

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, 2021

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:

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

Laurent JACQUIER-LAFORGE
La Française Asset Management

Registered Office:

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

Depositary and Paying Agent:

BNP Paribas Securities Services, 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 Securities Services, Luxembourg Branch,
60, Avenue J.F. Kennedy,
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Grand-Duchy of Luxembourg

Cabinet de Révision agréé:

Deloitte Audit,
Société à responsabilité limitée
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Management Company:

La Française Asset Management
128, Boulevard Raspail,
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Investment Manager:

JK Capital Management Ltd.
Suite 1101, Chinachem Tower,
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Hedging Manager:

BNP Paribas Securities Services, Luxembourg Branch,
60, Avenue J.F. Kennedy,
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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 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, 2021 for financial reporting purposes.

As at December 31, 2021 the SICAV has two Sub-Funds named:

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

Director's Report

MANAGEMENT POLICY OF THE SUBFUNDS

We wrote a year ago in our 2021 outlook section that "the divergence in monetary policies between China and the rest of the world [was expected to] last for at least a couple of years, pushing the RMB to higher levels in 2021 with little reaction to be expected from the Central government", that "the Chinese government [would] tackle two structural issues, namely the excessive leverage of certain large property developers, and the abusive behaviour of dominant internet and e-commerce companies" and that "an underperformance of China in a post-Covid world would be a reason to expect a good performance of India in 2021". These forecasts all proved to materialise, however with a forcefulness and a market impact that went far beyond our wildest imagination.

The crackdown against dominant positions extended beyond the internet and e-commerce space, covering the education, healthcare, casinos, ride-hailing, and as expected the property development sector that went through excruciating deleveraging pain.

By preventing developers from refinancing their debt through traditional banking channels and from selling their inventory at fire-sale prices to generate liquidity, the financial pressure rose to unbearable levels. Yields on outstanding public debt instruments have skyrocketed to unprecedented levels, cutting numerous developers from the primary bond market, which in turn deterred home buyers from buying flats in projects under development. This spiral pushed many developers towards debt restructuring, inflicting losses on the banking sector and on many local governments that were exposed through local government financing vehicles. The good news is that the government seems to be finally loosening its grip as losses have mounted to levels that had most likely not been anticipated by those at the source of the crackdown.

The economic impact of the uncompromising zero-Covid policy of China was another critical factor as the lockdown of entire cities and the shutdown of some of the largest container ports in the world (Shenzhen, Ningbo) during several weeks were major economic disrupters. Domestic consumption remains weak. For instance, restaurants sales and inter-city passenger traffic are still well below their pre-Covid levels.

Other than Covid, the other main development was the sudden surge of inflation and the re-pricing of risk-free rates as early as February. This marked the peak of Chinese markets. Many high valuations stocks corrected sharply afterwards and never managed to recoup their losses.

The Chinese market, and more specifically equities listed in Hong Kong and in the United States where the Chinese internet and e-commerce companies are listed, were the worst performing markets of 2021 globally, and by a wide margin. The MSCI China index dropped by 22.4%, its worst performance since 2008. The NASDAQ Golden Dragon index that tracks Chinese companies listed in the US market sank by a jaw-dropping 42.7%.

On the flip side, the A share market that does not count any e-commerce or internet giant among its thousands of listed companies was only down by 5.2% in 2021 as measured by the CSI300 index. The technology driven market of Shenzhen was even up by 8.6% in 2021 as the containment measures taken by the United States administration against the Chinese high-tech sector did not have much of an impact.

Our prediction that India would do well if China was to perform poorly was accurate: The Nifty 50 index that tracks down the Indian market rose by 23.8%, leading to the largest outperformance of the Nifty 50 index of India over the MSCI China index since 1999 (India has outperformed China by an annual average of 9.9% since 1993 when both indices started coexisting).

The good performance of the Indian market is largely related to the strong rebound of the economy following the initial shock triggered by the pandemic. It appeared quite quickly that the highly decentralised Indian government would not be able to enforce on a nationwide basis the type of confinements and lock downs seen elsewhere in the world. The resulting human death toll was heavy, but the economic impact was short-lived. Imports of crude oil dropped as a result (India is the largest importer of oil globally), turning the perennial current account deficit of India into a sudden surplus, and leading to a rare stabilisation of the rupee. These were all positive factors for Indian equities.

The Taiwanese market also did very well in 2021, driven by a very high demand for semiconductors. Foundries are running at full capacity, alongside their supply chains that tend to be largely local. The TAIEX index of Taiwan gained 23.7% in 2021.

The disappointing performance of heavyweight Samsung Electronics in 2021, down 3.3%, was the main reason for the relatively flat performance of Korean equities. The KOSPI index gained 3.6% only in 2021.

The performance of South-East Asian countries in 2021 was lukewarm, roughly flat, largely because of low vaccination rates that prevented tourism-driven countries from reopening their borders to foreign visitors. Governments across that part of the world spent the year alternating lockdowns and partial reopening. A case in point was the Philippines that only started to reopen its schools in mid-November 2021. They have all been shut since March 2020.

We rode the storm out well during the year as we managed to circumvent China's domestic issues. We stayed away from mega-cap names such as Tencent, Alibaba, Meituan and Pinduoduo, we exited internet name Bilibili ahead of the correction, and we have avoided the education sector since 2018. We also maintained a cautious stance towards high valuation stocks after the lessons learned in the first quarter.

La Francaise JKC Asia Equity Sub-Fund had a good year generating a 7.2% positive return when the MSCI Asia ex-Japan reference index went down by 6.4%.

La Francaise JKC China Equity Sub-Fund also outperformed significantly its reference MSCI China index: the Sub-Fund was down by 2.6% when the index was down by 22.4%.

Director's Report (continued)

2022 OUTLOOK

We believe 2022 will be very different from 2021 in many respects. First and foremost is the U-turn in monetary policy that both the United States and China have embarked in, in opposite directions. The US Fed has started tapering to the tone of USD30bn per month and is now scheduled to stop printing money by the end of March 2022. This will be followed by well-flagged rate hikes, possibly three or four by the end of 2022, in reaction to inflationary pressure unseen since 1982.

Most importantly Jerome Powell has finally admitted that inflationary pressure in the US was no longer transitional but structural. This U-turn of the Fed will likely lead to an appreciating US dollar, and possibly to US equity markets correcting. However, any market correction would certainly dampen Jerome Powell's willingness to hike rates aggressively as the Fed's actions, by his own admission, are taken into consideration market movements, thus creating some form of feedback loop on the Fed's policy.

In China, PBoC's monetary policy moves are totally immune to market movements. The year 2021 was a basket case in this regard with government actions and an ever tighter monetary policy leading to market movements that looked a lot like financial masochism. But the end of the tunnel has appeared with PBoC finally loosening its monetary policy by cutting twice the Required Reserve Ratio of banks in the second half of 2021 and by cutting the one-year and five-year loan prime rates. This is the start of a new monetary cycle in reaction to a stalling economy.

The good news is that inflation in China is under control, notwithstanding the usual ups and downs of pork and vegetable prices. Inflation in China (and to a large extent across Asia) is not comparable to the issue the Western world, and particularly the United States, is currently facing.

We expect monetary relaxation and fiscal stimulus to extend over a significant period of time as this is what it would take to see the Chinese economy resume the 5%-6% growth path the government is aiming at. We expect this loosening policy to be accompanied by downside pressure on the RMB to be exerted by PBoC as the Chinese economy, once again, has become too dependent on exports. This is due to the negative impact the stringent zero-Covid policy of China is having on domestic consumption. We anticipate this loosening cycle to last several quarters and to be beneficial to Chinese equity markets.

The wild card remains how far the Chinese government wants to go into further cracking down against its property sector, against companies enjoying dominating market positions and against entire industries where profits are believed by the leadership to be unduly high.

It is our opinion that the worst of the crackdown is over, even though the impact of bankruptcies within the property development sector is likely to have long-lasting consequences for the construction supply chain.

We are confident that unexpensive Chinese equity markets will perform well in 2022. It is worth highlighting that the MSCI China is trading at its steepest discount to the S&P 500 since 2005.

We anticipate the Indian equity market to enter an adjustment phase after six consecutive years of gains. The Reserve Bank of India has already started withdrawing liquidity from the economy, and there is a real possibility that a further rise in inflation driven by a spike in oil price pushes the central bank towards hiking rates as early as the first quarter of 2022. It is our base case that the latest Omicron variant will create production output volatility across the world in the first half of 2022, leading to more product shortages, more shipment disruptions, and more oil price volatility when the situation stabilises. As we have seen lately, OPEC members will likely let oil price spike by refusing to increase supply, which is why we believe India will resume a pattern of negative current account leading to a depreciation of the rupee against the USD in 2022. Combined with an Indian equity market being priced at 1.5 standard deviation above its 10-year average, a market adjustment seems likely. In short, we believe China should outperform India in 2022.

The prospects for Southeast Asian equity markets in 2022 is less clear. It depends largely on the return of tourism, including medical tourism, on vaccination rates that remain low in many countries, as much as it depends on the prospects of interest rates being hiked. In that respect, the Indonesian central bank governor has already changed his stance from being "pro-growth" to "pro-stability", which in layman's terms means preparing the market for a tighter monetary policy.

We are already seeing monetary tightening in action in Korea as inflationary pressure has built up beyond Bank of Korea's target. This worry does not seem to be shared by the central bank of Taiwan that has taken a sanguine approach to rising food prices. The Taiwanese government seems to be in no rush to cool down its economy. We believe these two tech-driven economies should do well in 2022, unless some tail risk materialises. Among possible tail risks, we will end this outlook section by stating that we do not subscribe to the well-publicised idea of a possible military action of the Chinese army against Taiwan.

Update on the impact of the Russia-Ukraine war

On 24th February 2022, the Russian army invaded Ukraine. Since then, much of the western world took actions against the Russian government, the Russian financial system (including access to the SWIFT international payment system) and certain Russian companies with a view to harm the Russian economy. Numerous initiatives were taken by foreign corporates to prevent Russians from accessing foreign goods and services while embargos were set up against the purchase by Russia of western goods and technologies while blocking certain Russian exports, including oil and gas in the case of the United States and the United Kingdom (as these lines are written). The situation on the ground remains extremely fluid while rapidly degrading.

JKC Fund (including its two sub-funds) does not have any direct exposure to Russian or Ukrainian companies. The fund does not face any liquidity issue, and all operations delegated to third parties including, but not limited to, its investment manager, its custodian, its transfer agent, its depository bank and its brokers are normal.

As far as the investment manager of the fund is aware, none of the companies invested by JKC Fund and its two sub-funds has any operation in Russia or in Ukraine.

Director's Report (continued)Update on the impact of the Russia-Ukraine war (continued)

Nevertheless, several companies invested by the fund are likely exposed to the possible consequences of the war in Ukraine such as a global rise in commodity prices (including but not limited to a rise in oil and natural gas prices), elevated shipping costs, shortages of supplies and other logistic challenges.

The investment manager will remain vigilant and cautious regarding these events in order to gauge any developments which could potentially trigger headwinds for the fund.

Performances

Sub-Fund	ISIN	Share classes	Performance 2021
LA FRANCAISE JKC China Equity	LU0421713362	LA FRANCAISE JKC China Equity Class GP EURO-HEDGED	(3.60%)
LA FRANCAISE JKC China Equity	LU0415808285	LA FRANCAISE JKC China Equity Class GP USD	(2.64%)
LA FRANCAISE JKC China Equity	LU0547182096	LA FRANCAISE JKC China Equity Class I EURO-HEDGED	(3.57%)
LA FRANCAISE JKC China Equity	LU0438073230	LA FRANCAISE JKC China Equity Class I USD	(2.63%)
LA FRANCAISE JKC China Equity	LU0611873836	LA FRANCAISE JKC China Equity Class P EURO-HEDGED	(4.25%)
LA FRANCAISE JKC China Equity	LU0611873919	LA FRANCAISE JKC China Equity Class P USD	(3.30%)
LA FRANCAISE JKC Asia Equity	LU0611874305	LA FRANCAISE JKC Asia Equity Class GP USD	7.20%
LA FRANCAISE JKC Asia Equity	LU0611874057	LA FRANCAISE JKC Asia Equity Class I EURO-HEDGED	6.37%
LA FRANCAISE JKC Asia Equity	LU0611874131	LA FRANCAISE JKC Asia Equity Class I USD	7.23%
LA FRANCAISE JKC Asia Equity	LU0611874487	LA FRANCAISE JKC Asia Equity Class P EURO-HEDGED	5.71%

The Board of Directors of the SICAV

Luxembourg March 18, 2022

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*

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, 2021 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, 2021, 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 the Law of 23 July 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 Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards 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 information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information stated 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 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 Fund'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 Fund 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

March 18, 2022

JKC FUND

Statistics

		December 31, 2021	December 31, 2020	December 31, 2019
LA FRANCAISE JKC China Equity				
Net Asset Value	USD	26,172,757.20	28,758,236.26	26,578,415.03
Net asset value per share				
Class GP EURO-HEDGED	EUR	65.31	67.75	50.48
Class GP USD	USD	100.49	103.21	76.49
Class I EURO-HEDGED	EUR	65.15	67.56	50.33
Class I USD	USD	100.88	103.60	76.76
Class P EURO-HEDGED	EUR	129.91	135.68	101.35
Class P USD	USD	148.45	153.51	114.22
Number of shares				
Class GP EURO-HEDGED		8,518.32	17,143.01	45,195.54
Class GP USD		1,300.00	2,760.00	5,377.01
Class I EURO-HEDGED		150,924.86	150,924.86	182,802.19
Class I USD		130,714.26	133,247.43	162,489.60
Class P EURO-HEDGED		6,226.61	4,044.25	5,915.00
Class P USD		813.77	660.26	1,171.48
LA FRANCAISE JKC Asia Equity				
Net Asset Value	USD	53,639,678.57	51,795,428.83	47,647,862.70
Net asset value per share				
Class GP USD	USD	177.70	165.76	125.90
Class I EURO-HEDGED	EUR	163.59	153.79	117.50
Class I USD	USD	186.92	174.31	132.37
Class P EURO-HEDGED	EUR	165.95	156.99	120.66
Number of shares				
Class GP USD		159,178.02	159,178.02	238,000.00
Class I EURO-HEDGED		132,402.37	132,402.37	130,902.45
Class I USD		2,073.55	1,927.55	1,927.55
Class P EURO-HEDGED		1,782.45	829.99	1,206.51

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

Combined Statement

Statement of Net Assets as at December 31, 2021

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	USD		Notes	USD
Assets			Income		
Investment in securities at cost		60,674,182.10	Dividends (net of withholding taxes)	3.h	1,209,012.05
Unrealised appreciation / (depreciation) on securities		14,233,648.90	Bank interest		0.16
Investment in securities at market value	3.a	74,907,831.00	Other income		3,505.52
Cash at bank		6,801,479.88	Total income		1,212,517.73
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	293,920.19	Expenses		
Dividends and interest receivable		84,081.86	Management fees	7	1,271,577.15
Total assets		82,087,312.93	Depositary fees and safekeeping		57,033.78
Liabilities			Performance fees	7	1,977,965.17
Bank overdraft		96,076.68	Hedging management fees	8	12,334.88
Accrued expenses	14	2,178,751.13	Operating fees		148,599.33
Other liabilities		49.35	Professional fees	11	93,208.17
Total liabilities		2,274,877.16	Distribution fees		2,787.61
Net assets at the end of the year		79,812,435.77	Transaction costs	13	165,505.63
			Taxe d'abonnement	9	20,942.80
			Bank interest and charges		19,254.31
			Management Company fees	6	90,499.59
			Publication fees		25,294.11
			Research fees		104,073.00
			Other expenses	12	94,166.56
			Total expenses		4,083,242.09
			Net investment income / (loss)		(2,870,724.36)
			Net realised gain / (loss) on:		
			Investments	3.c	17,191,789.39
			Foreign currencies transactions	3.c	(704.08)
			Forward foreign exchange contracts	3.b, 10	(3,627,501.79)
			Net realised gain / (loss) for the year		10,692,859.16
			Net change in unrealised appreciation / (depreciation) on:		
			Investments	3.f	(11,191,106.04)
			Forward foreign exchange contracts	3.b, 3.f, 10	241,367.63
			Increase / (Decrease) in net assets as a result of operations		(256,879.25)
			Proceeds received on subscription of shares		1,193,112.65
			Net amount paid on redemption of shares		(1,677,462.72)
			Net assets at the beginning of the year		80,553,665.09
			Net assets at the end of the year		79,812,435.77

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, 2021

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	USD		Notes	USD
Assets			Income		
Investment in securities at cost		20,099,091.99	Dividends (net of withholding taxes)	3.h	414,950.79
Unrealised appreciation / (depreciation) on securities		4,045,860.75	Bank interest		0.16
<hr/>			<hr/>		
Investment in securities at market value	3.a	24,144,952.74	Total income		414,950.95
Cash at bank		2,673,999.30	Expenses		
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	98,616.14	Management fees	7	444,797.66
Dividends and interest receivable		29,039.42	Depository fees and safekeeping		23,878.44
<hr/>			Performance fees	7	694,670.64
Total assets		26,946,607.60	Hedging management fees	8	4,435.36
Liabilities			Operating fees		77,259.76
Bank overdraft		231.24	Professional fees	11	45,232.75
Accrued expenses	14	773,575.22	Distribution fees		1,393.81
Other liabilities		43.94	Transaction costs	13	54,094.23
<hr/>			Taxe d'abonnement	9	3,876.44
Total liabilities		773,850.40	Bank interest and charges		9,128.21
Net assets at the end of the year		26,172,757.20	Management Company fees	6	35,492.23
			Publication fees		12,258.85
			Research fees		34,843.00
			Other expenses	12	45,675.81
			Total expenses		1,487,037.19
			Net investment income / (loss)		(1,072,086.24)
			Net realised gain / (loss) on:		
			Investments	3.c	6,352,017.56
			Foreign currencies transactions	3.c	(3,704.11)
			Forward foreign exchange contracts	3.b, 10	(1,300,903.71)
			Net realised gain / (loss) for the year		3,975,323.50
			Net change in unrealised appreciation / (depreciation) on:		
			Investments	3.f	(5,945,666.03)
			Forward foreign exchange contracts	3.b, 3.f, 10	79,509.94
			Increase / (Decrease) in net assets as a result of operations		(1,890,832.59)
			Proceeds received on subscription of shares		
			909,079.49		
			Net amount paid on redemption of shares		
			(1,603,725.96)		
			Net assets at the beginning of the year		
			28,758,236.26		
			Net assets at the end of the year		26,172,757.20

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	17,143.01	154.31	(8,779.00)	8,518.32
Class GP USD	2,760.00	-	(1,460.00)	1,300.00
Class I EURO-HEDGED	150,924.86	-	-	150,924.86
Class I USD	133,247.43	46.00	(2,579.17)	130,714.26
Class P EURO-HEDGED	4,044.25	5,018.57	(2,836.21)	6,226.61
Class P USD	660.26	153.51	-	813.77

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

LA FRANCAISE JKC China Equity (in USD)

Securities Portfolio as at December 31, 2021

Quantity/ Nominal	Name	Currency	Market value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Auto Parts & Equipment				
273,107.00	HEFEI MEIYA OPTOELECTRONIC-A	CNY	1,605,207.78	6.12
194,505.00	NARI TECHNOLOGY CO LTD-A	CNY	1,221,650.59	4.67
256,294.00	SHANDONG LINGLONG TYRE CO -A	CNY	1,469,794.00	5.61
52,000.00	TECHTRONIC INDUSTRIES CO LTD	HKD	1,035,157.98	3.96
			5,331,810.35	20.36
Financial services				
259,800.00	BOC AVIATION LTD	HKD	1,902,772.33	7.27
603,200.00	CHINA INTERNATIONAL CAPITA-H	HKD	1,663,456.18	6.36
			3,566,228.51	13.63
Distribution & Wholesale				
118,000.00	CHINA MEIDONG AUTO HOLDINGS	HKD	608,442.63	2.32
92,500.00	LI NING CO LTD	HKD	1,012,644.09	3.87
35,850.00	YUM CHINA HOLDINGS INC	HKD	1,759,323.48	6.73
			3,380,410.20	12.92
Electric & Electronic				
7,500.00	NAURA TECHNOLOGY GROUP CO-A	CNY	408,363.03	1.56
80,600.00	SANAN OPTOELECTRONICS CO L-A	CNY	474,997.45	1.81
27,481.00	WILL SEMICONDUCTOR CO LTD-A	CNY	1,339,992.20	5.12
			2,223,352.68	8.49
Food services				
126,000.00	CHINA RESOURCES BEER HOLDING	HKD	1,031,912.85	3.94
182,210.00	INNER MONGOLIA YILI INDUS-A	CNY	1,185,310.56	4.53
			2,217,223.41	8.47
Healthcare				
33,397.00	AIER EYE HOSPITAL GROUP CO-A	CNY	221,550.68	0.85
38,888.00	HANGZHOU TIGERMED CONSULTI-A	CNY	779,789.01	2.98
76,519.00	JIANGSU HENGRUI MEDICINE C-A	CNY	608,826.50	2.33
9,877.00	SHENZHEN MINDRAY BIO-MEDIC-A	CNY	590,136.73	2.25
			2,200,302.92	8.41
Building materials				
506,000.00	XINYI GLASS HOLDINGS LTD	HKD	1,265,600.69	4.84
			1,265,600.69	4.84
Textile				
59,800.00	SHENZHOU INTERNATIONAL GROUP	HKD	1,149,779.04	4.39
			1,149,779.04	4.39
Banks				
145,500.00	CHINA MERCHANTS BANK-H	HKD	1,130,026.72	4.32
			1,130,026.72	4.32
Transportation				
283,000.00	SITC INTERNATIONAL HOLDINGS	HKD	1,023,639.69	3.91
			1,023,639.69	3.91
Diversified machinery				
165,400.00	ZHEJIANG SANHUA INTELLIGEN-A	CNY	656,578.53	2.51
			656,578.53	2.51
			24,144,952.74	92.25
Total securities portfolio			24,144,952.74	92.25

Financial derivative instruments as at December 31, 2021

Purchase	Sale	Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
Forward foreign exchange contracts				
519,235.92 USD	460,437.15 EUR	31/01/22	519,235.92	(4,678.95)

Purchase	Sale	Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
11,630,695.33 EUR	13,130,924.20 USD	31/01/22	13,130,924.20	103,295.09
				98,616.14
Total Forward foreign exchange contracts				98,616.14
Total financial derivative instruments				98,616.14

Summary of net assets

		% NAV
Total securities portfolio	24,144,952.74	92.25
Total financial derivative instruments	98,616.14	0.38
Cash at bank	2,673,768.06	10.22
Other assets and liabilities	(744,579.74)	(2.85)
Total net assets	26,172,757.20	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	92.25
	100.00	92.25

Country allocation	% of portfolio	% of net assets
Hong Kong	56.26	51.91
China	43.74	40.34
	100.00	92.25

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
BOC AVIATION LTD	Financial services	1,902,772.33	7.27
YUM CHINA HOLDINGS INC	Distribution & Wholesale	1,759,323.48	6.73
CHINA INTERNATIONAL CAPITA-H	Financial services	1,663,456.18	6.36
HEFEI MEIYA OPTOELECTRONIC-A	Auto Parts & Equipment	1,605,207.78	6.12
SHANDONG LINGLONG TYRE CO -A	Auto Parts & Equipment	1,469,794.00	5.61
WILL SEMICONDUCTOR CO LTD-A	Electric & Electronic	1,339,992.20	5.12
XINYI GLASS HOLDINGS LTD	Building materials	1,265,600.69	4.84
NARI TECHNOLOGY CO LTD-A	Auto Parts & Equipment	1,221,650.59	4.67
INNER MONGOLIA YILI INDUS-A	Food services	1,185,310.56	4.53
SHENZHOU INTERNATIONAL GROUP	Textile	1,149,779.04	4.39

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, 2021

	Notes	USD
Assets		
Investment in securities at cost		40,575,090.11
Unrealised appreciation / (depreciation) on securities		10,187,788.15
<hr/>		
Investment in securities at market value	3.a	50,762,878.26
Cash at bank		4,127,480.58
Net unrealised appreciation on forward foreign exchange contracts	3.b, 10	195,304.05
Dividends and interest receivable		55,042.44
<hr/>		
Total assets		55,140,705.33
<hr/>		
Liabilities		
Bank overdraft		95,845.44
Accrued expenses	14	1,405,175.91
Other liabilities		5.41
<hr/>		
Total liabilities		1,501,026.76
<hr/>		
Net assets at the end of the year		53,639,678.57

Statement of Operations and Changes in Net Assets for the year ended December 31, 2021

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.h	794,061.26
Other income		3,505.52
<hr/>		
Total income		797,566.78
<hr/>		
Expenses		
Management fees	7	826,779.49
Depositary fees and safekeeping		33,155.34
Performance fees	7	1,283,294.53
Hedging management fees	8	7,899.52
Operating fees		71,339.57
Professional fees	11	47,975.42
Distribution fees		1,393.80
Transaction costs	13	111,411.40
Taxe d'abonnement	9	17,066.36
Bank interest and charges		10,126.10
Management Company fees	6	55,007.36
Publication fees		13,035.26
Research fees		69,230.00
Other expenses	12	48,490.75
<hr/>		
Total expenses		2,596,204.90
<hr/>		
Net investment income / (loss)		(1,798,638.12)
<hr/>		
Net realised gain / (loss) on:		
Investments	3.c	10,839,771.83
Foreign currencies transactions	3.c	3,000.03
Forward foreign exchange contracts	3.b, 10	(2,326,598.08)
<hr/>		
Net realised gain / (loss) for the year		6,717,535.66
<hr/>		
Net change in unrealised appreciation / (depreciation) on:		
Investments	3.f	(5,245,440.01)
Forward foreign exchange contracts	3.b, 3.f, 10	161,857.69
<hr/>		
Increase / (Decrease) in net assets as a result of operations		1,633,953.34
<hr/>		
Proceeds received on subscription of shares		284,033.16
Net amount paid on redemption of shares		(73,736.76)
Net assets at the beginning of the year		51,795,428.83
<hr/>		
Net assets at the end of the year		53,639,678.57

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	159,178.02	-	-	159,178.02
Class I EURO-HEDGED	132,402.37	-	-	132,402.37
Class I USD	1,927.55	146.00	-	2,073.55
Class P EURO-HEDGED	829.99	1,328.29	(375.83)	1,782.45

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

LA FRANCAISE JKC Asia Equity (in USD)

Securities Portfolio as at December 31, 2021

Quantity/ Nominal	Name	Currency	Market value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
Financial services				
65,239.00	AAVAS FINANCIERS LTD	INR	2,295,917.08	4.28
488,400.00	BOC AVIATION LTD	HKD	3,577,036.21	6.67
804,000.00	CHINA INTERNATIONAL CAPITA-H	HKD	2,217,206.19	4.13
1,442,000.00	MUANGTHAI CAPITAL PCL-NVDR	THB	2,536,073.51	4.73
			10,626,232.99	19.81
Electric & Electronic				
353,000.00	CHROMA ATE INC	TWD	2,551,773.44	4.76
11,765.00	LEENO INDUSTRIAL INC	KRW	1,962,565.23	3.66
37,700.00	VOLTRONIC POWER TECHNOLOGY	TWD	2,105,267.30	3.92
42,900.00	WILL SEMICONDUCTOR CO LTD-A	CNY	2,091,833.10	3.90
			8,711,439.07	16.24
Auto Parts & Equipment				
9,199.00	GMM PFAUDLER LTD	INR	601,657.73	1.12
385,919.00	HEFEI MEIYA OPTOELECTRONIC-A	CNY	2,268,269.14	4.23
379,584.00	SHANDONG LINGLONG TYRE CO -A	CNY	2,176,837.10	4.06
97,500.00	TECHTRONIC INDUSTRIES CO LTD	HKD	1,940,921.21	3.62
			6,987,685.18	13.03
Distribution & Wholesale				
155,000.00	LI NING CO LTD	HKD	1,696,863.07	3.16
181,350.00	POYA INTERNATIONAL CO LTD	TWD	2,775,929.20	5.18
49,700.00	YUM CHINA HOLDINGS INC	HKD	2,439,006.33	4.55
			6,911,798.60	12.89
Energy				
813,600.00	INDIAN ENERGY EXCHANGE LTD	INR	2,766,883.49	5.16
			2,766,883.49	5.16
Chemical				
8,463.00	HANSOL CHEMICAL CO LTD	KRW	2,174,928.63	4.05
			2,174,928.63	4.05
Banks				
8,368,700.00	BANK BTPN SYARIAH TBK PT	IDR	2,102,083.53	3.92
			2,102,083.53	3.92
Healthcare				
36,088.00	HANGZHOU TIGERMED CONSULTI-A	CNY	723,642.92	1.35
16,204,000.00	MEDIKALOKA HERMINA TBK PT	IDR	1,216,507.96	2.27
			1,940,150.88	3.62
Building materials				
746,000.00	XINYI GLASS HOLDINGS LTD	HKD	1,865,885.60	3.48
			1,865,885.60	3.48
Textile				
92,900.00	SHENZHOU INTERNATIONAL GROUP	HKD	1,786,195.21	3.33
			1,786,195.21	3.33
Food services				
202,000.00	CHINA RESOURCES BEER HOLDING	HKD	1,654,336.47	3.08
			1,654,336.47	3.08
Insurance				
163,400.00	AIA GROUP LTD	HKD	1,647,351.10	3.07
			1,647,351.10	3.07
Transportation				
439,000.00	SITC INTERNATIONAL HOLDINGS	HKD	1,587,907.51	2.96
			1,587,907.51	2.96
			50,762,878.26	94.64
Total securities portfolio			50,762,878.26	94.64

Financial derivative instruments as at December 31, 2021

Purchase	Sale	Maturity Date	Commitment in USD	Unrealised appreciation / (depreciation) in USD
Forward foreign exchange contracts				
1,762,961.37 USD	1,557,554.26 EUR	31/01/22	1,762,961.37	(9,327.39)
23,327,401.11 EUR	26,338,918.46 USD	31/01/22	26,338,918.46	204,631.44
				195,304.05
Total Forward foreign exchange contracts				195,304.05
Total financial derivative instruments				195,304.05

Summary of net assets

		% NAV
Total securities portfolio	50,762,878.26	94.64
Total financial derivative instruments	195,304.05	0.36
Cash at bank	4,031,635.14	7.52
Other assets and liabilities	(1,350,138.88)	(2.52)
Total net assets	53,639,678.57	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	94.64
	100.00	94.64

Country allocation	% of portfolio	% of net assets
Hong Kong	40.21	38.05
Taiwan	14.64	13.86
China	14.30	13.54
India	11.16	10.56
South Korea	8.15	7.71
Indonesia	6.54	6.19
Thailand	5.00	4.73
	100.00	94.64

Top Ten Holdings

Top Ten Holdings	Sector	Market value USD	% of net assets
BOC AVIATION LTD	Financial services	3,577,036.21	6.67
POYA INTERNATIONAL CO LTD	Distribution & Wholesale	2,775,929.20	5.18
INDIAN ENERGY EXCHANGE LTD	Energy	2,766,883.49	5.16
CHROMA ATE INC	Electric & Electronic	2,551,773.44	4.76
MUANGTHAI CAPITAL PCL-NVDR	Financial services	2,536,073.51	4.73
YUM CHINA HOLDINGS INC	Distribution & Wholesale	2,439,006.33	4.55
AAVAS FINANCIERS LTD	Financial services	2,295,917.08	4.28
HEFEI MEIYA OPTOELECTRONIC-A	Auto Parts & Equipment	2,268,269.14	4.23
CHINA INTERNATIONAL CAPITA-H	Financial services	2,217,206.19	4.13
SHANDONG LINGLONG TYRE CO -A	Auto Parts & Equipment	2,176,837.10	4.06

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

Notes to the Financial Statements as at December 31, 2021

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, 2021:

- 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: <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 S EURO HEDGED, S USD, T EURO-HEDGED and T USD are currently not active.

Notes to the Financial Statements as at December 31, 2021 (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 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.

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 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) 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, 2021 (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 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.

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, 2021 (continued)**Note 4 - Exchange rates at December 31, 2021**

1 USD =	6.373373	CNY	1 USD =	74.335649	INR
1 USD =	0.879353	EUR	1 USD =	1,188.750044	KRW
1 USD =	7.796298	HKD	1 USD =	33.404986	THB
1 USD =	14,252.500220	IDR			

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%
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 T EURO-HEDGED	1.50%
Class T USD	1.50%

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, 2021 (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. For the year ended December 31, 2021 a performance fee of USD 694,670.64 has been paid.

Sub-Fund	Share Classes	Fund Currency	Amount performance fees in Fund Currency	% of the average Net Assets per Share Classes
LA FRANCAISE JKC China Equity	Class P USD	USD	2,456.53	2.08%
LA FRANCAISE JKC China Equity	Class I USD	USD	340,391.20	2.42%
LA FRANCAISE JKC China Equity	Class GP USD	USD	7,017.86	2.80%
LA FRANCAISE JKC China Equity	Class I EURO-HEDGED	USD	295,678.98	2.38%
LA FRANCAISE JKC China Equity	Class GP EURO-HEDGED	USD	33,132.56	2.77%
LA FRANCAISE JKC China Equity	Class P EURO-HEDGED	USD	15,993.51	1.55%

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%

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.

Notes to the Financial Statements as at December 31, 2021 (continued)**Note 7 - Investment Management fees and Performance fees (continued)**Performance fees (continued)

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 year ended December 31, 2021 a performance fee of USD 1,283,294.53 has been paid.

Sub-Fund	Share Classes	Fund Currency	Amount performance fees in Fund Currency	% of the average Net Assets per Share Classes
LA FRANCAISE JKC Asia Equity	Class I USD	USD	8,825.22	2.28%
LA FRANCAISE JKC Asia Equity	Class GP USD	USD	672,199.46	2.36%
LA FRANCAISE JKC Asia Equity	Class I EURO-HEDGED	USD	598,121.73	2.31%
LA FRANCAISE JKC Asia Equity	Class P EURO-HEDGED	USD	4,148.12	1.73%

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.

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).

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, 2021, 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, 2021, 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 Service fees.

Notes to the Financial Statements as at December 31, 2021 (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 events

The Board took the decision to de-list the following shares of the Company's sub-funds and share classes from the official list of the Luxembourg Stock Exchange and to withdraw their trading on the Euro MTF market, with effect from February 19, 2022 :

Sub-Fund	Share Classes
LA FRANÇAISE JKC Asia Equity	Class P EURO-HEDGED
	Class I EURO-HEDGED
	Class GP USD
	Class I USD
LA FRANÇAISE JKC China Equity	Class P USD
	Class GP EURO-HEDGED
	Class P EURO-HEDGED
	Class I USD
	Class GP USD
	Class I EURO-HEDGED

Unaudited Information

SFT Regulation

During the year ended December 31, 2021, 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.

Remuneration Policy

The up-to-date remuneration policy of La Française Asset Management, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is made available at : www.la-francaise.com A paper copy is available free of charge upon request at the La Française Asset Management's registered office.

La Française Asset Management	
Assets under Management	14,577,837,410 EUR
Total Staff	95
Total Remuneration	7,185,395.90 EUR
• Fixed	5,598,919.15 EUR
• Variable	1,586,476.75 EUR
Senior Management	385,006.30 EUR
Risk Takers	4,787,218.44 EUR

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. Additional information is available from the management company.

JKC Capital Management Ltd	
Assets under Management	245,684,065 USD
Total Staff	17
Total Remuneration	3,221,231.46 USD
• Fixed	2,398,154.54 USD
• Variable	823,076.92 USD
Senior Management	764,743.59 USD
Risk Takers	1,034,871.79 USD

SFDR

La Française JKC Asia Equity and La Française JKC China Equity ("The sub-funds") are classified as "Article 8" under the SFDR regulation ("The regulation").

The sub-funds promote Environmental and Social characteristics but do not have environmental objective as defined by the EU Taxonomy.

To what extent Environmental and Social characteristics have been met during the reference period?

The following environmental and social characteristics promoted during the investment consideration are:

- The prospect's footprint on society and how it aligns with environmental protection and climate change issues.
- The measures taken in terms of diversity, inclusion, corporate responsibility, and respect for human rights.

Our Sustainability indicators were, among others quantitative metrics, the engagement actions taken with the companies invested by the sub-funds related to environmental or social issues, and the monitoring of external "Company ESG ratings" from third parties.

In addition to these internal tools promoting environmental and social characteristics, the "Morningstar Sustainability Rating for Funds" has been added to the monthly factsheets of the sub-funds. Leveraging Sustainalytics' ESG Risk Ratings, the Morningstar Sustainability Rating for Funds provides a snapshot of how well ESG risk is managed at a sub-fund level relative to its peer group.

Unaudited Information (continued)

SFDR (continued)

At firm's level, JK Capital Management acknowledges the impact of the Asset Management industry toward climate change risks and other potential environmental threats. On one hand, regarding the environmental characteristics, JK Capital Management developed its proprietary Carbon Analysis model to monitor the Carbon intensity at investees' level and at Portfolio Level. The Carbon analysis is a way to understand and measure the impact of the sub-funds regarding the "Sustainability Factors", and to scale the engagement with companies appropriately.

On the other hand, regarding the social and employee matters, respect for human rights, anti-corruption and anti-bribery matters ("Social and Governance matters"), JK Capital Management brings a special emphasis on the Governance methods of each of its investees through in-depth discussions with the management of the companies. JK Capital Management led more than a thousand of meetings during the year including discussion with all the companies of the portfolios. A review of quantitative metrics related to social and governance matters such as employees' turnover, gender pay gap, number of independent directors, tenure of the auditors' mandate is also performed. The review of these metrics may lead to specific questions to the management of companies when deemed appropriate.

This engagement strategy is completed with on-going research on local and global media, market databases, brokers' notes, and the screening on an Anti-Money Laundering and Counter Financing Terrorism database ("Factiva" by Dow Jones) for all the investments, to ensure a comprehensive assessment of the Social and Governance Matters.

In order to promote within our investment considerations, the environmental and social characteristics of the sub-funds, the Fund Manager used a comprehensive approach relying on five pillars:

- Negative screenings criteria to not be exposed to controversial areas / activities;
- Materiality analysis to understand and analyse the investees' footprint on society regarding both environmental and social aspects;
- Quantitative and qualitative assessments on the environmental and social metrics' available regarding the investees;
- A dedicated emphasis on the Corporate Governance methods of each investee;
- Following these four pillars, a scaled and specific engagement strategy has been pursued when deemed appropriate, using both collaborative (UNPRI, CDP, 30% Club Hong Kong and TCFD) and individual initiatives (direct engagement or through Proxy Voting).

The (two) sub-funds cannot set a minimum share in Taxonomy-aligned investments contributing to climate change mitigation or climate change adaptation, transitional or enabling activities but it is expected that it will invest at least a small part of its net assets in investments contributing to climate change mitigation or climate change adaptation. Within this part of assets invested in investments contributing to climate change mitigation or climate change adaptation, it can be reasonably anticipated that a small part be invested in enabling and transitional activities referred to in Article 16 and Article 10(2) of Taxonomy Regulation, respectively.

The Prospectus will be updated and the minimum shares of taxonomy-aligned environmentally sustainable activities, including the proportion of investments in enabling and transitional activities will be included therein once data availability in relation to the Taxonomy Regulation improves and stabilises, and once the technical screening criteria have been published.

