

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, 2019

JKC FUND

LA FRANCAISE JKC China Equity

LA FRANCAISE JKC Asia Equity

No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus and relevant Key Investor Information Document ("KIID") 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

Chairman:

Fabrice JACOB, CEO
JK Capital Management Ltd.

Directors:

Alex KING YUE LEUNG, CFO and Risk Manager (until February 28, 2019)
JK Capital Management Ltd.

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

Laurent JACQUIER-LAFORGE (since March 6, 2019)
La Française Asset Management

Registered Office:

12, Rue Eugène Ruppert, (until February 24, 2019)
L-2453 Luxembourg
Grand-Duchy of Luxembourg

60, Avenue J.F. Kennedy, (since February 25, 2019)
L-1855 Luxembourg
Grand-Duchy of Luxembourg

Depositary and Paying Agent:

Banque Degroof Petercam Luxembourg S.A., (until February 24, 2019)
12, Rue Eugène Ruppert,
L-2453 Luxembourg
Grand-Duchy of Luxembourg

BNP Paribas Securities Services, Luxembourg Branch, (since February 25, 2019)
60, Avenue J.F. Kennedy,
L-1855 Luxembourg
Grand-Duchy of Luxembourg

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

Degroof Petercam Asset Services S.A., (until February 24, 2019)
12, Rue Eugène Ruppert,
L-2453 Luxembourg
Grand-Duchy of Luxembourg

BNP Paribas Securities Services, Luxembourg Branch, (since February 25, 2019)
60, Avenue J.F. Kennedy,
L-1855 Luxembourg
Grand-Duchy of Luxembourg

Cabinet de Révision agréé:

Deloitte Audit,
Société à responsabilité limitée
20, Boulevard de Kockelscheuer,
L-1821 Luxembourg
Grand-Duchy of Luxembourg

Management Company:

La Française AM International (until March 1, 2019)
2, Boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg

La Française AM International (since March 2, 2019 and until September 30, 2019)
60, Grande Rue, L-1661 Luxembourg, Grand-Duchy of Luxembourg

La Française Asset Management (since October 1, 2019)
128, Boulevard Raspail, F-75006 Paris, France

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

JK Capital Management Ltd.
Suite 1101, Chinachem Tower,
34-37 Connaught Road Central,
Hong-Kong

Hedging Manager:

Degroof Petercam Asset Services S.A., (until February 24, 2019)
12, Rue Eugène Ruppert,
L-2453 Luxembourg
Grand-Duchy of Luxembourg

BNP Paribas Securities Services, Luxembourg Branch, (since February 25, 2019)
60, Avenue J.F. Kennedy,
L-1855 Luxembourg
Grand-Duchy of Luxembourg

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. Any interested person may inspect this document at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the SICAV.

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 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 Fund.

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, 2019 for financial reporting purposes.

As at December 31, 2019 the SICAV has two sub-funds named :

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

Directors' Report

Despite all the negative headlines about the trade war between the United States and China, Chinese equity markets performed well in 2019. The CSI 300 index of A-shares gained 36.1%, the best performing one in Asia, while the MSCI China index gained 20.4%, leading the pack as well. The Chinese economy did not surprise economists as it performed in line with forecasts made at the start of the year, with a gradual structural slowdown in GDP growth playing out according to plans. The Chinese government was careful not to stimulate the economy more than it should as it kept a very close eye at the country's debt level. With net exports representing less than 1% of China's GDP, the country's growth was not impacted by the trade war. Over the past recent years, the real engine of China has been domestic consumption (the tertiary sector accounts for 75% of GDP growth), and there has been no serious hiccup in 2019 despite an outbreak of African Swine Fever that saw the number of pigs cut by half and inflation spike as a result. The mighty property sector also did fine with sales up 1.6% in the first 11 months and prices in the 70 largest cities of China gaining 7.6% year-on-year, in line with nominal income growth. The government is keeping a very tight control over supply and demand for properties as any widespread imbalance would have a strong negative impact on the country's economy.

We were not totally surprised by the overwhelming negativity displayed by western investors towards China throughout the year. The Chinese government has been noticeably silent when facing adversity, be it the anti-China rhetoric of the White House, the unrest in Hong Kong or the restrictions imposed by the US on Huawei, China's leading technology company. Indeed, China has always been perceived in the West as a country that could not be trusted. General perception changes often take time. What surprised us the most in 2019, however, was the lack of coverage in western media of the financial crisis that engulfed India which, in our views, has the potential to inflict far more damage to the Indian economy than any trade war could on China. The bankruptcy of an infrastructure fund (IL&FS) in September 2018 had a ripple effect on the entire banking and non-banking financial sector, triggering a systemic crisis across the economy that the Reserve Bank of India has so far been unable to stop. As a result, the Indian GDP growth collapsed from 8.0% in the June 2018 quarter to 4.5% in the September 2019 quarter. Surprisingly it did not prevent the Indian stock market from returning 15.8% in 2019. Flows were largely driven by foreign investors that seem to have turned a blind eye on the structural issues the country is currently facing.

The star performer in 2019 was Taiwan, a country that is driven by its technology companies, and to a large extent by TSMC, the world's largest semiconductor manufacturer. After one year of hostilities launched by the United States against China's progress in the technology space, the 5G story is finally catching up on suppliers around the world, many of them having been reluctant to invest in additional capacity as long as the China-US technology battle was going on. Taiwan (and to a smaller extent Korea) is the key beneficiary of this trend, with capacity shortages currently appearing across the value chain. The Taiwan Stock Exchange Weighted Index (or TAIEX) gained 23.3% in 2019, largely driven by its technology sector that represented 52% of the TAIEX at the end of the year.

Other markets across Asia ended the year more or less where they started it despite interest rates being cut repeatedly across South East Asia as local governments tried to stimulate their lackluster economies. The continuing strengthening of the US dollar during the year was the main culprit as South East Asia has always been very dependent on US dollar funding.

Our Asia fund performed well in 2019, returning 27.6% and outperforming its benchmark by 12.2% while our China fund also performed well, returning 30.3% and outperforming its benchmark by 9.9%. The outperformance of our Asia fund largely came from our stock picking in China, in Indonesia and in Korea, the largest contributors having been Hangzhou Tigermed, a Chinese clinical research company, Bank Tabungan Pensiunan Nasional Syariah, a micro-lending bank in Indonesia that offers productive loans to underprivileged women, and Sunny Optical, a Chinese camera module and lens maker that sells its products to smartphone manufacturers. In terms of sector allocation within our Asia fund, a strong outperformance was recorded in financials, healthcare and industrials, counter-balanced to a certain extent by underperformance in the consumer discretionary sector, mainly from the auto industries in China and India. At the start of 2020, the fund was structurally overweight China, Korea and Indonesia, equally weighted Thailand and Singapore, underweight India, underweight Taiwan as we are mindful of the total exposure of the fund to the technology sector across Asia, and with no exposure to Malaysia and the Philippines.

The outperformance of our China fund largely came from stock picking in real estate, in industrials and in financials. The best stock picks in 2019 were Hangzhou Tigermed, Sunny Optical and China Jinmao Holdings, a property developer. At the start of 2020, the fund was overweight consumer staples, healthcare, industrials, technology, equally weighted financials, slightly underweight real estate and consumer discretionary, structurally underweight communication services (due to UCITS funds limits) and with no exposure to energy, utilities and materials.

2020 OUTLOOK

The year 2020 started on a very rocky path as China got hit by an outbreak of coronavirus, also known as Covid-19, that has killed so far almost 2000 people in Hubei province, a few dozens in other provinces of China and fewer than ten overseas (as these lines are written). As a result of drastic and unprecedented measures taken across China to control the virus, it is anticipated that the impact on the Chinese economy will be both severe and short-lived as stimulus measures have started being implemented, with probably more decisive measures to come. Stock markets seem to have realized that the long-term consequences of the outbreak will be limited as indices have not shown many signs of stress other than some initial knee-jerk reaction.

On the US-China trade war front, the phase one agreement reached by the two countries is a temporary patch to the ongoing dispute. It leaves open critical issues such as future technology leadership, intellectual property rights, subsidies and technology transfers. We expect the truce reached by the two countries not to last long and the dispute on those critical topics to resume. The good news is that not only the Chinese economy is no longer driven by its exports but it is also fast becoming self-sufficient in the technology space after having invested \$14bn over the past five years and having recently committed another \$29bn to create its own independent supply chain for its Integrated Circuit industry. In theory, the ongoing expansion of the Fed balance sheet should bring downward pressure on the dollar, which in return should be positive for emerging markets in general, and South-East Asia in particular. The rising inclusion factor of Chinese A-shares in global indices should also attract foreign flows towards China coming from passive funds. From a stock picking perspective, despite having the reputation of being akin to a casino, the A-share markets of Shenzhen and Shanghai have a lot of well-managed quality companies that are relatively small and unknown, many of them being hidden gems. We, as active managers, are very excited about such opportunities. In terms of country and sector allocation, we remain very prudent on India as we find the market overvalued in the present circumstances. We are watching closely the Philippines that is seeing its current account deficit improve, we like Indonesia for the way it has embraced the digital economy, the political coalition that President

Director's Report (continued)

Jokowi managed to pull together and its large middle class that is gradually climbing the wealth ladder. We are bullish on the technology sector across the region as the catch-up process mentioned above should nicely play out despite the US rhetoric. We like micro-lending and consumer finance across the region and the premiumisation of consumer goods that we are witnessing across China. 2020 will also probably be the year when ESG considerations become widely recognised by listed companies across Asia as the pressure exercised by foreign investors has now become impossible for them to ignore.

JKC Fund - Covid 19 impact on the funds

Subsequent to the end of 2019, COVID 19 has widespread across the world. The consequences of the pandemic are unknown to date and will likely affect the financial markets performance as well as the asset management industry and the SICAV. The board of directors of the SICAV is carefully monitoring the situation as well as its potential impacts on the SICAV. The SICAV is in full capacity to continue its usual operations in accordance with its investment policy and its prospectus. The published unaudited sub-funds net assets values and financial information are available on www.jkcapitalmanagement.com

It is worth noting that Asia in general has been outperforming the rest of the world as the Eurostoxx index was down 25% as at March 25, 2020 and the S&P 500 index was down 23% as at the same date.

Most importantly when it comes to running the company's sub-funds in a period of turmoil, the main equity markets across Asia have remained highly liquid. The A share market of China (Shanghai and Shenzhen) is outstanding in this regard, with daily transactions of USD62bn since the start of the year. This compares with USD7bn per day on average in London, USD6bn in Paris, USD12bn in Hong Kong and USD43bn in New York. In other words the A share market of China has been 44% more fluid than the New York Stock Exchange whilst it outperformed very significantly the rest of the world so far this year as mentioned previously. The Stock Connect mechanism that allows foreign funds like ours to buy and sell A shares is working very smoothly. It is a system that guarantees under all circumstances, other than a market shutdown, the liquidity of foreign investors who want to sell A shares, whatever the quantities. The only exceptional market shutdown we have seen in our investment universe since the start of the year was the stock market of The Philippines which closed for one day, on 18th March. Our Asia fund does not have any exposure to the Philippines at present.

Back to the outperformance of the A share market this year, it is worth remembering that it is a market that is largely domestic-driven (foreign participation remains in the single digits), and that China is ahead of the world in fighting the coronavirus. The Chinese government managed to re-open approximately 80% of its economy after more than two months of lock-down and is focused now on economic stimulation. As Bloomberg put it in an article on 23rd March, "China is swimming in cash with cheapest funding since 2006", which is in sharp contrast with the situation in the US where the yield gap between US commercial paper and risk-free rates is at its highest since the 2008 global financial crisis.

Hong Kong, Taiwan and Korea have also remained very liquid as local investors in these markets (both retail and institutional) tend to be cash-rich. They are attracted by what they might perceive as being a once-in-a-decade buying opportunity. In other words, any foreign investor who wants to sell any of these markets will probably find a local buyer. The stability of the Chinese RMB and of the Taiwanese dollar are other reasons why these two markets are relative safe haven.

It is in South East Asia (India, Indonesia, Thailand, Malaysia, Philippines) that the situation is more complicated as the currencies of these countries have suffered strong bouts of depreciation, triggering intense selling pressure from overseas investors without much of a local bid. A number of companies in these markets went limit-down day after day, and saw their trading suspended as a result, even though an oil price at \$22 a barrel should be a reason for them to celebrate. These markets could be described as being dislocated. This explains why China funds are typically outperforming Asia funds these days.

The only exposure our Asia sub-fund have in South East Asia are two companies in Indonesia and one in Thailand that collectively account for 4.0% of the assets of the sub-fund.

The Board of Directors of the SICAV
Luxembourg March 26, 2020

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

To the Shareholders of
JKC FUND
60 avenue JF Kennedy
L-1855 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

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 and the statement of investments and other net assets as at December 31, 2019 and the statement of operations and changes in net assets for the year then ended, and 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 JKC FUND and of each of its sub-funds as at December 31, 2019, and of the results of its operations and changes in its 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 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of *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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 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 *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 concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

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 the 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 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 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

The objectives of our audit 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 dated 23 July 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 dated 23 July 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 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 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 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.

For Deloitte Audit, *Cabinet de Révision Agréé*

Emmanuelle Miette, *Réviseur d'Entreprises Agréé*
Partner

Luxembourg, April 3, 2020

Statistics

		December 31, 2019	December 31, 2018	December 31, 2017
LA FRANCAISE JKC China Equity				
Net Asset Value	USD	26,578,415.03	51,017,646.49	81,500,838.78
Net asset value per share				
Class DC USD	USD	-	107.57	139.30
Class GP EURO-HEDGED	EUR	50.48	39.90	54.13
Class GP USD	USD	76.49	58.71	77.36
Class I EURO-HEDGED	EUR	50.33	39.77	54.16
Class I USD	USD	76.76	58.89	77.57
Class P EURO-HEDGED	EUR	101.35	80.67	110.52
Class P USD	USD	114.22	88.28	117.12
Class T EURO-HEDGED	EUR	-	71.98	-
Number of shares				
Class DC USD		-	158,874.42	168,374.42
Class GP EURO-HEDGED		45,195.54	60,290.54	60,612.04
Class GP USD		5,377.01	9,059.10	28,614.80
Class I EURO-HEDGED		182,802.19	395,077.83	473,857.65
Class I USD		162,489.60	199,489.48	243,305.04
Class P EURO-HEDGED		5,915.00	4,447.09	13,100.61
Class P USD		1,171.48	2,650.02	3,946.55
Class T EURO-HEDGED		-	3,558.36	-
LA FRANCAISE JKC Asia Equity				
Net Asset Value	USD	47,647,862.70	34,808,103.01	44,936,675.46
Net asset value per share				
Class GP EURO-HEDGED	EUR	-	91.63	122.19
Class GP USD	USD	125.90	98.69	127.53
Class I EURO-HEDGED	EUR	117.50	94.77	126.36
Class I USD	USD	132.37	103.70	133.94
Class P EURO-HEDGED	EUR	120.66	98.13	131.76
Class P USD	USD	-	-	137.88
Number of shares				
Class GP EURO-HEDGED		-	90,000.00	90,000.00
Class GP USD		238,000.00	13,081.50	13,081.50
Class I EURO-HEDGED		130,902.45	175,507.26	147,807.26
Class I USD		1,927.55	1,927.55	4,427.55
Class P EURO-HEDGED		1,206.51	43,466.01	42,988.97
Class P USD		-	-	1,745.58

Combined Statement

Statement of Net Assets as at December 31, 2019

Statement of Operations and Changes in Net Assets for the year ended December 31, 2019

	Notes	USD		Notes	USD
Assets			Income		
Investment in securities at cost		53,863,787.41	Dividends (net of withholding taxes)	3.h	1,103,136.91
Unrealised appreciation / (depreciation) on securities		17,262,420.17	Bank interest		94,631.30
Investment in securities at market value	3.a	71,126,207.58	Other income		4,370.13
Cash at bank		3,162,281.24	Total income		1,202,138.34
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	203,805.64	Expenses		
Dividends and interest receivable		52,979.35	Management fees	7	1,107,328.37
Total assets		74,545,273.81	Depositary fees and safekeeping		36,136.56
Liabilities			Hedging management fees	8	11,830.50
Bank overdraft		121,115.12	Operating fees		139,794.40
Accrued expenses		197,880.96	Professional fees	11	79,375.99
Total liabilities		318,996.08	Distribution fees		12,129.61
Net assets at the end of the year		74,226,277.73	Transaction costs	13	150,150.09
			Taxe d'abonnement	9	22,226.72
			Bank interest and charges		19,159.40
			Management Company fees	6	68,433.71
			Publication fees		130,547.11
			Research fees		94,372.34
			Other expenses	12	129,614.14
			Total expenses		2,001,098.94
			Net investment income / (loss)		(798,960.60)
			Net realised gain / (loss) on:		
			Investments	3.c	4,909,096.60
			Foreign currencies transactions	3.c	(709,120.48)
			Forward foreign exchange contracts	3.b, 10	(1,099,722.24)
			Net realised gain / (loss) for the year		2,301,293.28
			Net change in unrealised appreciation / (depreciation) on:		
			Investments	3.f	16,260,697.79
			Forward foreign exchange contracts	3.b, 3.f, 10	(318,083.62)
			Increase / (Decrease) in net assets as a result of operations		18,243,907.45
			Proceeds received on subscription of shares		55,773,087.69
			Net amount paid on redemption of shares		(85,616,466.91)
			Net assets at the beginning of the year		85,825,749.50
			Net assets at the end of the year		74,226,277.73

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, 2019

	Notes	USD
Assets		
Investment in securities at cost		19,135,353.08
Unrealised appreciation / (depreciation) on securities		6,122,869.02
Investment in securities at market value	3.a	25,258,222.10
Cash at bank		1,310,113.39
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	89,422.64
Total assets		26,657,758.13
Liabilities		
Bank overdraft		418.69
Accrued expenses		78,924.41
Total liabilities		79,343.10
Net assets at the end of the year		26,578,415.03

Statement of Operations and Changes in Net Assets for the year ended December 31, 2019

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.h	495,340.71
Bank interest		39,771.43
Other income		2,575.54
Total income		537,687.68
Expenses		
Management fees	7	472,548.08
Depositary fees and safekeeping		17,141.19
Hedging management fees	8	5,244.23
Operating fees		75,074.57
Professional fees	11	35,865.41
Distribution fees		5,886.75
Transaction costs	13	76,821.74
Taxe d'abonnement	9	5,388.97
Bank interest and charges		10,510.09
Management Company fees	6	29,636.53
Publication fees		81,358.58
Research fees		32,948.42
Other expenses	12	74,240.76
Total expenses		922,665.32
Net investment income / (loss)		(384,977.64)
Net realised gain / (loss) on:		
Investments	3.c	4,992,120.19
Foreign currencies transactions	3.c	(27,344.41)
Forward foreign exchange contracts	3.b, 10	(486,395.22)
Net realised gain / (loss) for the year		4,093,402.92
Net change in unrealised appreciation / (depreciation) on:		
Investments	3.f	5,975,467.38
Forward foreign exchange contracts	3.b, 3.f, 10	(130,088.98)
Increase / (Decrease) in net assets as a result of operations		9,938,781.32
Proceeds received on subscription of shares		3,935,581.70
Net amount paid on redemption of shares		(38,313,594.48)
Net assets at the beginning of the year		51,017,646.49
Net assets at the end of the year		26,578,415.03

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 DC USD	158,874.42	-	(158,874.42)	-
Class GP EURO-HEDGED	60,290.54	8,017.00	(23,112.00)	45,195.54
Class GP USD	9,059.10	-	(3,682.09)	5,377.01
Class I EURO-HEDGED	395,077.83	-	(212,275.64)	182,802.19
Class I USD	199,489.48	43,289.78	(80,289.66)	162,489.60
Class P EURO-HEDGED	4,447.09	4,787.06	(3,319.15)	5,915.00
Class P USD	2,650.02	300.23	(1,778.77)	1,171.48

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

LA FRANCAISE JKC China Equity (in USD)

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 T EURO-HEDGED	3,558.36	-	(3,558.36)	-

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

LA FRANCAISE JKC China Equity (in USD)

Securities Portfolio as at December 31, 2019

Quantity/ Nominal	Name	Currency	Market value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Internet				
95,800.00	ALIBABA GROUP HOLDING LTD	HKD	2,547,517.88	9.58
40,800.00	TENCENT HOLDINGS LTD	HKD	1,966,743.52	7.40
			4,514,261.40	16.98
Banks				
1,248,000.00	CHINA CONSTRUCTION BANK-H	HKD	1,077,932.66	4.06
229,500.00	CHINA MERCHANTS BANK-H	HKD	1,179,633.76	4.44
819,000.00	INDUSTRIAL AND CIAL BK CHINA -H-	HKD	630,662.68	2.37
			2,888,229.10	10.87
Insurance				
108,200.00	AIA GROUP LTD	HKD	1,135,906.39	4.27
115,500.00	PING AN INSURANCE GROUP CO -H-	HKD	1,365,222.99	5.14
			2,501,129.38	9.41
Auto Parts & Equipment				
49,600.00	HEFEI MEIYA OPTOELECTRONIC-A	CNY	278,415.60	1.05
228,000.00	MINTH GROUP LTD	HKD	804,691.70	3.03
119,500.00	TECHTRONIC INDUSTRIES CO LTD	HKD	974,642.71	3.66
			2,057,750.01	7.74
Food services				
136,000.00	CHINA RESOURCES BEER HOLDING	HKD	752,277.65	2.83
209,032.00	INNER MONGOLIA YILI INDUS-A	CNY	928,470.74	3.49
			1,680,748.39	6.32
Diversified machinery				
92,100.00	SUNNY OPTICAL TECH	HKD	1,594,533.18	6.00
			1,594,533.18	6.00
Electric & Electronic				
58,400.00	ASM PACIFIC TECHNOLOGY	HKD	810,215.45	3.05
114,800.00	HANGZHOU HIKVISION DIGITAL-A	CNY	539,579.82	2.03
			1,349,795.27	5.08
Healthcare				
145,888.00	HANGZHOU TIGERMED CONSULTI-A	CNY	1,322,598.61	4.98
			1,322,598.61	4.98
Textile				
83,200.00	SHENZHO INTERNATIONAL GROUP	HKD	1,216,211.29	4.58
			1,216,211.29	4.58
Financial services				
115,100.00	BOC AVIATION LTD	HKD	1,170,675.62	4.40
			1,170,675.62	4.40
Transportation				
945,000.00	SITC INTERNATIONAL HOLDINGS	HKD	1,152,172.20	4.33
			1,152,172.20	4.33
Real estate				
1,378,000.00	CHINA JINMAO HOLDINGS GROUP	HKD	1,073,494.66	4.04
			1,073,494.66	4.04
Biotechnology				
779,000.00	3SBIO INC	HKD	1,009,766.16	3.80
			1,009,766.16	3.80
Building materials				
754,000.00	XINYI GLASS HOLDINGS LTD	HKD	998,649.35	3.76
			998,649.35	3.76
Distribution & Wholesale				
243,000.00	LI NING CO LTD	HKD	728,207.48	2.74
			728,207.48	2.74
			25,258,222.10	95.03
Total securities portfolio			25,258,222.10	95.03

Financial derivative instruments as at December 31, 2019

Purchase	Sale	Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
Forward foreign exchange contracts				
10,305.94 USD	9,236.69 EUR	31/01/20	10,305.94	(82.28)
12,072,113.59 EUR	13,487,844.29 USD	31/01/20	13,487,844.29	89,504.92
				89,422.64
Total Forward foreign exchange contracts				89,422.64
Total financial derivative instruments				89,422.64

Summary of net assets

		% NAV
Total securities portfolio	25,258,222.10	95.03
Total financial derivative instruments	89,422.64	0.34
Cash at bank	1,309,694.70	4.93
Other assets and liabilities	(78,924.41)	(0.30)
Total net assets	26,578,415.03	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	95.03
	100.00	95.03

Country allocation	% of portfolio	% of net assets
China	100.00	95.03
	100.00	95.03

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
ALIBABA GROUP HOLDING LTD	Internet	2,547,517.88	9.58
TENCENT HOLDINGS LTD	Internet	1,966,743.52	7.40
SUNNY OPTICAL TECH	Diversified machinery	1,594,533.18	6.00
PING AN INSURANCE GROUP CO -H-	Insurance	1,365,222.99	5.14
HANGZHOU TIGERMED CONSULTI-A	Healthcare	1,322,598.61	4.98
SHENZHOU INTERNATIONAL GROUP	Textile	1,216,211.29	4.58
CHINA MERCHANTS BANK-H	Banks	1,179,633.76	4.44
BOC AVIATION LTD	Financial services	1,170,675.62	4.40
SITC INTERNATIONAL HOLDINGS	Transportation	1,152,172.20	4.33
AIA GROUP LTD	Insurance	1,135,906.39	4.27

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

LA FRANCAISE JKC Asia Equity (in USD)

Statement of Net Assets as at December 31, 2019

Statement of Operations and Changes in Net Assets for the year ended December 31, 2019

	Notes	USD		Notes	USD
Assets			Income		
Investment in securities at cost		34,728,434.33	Dividends (net of withholding taxes)	3.h	607,796.20
Unrealised appreciation / (depreciation) on securities		11,139,551.15	Bank interest		54,859.87
Investment in securities at market value	3.a	45,867,985.48	Other income		1,794.59
Cash at bank		1,852,167.85	Total income		664,450.66
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	114,383.00	Expenses		
Dividends and interest receivable		52,979.35	Management fees	7	634,780.29
Total assets		47,887,515.68	Depositary fees and safekeeping		18,995.37
Liabilities			Hedging management fees	8	6,586.27
Bank overdraft		120,696.43	Operating fees		64,719.83
Accrued expenses		118,956.55	Professional fees	11	43,510.58
Total liabilities		239,652.98	Distribution fees		6,242.86
Net assets at the end of the year		47,647,862.70	Transaction costs	13	73,328.35
			Taxe d'abonnement	9	16,837.75
			Bank interest and charges		8,649.31
			Management Company fees	6	38,797.18
			Publication fees		49,188.53
			Research fees		61,423.92
			Other expenses	12	55,373.38
			Total expenses		1,078,433.62
			Net investment income / (loss)		(413,982.96)
			Net realised gain / (loss) on:		
			Investments	3.c	(83,023.59)
			Foreign currencies transactions	3.c	(681,776.07)
			Forward foreign exchange contracts	3.b, 10	(613,327.02)
			Net realised gain / (loss) for the year		(1,792,109.64)
			Net change in unrealised appreciation / (depreciation) on:		
			Investments	3.f	10,285,230.41
			Forward foreign exchange contracts	3.b, 3.f, 10	(187,994.64)
			Increase / (Decrease) in net assets as a result of operations		8,305,126.13
			Proceeds received on subscription of shares		51,837,505.99
			Net amount paid on redemption of shares		(47,302,872.43)
			Net assets at the beginning of the year		34,808,103.01
			Net assets at the end of the year		47,647,862.70

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	90,000.00	-	(90,000.00)	-
Class GP USD	13,081.50	462,918.50	(238,000.00)	238,000.00
Class I EURO-HEDGED	175,507.26	-	(44,604.81)	130,902.45
Class I USD	1,927.55	-	-	1,927.55
Class P EURO-HEDGED	43,466.01	695.83	(42,955.33)	1,206.51
Class P USD	-	-	-	-

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

LA FRANCAISE JKC Asia Equity (in USD)

Securities Portfolio as at December 31, 2019

Quantity/ Nominal	Name	Currency	Market value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Electric & Electronic				
67,500.00	ASM PACIFIC TECHNOLOGY	HKD	936,464.78	1.97
206,000.00	CHROMA ATE INC	TWD	996,431.56	2.09
18,779.00	KOH YOUNG TECHNOLOGY INC	KRW	1,713,160.50	3.60
45,205.00	SAMSUNG ELECTRONICS CO LTD	KRW	2,181,191.53	4.58
19,103.00	SK HYNIX INC	KRW	1,554,405.52	3.26
222,000.00	TAIWAN SEMICONDUCTOR MANUFAC	TWD	2,451,281.68	5.14
44,600.00	VITZROCELL CO LTD	KRW	516,788.44	1.08
18,000.00	VOLTRONIC POWER TECHNOLOGY	TWD	429,329.57	0.90
			10,779,053.58	22.62
Banks				
7,500,700.00	BANK TABUNGAN PENSUNAN NASI	IDR	2,296,270.45	4.82
220,500.00	CHINA MERCHANTS BANK-H	HKD	1,133,373.60	2.38
75,707.00	INDUSIND BANK LTD	INR	1,601,576.00	3.36
953,000.00	INDUSTRIAL AND CIAL BK CHINA -H-	HKD	733,848.03	1.54
			5,765,068.08	12.10
Internet				
122,500.00	ALIBABA GROUP HOLDING LTD	HKD	3,257,525.47	6.84
44,400.00	TENCENT HOLDINGS LTD	HKD	2,140,279.71	4.49
			5,397,805.18	11.33
Insurance				
248,000.00	AIA GROUP LTD	HKD	2,603,556.25	5.47
104,500.00	PING AN INSURANCE GROUP CO -H-	HKD	1,235,201.75	2.59
			3,838,758.00	8.06
Auto Parts & Equipment				
84,700.00	HEFEI MEIYA OPTOELECTRONIC-A	CNY	475,439.55	1.00
272,000.00	MINTH GROUP LTD	HKD	959,983.08	2.01
193,500.00	TECHTRONIC INDUSTRIES CO LTD	HKD	1,578,187.16	3.31
			3,013,609.79	6.32
Financial services				
183,800.00	BOC AVIATION LTD	HKD	1,869,419.45	3.92
532,500.00	MUANGTHAI CAPITAL PCL-NVDR	THB	1,133,309.16	2.38
			3,002,728.61	6.30
Diversified machinery				
125,800.00	SUNNY OPTICAL TECH	HKD	2,177,983.43	4.57
			2,177,983.43	4.57
Healthcare				
230,388.00	HANGZHOU TIGERMED CONSULTI-A	CNY	2,088,662.86	4.38
			2,088,662.86	4.38
Transportation				
1,509,000.00	SITC INTERNATIONAL HOLDINGS	HKD	1,839,817.84	3.86
			1,839,817.84	3.86
Chemical				
17,988.00	HANSOL CHEMICAL CO LTD	KRW	1,648,776.83	3.46
			1,648,776.83	3.46
Biotechnology				
1,219,000.00	3SBIO INC	HKD	1,580,109.04	3.32
			1,580,109.04	3.32
Real estate				
1,866,000.00	CHINA JINMAO HOLDINGS GROUP	HKD	1,453,658.23	3.05
			1,453,658.23	3.05
Textile				
86,900.00	SHENZHOU INTERNATIONAL GROUP	HKD	1,270,297.61	2.67
			1,270,297.61	2.67
Food services				
253,663.00	INNER MONGOLIA YILI INDUS-A	CNY	1,126,711.10	2.36
			1,126,711.10	2.36

Quantity/ Nominal	Name	Currency	Market value in USD	% NAV
Leisure time				
18,263.00	PVR LTD	INR	485,729.42	1.02
			485,729.42	1.02
Distribution & Wholesale				
3,707,100.00	ACE HARDWARE INDONESIA	IDR	399,215.88	0.84
			399,215.88	0.84
			45,867,985.48	96.26
Total securities portfolio			45,867,985.48	96.26

Financial derivative instruments as at December 31, 2019

Purchase	Sale	Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD		
Forward foreign exchange contracts						
15,421,599.90	EUR	17,230,089.92	USD	31/01/20	17,230,089.92	114,383.00
						114,383.00
Total Forward foreign exchange contracts						114,383.00
Total financial derivative instruments						114,383.00

Summary of net assets

		% NAV
Total securities portfolio	45,867,985.48	96.26
Total financial derivative instruments	114,383.00	0.24
Cash at bank	1,731,471.42	3.63
Other assets and liabilities	(65,977.20)	(0.13)
Total net assets	47,647,862.70	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	96.26
	100.00	96.26

Country allocation	% of portfolio	% of net assets
China	62.05	59.73
South Korea	16.60	15.98
Taiwan	8.45	8.13
Indonesia	5.88	5.66
India	4.55	4.38
Thailand	2.47	2.38
	100.00	96.26

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
ALIBABA GROUP HOLDING LTD	Internet	3,257,525.47	6.84
AIA GROUP LTD	Insurance	2,603,556.25	5.47
TAIWAN SEMICONDUCTOR MANUFAC	Electric & Electronic	2,451,281.68	5.14
BANK TABUNGAN PENSIIUNAN NASI	Banks	2,296,270.45	4.82
SAMSUNG ELECTRONICS CO LTD	Electric & Electronic	2,181,191.53	4.58
SUNNY OPTICAL TECH	Diversified machinery	2,177,983.43	4.57
TENCENT HOLDINGS LTD	Internet	2,140,279.71	4.49
HANGZHOU TIGERMED CONSULTI-A	Healthcare	2,088,662.86	4.38
BOC AVIATION LTD	Financial services	1,869,419.45	3.92
SITC INTERNATIONAL HOLDINGS	Transportation	1,839,817.84	3.86

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

Notes to the Financial Statements as at December 31, 2019

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.

Until September 30, 2019, LA FRANÇAISE AM INTERNATIONAL, accredited as Management Company in accordance with the Chapter 15 of the Law, was appointed as Management Company of the SICAV.

Since October 1, 2019, La Française Asset Management (the "Management Company") has been appointed as Management Company of the Company. 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, 2019:

- 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 eleven 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 DC USD	Shares denominated in USD and intended for institutional investors, subject to a high minimum of holding and acceptance by the Board of Directors of the Fund
Class T-EURO HEDGED	<p>Shares denominated in EUR and intended for:</p> <ol style="list-style-type: none"> 1 any investors, and, in case of subscription or distribution of shares in the European Union ("EU") only, who are : <ul style="list-style-type: none"> - 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	<p>Shares denominated in USD and intended for:</p> <ol style="list-style-type: none"> 1 any investors, and, in case of subscription or distribution of shares in the EU only, who are: <ul style="list-style-type: none"> - 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, DC USD, T USD, S Euro Hedged and S USD are currently not active.

Notes to the Financial Statements as at December 31, 2019 (continued)

Note 2 - Shares of the SICAV (continued)

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 managed in such a way as to reduce 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.

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: <ol style="list-style-type: none"> 1 any investors, and, in case of subscription or distribution of shares in the European Union ("EU") only, who are : <ul style="list-style-type: none"> - 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: <ol style="list-style-type: none"> 1 any investors, and, in case of subscription or distribution of shares in the EU only, who are: <ul style="list-style-type: none"> - 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 managed in such a way as to reduce 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) 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, 2019 (continued)

Note 3 - Accounting Principles (continued)

a) Valuation of investments (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.

The liquidating value of spot or forward contracts not traded on stock exchanges nor on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors of the SICAV, on a basis consistently applied for each different variety of contracts. The liquidating value of spot or forward contracts traded on stock exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular spot or forward contract are traded by the Fund; provided that if a spot or forward contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the SICAV may deem fair and reasonable.

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.

b) 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.

c) Net realised gain / (loss) on sale of investments

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.

d) 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.

e) 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.

f) Unrealised appreciation / (depreciation)

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

g) 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.

h) 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, 2019 (continued)

Note 4 - Exchange rates at December 31, 2019

1 USD =	6.965702	CNY	1 USD =	71.378174	INR
1 USD =	0.890869	EUR	1 USD =	1,156.450022	KRW
1 USD =	7.791804	HKD	1 USD =	29.953764	THB
1 USD =	13,882.500223	IDR	1 USD =	29.976971	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 and T USD, S USD and S Euro Hedged 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%
Class I USD	1.50%
Class GP EURO-HEDGED	1.50%
Class GP USD	1.50%
Class P EURO-HEDGED	2.20%
Class P USD	2.20%
Class S USD*	0.95%
Class S EURO-HEDGED*	0.95%
Class DC USD*	0.75%
Class T EURO-HEDGED*	1.50%
Class T USD*	1.50%

* currently not active.

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;

Notes to the Financial Statements as at December 31, 2019 (continued)

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

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).

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.

In addition, for the Class DC USD of the Sub-Fund, 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 Relative Performance over the high water mark during the reference period.

The Relative performance is spread between the performance of the share class since inception and the performance of the MSCI China Free Net Total Return index (MSCNXNUS Index) during the same period.

The high water mark is the highest Relative Performance registered since inception.

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 High Water Mark will be maintained, until a higher Relative Performance of the Share 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. For the exercise ended December 31, 2019, no performance fee was paid.

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%
Class I USD	1.50%
Class GP EURO-HEDGED	1.50%
Class GP USD	1.50%
Class P EURO-HEDGED	2.20%
Class P USD	2.20%
Class T EURO-HEDGED*	1.50%
Class T USD*	1.50%

* currently not active.

Notes to the Financial Statements as at December 31, 2019 (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. For the exercise ended December 31, 2019, no performance fee was paid.

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, P EURO-HEDGED, T EURO-HEDGED and S 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.

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 DC USD and S EURO HEDGED + S USD).

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 units distributed in Belgium via Belgian intermediaries as at December 31 of the previous year.

Note 10 - Forward foreign exchange contracts

As at December 31, 2019, 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 Securities Services.

As at December 31, 2019, 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 Securities Services.

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 and Migration fees.

Notes to the Financial Statements as at December 31, 2019 (continued)**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 - 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.

Note 15 - Subsequent event

Subsequent to the end of 2019, COVID 19 has widespread across the world. The consequences of the pandemic are unknown to date and will likely affect the financial markets performance as well as the asset management industry and the SICAV. The board of directors of the SICAV is carefully monitoring the situation as well as its potential impacts on the SICAV. The SICAV is in full capacity to continue its usual operations in accordance with its investment policy and its prospectus. The published unaudited sub-funds net assets values and financial information are available on www.jkcapitalmanagement.com

Unaudited Information

SFT Regulation

During the year ended 31,12,2019, 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 subfunds.

Remuneration Policy

The Management Company shall ensure that its staff members undertake not to use personal hedging strategies or assurances relating to remuneration or responsibilities in order to pre-empt the occurrence of alignment with unitholders and the Management Company over the risk involved in its remuneration agreements.

The Management Company shall not pay the variable portion of the remuneration to relevant staff through instruments or methods which facilitate the circumvention of the requirements of the AIFM and UCITS V Directive.

A breakdown of the remuneration policy is available from the Management Company upon written request. A hard copy will be provided free of charge pursuant to such a request.

The figures hereunder are expressed in EUR per year prorated according to the AUM (Asset Under Management) of JKC Fund compared to the AUM managed by LFI (La Française International):

Management Company	JKC Fund
AuM	74,226,277.73 USD
Total Staff	15
Total Remuneration	600,310 USD
• Fixed	546,339 USD
• Variable	53,970 USD
Senior Management	119,040 USD
Risk Takers	184,953 USD

