KraneShares

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KESG

KraneShares MSCI China ESG Leaders UCITS ETF

KraneShares MSCI China ESG Leaders UCITS ETF is a sub fund of KraneShares ICAV (the "ICAV"). The ICAV is authorised as a UCITS in Ireland and regulated by the Central Bank of Ireland.

Investors should read the Prospectus, Supplement and UK KIID and/or PRIIP KID prior to investing.

Investment Strategy:

KESG is an index-tracking, passively managed, UCITS ETF that is benchmarked to the MSCI China ESG Leaders 10/40 Index. The MSCI China ESG Leaders 10/40 Index aims to provide exposure to companies with high Environmental, Social and Governance (ESG) ratings relative to their sector peers. The Index consists of large and mid-cap companies in China. In order to ensure diversification, the Index is designed to limit individual constituent weights to 10% and sector weights to 40% of its composition.

KESG has been classified as an Article 8 investment under the EU Sustainable Finance Disclosure Regulation (SFDR).

China's ESG Highlights:

- China's commitment to stricter environmental mandates and conservation efforts is necessary to achieve national goals of sustained economic growth. Consequently, China now is the world leader in total renewable energy capacity, at approximately 40% of total global capacity[1].
- China's economic and technological transformation drives demand for a more educated workforce. In recent years, many Chinese companies in knowledge-intensive sectors have improved their talent programs, which has in turn upgraded their MSCI ESG Rating.
- Greater inclusion of China's capital markets internationally creates incentives to align shareholder rights and governance policies with global standards, paving the way for Chinese companies to develop a more diversified shareholder structure.

KESG Features:

- MSCI China ESG Leaders 10/40 Index inclusion criteria has a track record of effectively identifying growth companies within China's new economy.
- As companies with high ESG scores have proven to consistently outperform their peers in China, investors do not necessarily have to compromise returns for investing based on beliefs.
- Benchmarked to an MSCI ESG Index: the #1 index provider for ESG, Socially Responsible Investment (SRI), and Corporate governance indexes according to a 2018 survey of 1,300 participants conducted by SRI Connect and Extel.

1. IEA, "China" iea.org/countries/china. Retrieved 30/Jun/2023.

Fund Details	Data as of 31/May/2024
Primary SEDOL	BJVRFQ3
Primary ISIN	IE00BKPT4N29
Inception Date	03/Feb/2020
Total Annual Fund Operating Expense	0.40%
Distribution Frequency	Accumulating
Index Name	MSCI China ESG Leaders 10/40 Index
Net Assets	$2,505,721
Number of Holdings	178
UK Reporting Fund Status	Reporting Fund
Investment Structure	UCITS
Base Currency	USD
SFDR Classification	Article 8

Top 10 Holdings as of 31/May/2024 Holdings are subject to change.	**Ticker**	**%**
HONG KONG DOLLAR	–	36.01
TENCENT HOLDINGS LTD	700	9.00
CHINA CONSTRUCTION BANK-H	939	8.68
ALIBABA GROUP HOLDING LTD	9988	8.30
IND & COMM BK OF CHINA-H	1398	4.69
NETEASE INC	9999	4.14
BYD CO LTD-H	1211	3.92
JD.COM INC-CLASS A	9618	3.78
BAIDU INC-CLASS A	9888	3.41
CHINA MERCHANTS BANK-H	3968	2.22

KESG Performance History:

	Cumulative % Data as of month end: 31/May/2024				**Average Annualized %** Data as of month end: 31/May/2024				**Average Annualized %** Data as of quarter end: 31/Mar/2024			
	1 Mo	**3 Mo**	**6 Mo**	**Since Inception**	**1 Yr**	**3 Yr**	**5 Yr**	**Since Inception**	**1 Yr**	**3 Yr**	**5 Yr**	**Since Inception**
Fund NAV	0.10%	3.62%	-2.93%	-16.48%	-4.79%	-19.16%	–	-4.08%	-20.46%	-19.74%	–	-5.37%
Index	0.18%	3.79%	-2.59%	-13.31%	-4.14%	-19.19%	–	-3.25%	-19.90%	-19.19%	–	-4.54%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investors shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please visit www.kraneshares.eu.

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

This is a marketing communication. Please refer to the prospectus of the UCITS, the KIID and the PRIIP before making any final investment decisions.

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Listings as of 31/May/2024	Ticker	Currency	Listing Date	SEDOL	ISIN
London Stock Exchange	KESG LN	USD	04/Feb/2020	BJVRFQ3	IE00BKPT4N29
Borsa Italiana	KESG IM	EUR	13/Oct/2022	—	IE00BKPT4N29
Deutsche Börse Xetra	KESG	EUR	10/Oct/2023	—	IE00BKPT4N29

Sector Breakdown Data from Bloomberg as of 31/May/2024	%
Consumer Discretionary	28.03
Communication Services	21.04
Financials	20.83
Health Care	7.79
Industrials	7.27
Consumer Staples	3.59
Real Estate	3.53
Utilities	3.22
Information Technology	2.29
Materials	2.06
Energy	0.02

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives. The Funds are subject to political, social or economic instability within China which may cause decline in value. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume.

Narrowly focused investments typically exhibit higher volatility. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Such changes may have an adverse impact on performance.

KESG seeks to promote a combination of environmental and social characteristics, within the meaning of Article 8. Investors should refer to the "Sustainable Finance" section of the Prospectus for further details on how the Investment Manager addresses Sustainability Risk and ESG Integration for KESG. In line with the Index methodology, KESG promotes environmental characteristics but does not commit to making environmentally sustainable investments as defined in the Taxonomy Regulation.

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, KraneShares MSCI China ESG Leaders UCITS ETF presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

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In Switzerland, the Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: switzerland@waystone.com. The Fund's paying agent is Helvetische Bank AG. In respect of the Shares distributed in or from Switzerland, the place of performance and jurisdiction is Lausanne (Switzerland).

Krane Funds Advisors, LLC is appointed to act as investment manager in accordance with the requirements of the Central Bank. Waystone Management Company (IE) Limited is appointed to provide management services to the ICAV in accordance with the requirements of the Central Bank. The Management Company may decide to terminate the arrangements made for the marketing of the Fund in accordance with Article 93a of Directive 2009/65/EC.

For additional fund documentation, please visit www.waystone.com or www.kraneshares.eu. To view our Summary of Investor Rights, please visit www.kraneshares.eu or click here. [R-KS-EU]