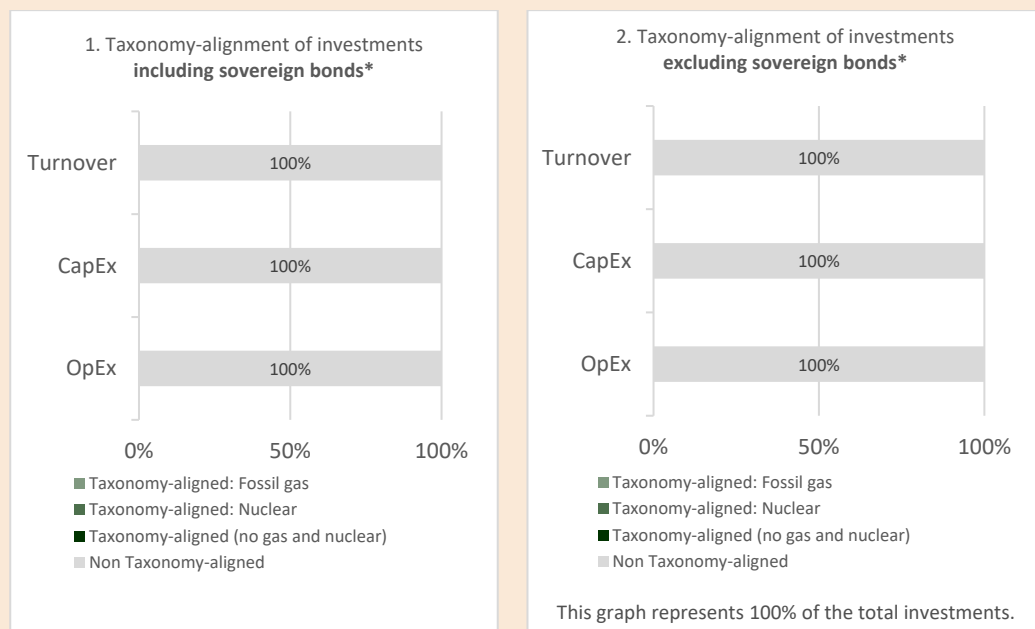
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

NA

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

NA



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments.



What was the share of socially sustainable investments?

The fund does not commit to make any sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“Other” investments include investments in companies that do not disclose enough data for the Investment Manager to form a substantiated opinion as to the alignment of environmental and social characteristics, liquidity management tools and derivatives. There are certain environmental and social safeguards that are met by applying PAI's. Where relevant, these are applied to the underlying securities.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

To meet the environmental and characteristics, the ESG Intergration Policy has been fully implemented during the investment decision-making processes, which includes:

- Negative Exclusion
- ESG Materiality Assessment
- Proxy Voting
- Active Engagement*

*Active engagement refers to a wide range of activities including but not limited to collective network engagement, company group meetings, company 1x1 meetings, letters and emails.



How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the fund.

- **How does the reference benchmark differ from a broad market index?**

NA

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

NA

- ***How did this financial product perform compared with the reference benchmark?***

NA

- ***How did this financial product perform compared with the broad market index?***

During the reporting period, the Fund returned -23.21% while the broad market index MSCI China returned -13.22%.

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: La Française LUX – JKC Asia Bond 2025

Legal entity identifier: 5493002TNJGT3QC4M857

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ____%

☒ ☐ No

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by The fund include but are not limited to, environmental performance (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), positive social objectives (gender diversity and equality, social inclusion, intellectual property protection, welfare and wellbeing, health and safety, fair labour practices, financial inclusion) and robust corporate governance practices (management quality, board independence, alignment of interests and board diversity).

The promotion of these environmental and social characteristics has been conducted through the systematic implementation of ESG Integration and Negative Screening Policy.

ESG Integration - the Investment Manager is committed to systematically implementing its ESG Integration Policy, which also covers Materiality Analysis, ESG Performance Profiling, Governance Analysis and Active Engagement. Through the implementation of such policy, the Investment Manager aims to invest in companies with strong or improving ESG performance track records.

Negative sectoral and regional screening - for sectoral exclusion, the Investment Manager is committed to implementing negative screening on controversial weapons, tobacco and thermal coal to mitigate environmental, social and governance risks. Besides exclusions based on sectors and industries, the Investment Manager excludes companies that are doing business with certain blacklisted countries.

● ***How did the sustainability indicators perform?***

In general, all environmental, social and governance indicators performed well during the reference period. But since the sustainability factors used for evaluating each investment vary, we are not able to provide a overall score.

The portfolio's carbon intensity (WACI), is the sustainability indicator used to evaluate all the portfolio companies. During the reporting period, the WACI of the portfolio has been reduced from 324.6 to 172.0, representing a 47% YoY reduction.

The WACI is calculated by the sum of weighted average carbon intensity of each portfolio companies, in tons CO₂ / \$M revenue.

● ***...and compared to previous periods?***

Between 2021 and 2022, the WACI of the portfolio has been increased from 304.2 to 324.6, representing a 6.7% YoY increase.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The fund does not commit to make any sustainable investments.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The fund does not commit to make any sustainable investments.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Investment Manager aims to mitigate the adverse impacts of its investment decisions on sustainability factors by means of exclusion, engagement and proxy corporate action voting.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The fund does not commit to make any sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Managers engages with portfolio companies for potential improvement on relevant Principle Adverse Impacts (PAIs) by taking into consideration the sector in which the investee company operates. If engagement is not successful in improving on PAIs, investments in these companies may be reduced or sold.



What were the top investments of this financial product?

Largest Investments	Sectors	% Assets (Yearly Average)	Country
SHFLIN 4.15 07/18/25	Financials	3	India
TTMTIN 5.875 05/20/25	Commodity & Logistics	2.86	India
GRNKEN 5.5 04/06/25	Utilities	2.73	India
BSDEIJ 5.95 01/23/25	Property	2.59	Indonesia
TBIGIJ 4.25 01/21/25	Utilities	2.3	Indonesia
HRINTH 5 11/19/25	Financials	2.21	China
RECLIN 3.5 12/12/24	Financials	2.17	India
INAPIN 6.25 10/25/25	Commodity & Logistics	2.17	India
T 4.125 01/31/25	Government	2.06	United States
BMRIJ 4.75 05/13/25	Financials	1.64	Indonesia
MEDCIJ 6.75 01/30/25	Oil & Gas	1.59	Indonesia
T 3 7S 03/31/25	Government	1.53	United States
BOCAVI 3.25 04/29/25	Financials	1.52	Singapore
FOSUNI 5.95 10/19/25	Diversified	1.47	China
BBTNIJ 4.2 01/23/25	Financials	1.45	Indonesia

What was the proportion of sustainability-related investments?

The fund does not commit to make any sustainable investments.

What was the asset allocation?

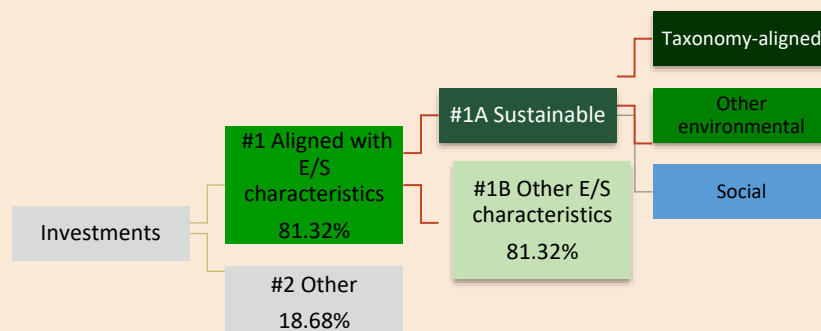


Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?

JKCM Sector	% Assets (Yearly Average)
PROPERTY	22.17
FINANCIALS	21.22
INDUSTRIAL	9.21
UTILITIES	8.89
COMMODITY & LOGISTICS	8.48
OTHERS	8.48
RETAIL & CONSUMER	7.55
GOVERNMENT	7.03
OIL & GAS	3.83
DIVERSIFIED	2.23
LGFV	0.91

Due to the unique nature of the asset class, this fund utilises a 1-tier custom sector classification system and therefore it is unable to provide disclosure on “sub-sector” information.



● To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments.

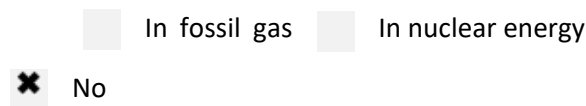
● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

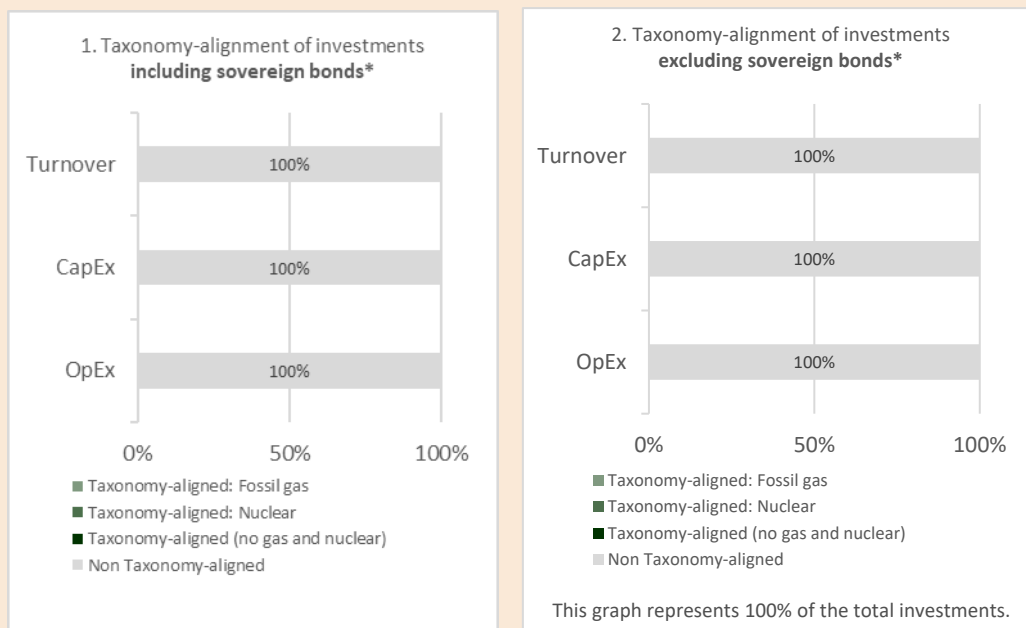
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

NA

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

NA



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments.



What was the share of socially sustainable investments?

The fund does not commit to make any sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“Other” investments include investments in companies that do not disclose enough data for the Investment Manager to form a substantiated opinion as to the alignment of environmental and social characteristics, liquidity management tools and derivatives. There are certain environmental and social safeguards that are met by applying PAI's. Where relevant, these are applied to the underlying securities.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

To meet the environmental and characteristics, the ESG Intergration Policy has been fully implemented during the investment decision-making processes, which includes:

- Negative Exclusion
- Active Engagement*

*Active engagement refers to a wide range of activities including but not limited to collective network engagement, company group meetings, company 1x1 meetings, letters and emails.



How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the fund.

● *How does the reference benchmark differ from a broad market index?*

NA

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

NA

● *How did this financial product perform compared with the reference benchmark?*

NA

● *How did this financial product perform compared with the broad market index?*

NA

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

