

KRANESHARES ICAV

Annual Report and Audited Financial Statements

For the year ended 30 September 2020

30 September 2020

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KRANESHARES ICAV

Directors and Other Information

For the year ended 30 September 2020

Directors

Feargal Dempsey (*Irish*) ⁽¹⁾⁽²⁾
Jonathan Krane (*American*)
Lorcan Murphy (*Irish*) ⁽¹⁾⁽²⁾
Xiaolin Chen (*British*)
Sjef Peters (*Dutch*) ⁽¹⁾⁽²⁾⁽³⁾
Piers Wheeler (*British*) ⁽¹⁾⁽²⁾⁽⁴⁾

Manager

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Administrator

SEI Investments – Global Fund Services Limited
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Ireland

ICAV Secretary

Matsack Trust Limited
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Dublin 2
Ireland

Legal Advisers and Listing Sponsor

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Ireland

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Sub Distributor

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USA

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Styne House
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Registrar

Brown Brothers Harriman Fund Administration Services
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Independent Auditors

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Distributor

Krane Funds Advisors, LLC
280 Park Avenue, 32nd Floor
New York, New York 10017
USA

⁽¹⁾ Non-executive

⁽²⁾ Independent

⁽³⁾ Appointed on 10 February 2020

⁽⁴⁾ Appointed on 3 June 2020

KRANESHARES ICAV

Directors' Report

For the year ended 30 September 2020

The Directors submit this report together with the Annual Report and the Audited Financial Statements of KraneShares ICAV (the "ICAV"), in each case for the financial year ended 30 September 2020.

The ICAV

The ICAV was registered in Ireland, registration number C181441, pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") on 15 May 2018 and authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019 (collectively the "UCITS Regulations"). The objective of the ICAV is the collective investment in transferrable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS regulations.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. Each sub-fund has a distinct portfolio of investments and the investment objective and policy of each sub-fund is formulated by the investment manager. At 30 September 2020, the following funds ("Sub-Funds") were in operation:

Sub-Funds	Central Bank	
	Authorisation Date	Launch date
KraneShares CSI China Internet UCITS ETF	11 October 2018	21 November 2018
KraneShares MSCI China A Share UCITS ETF	14 June 2019	26 June 2019
KraneShares MSCI China ESG Leaders UCITS ETF	10 October 2019	4 February 2020
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF	26 March 2020	25 May 2020

The Sub-Funds

Investment Objective and Policies, and review of business developments

KraneShares CSI China Internet UCITS ETF

KraneShares CSI China Internet UCITS ETF ("the Sub-Fund") is listed on the Irish, London and Amsterdam Stock Exchanges. The Sub-Fund listed on the Dublin and London stock exchanges on 19 and 20 November 2018 respectively, and on the Amsterdam Stock Exchange on 17 May 2019.

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the investable universe of publicly traded China-based companies whose primary business or businesses are in the Internet and Internet-related sectors and which are listed outside of China ("China Internet Companies"). The Schedule of Investments lists the investments by country of incorporation. In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will aim to replicate the CSI Overseas China Internet Index ("Index") by holding all of the constituents of the Index in a similar proportion to their weighting in the Index. The Sub-Fund follows a strategy of replicating the Index. The performance of the Sub-Fund is reviewed in detail on pages 9-10 in the Investment Manager's Report.

KraneShares MSCI China A Share UCITS ETF

KraneShares MSCI China A Share UCITS ETF ("the Sub-Fund") is listed on the Main Securities Market of Euronext Dublin and the London Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 26 June 2019.

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the investable universe of Chinese Yuan Renminbi ("RMB") denominated equity securities listed on the Shenzhen or Shanghai Stock Exchanges ("A Shares") ("China Renminbi Companies"). The Schedule of Investments lists the investments by country of incorporation. In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will aim to replicate the MSCI China A Index ("Index") by holding all of the constituents of the Index in a similar proportion to their weighting in the Index. The Sub-Fund follows a strategy of replicating the Index. The performance of the Sub-Fund is reviewed in detail on pages 11-12 in the Investment Manager's Report.

For the year ended 30 September 2020

The Sub-Funds (continued)

Investment Objective and Policies, and review of business developments (continued)

KraneShares MSCI China ESG Leaders UCITS ETF

KraneShares MSCI China ESG leaders UCITS ETF ("the Sub-Fund") is listed on the Main Securities Market of Euronext Dublin and the London Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 4 February 2020.

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the investable universe of Chinese companies listed on the Shanghai, Shenzhen or Hong Kong Stock Exchanges ("China Companies"). The Schedule of Investments lists the investments by country of incorporation. In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will aim to replicate the MSCI China ESG Leaders Index ("Index") by holding all of the constituents of the Index in a similar proportion to their weighting in the Index. The Sub-Fund follows a strategy of replicating the Index. The performance of the Sub-Fund is reviewed in detail on pages 13-14 in the Investment Manager's Report.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF ("the Sub-Fund") is listed on the Main Securities Market of Euronext Dublin and the London Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 25 May 2020.

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the investable universe of publicly traded fixed income securities issued by the Chinese government and government-related Chinese banks (the "Issuers"). The Schedule of Investments lists the investments by country of incorporation. In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will use the optimisation methodology to select Index securities in order to build a representative portfolio that provides a return that is comparable to that of the Chinese onshore renminbi denominated government and government related bank fixed income market index ("Index"). Consequently, the Sub-Fund may only hold a certain sub-set of the components of the Index. The Sub-Fund follows a strategy of not replicating any Indexes. The performance of the Sub-Fund is reviewed in detail on pages 15-16 in the Investment Manager's Report.

Risk management objectives and policies

The Directors have identified certain risks arising from the ICAV's holdings. The principal risks and uncertainties which the ICAV faces relate to the use of financial instruments and are listed in Note 7 "Financial risk management".

Results

The results of operations of the ICAV for the financial year are set out in the Statement of Comprehensive Income on page 50. A review of the performance of the Sub-Funds for the financial year is included in the Investment Manager's report on pages 9 to 16.

Significant events during the reporting year

Significant events during the year under review are disclosed in Note 11 "Significant events during the reporting year".

Events after the reporting financial year

Subsequent events are disclosed in Note 12 "Events after the reporting year".

Directors

Feargal Dempsey, Lorcan Murphy, Xiaolin Chen and Jonathan Krane were appointed as Directors on 1 October 2018. Sjeef Peters was appointed as a Director on 10 February 2020 and Piers Wheeler was appointed as a Director on 3 June 2020.

Directors' and Secretary's Interests

None of the Directors, their families or the Secretary held any interest in the shares of the Sub-Funds during the financial year. Director Jonathan Krane is a principal of the Investment Manager. Accordingly, Jonathan Krane has an interest in the Investment Management Agreement.

Transactions involving Directors and ICAV Secretary

Contracts or arrangements of any significance in relation to the business of the ICAV in which the Directors or the ICAV Secretary had any interest as defined in the ICAV Act, at any time during the year ended 30 September 2020, are disclosed in Note 9 "Related Parties" in the notes to the financial statements.

For the year ended 30 September 2020

Secretary

Mastack Trust Limited held the office of Secretary throughout the financial year.

Directors' Remuneration

The Manager shall be responsible for discharging any fees and expenses of the Directors' of the ICAV out of the fee which it receives from the ICAV. The fixed fee of the independent Directors of the Board will be commercially negotiated.

Segregated Liability

The ICAV is an umbrella fund with segregated liability between the Sub-Funds and as such, as a matter of Irish law, the assets of a Sub-Fund will not be exposed to the liabilities of the ICAV's other Sub-Funds.

Segregated liability ensures that the liabilities incurred on behalf of a Sub-Fund will be discharged solely out of the assets of that Sub-Fund and there can generally be no recourse to the other Sub-Funds to satisfy those liabilities.

Each Sub-Fund will be responsible for paying its fees and expenses regardless of the level of profitability. Notwithstanding the foregoing there can be no guarantee or assurance that, should an action be brought against the ICAV in a court of another jurisdiction, that the segregated nature of the Sub-Funds would necessarily be upheld.

Connected Persons

In accordance with the requirements of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, (the "Central Bank UCITS Regulations"), all transactions carried out with the ICAV by the Manager, Investment Manager, Investment Adviser, Depositary, delegates or sub-delegates of these parties (the "connected persons") must be conducted at arm's length and be in the best interests of shareholders of the ICAV. The Directors are satisfied that there are arrangements in place to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons and transactions with connected persons entered into during the financial year complied with the obligations set out in the Central Bank UCITS Regulations.

Shareholders should note that not all connected persons as defined by the Central Bank UCITS Regulations are deemed related parties as defined by IAS 24 'Related Party Disclosures'. Related parties include the board of Directors, the Manager, and the Investment Manager.

Transactions with related parties during the year ended 30 September 2020 are disclosed in Note 9 "Related Parties" in the notes to the financial statements.

Dividends

All the Sub-Funds have accumulating share classes, with the exception of KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF, which has distributing share classes, intend to accumulate all net investment income and net realised capital gains. The KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A Share UCITS ETF and KraneShares MSCI China ESG Leaders UCITS ETF, do not intend to make distributions in respect of the accumulating share classes. Subject to income being available for distribution, KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF intend to make distributions in respect of the distributing share class on a semi-annual basis, with the first distribution to be declared in December 2020. No dividends were declared in respect of the year ended 30 September 2020 for any sub-funds (2019: Nil).

Soft Commissions

There were no soft commission arrangements during the year (2019: Nil).

Security Lending

The ICAV entered into a securities lending agency agreement with the Sub-Custodian on 28 July 2020. Securities lending commenced on KraneShares CSI China Internet UCITS ETF in August 2020. As at 30 September 2020 the KraneShares CSI China Internet UCITS ETF was engaged in one securities lending arrangement with a value of \$2,099,563 (2019: Nil). Further details on security lending are detailed in note 2 (d)(xii).

Impact of COVID-19

The impacts of the COVID-19 coronavirus outbreak have caused a significant deterioration in economic conditions for some businesses and an increase in economic uncertainty for others. The Directors of the ICAV are required to assess whether these events or conditions, either individually or collectively ('current events or conditions'), cast significant doubt on the ability of the Sub-Funds of the ICAV to continue as a going concern or, in severe cases, whether the going concern assumption is still appropriate as a basis for the preparation of the Sub-Funds financial statements.

For the year ended 30 September 2020

Going Concern

It is critical for the Directors of the ICAV to assess what impacts the current events and conditions have on the Sub-Funds operations with the key issue being whether the Sub-Funds have sufficient liquidity to continue to meet their obligations as they fall due. In this case, the Directors are of the view that the Sub-Funds have sufficient liquidity to cover its obligations for at least 12 months and they believe that the Sub-Funds will continue in operational existence for the foreseeable future. The Investment Manager has agreed to bear the cost of certain fees and operational expenses which are over and above the total expense ratio or "TER" of each Sub-Fund. Please refer to Note 5 "Fees and Expenses" for further details.

As at 30 September 2020, the Directors believe that the ICAV and all of its Sub-Funds will continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Employees

The ICAV had no employees throughout the year ended 30 September 2020 (2019: no employees).

Key Performance Indicators

The Directors consider that the change in net asset value ("NAV") per share is a key indicator of the performance of the ICAV. Key performance indicators monitored by the Directors for each Sub-Fund include the month to month movement in the NAV per share, the tracking of each Sub-Fund's performance to the performance of the relevant Index and the share capital movements.

Future Developments

The ICAV has launched a new Sub-Fund, KraneShares MSCI All China Health Care Index UCITS ETF on 15 January 2021. No further developments are expected as at the date of issue of the financial statements of the ICAV.

Updates to Legal Documents

An updated Prospectus was issued for the ICAV on 2 October 2020. Updated Supplements were issued for the Sub-Funds on 2 October 2020. The updates included:

- updates to the holiday calendar for all supplements and prospectus in order to define the non-trading dates;
- amendments to securities lending;
- updates to proxy voting for the KraneShares MSCI China ESG leaders UCITS ETF Sub-Fund;
- passage of time updates for all supplements and prospectus.

Accounting Records

The Directors have ensured that adequate accounting record requirements under Sections 109 to 113 of the ICAV Act have been complied with by outsourcing this function to a specialist provider of such services. The accounting records are held by SEI Investments – Global Fund Services Limited in their office which is located at Styne House, Upper Hatch Street, Dublin 2, Ireland.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Sub-Funds at the end of the financial year and of the increase in net assets attributable to holders of redeemable participating shares in the Sub-Funds for the financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

For the year ended 30 September 2020

Directors' Responsibilities Statement (continued)

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and decrease in net assets attributable to holders of redeemable participating shares in the Sub-Funds and enable them to ensure that the financial statements comply with the ICAV Act and the UCITS Regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Sub-Funds. In this regard they have entrusted the assets of the Sub-Funds to a depositary for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

The financial statements are published on the Manager's website: <https://dmsgovernance.com/funds/kraneshares-icav/>. The Directors, together with the Investment Manager and Manager, are responsible for the maintenance and integrity of the corporate and financial information included on the Manager's website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Corporate Governance

The ICAV is subject to compliance with the requirements of the ICAV Act and the Central Bank UCITS Regulations. During the year under review, the ICAV was subject to corporate governance imposed by:

- i. The ICAV Act which can be obtained at <http://www.irishstatutebook.ie/home.html>;
- ii. The Instrument of Incorporation of the ICAV which is available for inspection at the registered office of the ICAV at 70 Sir John Rogerson's Quay, Dublin 2, Ireland; and
- iii. The Central Bank UCITS Regulations which can be obtained from the Central Bank's website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and is available for inspection at the registered office of the ICAV.
- v. The Euronext Dublin through the Euronext Dublin Code of Listing Requirements and Procedures which can be obtained from the Euronext Dublin's website at <http://www.ise.ie/>. The Euronext Amsterdam through the Euronext Amsterdam Code of Listing Requirements and Procedures which can be obtained from the Euronext Amsterdam's website at <http://www.euronext.com/>. The London Stock Exchange through the London Stock Exchange Rule book which can be obtained from the London Stock Exchange's website at <http://www.londonstockexchange.com/>.
- vi. The Irish Funds, formally Irish Funds Industry Association, Corporate Governance Code for Collective Investment Schemes and Management Companies (December 2011) which can be found at <http://www.irishfunds.ie/regulatory-technical/corporate-governance>.

(a) Compliance with the Irish Corporate Governance Code

The Directors have adopted the voluntary Irish Funds (formerly Irish Funds Industry Association) ("IFIA") Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies, issued 14 December 2011 (the "Code"). The Directors have reviewed and assessed the measure included in the Code and consider its corporate governance practices and procedures since the adoption of the Code as consistent therewith.

The Code provides a framework for the organisation and operation of funds to ensure that funds operate efficiently and in the interests of shareholders.

The Board considers that the ICAV has complied with the main provisions contained in the Code throughout this accounting year and that it complies with the various other corporate governance requirements prescribed by the legislation noted above.

(b) Withdrawal of the UK from the EU

The United Kingdom ("UK") formally exited the European Union ("EU") on 31 January 2020 ("Brexit"). A withdrawal agreement has been entered into by the UK and EU which allows for a transitional period until 31 December 2020, during which EU law will continue to be applied in the UK. The Brexit process has been concluded and a final deal has been agreed by the UK and EU, which has taken effect on 1 January 2021.

The Directors will monitor the implications of the agreement in future, as there is still relative uncertainty and potential implications on the economy, legal and regulatory framework and potential impact on financial markets.

For the year ended 30 September 2020

Relevant Audit Information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Independent Auditors

The auditor, KPMG, Chartered Accountants and Statutory Audit Firm were appointed as statutory auditor on 6 November 2019 and have been re-appointed annually since that date, in accordance with Section 125 of the ICAV Act, have expressed their willingness to continue act as auditors of the ICAV.

On behalf of the Board of Directors:



Director
Date: 26 January 2021



Director

For the year ended 30 September 2020

KraneShares CSI China Internet UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares CSI China Internet UCITS ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the CSI Overseas China Internet Index (the "Underlying Index").

The Underlying Index is designed to measure the performance of the investable universe of publicly traded China-based companies whose primary business or businesses are in the Internet and Internet-related sectors ("China Internet Companies"), as defined by the index sponsor, China Securities Index Co., Ltd. ("CSI").

From the Fund's last reporting period to ending on September 30, 2020 (the "reporting period"), the NAV of the Fund increased 62.8% while the Underlying Index increased 64.2%, a performance difference of 1.4%. The performance difference was calculated as the deviation between the NAV of the Fund and the NAV of the underlying index. The realized difference for this reporting period is mainly driven by management fees.

Please see details for the Fund and the Underlying Index returns for the reporting period and since the Fund inception below:

Fund & Underlying Index	Ticker	1 October 2019 – 30 September 2020	Since Inception* (as of Q3 2020)
KraneShares CSI China Internet UCITS ETF	KWEB	62.8%	67.6%
CSI Overseas China Internet Index	H1137	64.2%	70.6%
MSCI China	MXCN	32.5%	n/a

* KWEB launched on 20 November 2018 at LSE

Markets review

The pandemic caught markets by surprise since beginning of the year and resulted economy growth concerns globally. The central banks around the world announced easing policies aim to calm the financial market and support the economy. Traditional industries that rely on customers frequent access get impacted the most and are still facing broad challenges of consolidation. Whereas sectors that are innovative with leveraged technologies have benefited from gaining market shares and adopted quickly in offering services to the new way of livings.

China's central bank announced very targeted measure to ensure sufficient liquidity in the market to support business and implemented strict measures to contain the pandemic in the country. As a result, that the country experienced a first-in-first-out effect and was one of the first countries to recover from the pandemic. Global investors rewarded the sectors that have business least impacted by the global pandemic and China's capital market also showed to be more resilient during the heightened volatile period when compared to its global peers.

This is evident as the performance of the KraneShares ICAV's UCITS Equity and Fixed Income Funds have outperformed broader indices for the reporting period. China's e-commerce sectors continue to deliver high revenue growth, and the global index providers are including China Fixed Income to their broad indices. Following Bloomberg and JPMorgan's inclusion decision on Chinese government bonds, that FTSE has also announced the similar action to be implemented in 2021. The onshore bond market experienced significant inflows and continue to offer higher yield when compared with other government bonds and the asset class has shown lower correlations to other major financial assets.

For the year ended 30 September 2020

KraneShares CSI China Internet UCITS ETF (a sub-fund of KraneShares ICAV) (continued)

We expect China Equity to continue perform well going forward. Market expects the inclusion of China onshore equity initiative from index provider like MSCI will resume in 2021, and significant inflows expected to China onshore equity. The inclusion will support the KraneShares MSCI China A-Share UCITS ETF Fund ("KBA") as it is the exact reflection of the inclusion for China A-Share Equity Fund. The high-quality industry leaders in the ESG standard will continue to drive in performance as investors globally are and will continue in rewarding companies that deliver good compliance with ESG in China. As the second largest fixed income market in the world, China's government bonds offer the most attractive yield with high ratings will continue to outperform the rest of the world's government bonds. Furthermore, the inclusion effort will allow the asset class to increase weighting in global indices and clients' allocation as a result. We see further reforms on China's onshore fixed income market will increase the accessibility for investors to invest onshore and a subsequent increase of weighting in the inclusion which all serve as catalyst to support the KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF Fund ("KBND").

China capital market overview for the reporting period:

- China's Equity market, as measured by the MSCI China Index was up for the period, returning 32.5%, while the global broad Equity market as measured by MSCI All Country World Index (ACWI) returning 12%.
- China's Fixed Income market continue to offer higher yield and returning 210bps (as of Q3 2020) yield pick up over the 10-year US Treasury bonds. China's currency, the Renminbi (CNY) appreciated by 4.6% against the US Dollar for the reporting period, a reflection of the differentiated central bank policy stands between the two countries that supporting a stronger currency for China.
- The MSCI China ESG Leaders 10/40 Index, that is designed 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 returning 24.4% since the KraneShares MSCI China ESG Leaders UCITS ETF ("KESG") inception on the 3rd February 2020. Whereas the broad China's Equity market MSCI China for the same period returning 21.5% only.
- Similar outperformance experienced for the CSI Overseas China Internet Index, which tracks Chinese internet companies listed in the United States and Hong Kong returned 64.2% for the reporting period. It reflects investors appreciation of these tech-leaders in E-Commerce sectors that have expanded its business and rapidly gaining bigger market share into lower tiers cities in China despite the challenges presented this year. The strong underlying revenue growth contributed by healthy domestic consumer demand and stocks rewarded with outperformance compared to other sectors. Market expects the strong fundamental support to the sector continues for long term.
- Despite the headline news between China and the United States, we continue to see investors acting more maturely in investing and stay invested with China-focused solutions.
- The ICAV added two new Sub-Funds during this reporting period: 1) the KBND Fund offers access to onshore Chinese Government Bonds' investment and 2) the KESG Fund offers access to Chinese companies that are leaders in delivering ESG initiatives. Both Funds offer unique investment opportunities for investors to access which are areas that they have showed great interests in.

Krane Funds Advisors, LLC

7 December 2020

KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2020

KraneShares MSCI China A Share UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares MSCI China A-Share UCITS ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the MSCI China A Index (the "Underlying Index").

The Underlying Index captures large and mid-cap companies representation across China securities listed on the Shanghai and Shenzhen exchanges (A-Share). It is designed for global investors accessing the A-Share market using the Stock Connect framework and is calculated using China A Stock Connect listings based on the RMB exchange rate (CNY), as defined by the index sponsor, MSCI.

From the Fund's last reporting period to ending on September 30, 2020 (the "reporting period"), the NAV of the Fund increased 31.7% while the Underlying Index increased 33.9%, a performance difference of 2.2%. The performance difference was calculated as the deviation between the NAV of the Fund and the NAV of the underlying index. The realized difference for this reporting period is mainly driven by management fees.

Please see details for the Fund and the Underlying Index returns for the reporting period and since the Fund inception below:

Fund & Underlying Index	Ticker	1 October 2019 – 30 September 2020	Since Inception* (as of Q3 2020)
KraneShares MSCI China A-Share UCITS ETF	KBA	31.7%	27.5%
MSCI China A Index	NU718708	33.9%	29.9%
MSCI China	MXCN	32.5%	n/a

* KBA launched on 26 June 2019 at LSE

Markets review

The pandemic caught markets by surprise since beginning of the year and resulted economy growth concerns globally. The central banks around the world announced easing policies aim to calm the financial market and support the economy. Traditional industries that rely on customers frequent access get impacted the most and are still facing broad challenges of consolidation. Whereas sectors that are innovative with leveraged technologies have benefited from gaining market shares and adopted quickly in offering services to the new way of livings.

China's central bank announced very targeted measure to ensure sufficient liquidity in the market to support business and implemented strict measures to contain the pandemic in the country. As a result, that the country experienced a first-in-first-out effect and was one of the first countries to recover from the pandemic. Global investors rewarded the sectors that have business least impacted by the global pandemic and China's capital market also showed to be more resilient during the heightened volatile period when compared to its global peers.

This is evident as the performance of the KraneShares ICAV's UCITS Equity and Fixed Income Funds have outperformed broader indices for the reporting period. China's e-commerce sectors continue to deliver high revenue growth, and the global index providers are including China Fixed Income to their broad indices. Following Bloomberg and JPMorgan's inclusion decision on Chinese government bonds, that FTSE has also announced the similar action to be implemented in 2021. The onshore bond market experienced significant inflows and continue to offer higher yield when compared with other government bonds and the asset class has shown lower correlations to other major financial assets.

For the year ended 30 September 2020

KraneShares MSCI China A Share UCITS ETF (a sub-fund of KraneShares ICAV) (continued)

We expect China Equity to continue perform well going forward. Market expects the inclusion of China onshore equity initiative from index provider like MSCI will resume in 2021, and significant inflows expected to China onshore equity. The inclusion will support the KraneShares MSCI China A-Share UCITS ETF Fund ("KBA") as it is the exact reflection of the inclusion for China A-Share Equity Fund. The high-quality industry leaders in the ESG standard will continue to drive in performance as investors globally are and will continue in rewarding companies that deliver good compliance with ESG in China. As the second largest fixed income market in the world, China's government bonds offer the most attractive yield with high ratings will continue to outperform the rest of the world's government bonds. Furthermore, the inclusion effort will allow the asset class to increase weighting in global indices and clients' allocation as a result. We see further reforms on China's onshore fixed income market will increase the accessibility for investors to invest onshore and a subsequent increase of weighting in the inclusion which all serve as catalyst to support the KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF Fund ("KBND").

China capital market overview for the reporting period:

- China's Equity market, as measured by the MSCI China Index was up for the period, returning 32.5%, while the global broad Equity market as measured by MSCI All Country World Index (ACWI) returning 12%.
- China's Fixed Income market continue to offer higher yield and returning 210bps (as of Q3 2020) yield pick up over the 10-year US Treasury bonds. China's currency, the Renminbi (CNY) appreciated by 4.6% against the US Dollar for the reporting period, a reflection of the differentiated central bank policy stands between the two countries that supporting a stronger currency for China.
- The MSCI China ESG Leaders 10/40 Index, that is designed 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 returning 24.4% since the KraneShares MSCI China ESG Leaders UCITS ETF ("KESG") inception on the 3rd February 2020. Whereas the broad China's Equity market MSCI China for the same period returning 21.5% only.
- Similar outperformance experienced for the CSI Overseas China Internet Index, which tracks Chinese internet companies listed in the United States and Hong Kong returned 64.2% for the reporting period. It reflects investors appreciation of these tech-leaders in E-Commerce sectors that have expanded its business and rapidly gaining bigger market share into lower tiers cities in China despite the challenges presented this year. The strong underlying revenue growth contributed by healthy domestic consumer demand and stocks rewarded with outperformance compared to other sectors. Market expects the strong fundamental support to the sector continues for long term.
- Despite the headline news between China and the United States, we continue to see investors acting more maturely in investing and stay invested with China-focused solutions.
- The ICAV added two new Sub-Funds during this reporting period: 1) the KBND Fund offers access to onshore Chinese Government Bonds' investment and 2) the KESG Fund offers access to Chinese companies that are leaders in delivering ESG initiatives. Both Funds offer unique investment opportunities for investors to access which are areas that they have showed great interests in.
- The initial investor in the KBA Fund from Israel has enjoyed the market rally of over 30%+ return and decided to take profits and re-allocate the proceeds to another KraneShares' solution in the United States. Though, the assets redeemed from the KBA UCITS, but it stayed within the Firm as the client continues to have conviction in investing in China. The efforts of continuously marketing the Fund to broader investors base has paid off. The KBA Fund has now re-build up AUM and become more diversely owned by broader investors with institutions have longer term investment horizons.

KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2020

KraneShares MSCI China ESG Leaders UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares MSCI China ESG Leaders UCITS ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the MSCI China ESG Leaders 10/40 Index (the "Underlying Index").

The Underlying Index captures large and mid-cap companies listed in China with a limit on individual constituent weights to 10% and sector weights to 40% of its composition to ensure meet UCITS diversification rule. The Underlying Index is designed to provide exposure to companies with high Environmental, Social and Governance (ESG) ratings relative to their sector peers.

From the Fund's inception to ending on September 30, 2020 (the "reporting period"), the NAV of the Fund increased 22.6%, while the Underlying Index increased 24.4%, a performance difference of 1.8%. The performance difference was calculated as the deviation between the NAV of the Fund and the NAV of the underlying index. However, it requires at least one year of performance before an accurate calculation can be made. The expect performance difference estimate is mainly driven by management fees and relative short period of history of the Fund.

Please see details for the Fund and the Underlying Index returns for the reporting period and since the Fund inception below:

Fund & Underlying Index	Ticker	1 October 2019 – 30 September 2020	Since Inception* (as of Q3 2020)
KraneShares MSCI China ESG Leaders UCITS ETF	KESG	n/a	22.6%
MSCI China ESG Leaders 10/40 Index	MXCNEL40	n/a	24.4%
MSCI China	MXCN	32.5%	n/a

* KESG launched on 3 February 2020 at LSE

Markets review

The pandemic caught markets by surprise since beginning of the year and resulted economy growth concerns globally. The central banks around the world announced easing policies aim to calm the financial market and support the economy. Traditional industries that rely on customers frequent access get impacted the most and are still facing broad challenges of consolidation. Whereas sectors that are innovative with leveraged technologies have benefited from gaining market shares and adopted quickly in offering services to the new way of livings.

China's central bank announced very targeted measure to ensure sufficient liquidity in the market to support business and implemented strict measures to contain the pandemic in the country. As a result, that the country experienced a first-in-first-out effect and was one of the first countries to recover from the pandemic. Global investors rewarded the sectors that have business least impacted by the global pandemic and China's capital market also showed to be more resilient during the heightened volatile period when compared to its global peers.

This is evident as the performance of the KraneShares ICAV's UCITS Equity and Fixed Income Funds have outperformed broader indices for the reporting period. China's e-commerce sectors continue to deliver high revenue growth, and the global index providers are including China Fixed Income to their broad indices. Following Bloomberg and JPMorgan's inclusion decision on Chinese government bonds, that FTSE has also announced the similar action to be implemented in 2021. The onshore bond market experienced significant inflows and continue to offer higher yield when compared with other government bonds and the asset class has shown lower correlations to other major financial assets.

For the year ended 30 September 2020

KraneShares MSCI China ESG Leaders UCITS ETF (a sub-fund of KraneShares ICAV) (continued)

We expect China Equity to continue perform well going forward. Market expects the inclusion of China onshore equity initiative from index provider like MSCI will resume in 2021, and significant inflows expected to China onshore equity. The inclusion will support the KraneShares MSCI China A-Share UCITS ETF Fund ("KBA") as it is the exact reflection of the inclusion for China A-Share Equity Fund. The high-quality industry leaders in the ESG standard will continue to drive in performance as investors globally are and will continue in rewarding companies that deliver good compliance with ESG in China. As the second largest fixed income market in the world, China's government bonds offer the most attractive yield with high ratings will continue to outperform the rest of the world's government bonds. Furthermore, the inclusion effort will allow the asset class to increase weighting in global indices and clients' allocation as a result. We see further reforms on China's onshore fixed income market will increase the accessibility for investors to invest onshore and a subsequent increase of weighting in the inclusion which all serve as catalyst to support the KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF Fund ("KBND").

China capital market overview for the reporting period:

- China's Equity market, as measured by the MSCI China Index was up for the period, returning 32.5%, while the global broad Equity market as measured by MSCI All Country World Index (ACWI) returning 12%.
- China's Fixed Income market continue to offer higher yield and returning 210bps (as of Q3 2020) yield pick up over the 10-year US Treasury bonds. China's currency, the Renminbi (CNY) appreciated by 4.6% against the US Dollar for the reporting period, a reflection of the differentiated central bank policy stands between the two countries that supporting a stronger currency for China.
- The MSCI China ESG Leaders 10/40 Index, that is designed 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 returning 24.4% since the KraneShares MSCI China ESG Leaders UCITS ETF ("KESG") inception on the 3rd February 2020. Whereas the broad China's Equity market MSCI China for the same period returning 21.5% only.
- Similar outperformance experienced for the CSI Overseas China Internet Index, which tracks Chinese internet companies listed in the United States and Hong Kong returned 64.2% for the reporting period. It reflects investors appreciation of these tech-leaders in E-Commerce sectors that have expanded its business and rapidly gaining bigger market share into lower tiers cities in China despite the challenges presented this year. The strong underlying revenue growth contributed by healthy domestic consumer demand and stocks rewarded with outperformance compared to other sectors. Market expects the strong fundamental support to the sector continues for long term.
- Despite the headline news between China and the United States, we continue to see investors acting more maturely in investing and stay invested with China-focused solutions.
- The ICAV added two new Sub-Funds during this reporting period: 1) the KBND Fund offers access to onshore Chinese Government Bonds' investment and 2) the KESG Fund offers access to Chinese companies that are leaders in delivering ESG initiatives. Both Funds offer unique investment opportunities for investors to access which are areas that they have showed great interests in.

Krane Funds Advisors, LLC

7 December 2020

KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2020

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Bloomberg Barclays China Treasury and Policy Bank 9% Capped Index (the "Underlying Index").

The Underlying Index is designed to track the performance of China's onshore Renminbi-denominated fixed rate Treasury and Policy Banks securities that are listed on the China Interbank market, while capping the exposure of individual Policy Banks to 9%.

From the Fund's inception to ending on September 30, 2020 (the "reporting period"), the NAV of the Fund increased 1.6%, while the Underlying Index increased 2.4%, a performance difference of 0.8%. The performance difference was calculated as the deviation between the NAV of the Fund and the NAV of the underlying index. However, it requires at least one year of performance before an accurate calculation can be made. The expected performance difference estimate is mainly driven by management fees and relative short period of history of the Fund.

Please see details for the Fund and the Underlying Index returns for the reporting period and since the Fund inception below:

Fund & Underlying Index	Ticker	1 October 2019 – 30 September 2020	Since Inception* (as of Q3 2020)
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF	KBND	n/a	1.6%
Bloomberg Barclays China Treasury and Policy Bank 9% Capped Index	I34735US	n/a	2.4%

* KBND launched on 26 May 2020 at LSE

Markets review

The pandemic caught markets by surprise since beginning of the year and resulted economy growth concerns globally. The central banks around the world announced easing policies aim to calm the financial market and support the economy. Traditional industries that rely on customers frequent access get impacted the most and are still facing broad challenges of consolidation. Whereas sectors that are innovative with leveraged technologies have benefited from gaining market shares and adopted quickly in offering services to the new way of livings.

China's central bank announced very targeted measure to ensure sufficient liquidity in the market to support business and implemented strict measures to contain the pandemic in the country. As a result, that the country experienced a first-in-first-out effect and was one of the first countries to recover from the pandemic. Global investors rewarded the sectors that have business least impacted by the global pandemic and China's capital market also showed to be more resilient during the heightened volatile period when compared to its global peers.

This is evident as the performance of the KraneShares ICAV's UCITS Equity and Fixed Income Funds have outperformed broader indices for the reporting period. China's e-commerce sectors continue to deliver high revenue growth, and the global index providers are including China Fixed Income to their broad indices. Following Bloomberg and JPMorgan's inclusion decision on Chinese government bonds, that FTSE has also announced the similar action to be implemented in 2021. The onshore bond market experienced significant inflows and continue to offer higher yield when compared with other government bonds and the asset class has shown lower correlations to other major financial assets.

For the year ended 30 September 2020

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF (a sub-fund of KraneShares ICAV) (continued)

We expect China Equity to continue perform well going forward. Market expects the inclusion of China onshore equity initiative from index provider like MSCI will resume in 2021, and significant inflows expected to China onshore equity. The inclusion will support the KraneShares MSCI China A-Share UCITS ETF Fund ("KBA") as it is the exact reflection of the inclusion for China A-Share Equity Fund. The high-quality industry leaders in the ESG standard will continue to drive in performance as investors globally are and will continue in rewarding companies that deliver good compliance with ESG in China. As the second largest fixed income market in the world, China's government bonds offer the most attractive yield with high ratings will continue to outperform the rest of the world's government bonds. Furthermore, the inclusion effort will allow the asset class to increase weighting in global indices and clients' allocation as a result. We see further reforms on China's onshore fixed income market will increase the accessibility for investors to invest onshore and a subsequent increase of weighting in the inclusion which all serve as catalyst to support the KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF Fund ("KBND").

China capital market overview for the reporting period:

- China's Equity market, as measured by the MSCI China Index was up for the period, returning 32.5%, while the global broad Equity market as measured by MSCI All Country World Index (ACWI) returning 12%.
- China's Fixed Income market continue to offer higher yield and returning 210bps (as of Q3 2020) yield pick up over the 10-year US Treasury bonds. China's currency, the Renminbi (CNY) appreciated by 4.6% against the US Dollar for the reporting period, a reflection of the differentiated central bank policy stands between the two countries that supporting a stronger currency for China.
- The MSCI China ESG Leaders 10/40 Index, that is designed 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 returning 24.4% since the KraneShares MSCI China ESG Leaders UCITS ETF ("KESG") inception on the 3rd February 2020. Whereas the broad China's Equity market MSCI China for the same period returning 21.5% only.
- Similar outperformance experienced for the CSI Overseas China Internet Index, which tracks Chinese internet companies listed in the United States and Hong Kong returned 64.2% for the reporting period. It reflects investors appreciation of these tech-leaders in E-Commerce sectors that have expanded its business and rapidly gaining bigger market share into lower tiers cities in China despite the challenges presented this year. The strong underlying revenue growth contributed by healthy domestic consumer demand and stocks rewarded with outperformance compared to other sectors. Market expects the strong fundamental support to the sector continues for long term.
- Despite the headline news between China and the United States, we continue to see investors acting more maturely in investing and stay invested with China-focused solutions.
- The ICAV added two new Sub-Funds during this reporting period: 1) the KBND Fund offers access to onshore Chinese Government Bonds' investment and 2) the KESG Fund offers access to Chinese companies that are leaders in delivering ESG initiatives. Both Funds offer unique investment opportunities for investors to access which are areas that they have showed great interests in.

Krane Funds Advisors, LLC

7 December 2020

KRANESHARES ICAV

Depository's Report

For the year ended 30 September 2020

We, SEI Investments – Depository and Custodial Services (Ireland) Limited, appointed Depository to KraneShares CSI China Internet UCITS ETF (“the Fund”) provide this report solely in favour of the investors of the Fund as a body for the year ended 30 September 2020 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, (“the UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the investors of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the UCITS Regulations.



For and on behalf of SEI Investments - Depository and Custodial Services (Ireland) Limited

Date: 26 January 2021

KRANESHARES ICAV

Depository's Report (continued)

For the year ended 30 September 2020

We, SEI Investments – Depository and Custodial Services (Ireland) Limited, appointed Depository to KraneShares MSCI China A Share UCITS ETF (“the Fund”) provide this report solely in favour of the investors of the Fund as a body for the year ended 30 September 2020 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, (“the UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the investors of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the UCITS Regulations.



For and on behalf of SEI Investments - Depository and Custodial Services (Ireland) Limited

Date: 26 January 2021

KRANESHARES ICAV

Depository's Report (continued)

For the year ended 30 September 2020

We, SEI Investments – Depositary and Custodial Services (Ireland) Limited, appointed Depositary to KraneShares MSCI China ESG Leaders UCITS ETF (“the Fund”) provide this report solely in favour of the investors of the Fund as a body for the year ended 30 September 2020 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, (“the UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the investors of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the UCITS Regulations.



For and on behalf of SEI Investments - Depositary and Custodial Services (Ireland) Limited

Date: 26 January 2021

KRANESHARES ICAV

Depository's Report (continued)

For the year ended 30 September 2020

We, SEI Investments – Depository and Custodial Services (Ireland) Limited, appointed Depository to KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF (“the Fund”) provide this report solely in favour of the investors of the Fund as a body for the year ended 30 September 2020 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, (“the UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the investors of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the UCITS Regulations.



For and on behalf of SEI Investments - Depository and Custodial Services (Ireland) Limited

Date: 26 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KRANESHARES CSI CHINA INTERNET UCITS ETF, KRANESHARES MSCI CHINA A SHARE UCITS ETF, KRANESHARES MSCI CHINA ESG LEADERS UCITS ETF and KRANESHARES BLOOMBERG BARCLAYS CHINA BOND INCLUSION UCITS ETF

Report on the audit of the financial statements

Opinion

We have audited the financial statements of each of KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A Share UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF ("collectively, the Sub-Funds"), of KraneShares ICAV ("the ICAV") for the year ended 30 September 2020 set out on pages 27 to 82, which comprise in each case the Schedule of Investments, Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of each of the Sub-Funds as at 30 September 2020 and of their changes in net assets attributable to holders of redeemable participating shares of each of the Sub-Funds for the year/period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the board of directors.

We were appointed as auditor by the directors on 6 November 2019. The period of total uninterrupted engagement is the 2 years ended 30 September 2020. We have fulfilled our ethical responsibilities under, and we remained independent of the Sub-Funds in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the year ended 30 September 2020

In arriving at our audit opinion above, the key audit matters for each Sub-Fund, were as follows (unchanged from 2019 for KraneShares CSI China Internet UCITS ETF and KraneShares MSCI China A Share UCITS ETF):

KRANESHARES CSI CHINA INTERNET UCITS ETF**Valuation of Financial Assets at Fair Value Through Profit or Loss USD 185.5 Million (2019: USD 23.2 Million)**

Refer to note 2 (basis of preparation and significant accounting policies), note 7 (financial risk management) and note 8 (fair value measurement)

The key audit matter**Valuation of financial assets**

The Sub-Fund's financial assets make up 100.04% of the net asset value and are considered to be the key driver of the Sub-Fund's results. While the nature of the Sub-Fund's financial assets do not require a significant level of judgement because they comprise of liquid, quoted investments, due to their significance in the context of the financial statements as a whole, the valuation of financial assets was identified as the matter which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

How the matter was addressed in our audit

Our audit procedures over the valuation of the Sub-Fund's investment portfolio included but were not limited to:

- Obtaining an understanding of, and documenting, the process in place to record investment transactions and to value the portfolio of investments;
- Agreeing 100% of the year end portfolio prices to an independent source; and
- Assessing the disclosures of financial assets in accordance with the fair value hierarchy set out in IFRS as adopted by the EU.

No material misstatements were identified by our audit procedures.

Our application of materiality and an overview of the scope of our audit

The materiality for the Sub-Fund financial statements as a whole was set at USD 1.89 Million (2019: USD 0.23 Million). This has been calculated with reference to a benchmark of the Sub-Fund's total asset value, (of which it represents 100 basis points) as at 30 September 2020, which we consider to be one of the principal considerations for members of the Sub-Fund in assessing the financial performance of the Sub-Fund. We report to the Board of Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of USD 94,315 (5 basis points of the Sub-Fund's total asset value), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

KRANESHARES MSCI CHINA A SHARE UCITS ETF**Valuation of Financial Assets at Fair Value Through Profit or Loss USD 12.3 Million (2019: USD 105.3 Million)**

Refer to note 2 (basis of preparation and significant accounting policies), note 7 (financial risk management) and note 8 (fair value measurement)

For the year ended 30 September 2020

The key audit matter

Valuation of financial assets

The Sub-Fund's financial assets make up 98.97% of the net asset value and are considered to be the key driver of the Sub-Fund's results. While the nature of the Sub-Fund's financial assets do not require a significant level of judgement because they comprise of liquid, quoted investments, due to their significance in the context of the financial statements as a whole, the valuation of financial assets was identified as the matter which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

How the matter was addressed in our audit

Our audit procedures over the valuation of the Sub-Fund's investment portfolio included but were not limited to:

- Obtaining an understanding of, and documenting, the process in place to record investment transactions and to value the portfolio of investments;
- Agreeing 100% of the year end portfolio prices to an independent source; and
- Assessing the disclosures of financial assets in accordance with the fair value hierarchy set out in IFRS as adopted by the EU.

No material misstatements were identified by our audit procedures.

Our application of materiality and an overview of the scope of our audit

The materiality for the Sub-Fund financial statements as a whole was set at USD 0.16 Million (2019: USD 1.05 Million). This has been calculated with reference to a benchmark of the Sub-Fund's total asset value, (of which it represents 100 basis points) as at 30 September 2020, which we consider to be one of the principal considerations for members of the Sub-Fund in assessing the financial performance of the Sub-Fund. We report to the Board of Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of USD 7,860 (5 basis points of the Sub-Fund's total asset value), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

KRANESHARES MSCI CHINA ESG LEADERS UCITS ETF**Valuation of Financial Assets at Fair Value Through Profit or Loss USD 3.7 Million**

Refer to note 2 (basis of preparation and significant accounting policies), note 7 (financial risk management) and note 8 (fair value measurement)

The key audit matter

Valuation of financial assets

The Sub-Fund's financial assets make up 99.78% of the net asset value and are considered to be the key driver of the Sub-Fund's results. While the nature of the Sub-Fund's financial assets do not require a significant level of judgement because they comprise of liquid, quoted investments, due to their significance in the context of the financial statements as a whole, the valuation of financial assets was identified as the matter which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

How the matter was addressed in our audit

Our audit procedures over the valuation of the Sub-Fund's investment portfolio included but were not limited to:

- Obtaining an understanding of, and documenting, the process in place to record investment transactions and to value the portfolio of investments;
- Agreeing 100% of the year end portfolio prices to an independent source; and
- Assessing the disclosures of financial assets in accordance with the fair value hierarchy set out in IFRS as adopted by the EU.

For the year ended 30 September 2020

*No material misstatements were identified by our audit procedures.***Our application of materiality and an overview of the scope of our audit**

The materiality for the Sub-Fund financial statements as a whole was set at USD 36,787. This has been calculated with reference to a benchmark of the Sub-Fund's total asset value, (of which it represents 100 basis points) as at 30 September 2020, which we consider to be one of the principal considerations for members of the Sub-Fund in assessing the financial performance of the Sub-Fund. We report to the Board of Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of USD 1,839 (5 basis points of the Sub-Fund's total asset value), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

KRANESHARES BLOOMBERG BARCLAYS CHINA BOND INCLUSION UCITS ETF**Valuation of Financial Assets at Fair Value Through Profit or Loss USD 6.0 million**

Refer to note 2 (basis of preparation and significant accounting policies), note 7 (financial risk management) and note 8 (fair value measurement)

The key audit matter

Valuation of financial assets

The Sub-Fund's financial assets make up 95.51% of the net asset value and are considered to be the key driver of the Sub-Fund's results. While the nature of the Sub-Fund's financial assets do not require a significant level of judgement because they comprise of liquid, quoted investments, due to their significance in the context of the financial statements as a whole, the valuation of financial assets was identified as the matter which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

How the matter was addressed in our audit

Our audit procedures over the valuation of the Sub-Fund's investment portfolio included but were not limited to:

- Obtaining an understanding of, and documenting, the process in place to record investment transactions and to value the portfolio of investments;
- Agreeing 100% of the year end portfolio prices to an independent source; and
- Assessing the disclosures of financial assets in accordance with the fair value hierarchy set out in IFRS as adopted by the EU.

*No material misstatements were identified by our audit procedures.***Our application of materiality and an overview of the scope of our audit**

The materiality for the Sub-Fund financial statements as a whole was set at USD 63,161. This has been calculated with reference to a benchmark of the Sub-Fund's total asset value, (of which it represents 100 basis points) as at 30 September 2020, which we consider to be one of the principal considerations for members of the Sub-Fund in assessing the financial performance of the Sub-Fund. We report to the Board of Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of USD 3,158 (5 basis points of the Sub-Fund's total asset value), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds .

Our audit of the Sub-Funds was undertaken to the materiality levels specified above and was all performed by the one engagement team in Dublin.

For the year ended 30 September 2020

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, investment manager's report, depositary's report and supplemental unaudited information including the Statement of Portfolio Changes, UCITS Manager's Report and Securities Financing Transactions Regulations Disclosures. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Act 2015

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

The Irish Collective Asset-management Vehicles Act 2015 requires us to report to you, if in our opinion, the disclosures of Directors' remuneration specified by law are not made. We have nothing to report in this regard

Respective responsibilities and restrictions on use***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

KRANESHARES ICAV

Independent Auditor's Report (continued)


For the year ended 30 September 2020

A fuller description of our responsibilities is provided on IAASA's website at
https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the shareholders of the Sub-Funds, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the Sub-Funds' shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sub-Funds and the Sub-Funds' shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 28 January 2021

Signature: 

James Casey

for and on behalf of KPMG

Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place, IFSC

Dublin 1

KRANESHARES ICAV
Schedule of Investments

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares CSI China Internet UCITS ETF

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to official stock exchange listing				
Equities (2019: 99.96%)				
<u>China</u>				
<i>Communications (2019: 78.78%)</i>				
51job Inc	26,096	1,829,883	2,035,227	1.10%
Alibaba Group Holding Ltd	68,018	14,642,786	19,995,932	10.79%
Autohome Inc	46,372	3,817,556	4,451,712	2.40%
Baidu Inc	61,356	6,754,401	7,767,056	4.19%
Baozun Inc	34,432	1,231,584	1,118,696	0.60%
China Literature Ltd	384,400	2,129,637	2,874,320	1.55%
iQIYI Inc	228,632	4,457,563	5,162,511	2.78%
JD.com Inc	170,298	8,153,191	13,216,828	7.13%
JOYY Inc	42,978	2,863,449	3,467,035	1.87%
Meituan Dianping	469,500	7,260,204	14,648,400	7.90%
Momo Inc	130,228	3,092,849	1,791,937	0.97%
Pinduoduo Inc	131,568	6,993,058	9,755,767	5.26%
Tencent Holdings Ltd	245,100	13,173,631	16,176,600	8.73%
Tencent Music Entertainment Group	392,220	5,236,541	5,793,089	3.12%
Tongcheng-Elong Holdings Ltd	811,600	1,395,906	1,476,588	0.80%
Trip.com Group Ltd	254,270	7,056,884	7,917,968	4.27%
Vipshop Holdings Ltd	367,295	5,749,384	5,744,494	3.10%
Weibo Corp	52,987	2,023,787	1,930,316	1.04%
<i>Total Communications</i>		<u>97,862,294</u>	<u>125,324,476</u>	<u>67.60%</u>
<i>Consumer, discretionary (2019: 3.83%)</i>				
TAL Education Group	99,618	5,474,309	7,574,953	4.09%
<i>Total Consumer, discretionary</i>		<u>5,474,309</u>	<u>7,574,953</u>	<u>4.09%</u>
<i>Consumer, Non-cyclical (2019: 0.00%)</i>				
Koolearn Technology Holding Ltd	290,500	1,093,499	1,240,716	0.67%
<i>Total Consumer, Non-cyclical</i>		<u>1,093,499</u>	<u>1,240,716</u>	<u>0.67%</u>
<i>Financial (2019: 3.48%)</i>		-	-	-
<i>Real Estate (2019: Nil%)</i>				
Ke Holdings Inc	141,169	8,499,622	8,653,660	4.67%
<i>Total Real Estate</i>		<u>8,499,622</u>	<u>8,653,660</u>	<u>4.67%</u>
<i>Technology (2019: 12.00%)</i>				
Bilibili Inc	170,391	5,007,202	7,088,266	3.82%
Dou Yu International Holdings Ltd	123,891	1,268,990	1,636,600	0.88%
GSX Techedu Inc*	74,445	3,678,924	6,708,239	3.62%
HUYA Inc	51,399	1,053,132	1,231,006	0.66%
Kingsoft Corp Ltd	695,000	2,615,424	3,466,032	1.87%
NetEase Inc	16,074	5,903,089	7,308,366	3.94%
Sina Corp	50,961	1,865,353	2,171,448	1.17%
<i>Total Technology</i>		<u>21,392,114</u>	<u>29,609,957</u>	<u>15.96%</u>
<u>Total China</u>		<u>134,321,838</u>	<u>172,403,762</u>	<u>92.99%</u>

*GSX Techedu Inc is currently subject to a stock lending agreement on a quantity of 23,300 shares, for further details please see note 2(d)(xii).

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares CSI China Internet UCITS ETF (continued)

Description	Quantity	Cost USD	Fair Value USD	% of Net Assets		
Transferable securities admitted to official stock exchange listing (continued)						
Equities (2019: 99.96%) (continued)						
Hong Kong						
Consumer, Cyclical (2019: 1.50%)						
Alibaba Pictures Group Ltd	10,230,000	1,434,768	1,518,000	0.82%		
Total Consumer, Cyclical		1,434,768	1,518,000	0.82%		
Technology (2019: 0.37%)						
Alibaba Health Information T	3,000,000	7,877,256	7,308,387	3.94%		
Ping An Healthcare And Technology Ltd	331,100	4,807,842	4,240,216	2.29%		
Total Technology		12,685,098	11,548,603	6.23%		
Total Hong Kong		14,119,866	13,066,603	7.05%		
Total Equities		148,441,704	185,470,365	100.04%		
Total financial assets at fair value through profit or loss		148,441,704	185,470,365	100.04%		
Description	Maturity Date	Amount Bought	Amount Sold	Cost USD	Fair Value USD	% of Net Assets
Unrealised Loss on Forward Foreign Currency Contracts (2019: 0.00%)						
(Counterparty: Brown Brothers Harriman)						
Buy HKD/Sell USD	06/10/2020	6,923,454	893,372		(39)	0.00%
Total Derivative Liabilities					(39)	0.00%
Total financial liabilities at fair value through profit or loss					(39)	0.00%
Total Financial Assets and Liabilities at Fair ValueThrough Profit or Loss				148,441,704	185,470,326	100.04%
Cash and cash equivalents (2019: 0.07%)					19,364	0.01%
Other net liabilities (2019: (0.03%))					(96,484)	(0.05%)
Net asset value attributable to holders of redeemable participating shares					185,393,206	100.00%
				Fair Value USD	% of Total Assets	
Analysis of Total Assets						
Transferable securities admitted to official stock exchange listing				185,470,365	98.32%	
OTC financial derivative instruments				-	-	
Other assets				3,160,434	1.68%	
Total Assets				188,630,799	100.00%	

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF

Description	Quantity	Cost USD	Fair Value USD	% of Net Assets
Transferable securities admitted to an official stock exchange listing				
Equities (2019: 100.01%)				
<u>China</u>				
<i>Basic Materials (2019: 5.39%)</i>				
Aluminum Corp of China Ltd	31,000	14,780	13,293	0.11%
Angang Steel Co Ltd	12,700	5,105	4,847	0.04%
Baoshan Iron & Steel Co Ltd	43,956	34,855	32,321	0.26%
China Molybdenum Co Ltd	41,800	21,455	22,913	0.18%
China Northern Rare Earth Group High-Tech Co Ltd	8,600	12,804	13,610	0.11%
Ganfeng Lithium Co Ltd	2,500	13,190	19,963	0.16%
Guocheng Mining Co Ltd	2,600	6,631	6,425	0.04%
Hengli Petrochemical Co Ltd	13,900	27,636	38,015	0.30%
Hesteel Co Ltd	25,100	8,609	7,841	0.06%
Hunan Valin Steel Co Ltd	14,300	8,381	10,620	0.09%
Inner Mongolia BaoTou Steel Union Co Ltd	107,600	20,024	18,234	0.15%
Inner Mongolia Junzheng Energy & Chemical Industry Group Co Ltd	20,100	12,162	21,385	0.17%
Jiangsu Yangnong Chemical Co Ltd	700	8,413	9,046	0.07%
Jiangxi Copper Co Ltd	4,800	10,028	10,023	0.08%
Jinduicheng Molybdenum Co Ltd	6,300	5,733	5,505	0.04%
Lomon Billions Group Co Ltd	4,000	8,871	13,728	0.11%
Maanshan Iron & Steel Co Ltd	14,200	5,628	5,587	0.04%
Pangang Group Vanadium Titanium & Resources Co Ltd	20,400	6,771	6,192	0.05%
Rongsheng Petro Chemical Co Ltd	12,400	22,488	34,278	0.27%
Sansteel Minguang Co Ltd Fujian	5,850	6,284	5,646	0.05%
Shandong Gold Mining Co Ltd	6,384	19,834	23,988	0.19%
Shandong Hualu Hengsheng Chemical Co Ltd	3,900	9,712	14,080	0.11%
Shandong Nanshan Aluminum Co Ltd	28,300	8,931	9,508	0.08%
Shandong Sinocera Functional Material Co Ltd	2,200	8,965	12,043	0.10%
Shandong Sun Paper Industry JSC Ltd	6,100	8,084	12,674	0.10%
Shanghai Putailai New Energy Technology Co Ltd	1,000	12,927	16,001	0.13%
Shanxi Taigang Stainless Steel Co Ltd	13,600	6,998	7,355	0.06%
Sinopec Shanghai Petrochemical Co Ltd	14,500	7,861	7,115	0.06%
Tianqi Lithium Corp	3,550	6,418	10,399	0.08%
Tongling Nonferrous Metals Group Co Ltd	24,800	7,838	8,149	0.07%
Wanhua Chemical Group Co Ltd	7,300	53,291	74,546	0.60%
Xiamen Tungsten Co Ltd	3,200	6,196	6,314	0.05%
Yintai Gold Co Ltd	6,495	8,477	10,030	0.08%
Zhejiang Huayou Cobalt Co Ltd	2,700	9,982	13,802	0.11%
Zhejiang Juhua Co Ltd	4,800	4,813	4,477	0.04%
Zhejiang Longsheng Group Co Ltd	7,700	15,247	15,420	0.12%
Zhongjin Gold Corp Ltd	11,400	15,330	16,883	0.14%
Zijin Mining Group Co Ltd	46,200	28,589	41,868	0.34%
<i>Total Basic Materials</i>		<u>499,341</u>	<u>604,124</u>	<u>4.84%</u>
<i>Communications (2019: 3.38%)</i>				
360 Security Technology Inc	10,600	27,319	25,851	0.21%
Beijing Kunlun Tech Co Ltd	2,800	9,423	10,748	0.09%
China South Publishing & Media Group Co Ltd	4,300	7,159	6,881	0.05%
China Spacesat Co Ltd	2,900	10,397	14,209	0.11%
China United Network Communications Ltd	61,300	50,384	43,810	0.35%
Chinese Universe Publishing and Media Group Co Ltd	3,200	6,264	5,503	0.04%
Fiberhome Telecommunication Technologies Co Ltd	2,849	10,707	9,975	0.08%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Communications (2019: 3.38%) (continued)</i>				
Focus Media Information Technology Co Ltd	34,600	29,031	41,145	0.33%
Fujian Star-net Communication Co Ltd	1,400	6,182	5,244	0.04%
Guangzhou Haige Communications Group Inc Co	5,500	7,908	9,482	0.08%
Hengtong Optic-electric Co Ltd	4,500	10,051	9,562	0.08%
Hithink RoyalFlush Information Network Co Ltd	1,325	21,733	31,214	0.25%
Jiangsu Zhongtian Technology Co Ltd	7,100	9,002	10,964	0.09%
Leo Group Co Ltd	16,000	8,521	6,814	0.05%
NanJi E-Commerce Co Ltd	5,900	10,508	15,006	0.12%
Shenzhen Sunway Communication Co Ltd	2,300	11,074	18,474	0.15%
Tianjin 712 Communication & Broadcasting Co Ltd	1,700	8,674	11,235	0.09%
Wangsu Science & Technology Co Ltd	5,900	7,449	6,990	0.06%
Yealink Network Technology Corp Ltd	1,700	12,916	15,108	0.12%
ZTE Corp	9,100	41,142	44,385	0.36%
<i>Total Communications</i>		<u>305,844</u>	<u>342,600</u>	<u>2.75%</u>
<i>Consumer, Cyclical (2019: 8.43%)</i>				
AECC Aero-Engine Control Co Ltd	2,800	6,338	8,124	0.07%
Air China Ltd	15,800	14,902	16,507	0.13%
BAIC BluePark New Energy Technology Co Ltd	6,900	6,278	5,999	0.05%
Beijing Enlight Media Co Ltd	7,000	10,307	17,185	0.14%
BTG Hotels Group Co Ltd	2,400	5,764	6,277	0.05%
BYD Co Ltd	4,398	41,071	75,332	0.60%
China Eastern Airlines Corp Ltd	22,100	16,686	16,087	0.13%
China Film Co Ltd	3,700	7,391	7,682	0.06%
China Meheco Co Ltd	2,500	5,319	5,426	0.04%
China Southern Airlines Co Ltd	21,700	20,327	18,546	0.15%
China Tourism Group Duty Free Corp Ltd	4,590	81,800	150,788	1.21%
Chongqing Changan Automobile Co Ltd	9,200	12,072	18,207	0.15%
Fuyao Glass Industry Group Co Ltd	4,700	17,059	22,432	0.18%
Gotion High-tech Co Ltd	2,600	8,487	9,118	0.07%
Gree Electric Appliances Inc of Zhuhai	7,100	55,929	55,764	0.45%
Haier Smart Home Co Ltd	14,800	37,755	47,586	0.38%
Hainan Airlines Holding Co Ltd	38,900	9,128	10,031	0.08%
Hangzhou Robam Appliances Co Ltd	2,200	9,382	10,598	0.08%
Hengyi Petrochemical Co Ltd	8,690	11,623	13,292	0.11%
Huayu Automotive Systems Co Ltd	7,500	25,622	27,519	0.22%
Joyoung Co Ltd	1,700	8,471	10,153	0.08%
Juneyao Airlines Co Ltd	3,900	6,583	6,201	0.05%
Laobaixing Pharmacy Chain JSC	940	7,018	11,494	0.09%
Leyard Optoelectronic Co Ltd	6,000	6,456	6,799	0.05%
Liaoning Cheng Da Co Ltd	3,600	9,933	12,350	0.10%
Mango Excellent Media Co Ltd	4,150	20,419	41,217	0.33%
Ningbo Joyson Electronic Corp	2,900	10,445	9,465	0.08%
Ningbo Tuopu Group Co Ltd	2,500	9,889	14,736	0.12%
Oppein Home Group Inc	900	10,731	14,293	0.11%
Oriental Pearl Group Co Ltd	8,200	10,822	11,709	0.09%
SAIC Motor Corp Ltd	18,600	60,795	52,432	0.42%
Shandong Linglong Tyre Co Ltd	2,900	9,187	12,478	0.10%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Consumer, Cyclical (2019: 8.43%) (continued)</i>				
Shanghai Jahwa United Co Ltd	1,600	7,587	8,889	0.07%
Shanghai Jinjiang International Hotels Co Ltd	1,800	7,737	10,814	0.09%
Shanghai M&G Stationery Inc	2,200	15,813	22,015	0.18%
Shanghai Pharmaceuticals Holding Co Ltd	4,500	12,017	13,468	0.11%
Shanghai Yuyuan Tourist Mart Group Co Ltd	7,600	9,111	9,889	0.08%
Songcheng Performance Development Co Ltd	6,220	13,346	16,718	0.13%
Spring Airlines Co Ltd	2,200	13,431	14,588	0.12%
Suning.com Co Ltd	21,900	32,577	29,367	0.24%
Suofeiya Home Collection Co Ltd	1,000	2,937	3,884	0.03%
TCL Technology Group Corp	32,000	19,363	29,000	0.23%
Tongkun Group Co Ltd	4,400	8,426	8,967	0.07%
Universal Scientific Industrial Shanghai Co Ltd	3,600	11,783	13,538	0.11%
Wanda Film Holding Co Ltd	5,000	11,314	13,115	0.10%
Weichai Power Co Ltd	14,500	26,932	32,264	0.26%
Weifu High-Technology Group Co Ltd	2,100	6,435	7,767	0.06%
Wuchan Zhongda Group Co Ltd	12,000	8,191	8,169	0.07%
Yifeng Pharmacy Chain Co Ltd	1,340	13,440	19,607	0.16%
Youngor Group Co Ltd	10,900	9,844	10,954	0.09%
Zhejiang Semir Garment Co Ltd	5,300	5,446	6,271	0.05%
Zhejiang Supor Co Ltd	1,300	14,595	15,133	0.12%
Zhejiang Wanfeng Auto Wheel Co Ltd	5,200	5,293	5,195	0.04%
Zhengzhou Yutong Bus Co Ltd	5,200	10,448	12,045	0.10%
Zhongji Innolight Co Ltd	1,700	13,318	12,600	0.10%
<i>Total Consumer, Cyclical</i>		<u>853,373</u>	<u>1,070,084</u>	<u>8.58%</u>
<i>Consumer, Non-cyclical (2019: 23.05%)</i>				
Aier Eye Hospital Group Co Ltd	9,732	44,752	73,740	0.59%
Angel Yeast Co Ltd	2,000	11,675	17,974	0.14%
Anhui Gujing Distillery Co Ltd	900	17,607	28,749	0.23%
Anhui Kouzi Distillery Co Ltd	1,400	10,757	10,463	0.08%
Apeloa Pharmaceutical Co Ltd	2,900	8,117	10,188	0.08%
Asymchem Laboratories Tianjin Co Ltd	600	15,014	23,296	0.19%
Autobio Diagnostics Co Ltd	700	12,164	16,640	0.13%
Beijing Dabeinong Technology Group Co Ltd	9,900	8,760	13,056	0.10%
Beijing Shunxin Agriculture Co Ltd	1,700	12,078	15,070	0.12%
Beijing Tiantan Biological Products Corp Ltd	3,080	11,582	18,041	0.14%
Beijing Tongrentang Co Ltd	3,200	12,703	12,722	0.10%
Beijing Yanjing Brewery Co Ltd	6,700	6,561	8,323	0.07%
Betta Pharmaceuticals Co Ltd	900	11,444	15,087	0.12%
BGI Genomics Co Ltd	900	10,357	19,091	0.15%
By-health Co Ltd	3,800	9,654	11,765	0.09%
C&S Paper Co Ltd	3,100	9,034	9,794	0.08%
Centre Testing International Group Co Ltd	2,000	5,530	7,200	0.06%
Chacha Food Co Ltd	1,200	9,961	10,256	0.08%
Changchun High & New Technology Industry Group Inc	900	27,510	49,022	0.39%
Chengdu Kanghong Pharmaceutical Group Co Ltd	1,700	8,380	11,418	0.09%
China National Accord Medicines Corp Ltd	900	5,733	6,127	0.05%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Consumer, Non-cyclical (2019: 23.05%) (continued)</i>				
China National Medicines Corp Ltd	1,700	8,175	10,917	0.09%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	2,400	9,917	9,046	0.07%
Chongqing Brewery Co Ltd	1,100	8,915	16,726	0.13%
Chongqing Fuling Zhacai Group Co Ltd	1,800	7,815	12,482	0.10%
Chongqing Zhifei Biological Products Co Ltd	3,800	44,804	78,007	0.63%
Da An Gene Co Ltd of Sun Yat-Sen University	2,180	7,453	11,246	0.09%
Dong-E-E-Jiao Co Ltd	1,600	7,768	9,362	0.08%
Foshan Haitian Flavouring & Food Co Ltd	6,480	104,547	154,784	1.24%
Fujian Sunner Development Co Ltd	2,900	10,423	9,350	0.07%
Guangdong Haid Group Co Ltd	3,700	20,170	33,438	0.27%
Guangdong HEC Technology Holding Co Ltd	7,100	7,563	6,476	0.05%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	3,200	15,560	14,236	0.11%
Guangzhou Kingmed Diagnostics Group Co Ltd	1,000	9,699	15,072	0.12%
Guangzhou Wondfo Biotech Co Ltd	800	9,835	9,790	0.08%
Hangzhou Tigermed Consulting Co Ltd	900	13,674	13,653	0.11%
Heilongjiang Agriculture Co Ltd	4,300	8,738	11,722	0.09%
Henan Shuanghui Investment & Development Co Ltd	6,400	30,647	49,917	0.40%
Huadong Medicine Co Ltd	4,000	15,415	14,559	0.12%
Hualan Biological Engineering Inc	4,460	21,034	37,454	0.30%
Hubei Jumpcan Pharmaceutical Co Ltd	1,900	6,299	6,201	0.05%
Inner Mongolia Yili Industrial Group Co Ltd	14,000	63,066	79,425	0.64%
Jafron Biomedical Co Ltd	1,870	10,946	19,578	0.16%
Jiangsu Hengrui Medicine Co Ltd	12,480	120,820	165,179	1.32%
Jiangsu King's Luck Brewery JSC Ltd	3,000	13,908	19,637	0.16%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	3,600	55,550	66,305	0.53%
Jiangsu Yuyue Medical Equipment & Supply Co Ltd	2,400	8,741	11,600	0.09%
Jiangxi Zhengbang Technology Co Ltd	6,000	15,199	16,074	0.13%
Jilin Aodong Pharmaceutical Group Co Ltd	2,790	6,374	6,878	0.06%
Jinyu Bio-Technology Co Ltd	2,600	6,633	10,344	0.08%
Joincare Pharmaceutical Group Industry Co Ltd	4,521	7,575	11,345	0.09%
Jointown Pharmaceutical Group Co Ltd	4,500	9,171	11,206	0.09%
Juewei Food Co Ltd	1,500	11,237	18,129	0.15%
Kweichow Moutai Co Ltd	3,000	541,530	737,589	5.91%
Lepu Medical Technology Beijing Co Ltd	4,200	16,544	20,863	0.17%
Livzon Pharmaceutical Group Inc	1,482	9,182	10,747	0.09%
Luzhou Laojiao Co Ltd	3,300	47,383	69,805	0.56%
Meinian Onehealth Healthcare Holdings Co Ltd	9,280	15,736	19,391	0.16%
Muyuan Foods Co Ltd	9,000	66,708	98,139	0.79%
Nanjing King-Friend Biochemical Pharmaceutical Co Ltd	1,700	9,918	11,225	0.09%
New Hope Liuhe Co Ltd	10,000	31,593	40,818	0.33%
Ninestar Corp	2,500	8,881	10,499	0.08%
Offcn Education Technology Co Ltd	3,900	16,724	18,752	0.15%
Ovctek China Inc	1,550	9,862	14,211	0.11%
Proya Cosmetics Co Ltd	600	13,200	12,735	0.10%
Shandong Buchang Pharmaceuticals Co Ltd	2,600	7,838	9,540	0.08%
Shanghai Fosun Pharmaceutical Group Co Ltd	4,800	22,384	34,736	0.28%
Shanghai International Port Group Co Ltd	22,000	15,311	13,551	0.11%
Shanghai RAAS Blood Products Co Ltd	13,300	17,096	16,110	0.13%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Consumer, Non-cyclical (2019: 23.05%) (continued)</i>				
Shanxi Xinghuacun Fen Wine Factory Co Ltd	2,185	33,219	63,812	0.51%
Shenzhen Hepalink Pharmaceutical Group Co Ltd	2,500	6,405	8,362	0.07%
Shenzhen Kangtai Biological Products Co Ltd	1,500	19,961	40,230	0.32%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	2,400	72,250	123,071	0.99%
Shenzhen Salubris Pharmaceuticals Co Ltd	2,451	8,086	12,453	0.10%
Shijiazhuang Yiling Pharmaceutical Co Ltd	2,900	9,720	11,525	0.09%
Sichuan Kelun Pharmaceutical Co Ltd	3,500	12,085	11,460	0.09%
Sichuan Swellfun Co Ltd	1,000	8,241	9,504	0.08%
Tianjin Chase Sun Pharmaceutical Co Ltd	7,100	5,211	5,681	0.05%
Toly Bread Co Ltd	1,400	9,813	12,293	0.10%
Tonghua Dongbao Pharmaceutical Co Ltd	4,800	10,226	9,626	0.08%
Tongwei Co Ltd	10,000	25,647	39,167	0.31%
Topchoice Medical Corp	700	14,073	22,043	0.18%
Tsingtao Brewery Co Ltd	1,600	12,355	17,709	0.14%
Walvax Biotechnology Co Ltd	3,700	21,521	27,741	0.22%
Wens Foodstuffs Group Co Ltd	14,920	63,873	42,960	0.35%
Wuliangye Yibin Co Ltd	9,186	194,788	299,148	2.40%
WuXi AppTec Co Ltd	4,780	49,065	71,493	0.57%
Yifan Pharmaceutical Co Ltd	2,900	9,105	10,683	0.09%
Yonghui Superstores Co Ltd	22,500	26,175	25,960	0.21%
Yuan Longping High-tech Agriculture Co Ltd	3,100	7,604	8,364	0.07%
Yunnan Baiyao Group Co Ltd	3,000	37,554	45,073	0.36%
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	1,445	29,976	51,810	0.42%
Zhejiang Conba Pharmaceutical Co Ltd	6,300	5,234	4,837	0.04%
Zhejiang Huahai Pharmaceutical Co Ltd	3,370	10,762	15,926	0.13%
Zhejiang NHU Co Ltd	5,200	17,310	22,827	0.18%
Zhejiang Wolwo Bio-Pharmaceutical Co Ltd	1,400	10,017	11,598	0.09%
<i>Total Consumer, Non-cyclical</i>		<u>2,547,210</u>	<u>3,512,227</u>	<u>28.16%</u>
<i>Diversified (2019: 0.25%)</i>				
Avic Capital Co Ltd	21,300	14,086	13,779	0.11%
<i>Total Diversified</i>		<u>14,086</u>	<u>13,779</u>	<u>0.11%</u>
<i>Energy (2019: 2.55%)</i>				
China Petroleum & Chemical Corp	60,400	40,679	34,800	0.28%
China Shenhua Energy Co Ltd	13,000	28,081	31,550	0.25%
Guangdong Hongda Blasting Co Ltd	1,700	9,033	12,595	0.10%
Guanghui Energy Co Ltd	16,100	7,423	6,738	0.05%
LONGi Green Energy Technology Co Ltd	8,820	46,010	97,489	0.78%
Offshore Oil Engineering Co Ltd	10,500	7,887	6,978	0.06%
PetroChina Co Ltd	51,200	30,595	31,008	0.25%
Shaanxi Coal Industry Co Ltd	19,800	24,276	24,479	0.20%
Shanxi Lu'an Environmental Energy Development Co Ltd	7,100	6,828	6,382	0.05%
Shanxi Xishan Coal & Electricity Power Co Ltd	9,740	6,199	6,243	0.05%
Yantai Jereh Oilfield Services Group Co Ltd	2,200	8,398	9,654	0.08%
Yanzhou Coal Mining Co Ltd	5,900	8,639	8,051	0.06%
<i>Total Energy</i>		<u>224,048</u>	<u>275,967</u>	<u>2.21%</u>

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Financial (2019: 32.96%)</i>				
Agricultural Bank of China Ltd	176,500	89,124	82,446	0.66%
Bank of Beijing Co Ltd	50,100	38,797	34,550	0.28%
Bank of Chengdu Co Ltd	8,500	10,848	12,375	0.10%
Bank of China Ltd	83,200	42,674	39,232	0.31%
Bank of Communications Co Ltd	93,000	72,077	62,217	0.50%
Bank of Hangzhou Co Ltd	13,800	18,081	23,955	0.19%
Bank of Jiangsu Co Ltd	27,100	26,229	24,280	0.19%
Bank of Nanjing Co Ltd	23,441	26,221	27,253	0.22%
Bank of Ningbo Co Ltd	14,109	51,281	65,448	0.52%
Bank of Shanghai Co Ltd	33,589	42,690	40,289	0.32%
Beijing Capital Development Co Ltd	6,100	6,381	6,013	0.05%
Bohai Leasing Co Ltd	14,600	6,667	6,002	0.05%
Caitong Securities Co Ltd	8,500	13,681	17,911	0.14%
Changjiang Securities Co Ltd	13,102	13,392	15,484	0.12%
China CITIC Bank Corp Ltd	13,500	11,024	10,046	0.08%
China Construction Bank Corp	22,800	22,887	20,662	0.17%
China Enterprise Co Ltd	9,700	6,140	5,575	0.04%
China Everbright Bank Co Ltd	94,200	51,066	50,665	0.41%
China Fortune Land Development Co Ltd	9,250	27,253	20,677	0.17%
China Galaxy Securities Co Ltd	10,100	15,135	18,886	0.15%
China Great Wall Securities Co Ltd	4,800	8,435	9,230	0.07%
China Life Insurance Co Ltd	6,400	31,273	41,901	0.34%
China Merchants Bank Co Ltd	48,393	244,151	256,715	2.06%
China Merchants Property Operation & Service Co Ltd	2,500	11,782	9,707	0.08%
China Merchants Securities Co Ltd	17,600	44,891	56,045	0.45%
China Merchants Shekou Industrial Zone Holdings Co Ltd	15,780	38,178	35,228	0.28%
China Minsheng Banking Corp Ltd	83,800	70,552	65,447	0.52%
China Pacific Insurance Group Co Ltd	14,800	75,172	68,065	0.55%
China Vanke Co Ltd	23,000	89,593	94,965	0.76%
CITIC Securities Co Ltd	24,900	90,750	110,185	0.88%
CSC Financial Co Ltd	6,400	28,539	46,984	0.38%
Dongxing Securities Co Ltd	6,500	10,858	12,289	0.10%
East Money Information Co Ltd	19,040	43,479	67,308	0.54%
Everbright Securities Co Ltd	9,220	18,905	29,822	0.24%
Financial Street Holdings Co Ltd	7,100	7,623	6,821	0.06%
First Capital Securities Co Ltd	9,900	11,833	16,208	0.13%
Founder Securities Co Ltd	19,400	20,014	24,013	0.19%
Gemdale Corp	10,710	19,519	22,963	0.18%
GF Securities Co Ltd	14,000	28,417	32,554	0.26%
Grandjoy Holdings Group Co Ltd	6,800	6,137	4,649	0.04%
Greenland Holdings Corp Ltd	19,200	18,538	18,022	0.14%
Guosen Securities Co Ltd	9,900	18,007	19,621	0.16%
Guotai Junan Securities Co Ltd	17,700	45,149	47,573	0.38%
Guoyuan Securities Co Ltd	7,850	10,822	13,869	0.11%
Haitong Securities Co Ltd	22,600	46,333	47,123	0.38%
Huaan Securities Co Ltd	8,500	8,494	10,985	0.09%
Huatai Securities Co Ltd	17,300	46,921	52,336	0.42%
Huaxi Securities Co Ltd	6,200	9,380	10,945	0.09%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Financial (2019: 32.96%) (continued)</i>				
Huaxia Bank Co Ltd	30,400	31,165	27,460	0.22%
Hubei Biocause Pharmaceutical Co Ltd	11,900	9,917	9,259	0.07%
Industrial & Commercial Bank of China Ltd	127,700	100,416	92,581	0.74%
Industrial Bank Co Ltd	49,174	123,118	116,879	0.94%
Industrial Securities Co Ltd	15,900	15,800	19,400	0.16%
Jiangsu Changshu Rural Commercial Bank Co Ltd	6,400	7,300	7,365	0.06%
Jiangsu Zhongnan Construction Group Co Ltd	8,900	10,774	12,026	0.10%
Jinke Properties Group Co Ltd	12,700	13,017	16,936	0.14%
Nanjing Securities Co Ltd	7,700	15,192	16,021	0.13%
New China Life Insurance Co Ltd	4,800	36,681	43,910	0.35%
Northeast Securities Co Ltd	5,500	6,910	8,007	0.06%
Oceanwide Holdings Co Ltd	10,200	5,389	6,343	0.05%
Orient Securities Co Ltd/China	14,000	21,088	22,755	0.18%
Pacific Securities Co Ltd/The/China	16,100	8,263	9,656	0.08%
People's Insurance Co Group of China Ltd/The	13,900	13,579	13,867	0.11%
Ping An Bank Co Ltd	45,400	94,776	101,487	0.81%
Ping An Insurance Group Co of China Ltd	25,700	307,767	288,800	2.32%
Poly Developments and Holdings Group Co Ltd	28,200	60,250	66,030	0.53%
Postal Savings Bank of China Co Ltd	26,400	17,754	17,545	0.14%
Qingdao Rural Commercial Bank Corp	13,100	8,295	9,710	0.08%
RiseSun Real Estate Development Co Ltd	10,200	11,909	11,468	0.09%
SDIC Capital Co Ltd	8,300	15,923	18,713	0.15%
Sealand Securities Co Ltd	12,900	9,079	10,132	0.08%
Seazen Holdings Co Ltd	5,300	22,147	27,303	0.22%
Shanghai Pudong Development Bank Co Ltd	69,347	109,904	95,953	0.77%
Shanghai Zhangjiang High-Tech Park Development Co Ltd	3,700	9,352	10,343	0.08%
Shanxi Securities Co Ltd	8,600	9,996	10,075	0.08%
Shenwan Hongyuan Group Co Ltd	53,100	38,404	41,549	0.33%
Shenzhen Overseas Chinese Town Co Ltd	19,300	19,609	19,282	0.16%
Sichuan Languang Development Co Ltd	7,100	6,261	5,263	0.04%
Sinolink Securities Co Ltd	5,300	7,281	11,504	0.09%
SooChow Securities Co Ltd	9,200	10,972	14,465	0.12%
Southwest Securities Co Ltd	15,700	11,086	12,169	0.10%
Tianfeng Securities Co Ltd	15,900	12,949	15,159	0.12%
Western Securities Co Ltd	8,300	11,004	11,619	0.09%
Xinhu Zhongbao Co Ltd	20,400	8,907	10,130	0.08%
Yango Group Co Ltd	9,800	9,012	10,556	0.08%
Zheshang Securities Co Ltd	7,900	13,828	20,616	0.17%
Zhongtian Financial Group Co Ltd	16,600	7,479	8,194	0.07%
<i>Total Financial</i>		<u>2,947,946</u>	<u>3,086,069</u>	<u>24.74%</u>
<i>Industrial (2019: 16.05%)</i>				
Addsino Co Ltd	3,800	9,058	11,905	0.10%
AECC Aviation Power Co Ltd	5,300	21,176	32,216	0.26%
Anhui Conch Cement Co Ltd	9,400	62,584	76,543	0.61%
AVIC Aircraft Co Ltd	6,600	17,548	22,388	0.18%
AVIC Electromechanical Systems Co Ltd	8,500	9,705	14,366	0.12%
AVIC Jonhon Optron Technology Co Ltd	2,500	13,944	17,056	0.14%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Industrial (2019: 16.05%) (continued)</i>				
AVIC Shenyang Aircraft Co Ltd	2,900	15,553	24,482	0.20%
AVICOPTER PLC	1,500	9,961	12,380	0.10%
BBMG Corp	19,800	9,291	8,957	0.07%
Beijing New Building Materials PLC	4,000	12,205	18,213	0.15%
Beijing Oriental Yuhong Waterproof Technology Co Ltd	3,700	16,908	29,387	0.24%
Beijing Originwater Technology Co Ltd	7,500	8,107	9,615	0.08%
Beijing-Shanghai High Speed Railway Co Ltd	27,100	24,330	23,361	0.19%
Changzhou Xingyu Automotive Lighting Systems Co Ltd	700	10,058	15,445	0.12%
Chaozhou Three-Circle Group Co Ltd	4,000	12,484	17,017	0.14%
China Aerospace Times Electronics Co Ltd	6,300	6,562	6,536	0.05%
China Avionics Systems Co Ltd	3,500	7,662	8,788	0.07%
China Communications Construction Co Ltd	11,200	12,087	12,262	0.10%
China Gezhouba Group Co Ltd	10,900	8,997	9,541	0.08%
China Greatwall Technology Group Co Ltd	6,900	11,209	16,309	0.13%
China Jushi Co Ltd	8,300	11,998	17,661	0.14%
China Merchants Energy Shipping Co Ltd	16,200	11,850	13,750	0.11%
China National Chemical Engineering Co Ltd	11,600	9,303	9,196	0.07%
China Railway Construction Corp Ltd	27,300	36,846	33,349	0.27%
China Railway Group Ltd	48,100	39,901	38,203	0.31%
China Shipbuilding Industry Co Ltd	53,900	39,445	34,470	0.28%
China State Construction Engineering Corp Ltd	99,100	74,223	74,183	0.59%
Contemporary Amperex Technology Co Ltd	5,400	95,164	166,465	1.33%
COSCO SHIPPING Development Co Ltd	18,900	6,499	5,793	0.05%
COSCO SHIPPING Energy Transportation Co Ltd	8,300	7,369	8,647	0.07%
COSCO SHIPPING Holdings Co Ltd	22,900	12,655	19,336	0.16%
CRRC Corp Ltd	57,620	55,982	46,614	0.37%
Daqin Railway Co Ltd	35,343	37,303	33,175	0.27%
Dongfang Electric Corp Ltd	6,600	8,826	9,881	0.08%
Eve Energy Co Ltd	4,405	21,719	32,131	0.26%
Fangda Carbon New Material Co Ltd	9,015	9,071	8,103	0.06%
Foxconn Industrial Internet Co Ltd	14,200	26,463	28,436	0.23%
GEM Co Ltd	11,400	7,387	7,912	0.06%
GoerTek Inc	7,700	20,784	45,873	0.37%
Guangzhou Baiyun International Airport Co Ltd	4,800	11,132	9,626	0.08%
Guangzhou Shiyuan Electronic Technology Co Ltd	1,600	21,028	22,966	0.18%
Hangzhou Hikvision Digital Technology Co Ltd	22,100	96,338	124,108	1.00%
Hefei Meiya Optoelectronic Technology Inc	1,600	9,027	11,305	0.09%
Holitech Technology Co Ltd	7,400	6,602	5,474	0.04%
Hongfa Technology Co Ltd	1,700	7,239	11,446	0.09%
Huagong Tech Co Ltd	2,400	6,906	8,070	0.06%
Huaxin Cement Co Ltd	3,200	9,643	11,850	0.10%
Hubei Kaile Science & Technology Co Ltd	2,400	4,573	4,166	0.03%
Inner Mongolia First Machinery Group Co Ltd	4,000	6,163	6,572	0.05%
Jiangsu Hengli Hydraulic Co Ltd	3,072	15,451	32,321	0.26%
Jiangsu Shagang Co Ltd	5,200	9,603	9,279	0.07%
Jonjee Hi-Tech Industrial And Commercial Holding Co Ltd	2,000	14,016	19,304	0.15%
Lens Technology Co Ltd	6,700	15,655	31,712	0.25%
Lingyi iTech Guangdong Co	13,900	15,222	22,920	0.18%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<i>China (continued)</i>				
<i>Industrial (2019: 16.05%) (continued)</i>				
Luenmei Quantum Co Ltd	3,600	7,241	6,849	0.05%
Luxshare Precision Industry Co Ltd	16,640	64,463	140,083	1.12%
Metallurgical Corp of China Ltd	42,300	16,557	16,518	0.13%
Nanyang Topsec Technologies Group Inc	2,800	9,929	9,481	0.08%
NARI Technology Co Ltd	10,899	28,597	31,671	0.25%
OFILM Group Co Ltd	6,300	9,600	13,377	0.11%
Power Construction Corp of China Ltd	36,300	18,058	20,166	0.16%
Sany Heavy Industry Co Ltd	20,100	48,921	73,720	0.59%
SF Holding Co Ltd	6,800	44,936	81,364	0.65%
Shanghai Construction Group Co Ltd	21,400	10,434	9,744	0.08%
Shanghai Electric Group Co Ltd	19,200	13,713	14,203	0.11%
Shanghai International Airport Co Ltd	2,200	23,963	22,297	0.18%
Shanghai Tunnel Engineering Co Ltd	7,500	6,281	6,211	0.05%
Shanxi Meijin Energy Co Ltd	9,800	10,692	8,722	0.07%
Shengyi Technology Co Ltd	5,400	13,245	18,556	0.15%
Shennan Circuits Co Ltd	1,217	15,734	20,892	0.17%
Shenzhen Airport Co Ltd	4,800	5,671	6,040	0.05%
Shenzhen Inovance Technology Co Ltd	4,200	22,946	35,834	0.29%
Shenzhen Kaifa Technology Co Ltd	3,300	10,377	10,037	0.08%
Siasun Robot & Automation Co Ltd	3,700	7,642	7,889	0.06%
Sinotrans Ltd	10,500	6,177	5,678	0.04%
STO Express Co Ltd	3,600	8,713	7,994	0.06%
Sunwoda Electronic Co Ltd	3,700	12,523	14,770	0.12%
Suzhou Dongshan Precision Manufacturing Co Ltd	3,900	10,654	15,172	0.12%
Suzhou Gold Mantis Construction Decoration Co Ltd	6,300	7,629	8,977	0.07%
Tangshan Jidong Cement Co Ltd	3,200	6,767	7,314	0.06%
TBEA Co Ltd	8,900	9,192	11,515	0.09%
Tianjin Zhonghuan Semiconductor Co Ltd	7,000	13,786	22,848	0.18%
Tianma Microelectronics Co Ltd	4,800	10,380	10,447	0.08%
Transfar Zhilian Co Ltd	7,700	7,647	6,388	0.05%
Tunghsu Optoelectronic Technology Co Ltd	13,000	7,979	5,804	0.05%
Visionox Technology Inc	3,200	6,428	7,422	0.06%
Weihai Guangwei Composites Co Ltd	1,400	11,422	14,715	0.12%
Wingtech Technology Co Ltd	2,300	44,267	39,606	0.32%
Wuhu Token Science Co Ltd	5,900	7,795	8,711	0.07%
WUS Printed Circuit Kunshan Co Ltd	4,000	12,203	11,075	0.09%
Wuxi Lead Intelligent Equipment Co Ltd	2,100	12,917	14,974	0.12%
Wuxi Taiji Industry Co Ltd	5,100	7,761	7,703	0.06%
XCMG Construction Machinery Co Ltd	18,700	12,876	15,293	0.12%
Xiamen C & D Inc	6,700	8,259	8,451	0.07%
Xiamen Intretech Inc	1,000	7,594	8,589	0.07%
Xinjiang Goldwind Science & Technology Co Ltd	8,038	13,625	12,117	0.10%
Yunda Holding Co Ltd	5,550	18,651	15,318	0.12%
Yunnan Energy New Material Co Ltd	2,020	14,414	27,227	0.22%
Zhejiang Chint Electrics Co Ltd	5,200	18,659	23,194	0.19%
Zhejiang Dingli Machinery Co Ltd	1,000	10,122	14,610	0.12%
Zhejiang Jingsheng Mechanical & Electrical Co Ltd	3,000	10,358	13,549	0.11%
Zhejiang Sanhua Intelligent Controls Co Ltd	8,545	14,896	27,953	0.22%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (2019: 100.01%) (continued)				
<u>China (continued)</u>				
<i>Industrial (2019: 16.05%) (continued)</i>				
Zhejiang Weixing New Building Materials Co Ltd	3,700	7,377	8,718	0.07%
Zoomlion Heavy Industry Science and Technology Co Ltd	15,300	14,179	18,284	0.15%
<i>Total Industrial</i>		<u>1,825,065</u>	<u>2,319,134</u>	<u>18.59%</u>
<i>Technology (2019: 4.94%)</i>				
Accelink Technologies Co Ltd	1,600	7,197	8,245	0.07%
Aisino Corp	4,500	12,041	10,457	0.08%
Beijing E-Hualu Information Technology Co Ltd	1,600	8,631	8,217	0.07%
Beijing Shiji Information Technology Co Ltd	2,100	10,756	11,852	0.09%
Beijing Sinnet Technology Co Ltd	3,700	10,774	12,191	0.10%
Beijing Thunisoft Corp Ltd	1,900	6,996	6,689	0.05%
BOE Technology Group Co Ltd	79,200	45,859	57,303	0.46%
China National Software & Service Co Ltd	1,200	11,282	14,682	0.12%
China TransInfo Technology Co Ltd	3,700	9,527	11,978	0.10%
Dawning Information Industry Co Ltd	3,100	12,367	17,231	0.14%
DHC Software Co Ltd	7,400	8,307	11,112	0.09%
G-bits Network Technology Xiamen Co Ltd	100	5,850	9,179	0.07%
GCL System Integration Technology Co Ltd	12,100	9,964	6,740	0.05%
Giant Network Group Co Ltd	4,000	9,819	11,352	0.09%
Gigadevice Semiconductor Beijing Inc	980	20,225	24,999	0.20%
Glodon Co Ltd	1,400	9,009	15,049	0.12%
GRG Banking Equipment Co Ltd	5,800	8,622	10,384	0.08%
Hangzhou Silan Microelectronics Co Ltd	3,100	6,876	7,359	0.06%
Hundsun Technologies Inc	2,496	23,045	36,261	0.29%
Iflytek Co Ltd	5,200	25,271	26,259	0.21%
Inspur Electronic Information Industry Co Ltd	3,300	11,160	14,778	0.12%
Maxscend Microelectronics Co Ltd	200	11,486	11,134	0.09%
NAURA Technology Group Co Ltd	1,200	20,164	28,126	0.23%
NavInfo Co Ltd	4,700	9,937	10,181	0.08%
Newland Digital Technology Co Ltd	2,500	5,699	5,821	0.05%
Perfect World Co Ltd/China	4,600	15,157	22,572	0.18%
Sanan Optoelectronics Co Ltd	10,600	23,558	38,159	0.31%
Sangfor Technologies Inc	600	13,063	18,722	0.15%
SG Micro Corp	300	9,168	13,233	0.11%
Shanghai 2345 Network Holding Group Co Ltd	13,700	6,075	5,733	0.05%
Shanghai Baosight Software Co Ltd	2,100	13,097	22,385	0.18%
Shenzhen Goodix Technology Co Ltd	1,000	27,279	23,178	0.19%
Shenzhen Kingdom Sci-Tech Co Ltd	2,100	5,388	5,586	0.04%
Thunder Software Technology Co Ltd	1,000	9,015	12,696	0.10%
Tianshui Huatian Technology Co Ltd	6,600	12,423	13,324	0.11%
TongFu Microelectronics Co Ltd	2,800	9,302	9,444	0.08%
Unigroup Guoxin Microelectronics Co Ltd	1,500	14,137	26,254	0.21%
Unisplendour Corp Ltd	6,840	21,790	25,631	0.21%
Venustech Group Inc	1,100	5,636	5,597	0.04%
Westone Information Industry Inc	2,100	6,828	5,722	0.05%
Will Semiconductor Ltd	1,400	33,220	36,591	0.29%
Winning Health Technology Group Co Ltd	5,150	13,965	14,753	0.12%
Wonders Information Co Ltd	2,900	8,856	10,205	0.08%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

Description	Quantity	Cost USD	Fair Value USD	% of Net Assets		
Transferable securities admitted to an official stock exchange listing (continued)						
Equities (2019: 100.01%) (continued)						
China (continued)						
Technology (2019: 4.94%) (continued)						
Wuhan Guide Infrared Co Ltd	3,750	16,657	19,103	0.15%		
Wuhu Sanqi Interactive Entertainment Network Technology Group Co L	4,900	14,079	28,658	0.23%		
Yonyou Network Technology Co Ltd	7,743	28,465	43,597	0.35%		
Youzu Interactive Co Ltd	2,100	5,946	5,409	0.04%		
Zhejiang Century Huatong Group Co Ltd	17,580	27,622	24,662	0.20%		
Zhejiang Dahua Technology Co Ltd	7,100	16,573	21,448	0.17%		
Total Technology		678,163	840,241	6.75%		
Utilities (2019: 3.01%)						
Chengdu Xingrong Environment Co Ltd	7,000	4,719	5,261	0.04%		
China National Nuclear Power Co Ltd	30,800	21,771	19,924	0.16%		
China Yangtze Power Co Ltd	52,000	135,627	146,584	1.18%		
GD Power Development Co Ltd	46,500	15,131	13,841	0.11%		
Huadian Power International Corp Ltd	16,100	8,573	8,446	0.07%		
Huaneng Power International Inc	17,400	12,293	13,871	0.11%		
Hubei Energy Group Co Ltd	10,400	5,913	5,686	0.04%		
Inner Mongolia MengDian HuaNeng Thermal Power Corp Ltd	13,800	5,476	5,206	0.04%		
SDIC Power Holdings Co Ltd	16,300	20,063	21,665	0.17%		
Shanghai Electric Power Co Ltd	6,200	6,629	6,861	0.06%		
Shenergy Co Ltd	11,600	9,437	9,401	0.07%		
Shenzhen Energy Group Co Ltd	9,320	6,842	7,361	0.06%		
Sichuan Chuantou Energy Co Ltd	10,500	14,276	15,178	0.12%		
Total Utilities		266,750	279,285	2.23%		
China Total		10,161,826	12,343,510	98.96%		
Total Equities		10,161,826	12,343,510	98.96%		
Total financial assets at fair value through profit or loss		10,161,826	12,343,510	98.96%		
	Maturity Date	Amount Bought	Amount Sold	Cost USD	Fair Value USD	% of Net Assets
Unrealised Loss on Forward Foreign Currency Contracts (2019: 0.00%)						
(Counterparty: Brown Brothers Harriman)						
Buy USD/Sell CNY	13/10/2020	7	49		-	-
Total Derivative Liabilities					-	-
Total financial liabilities at fair value through profit or loss					-	-

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China A Share UCITS ETF (continued)

<u>Description</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Total Financial Assets and Liabilities at Fair Value Through Profit or Loss	10,161,826	12,343,510	98.96%
Bank overdraft (2019: 0.02%)		(3,199,493)	(25.65%)
Other net assets (2019: (0.03%))		3,328,581	26.69%
Net asset value attributable to holders of redeemable participating shares		<u>12,472,598</u>	<u>100.00%</u>
		<u>Fair Value USD</u>	<u>% of Total Assets</u>
<u>Analysis of Total Assets</u>			
Transferable securities admitted to an official stock exchange listing		12,343,510	78.52%
OTC financial derivative instruments		-	-
Other assets		3,376,707	21.48%
Total Assets		<u>15,720,217</u>	<u>100.00%</u>

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China ESG Leaders UCITS ETF

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing				
Equities				
<u>China</u>				
<i>Basic Materials</i>				
Baoshan Iron & Steel Co Ltd	7,900	5,646	5,788	0.16%
China Molybdenum Co Ltd - A	24,000	7,993	8,485	0.23%
China Molybdenum Co Ltd - H	7,500	4,074	4,097	0.11%
Zhejiang Huayou Cobalt Co Ltd	500	2,549	2,547	0.07%
<i>Total Basic Materials</i>		20,262	20,917	0.57%
<i>Communications</i>				
360 Security Technology Inc	1,900	4,963	4,617	0.13%
51job Inc	189	12,113	14,740	0.40%
Alibaba Group Holding Ltd	1,224	274,385	359,832	9.78%
China Literature Ltd	400	2,519	2,991	0.08%
Meituan Dianping	10,500	213,582	327,600	8.91%
Tencent Holdings Ltd	4,900	268,410	323,400	8.79%
Vipshop Holdings Ltd	3,119	47,114	48,781	1.33%
Wangsu Science & Technology Co Ltd	1,000	1,214	1,181	0.03%
<i>Total Communications</i>		824,300	1,083,142	29.45%
<i>Consumer, Cyclical</i>				
Air China Ltd - A	14,000	10,368	9,159	0.25%
Air China Ltd - H	2,900	2,977	3,019	0.08%
BAIC BluePark New Energy Technology Co Ltd	1,200	1,063	1,040	0.03%
BAIC Motor Corp Ltd	12,000	4,855	4,877	0.13%
BYD Co Ltd - A	4,500	32,660	70,490	1.92%
BYD Co Ltd - H	800	7,538	13,654	0.37%
China Eastern Airlines Corp Ltd - A	14,000	5,864	5,979	0.16%
China Eastern Airlines Corp Ltd - H	4,000	2,700	2,901	0.08%
Fosun International Ltd	18,000	19,851	20,903	0.57%
Gotion High-tech Co Ltd	500	1,492	1,747	0.05%
Hangzhou Robam Appliances Co Ltd	400	1,783	1,920	0.05%
NIO Inc	6,373	68,341	135,235	3.68%
Shanghai M&G Stationery Inc	500	3,765	4,986	0.14%
Shanghai Pharmaceuticals Holding Co Ltd - A	5,500	9,277	9,197	0.25%
Shanghai Pharmaceuticals Holding Co Ltd - H	800	2,283	2,386	0.06%
Sinotruk Hong Kong Ltd	5,000	10,532	12,813	0.35%
Suning.com Co Ltd	4,000	5,249	5,345	0.15%
TCL Technology Group Corp	5,800	4,715	5,237	0.14%
TravelSky Technology Ltd	7,000	14,541	14,939	0.41%
Wanda Film Holding Co Ltd	900	2,201	2,352	0.06%
Weifu High-Technology Group Co Ltd	300	892	1,106	0.03%
Zhengzhou Yutong Bus Co Ltd	1,000	1,978	2,308	0.06%
<i>Total Consumer, Cyclical</i>		214,925	331,593	9.02%
<i>Consumer, Non-cyclical</i>				
3SBio Inc	9,500	10,034	10,689	0.29%
Angel Yeast Co Ltd	300	1,987	2,687	0.07%
China Medical System Holdings Ltd	10,000	11,420	11,006	0.30%
China National Accord Medicines Corp Ltd	200	1,250	1,357	0.04%
China National Medicines Corp Ltd	200	1,017	1,280	0.04%
China Resources Pharmaceutical Group Ltd	11,000	6,671	5,649	0.15%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China ESG Leaders UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (continued)				
<u>China (continued)</u>				
<i>Consumer, Non-cyclical (continued)</i>				
CSPC Pharmaceutical Group Ltd	40,000	72,172	77,419	2.11%
Dali Foods Group Co Ltd	14,500	9,004	8,850	0.24%
Genscript Biotech Corp	8,000	13,151	13,089	0.36%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	500	2,166	2,216	0.06%
Guangzhou Kingmed Diagnostics Group Co Ltd	200	2,436	3,004	0.08%
Huadong Medicine Co Ltd	800	2,332	2,901	0.08%
Inner Mongolia Yili Industrial Group Co Ltd	2,600	12,277	14,698	0.40%
Jiangsu Expressway Co Ltd	10,000	10,663	10,065	0.27%
Ovctek China Inc	200	1,609	1,827	0.05%
Ping An Healthcare and Technology Co Ltd	2,700	36,742	34,577	0.94%
Shenzhen Expressway Co Ltd	6,000	6,354	5,210	0.14%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	500	21,138	25,548	0.70%
Sinopharm Group Co Ltd	9,600	22,330	20,141	0.55%
Topchoice Medical Corp	200	4,749	6,276	0.17%
WuXi AppTec Co Ltd - A	2,000	25,428	28,723	0.78%
WuXi AppTec Co Ltd - H	920	11,903	13,711	0.37%
Wuxi Biologics Cayman Inc	7,000	124,895	170,348	4.63%
Yunnan Baiyao Group Co Ltd	500	6,804	7,485	0.20%
Zhejiang Expressway Co Ltd	10,000	6,965	7,213	0.20%
<i>Total Consumer, Non-cyclical</i>		425,497	485,969	13.22%
<i>Energy</i>				
China Shenhua Energy Co Ltd	24,000	41,517	43,045	1.17%
Offshore Oil Engineering Co Ltd	1,900	1,399	1,258	0.04%
<i>Total Energy</i>		42,916	44,303	1.21%
<i>Financial</i>				
A-Living Services Co Ltd	3,000	13,522	15,174	0.41%
Bank of Shanghai Co Ltd	6,000	7,172	7,171	0.19%
Bohai Leasing Co Ltd	2,600	1,123	1,065	0.03%
China CITIC Bank Corp Ltd	63,000	28,804	24,306	0.66%
China Construction Bank Corp - A	440,000	327,975	285,006	7.75%
China Construction Bank Corp - H	2,600	2,337	2,348	0.06%
China Everbright Bank Co Ltd	22,000	8,046	6,926	0.19%
China Merchants Bank Co Ltd	27,500	129,272	129,694	3.53%
China Merchants Property Operation & Service Co Ltd	400	1,695	1,548	0.04%
China Merchants Shekou Industrial Zone Holdings Co Ltd	2,900	6,874	6,451	0.18%
China Minsheng Banking Corp Ltd	41,000	26,750	21,479	0.58%
China Vanke Co Ltd - A	4,100	15,795	16,868	0.46%
China Vanke Co Ltd - H	12,000	39,133	36,619	1.00%
CITIC Ltd	41,000	40,927	30,102	0.82%
Country Garden Services Holdings Co Ltd	10,000	50,700	64,323	1.75%
Greenland Holdings Corp Ltd	3,400	2,992	3,180	0.09%
Greentown Service Group Co Ltd	10,000	12,191	12,310	0.33%
Guangzhou R&F Properties Co Ltd	9,200	11,806	11,824	0.32%
Huaxia Bank Co Ltd	5,500	4,960	4,950	0.13%
Industrial Bank Co Ltd	8,900	20,564	21,078	0.57%
Jinke Properties Group Co Ltd	2,300	2,683	3,056	0.08%
KWG Group Holdings Ltd	9,000	16,751	15,352	0.42%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV

Schedule of Investments (continued)

As at 30 September 2020

(Expressed in United States Dollars)

KraneShares MSCI China ESG Leaders UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (continued)				
<u>China (continued)</u>				
<i>Financial (continued)</i>				
Legend Holdings Corp	4,100	5,544	4,984	0.14%
Logan Group Co Ltd	9,000	16,071	14,191	0.39%
Oceanwide Holdings Co Ltd	1,900	1,177	1,177	0.03%
Poly Developments and Holdings Group Co Ltd	5,100	11,107	11,899	0.32%
Poly Property Services Co Ltd	800	6,867	6,204	0.17%
Sino-Ocean Group Holding Ltd	21,500	5,754	4,328	0.12%
SOHO China Ltd	15,000	5,820	4,045	0.11%
Yuzhou Group Holdings Co Ltd	13,000	5,477	5,133	0.14%
<i>Total Financial</i>		829,889	772,791	21.01%
<i>Industrial</i>				
AAC Technologies Holdings Inc	5,000	29,628	26,936	0.73%
BBMG Corp	3,600	1,697	1,623	0.04%
Beijing Oriental Yuhong Waterproof Technology Co Ltd	700	4,068	5,540	0.15%
Beijing Originwater Technology Co Ltd	1,400	1,929	1,788	0.05%
BEST Inc	1,397	6,491	4,191	0.11%
BYD Electronic International Co Ltd	5,000	15,465	25,129	0.68%
China Conch Venture Holdings Ltd	12,000	52,956	55,587	1.51%
China Jushi Co Ltd	1,500	2,312	3,180	0.09%
China Lesso Group Holdings Ltd	8,000	11,948	14,369	0.39%
Contemporary Amperex Technology Co Ltd	1,000	21,202	30,717	0.84%
Eve Energy Co Ltd	770	3,986	5,596	0.15%
GEM Co Ltd	2,000	1,436	1,383	0.04%
GoerTek Inc	1,400	5,791	8,311	0.23%
NARI Technology Co Ltd	2,000	5,643	5,791	0.16%
Shanghai International Airport Co Ltd	400	3,950	4,040	0.11%
Shenzhen Inovance Technology Co Ltd	800	4,063	6,801	0.18%
Siasun Robot & Automation Co Ltd	700	1,518	1,487	0.04%
Sinotrans Ltd	1,900	995	1,024	0.03%
Transfar Zhilian Co Ltd	1,400	1,246	1,157	0.03%
Wuxi Lead Intelligent Equipment Co Ltd	400	2,364	2,842	0.08%
Xinjiang Goldwind Science & Technology Co Ltd - A	5,400	4,557	4,710	0.13%
Xinjiang Goldwind Science & Technology Co Ltd - H	1,500	2,145	2,253	0.06%
Zhejiang Weixing New Building Materials Co Ltd	700	1,238	1,644	0.04%
Zoomlion Heavy Industry Science and Technology Co Ltd - A	9,400	7,645	9,024	0.25%
Zoomlion Heavy Industry Science and Technology Co Ltd - H	2,800	2,679	3,334	0.09%
<i>Total Industrial</i>		196,952	228,457	6.21%
<i>Technology</i>				
Aisino Corp	700	1,632	1,621	0.04%
Beijing Shiji Information Technology Co Ltd	500	2,242	2,812	0.08%
China National Software & Service Co Ltd	200	2,359	2,438	0.07%
China TransInfo Technology Co Ltd	600	1,922	1,936	0.05%
Glodon Co Ltd	300	2,597	3,213	0.09%
Kingdee International Software Group Co Ltd	17,000	28,285	43,871	1.19%
Lenovo Group Ltd	52,000	30,086	34,286	0.93%
Sangfor Technologies Inc	100	2,634	3,109	0.09%
Unisplendour Corp Ltd	1,200	4,855	4,481	0.12%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China ESG Leaders UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (continued)				
<u>China (continued)</u>				
<i>Technology (continued)</i>				
Westone Information Industry Inc	300	883	815	0.02%
Wuhu Sanqi Interactive Entertainment Network Technology Group (900	4,778	5,245	0.14%
<i>Total Technology</i>		82,273	103,827	2.82%
<i>Utilities</i>				
China Longyuan Power Group Corp Ltd	22,000	12,196	13,739	0.37%
ENN Energy Holdings Ltd	5,600	56,874	60,986	1.66%
<i>Total Utilities</i>		69,070	74,725	2.03%
<u>Total China</u>		2,706,084	3,145,724	85.54%
<u>Hong Kong</u>				
<i>Consumer, Cyclical</i>				
Alibaba Health Information Technology Ltd	2,000	3,177	4,872	0.13%
Geely Automobile Holdings Ltd	41,000	70,603	81,471	2.21%
Sun Art Retail Group Ltd	17,000	23,642	18,755	0.51%
<i>Total Consumer Cyclical</i>		97,422	105,098	2.85%
<i>Consumer, Non-cyclical</i>				
China Mengniu Dairy Co Ltd	19,000	75,530	88,994	2.42%
Hutchison China MediTech Ltd	480	11,939	15,504	0.42%
Sino Biopharmaceutical Ltd	73,500	73,078	80,044	2.18%
Vinda International Holdings Ltd	3,000	10,230	9,832	0.27%
<i>Total Consumer, Non-cyclical</i>		170,777	194,374	5.29%
<i>Energy</i>				
China Everbright Environment Group Ltd	27,000	15,252	15,329	0.42%
<i>Total Energy</i>		15,252	15,329	0.42%
<i>Financial</i>				
China Overseas Land & Investment Ltd	27,500	81,768	68,839	1.87%
China Overseas Property Holdings Ltd	10,000	9,940	8,155	0.22%
Shanghai Industrial Holdings Ltd	3,000	4,355	3,987	0.11%
Shanghai Industrial Urban Development Group Ltd	600	63	57	0.00%
Shenzhen Investment Ltd	24,000	7,322	6,999	0.19%
Wharf Holdings Ltd/The	12,000	22,587	23,876	0.65%
<i>Total Financial</i>		126,035	111,913	3.04%
<i>Industrial</i>				
Lee & Man Paper Manufacturing Ltd	10,000	6,188	7,226	0.20%
<i>Total Industrial</i>		6,188	7,226	0.20%
<i>Utilities</i>				
China Gas Holdings Ltd	18,600	58,177	52,800	1.43%
China Resources Gas Group Ltd	6,000	29,336	26,787	0.73%
<i>Total Utilities</i>		87,513	79,587	2.16%
<u>Total Hong Kong</u>		503,187	513,527	13.96%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares MSCI China ESG Leaders UCITS ETF (continued)

<u>Description</u>	<u>Quantity</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing (continued)				
Equities (continued)				
<u>Singapore</u>				
Financial				
BOC Aviation Ltd	1,500	10,084	10,200	0.28%
Total Financial		10,084	10,200	0.28%
Total Singapore		10,084	10,200	0.28%
Total Equities		3,219,355	3,669,451	99.78%
Total financial assets at fair value through profit or loss			3,669,451	99.78%
Cash and cash equivalents			2,393	0.07%
Other net assets			5,778	0.15%
Net asset value attributable to holders of redeemable participating shares			3,677,622	100.00%
 Analysis of Total Assets				
Transferable securities admitted to an official stock exchange listing			3,669,451	99.75%
Other assets			9,285	0.25%
Total Assets			3,678,736	100.00%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Schedule of Investments (continued)

As at 30 September 2020
(Expressed in United States Dollars)

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

<u>Description</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Nominal</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Transferable securities admitted to an official stock exchange listing						
Bonds						
China						
Corporate						
Agricultural Development Bank of China	05/25/2023	4.37	3,600,000	539,727	542,413	8.59%
China Development Bank	05/17/2022	3.18	3,700,000	532,653	543,374	8.61%
Export-Import Bank China	03/06/2022	3.37	3,700,000	533,905	544,753	8.63%
Total Corporate				1,606,285	1,630,540	25.83%
Government						
China Government Bond	04/19/2023	3.17	6,000,000	880,872	888,530	14.07%
China Government Bond	10/17/2024	2.94	9,600,000	1,396,834	1,410,382	22.33%
China Government Bond	08/16/2028	3.54	2,400,000	359,320	363,355	5.75%
China Government Bond	11/21/2029	3.13	6,000,000	877,407	876,117	13.88%
China Government Bond	03/19/2048	4.22	2,400,000	392,057	375,079	5.94%
China Government Bond	03/16/2050	3.39	1,000,000	138,205	134,509	2.13%
China Government Bond	06/24/2069	4.00	2,400,000	375,335	352,299	5.58%
Total Government				4,420,030	4,400,271	69.68%
Total Bonds				6,026,315	6,030,811	95.51%
Total financial assets at fair value through profit or loss					6,030,811	95.51%
Cash and cash equivalents					205,277	3.25%
Other net assets					78,077	1.24%
Net assets attributable to holders of redeemable participating shares					6,314,165	100.00%
Analysis of Total Assets					Fair Value USD	% of Total Assets
Transferable securities admitted to an official stock exchange listing					6,030,811	95.48%
Other assets					285,340	4.52%
Total Assets					6,316,151	100.00%

This Schedule of Investments forms an integral part of these financial statements.

KRANESHARES ICAV
Statement of Financial Position

As at 30 September 2020
(Expressed in United States Dollars)

	Note	CSI China Internet UCITS ETF USD	MSCI China A Share UCITS ETF USD	MSCI China ESG Leaders UCITS ETF USD ¹	Bloomberg Barclays China Bond Inclusion UCITS ETF USD ²
Assets					
Current assets					
Financial assets at fair value through profit or loss	7, 8	185,470,365	12,343,510	3,669,451	6,030,811
Cash and cash equivalents		19,364	-	2,393	205,277
Interest receivable		-	-	-	80,063
Subscriptions receivable		3,081,822	3,223,869	-	-
Other receivables		59,248	152,838	6,892	-
Total assets		188,630,799	15,720,217	3,678,736	6,316,151
Liabilities					
Current liabilities					
Financial liabilities at fair value through profit or loss	8	39	-	-	-
Bank overdraft		-	3,199,493	-	-
Redemptions payable		-	44,523	-	-
Securities purchased payable		3,117,350	-	-	-
TER fees payable	5	120,204	3,603	1,114	1,986
Total liabilities (excluding net assets attributable to holders of redeemable participating shares liability/equity classified)³		3,237,593	3,247,619	1,114	1,986
Net assets attributable to holders of redeemable participating shares liability/equity classified)³		185,393,206	12,472,598	3,677,622	6,314,165

¹ KraneShares MSCI China ESG Leaders UCITS ETF commenced operations on 4 February 2020. Therefore, no comparative information arises for this Sub-Fund.

² KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations on 25 May 2020. Therefore, no comparative information arises for this Sub-Fund.

³ KraneShares CSI China Internet UCITS ETF's shares are liability classified under IAS 32 at 30 September 2020 with these being equity classified in the prior year. The shares of all other Sub-Funds are equity classified in the current year and, where applicable, in the prior year.

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

KRANESHARES ICAV

Statement of Financial Position (continued)

As at 30 September 2020

(Expressed in United States Dollars)

Approved on behalf of the Board of Directors:



Director

Date: 26 January 2021



Director

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

KRANESHARES ICAV

Statement of Financial Position (continued)

As at 30 September 2019

(Expressed in United States Dollars)

	Note	CSI China Internet UCITS ETF ¹ USD	MSCI China A Share UCITS ETF ² USD
Assets			
Current assets			
Financial assets at fair value through profit or loss - transferable securities	7, 8	23,160,594	105,292,353
Cash and cash equivalents		15,360	22,890
Other receivables		709	-
Total assets		<u>23,176,663</u>	<u>105,315,243</u>
Liabilities			
Current liabilities			
TER fees payable	5	<u>8,260</u>	<u>35,070</u>
Total liabilities		<u>8,260</u>	<u>35,070</u>
Net assets attributable to holders of redeemable participating shares		<u><u>23,168,403</u></u>	<u><u>105,280,173</u></u>

¹ KraneShares CSI China Internet UCITS ETF commenced operations 21 November 2018.² KraneShares MSCI China A Share UCITS ETF commenced operations 26 June 2019.*The accompanying notes form an integral part of these financial statements.*

KRANESHARES ICAV

Statement of Comprehensive Income

For the year ended 30 September 2020

(Expressed in United States Dollars)

		CSI China Internet UCITS ETF USD	MSCI China A Share UCITS ETF USD	MSCI China ESG Leaders UCITS ETF USD ¹	Bloomberg Barclays China Bond Inclusion UCITS ETF USD ²
	Note				
Investment income					
Interest income		-	-	-	120,023
Dividend income		245,808	1,124,037	40,588	-
Net gain/loss on financial assets and liabilities at fair value through profit or loss		44,914,279	24,154,703	317,328	(50,157)
Net (loss)/gain on foreign exchange translation		(1,811)	52,158	(1,156)	1,855
Other income		4,304	1,403	-	-
Total income		<u>45,162,580</u>	<u>25,332,301</u>	<u>356,760</u>	<u>71,721</u>
Expenses					
TER fees	5	665,190	355,534	5,602	7,556
Transaction costs	10	225,289	313,817	11,743	-
Total operating expenses		<u>890,479</u>	<u>669,351</u>	<u>17,345</u>	<u>7,556</u>
Profit before tax		44,272,101	24,662,950	339,415	64,165
Withholding taxes		(163)	(114,092)	(2,581)	-
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares		<u>44,271,938</u>	<u>24,548,858</u>	<u>336,834</u>	<u>64,165</u>

¹ KraneShares MSCI China ESG Leaders UCITS ETF commenced operations on 4 February 2020. Therefore, no comparative information arises for this Sub-Fund.² KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations on 25 May 2020. Therefore, no comparative information arises for this Sub-Fund.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those presented in the Statement of Comprehensive Income.

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

KRANESHARES ICAV

Statement of Comprehensive Income (continued)

For the period ended 30 September 2019

(Expressed in United States Dollars)

	Note	CSI China Internet UCITS ETF ¹ USD	MSCI China A Share UCITS ETF ² USD
Investment income			
Dividend income		98,426	409,149
Net gain/(loss) on financial assets at fair value through profit or loss		233,571	(3,653,341)
Net gain/(loss) on foreign exchange translation		4,318	(9,267)
Other income		11	-
Total income/(loss)		<u>336,326</u>	<u>(3,253,459)</u>
Expenses			
TER fees	5	204,012	77,937
Transaction costs	10	<u>90,897</u>	<u>117,804</u>
Total expenses		<u>294,909</u>	<u>195,741</u>
Profit/(loss) before tax		41,417	(3,449,200)
Withholding taxes		(446)	(40,162)
Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares		<u><u>40,971</u></u>	<u><u>(3,489,362)</u></u>

¹ KraneShares CSI China Internet UCITS ETF commenced operations 21 November 2018.² KraneShares MSCI China A Share UCITS ETF commenced operations 26 June 2019.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those presented in the Statement of Comprehensive Income.

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

KRANESHARES ICAV

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

For the year ended 30 September 2020

(Expressed in United States Dollars)

	CSI China Internet UCITS ETF USD	MSCI China A Share UCITS ETF USD*	MSCI China ESG Leaders UCITS ETF USD* ¹	Bloomberg Barclays China Bond Inclusion UCITS ETF USD* ²
Net assets attributable to holders of redeemable participating shares at the beginning of the year/period - equity	23,168,403	105,280,173	-	-
Subscriptions of redeemable participating shares during the year/period	136,310,183	17,753,235	5,152,392	6,250,000
Redemptions of redeemable participating shares redeemed during the year/period	(18,357,318)	(135,109,668)	(1,811,604)	-
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares	44,271,938	24,548,858	336,834	64,165
Reclassification of redemable participating shares from equity to financial liabilities	(185,393,206)	-	-	-
Net assets attributable to holders of redeemable participating shares at the end of the year/period - equity	-	12,472,598	3,677,622	6,314,165
Net assets attributable to holders of redeemable participating shares at the end of the year/period - financial liabilities	185,393,206	-	-	-

¹ KraneShares MSCI China ESG Leaders UCITS ETF commenced operations on 4 February 2020. Therefore, no comparative information arises for this Sub-Fund.² KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations on 25 May 2020. Therefore, no comparative information arises for this Sub-Fund.

* The shares of these Sub-Funds are classified as equity in accordance with IAS 32, please see note 2(d)(vi).

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

KRANESHARES ICAV

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

For the period ended 30 September 2019

(Expressed in United States Dollars)

	CSI China Internet UCITS ETF ¹ USD*	MSCI China A Share UCITS ETF ² USD*
Net assets attributable to holders of redeemable participating shares at the beginning of the period	-	-
Subscriptions of redeemable participating shares during the period	45,899,682	108,769,535
Redemptions of redeemable participating shares redeemed during the period	(22,772,250)	-
Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares	<u>40,971</u>	<u>(3,489,362)</u>
Net assets attributable to holders of redeemable participating shares at the end of the period	<u>23,168,403</u>	<u>105,280,173</u>

¹ KraneShares CSI China Internet UCITS ETF commenced operations 21 November 2018.² KraneShares MSCI China A Share UCITS ETF commenced operations 26 June 2019.

* The shares of these Sub-Funds are classified as equity in accordance with IAS 32, please see note 2(d)(vi).

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

KRANESHARES ICAV
Statement of Cash Flows

For the year ended 30 September 2020

(Expressed in United States Dollars)

	CSI China Internet UCITS ETF USD	MSCI China A Share UCITS ETF USD	MSCI China ESG Leaders UCITS ETF USD ¹	Bloomberg Barclays China Bond Inclusion UCITS ETF USD ²
Cash flows from operating activities:				
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares	44,271,938	24,548,858	336,834	64,165
Operating profit before working capital changes	44,271,938	24,548,858	336,834	64,165
Adjustment for:				
Withholding tax paid	163	114,092	2,581	-
Dividend income received	(245,808)	(1,124,037)	(40,588)	-
Interest income received (on instruments held at fair value)	-	-	-	(39,960)
Net (increase)/decrease in financial assets and liabilities at fair value through profit or loss	(162,309,732)	92,948,843	(3,669,451)	(6,030,811)
Increase in securities purchased payable	3,117,350	-	-	-
Increase in other receivables	(58,539)	(152,838)	(6,892)	(80,063)
Increase/(decrease) in TER fees payable	111,944	(31,467)	1,114	1,986
Cash (used in)/provided by operations	(159,384,622)	91,754,593	(3,713,236)	(6,148,848)
Withholding tax paid	(163)	(114,092)	(2,581)	-
Dividend income received	245,808	1,124,037	40,588	-
Interest income received	-	-	-	39,960
Net cash (used in)/provided by operations	(114,867,039)	117,313,396	(3,338,395)	(6,044,723)
Cash flows from financing activities				
Subscriptions of redeemable participating shares during the year	133,228,361	14,529,366	5,152,392	6,250,000
Redemptions of redeemable participating shares redeemed during the year	(18,357,318)	(135,065,145)	(1,811,604)	-
Distributions paid during the year	-	-	-	-
Net cash (used in)/provided by financing activities	114,871,043	(120,535,779)	3,340,788	6,250,000
Net increase in cash and cash equivalents	4,004	(3,222,383)	2,393	205,277
Cash and cash equivalents at start of the year	15,360	22,890	-	-
Cash and cash equivalents at end of the year	19,364	(3,199,493)	2,393	205,277
Supplementary Information				
Dividends received	245,808	1,124,037	40,588	-
Interest received	-	-	-	39,960
Interest paid	-	-	-	-

¹ KraneShares MSCI China ESG Leaders UCITS ETF commenced operations on 4 February 2020. Therefore, no comparative information arises for this Sub-Fund.

² KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations on 25 May 2020. Therefore, no comparative information arises for this Sub-Fund.

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

KRANESHARES ICAV

Statement of Cash Flows (continued)

For the period ended 30 September 2019

(Expressed in United States Dollars)

	CSI China Internet UCITS ETF ¹	MSCI China A Share UCITS ETF ²
	USD	USD
<i>Cash flows from operating activities:</i>		
Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares	40,971	(3,489,362)
Operating profit/(loss) before working capital changes	40,971	(3,489,362)
Adjustment for:		
Withholding tax paid	446	40,162
Dividend income received	(98,426)	(409,149)
Net increase in financial assets at fair value through profit or loss	(23,160,594)	(105,292,353)
Increase in other receivables	(709)	-
Increase in TER fees payable	8,260	35,070
Cash used in operations	(23,251,023)	(105,626,270)
Withholding tax paid	(446)	(40,162)
Dividend income received	98,426	409,149
Net cash used in operating activities	(23,112,072)	(108,746,645)
<i>Cash flows from financing activities</i>		
Subscriptions of redeemable participating shares during the period	45,899,682	108,769,535
Redemptions of redeemable participating shares redeemed during the year	(22,772,250)	-
Net cash provided by financing activities	23,127,432	108,769,535
Net increase in cash and cash equivalents	15,360	22,890
Cash and cash equivalents at start of the period	-	-
Cash and cash equivalents at end of the period	15,360	22,890
Supplementary Information		
Dividends received	98,426	409,149
Interest received	-	-
Interest paid	-	-

¹ KraneShares CSI China Internet UCITS ETF commenced operations 21 November 2018.² KraneShares MSCI China A Share UCITS ETF commenced operations 26 June 2019.

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

KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2020

(Expressed in United States Dollars)

1. Nature of operations

KraneShares ICAV (the “ICAV”) was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the “ICAV Act”) on 15 May 2018 and authorised on 11 October 2018 by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019 (collectively the “UCITS Regulations”). The ICAV has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. Each sub-fund has a distinct portfolio of investments and the investment objective and policy of each sub-fund will be formulated by the investment manager. At 30 September 2020, the following sub-funds were in operation:

Sub-Funds	Launch date
KraneShares CSI China Internet UCITS ETF	21 November 2018
KraneShares MSCI China A Share UCITS ETF	26 June 2019
KraneShares MSCI China ESG Leaders UCITS ETF	4 February 2020
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF	25 May 2020

DMS Investment Management Services (Europe) Limited (the “Manager”) has appointed Krane Funds Advisors LLC as Investment Manager and Distributor of the ICAV pursuant to the investment management and distribution agreement between the ICAV, the Manager and the Investment Manager dated 11 October 2018.

The registered office of the ICAV is 70 Sir John Rogerson’s Quay, Dublin 2, Ireland. SEI Investments - Global Fund Services Limited (the “Administrator”) is the administrator. SEI Investments – Depositary and Custodial Services (Ireland) Limited (the “Depositary”) is the depositary. Brown Brothers Harriman & Co. has been appointed as the sub-custodian (the “Sub-Custodian”) in accordance with the requirements of the Central Bank to perform in whole or in part any of the Depositary’s duties.

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

The financial statements of each of the Sub-Funds are prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union, the UCITS Regulations, and the ICAV Act 2015. This report presents financial statements for KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF as at 30 September 2020. This report presents the comparative financial statements for KraneShares CSI China Internet UCITS ETF and KraneShares MSCI China ESG Leaders UCITS ETF as at 30 September 2019. KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations on 4 February 2020 and 25 May 2020, respectively. As such, there are no comparative figures to disclose for these two sub-funds.

(b) Basis of preparation

The financial statements are presented in United States Dollars (“USD”). The financial statements have been prepared under the going concern and under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires management to make judgements, critical accounting estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating shares.

(c) Changes in relevant accounting standards

IFRIC 23:

IFRIC 23 "Uncertainty over Income Tax Treatments" was issued in June 2017 and became effective for periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgments and estimates if facts and circumstances change. The interpretation which is effective after 1 January 2019, does not have a material impact on the Sub-Funds reported results.

Standards, amendments and interpretations that are not yet effective for the period and not early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2019, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Funds.

(d) Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the periods presented, unless otherwise stated.

i. Foreign currency translation

Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Sub-Funds operate. The functional currency of all Sub-Funds is US Dollars ("USD"), being the Sub-Funds' base currency. Investor subscriptions and redemptions are received and paid in the currency of the relevant Share Class. The expenses (including management fees, custodian fees and administration fees) are denominated and paid mostly in USD. Investment securities in RMB are translated into the presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Net gain on foreign exchange translation

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Net gain/(loss) on foreign exchange translation'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'Net gains/(losses) on financial assets at fair value through profit or loss'.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(d) Significant accounting policies (continued)

ii. Financial instruments

Recognition and initial measurement

The ICAV initially recognises financial assets at fair value through profit or loss (“FVTPL”) on the trade date, which is the date on which the respective Sub-Fund of the ICAV becomes a party to the contractual provisions of the instrument. Other financial assets are recognised on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

On initial recognition, the Sub-Funds classify financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).
- Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (“SPPI”), and that are not designed at fair value through profit and loss, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance.

All other financial assets of the Sub-Funds are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-Funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-Fund management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-Funds continuing recognition of the assets.

The ICAV has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and subscriptions receivable. These financial assets are held to collect contractual cash flow.
- Other business model: this includes bonds, equities and financial derivative instruments. Bonds are managed and their performance is evaluated, on a fair value basis, with sales taking place as required. The equities are managed and their performance is evaluated, on a fair value basis, with sales taking place as required. Financial derivative instruments are managed and their performance is evaluated, on a fair value basis, with contracts entered into on a NAV hedging and portfolio hedging basis.

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)**(d) Significant accounting policies (continued)****ii Financial instruments (continued)***Subsequent measurement of financial assets*

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any foreign exchange gains and losses, are recognised in profit or loss in 'net gain/(loss) from financial instruments at FVTPL' in the statement of comprehensive income.

Equities, bonds and forward foreign exchange contracts are included in this category.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange gain/(loss)' and, where significant, impairment is recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on derecognition is also recognized in profit or loss.

Cash and cash equivalents are included in this category.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Forward foreign exchange contracts shall be valued as at the valuation point for the relevant dealing day by reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same size and maturity could be undertaken.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- Held for trading: this comprises forward foreign exchange contracts.

Financial liabilities at amortised cost:

- This comprises the TER fees payable.

Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the respective Sub-Fund neither transfers nor retains substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the respective Sub-Fund is recognised as a separate asset or liability.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(d) Significant accounting policies (continued)

ii Financial instruments (continued)

Derecognition (continued)

The Sub-Funds of the ICAV enter into transactions whereby they transfer assets recognised on the respective statement of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale transactions.

The Sub-Funds derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment

The Sub-Funds recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Sub-Funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-Funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-Funds historical experiences and informed credit assessments and including forward-looking information.

The Sub-Funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Sub-Funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the respective Sub-Fund of the ICAV in full, without recourse by the respective Sub-Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-Funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-Funds consider this to be Baa3 or higher per Moody's Investors Service or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Funds are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-Funds of the ICAV expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(d) Significant accounting policies (continued)

ii Financial instruments (continued)

Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Sub-Funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the respective Sub-Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position when, and only when, there is a legal enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. Please refer to Note 7(g) "Offsetting and amounts subject to master netting/similar agreements" for further details.

Income and expenses are represented on a net basis for gain and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

ii. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less. As at 30 September 2020 and 30 September 2019, all cash and cash equivalents were held with the Sub-Custodian.

iv. Expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using effective interest rate method.

v. Income

Dividend income is recognised when the right to receive payment is established and it is shown separately in the Statement of Comprehensive Income. The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income.

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income on debt securities at fair value through profit or loss. Interest income from cash and cash equivalents is recognised in other income.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(d) Significant accounting policies (continued)

vi. Redeemable participating shares (continued)

The Sub-Funds are open-ended and issue redeemable participating shares, which are redeemable at a Shareholder's option. These shares can be put back to the respective Sub-Fund for cash equal to a proportionate share of the Sub-Funds trading Net Asset Value ("NAV") calculated in accordance with the Prospectus. These shares are classified as equity or liability, as appropriate, in accordance with IAS 32 Financial Instruments - Presentation ("IAS 32"). Typically, where a Sub-Fund has only one such share class in issue, those shares qualify for equity classification as the qualifying criteria in IAS 32.16A and 16B are met. On the other hand, where a Sub-Fund has more than one such share class in issue, those share classes do not, for example, typically have identical rights to each other and therefore those qualifying criteria for equity classification are not met. Where the criteria are no longer met, the Sub-Fund reclassifies from the date when the shares cease to qualify for equity classification. The shares, when first classified as financial liabilities are measured at their fair value. Subsequently the redeemable shares are classified as financial liabilities at amortised cost and are measured at the present value of the redemption amounts.

A puttable financial instrument that includes a contractual obligation for the respective Sub-Funds to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the conditions below:

- it entitles the holder to a pro rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the respective Sub-Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the respective Sub-Fund over the life of the instrument.

The KraneShares CSI China Internet UCITS ETFs issued two new share classes on 30 September 2020 and as such on that date, the redeemable participating shares of the Sub-Fund are all reclassified as financial liabilities. As at 30 September 2020, the Sub-Fund had USD 185,393,206 of Net Assets classified as financial liability (2019: USD 23,168,403 classified as equity).

The KraneShares MCSI China A Share UCITS ETFs one class of units in issue meet these conditions and are classified as equity. As at 30 September 2020, the Sub-Fund had USD 12,472,598 (2019: USD 105,280,173) of Net Assets classified as equity.

The KraneShares MSCI China ESG Leaders UCITS ETFs one class of units in issue meet these conditions and are classified as equity. As at 30 September 2020, the Sub-Fund had USD 3,677,622 of Net Assets classified as equity.

The KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETFs one class of units in issue meet these conditions and are classified as equity. As at 30 September 2020, the Sub-Fund had USD 6,314,165 of Net Assets classified as equity.

vii. Distribution policy

KraneShares CSI China Internet UCITS ETF, KraneShares MCSI China A Share UCITS ETF and KraneShares MSCI China ESG Leaders UCITS ETF has accumulating share classes. The ICAV intends to accumulate all net investment income and net realised capital gains. The ICAV does not intend to make distributions in respect of the accumulating share classes.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF has distributing share classes. The ICAV intends to declare and pay dividends semi-annually, subject to income being available for distribution. No dividends have been declared or paid for the period ended 30 September 2020 (2019: nil).

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

2. Basis of preparation and significant accounting policies (continued)

(d) Significant accounting policies (continued)

viii. Subscriptions receivable

Subscriptions receivable are reported on the Statement of Financial Position and relate to unsettled subscriptions.

ix. Redemptions payable

This relates to the amount requested in the redemption notice becoming fixed. This generally may occur either at the time of the receipt of a valid and approved notice, or on the last day of a fiscal year, depending on the nature of the request. As a result, redemptions paid after the end of the year, but based upon year end capital balance are reflected as redemptions payable.

x. Securities sold receivable

Securities sold receivable are reported on the Statement of Financial Position and relate to unsettled sales of the equity trades.

xi. Securities purchased payable

Securities purchased payable are reported on the Statement of Financial Position and relate to unsettled purchases of equity trades.

xii. Security lending

The ICAV entered into a securities lending agency agreement with the Sub-Custodian on 28 July 2020. Securities lending commenced on KraneShares CSI China Internet UCITS ETF in August 2020. As at 30 September 2020 the KraneShares CSI China Internet UCITS ETF was engaged in one securities lending arrangement. The securities lending arrangement related to GSX Techedu Inc- ADR, and had a value of \$2,099,563(2019: Nil). A collateral amount of \$2,332,313 was received by the Depository and a security lending fee of \$1,587 has been reflected in the NAV for the Sub-Fund. Fees of \$461 were charged by the Sub-Custodian for the year.

xiii. Bank overdraft

Bank overdrafts are repayable on demand and form an integral part of the cash management of the Sub-Funds.

3. Taxation

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

Notwithstanding the above, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes:

- a) Any distribution payments made to shareholders by the ICAV in respect of their shares;
- b) Any encashment, redemption, cancellation or transfer of shares;
- c) The holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the ICAV in respect of chargeable events in respect of:

- a) A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with Section 739D of the Taxes Consolidation Act, 1997, as amended, are held by the ICAV or the ICAV has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations under the ICAV with the necessary signed statutory declarations; and
- b) Certain exempted Irish tax resident shareholders who have provided the ICAV with the necessary signed statutory declarations.

Capital gains, dividends and interest received by the ICAV may be subject to taxes, including withholding taxes in the countries in which the issuers of investments are located, which may be reflected in the Net Asset Value (“NAV”) of the ICAV. Dividend and interest income has been recognised gross in the Statement of Comprehensive Income, with withholding taxes recognised separately. Such taxes may not be recoverable by the ICAV or its shareholders.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

3. Taxation (continued)

The ICAV has evaluated the tax positions and has concluded that there are no significant tax positions requiring recognition, measurement or disclosure in the financial statements. Tax penalties and interest, if any, would be accrued as incurred and would be classified as tax expense in the Statement of Comprehensive Income. During the year/period ended 30 September 2020, the ICAV did not incur any interest or penalties.

4. Share capital

The authorised share capital of the ICAV is 500,000,000,002 shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue up to all of the Shares of the ICAV on such terms as they think fit. The Subscriber Shares entitle the holders to attend and vote at any general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Subscriber Shares do not form part of the NAV of any of the ICAV's Sub-Funds. The participating shares entitle the holders to attend and vote at general meetings of the ICAV and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different share classes. The ICAV may from time to time by ordinary resolution increase its capital, consolidate the shares or any of them into a smaller number of shares, sub-divide the shares or any of them into a larger number of shares or cancel any shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each whole share held by such Shareholder.

The ICAV offers the Classes of Shares in KraneShares CSI China Internet UCITS ETF as set out below. The ICAV may also create additional classes of shares in this Sub-Fund in the future with prior notification to, and clearance in advance by, the Central Bank. All three share classes listed below are open as at 30 September 2020. The Sub-Fund may also engage in NAV and portfolio hedging when conducting business. NAV hedging will only occur on the non USD share classes.

Class	Minimum Subscription Amount	Launch Price	Hedged
Class USD	USD 5,000,000	USD 25	No
Class EUR	EUR 5,000,000	EUR 25	Yes
Class GBP	GBP 5,000,000	GBP 25	Yes

The ICAV offers the Classes of Shares in KraneShares MCSI China A Share UCITS ETF as set out below. The ICAV may also create additional classes of shares in this Sub-Fund in the future with prior notification to, and clearance in advance by, the Central Bank. The USD share class is the only open share class at 30 September 2020. The Sub-Fund may also engage in NAV and portfolio hedging when conducting business. NAV hedging will only occur on the non USD share classes.

Class	Minimum Subscription Amount	Launch Price	Hedged
Class USD	USD 5,000,000	USD 25	No
Class EUR	EUR 5,000,000	EUR 25	Yes
Class GBP	GBP 5,000,000	GBP 25	Yes

The ICAV offers the Classes of Shares in KraneShares MSCI China ESG Leaders UCITS ETF as set out below. The ICAV may also create additional classes of shares in the Sub-Fund in the future with prior notification to, and clearance in advance by, the Central Bank. The USD share class is the only open share class at 30 September 2020. The Sub-Fund may also engage in NAV and portfolio hedging when conducting business. NAV hedging will only occur on the non USD share classes.

Class	Minimum Subscription Amount	Launch Price	Hedged
Class USD	USD 5,000,000	USD 25	No
Class EUR	EUR 5,000,000	EUR 25	Yes
Class GBP	GBP 5,000,000	GBP 25	Yes

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***4. Share capital (continued)**

The ICAV offers the Classes of Shares in KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF as set out below. The ICAV may also create additional classes of shares in the Sub-Fund in the future with prior notification to, and clearance in advance by, the Central Bank. The USD share class is the only open share class at 30 September 2020. The Sub-Fund may also engage in NAV hedging and portfolio hedging when conducting business. NAV hedging will only occur on the non USD share classes.

Class	Minimum Subscription Amount	Launch Price	Hedged
Class USD	USD 1,250,000	USD 25	No
Class EUR	EUR 1,250,000	EUR 25	Yes
Class GBP	GBP 1,250,000	GBP 25	Yes

All classes of the Sub-Funds have been admitted to the Official List of the London Stock Exchange, and to trading on the Main Securities Market of Euronext Dublin.

Each of the Shares (other than the Subscriber Shares) entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Sub-Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder.

There were no externally imposed capital requirements.

Subscriptions

Shares will be issued on each dealing day at the appropriate Net Asset Value per Share with an appropriate provision for duties and charges. Investors may subscribe for shares for cash on each dealing day by making an application by the dealing deadline. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable settlement deadline.

Redemptions

Shareholders may effect a redemption of shares on any dealing day at the appropriate Net Asset Value per Share, subject to an appropriate provision for duties and charges, provided that a valid redemption request from the shareholder is received by the ICAV by the dealing deadline on the relevant dealing day. Settlement will normally take place within two business days of the dealing day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 business days from the dealing deadline.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to any applicable fees associated with such redemption.

The net assets and NAV per share of each class of shares in issue as at 30 September 2020 is as follows:

Sub-Fund	Class	Number of shares	NAV per share	Net Assets per Share Class USD
KraneShares CSI China Internet UCITS ETF	Class USD	4,350,000	\$41.911	182,311,384
	Class EUR	50,000	€25.000	1,465,811
	Class GBP	50,000	£25.000	1,616,010
KraneShares MCSI China A Share UCITS ETF	Class USD	387,000	\$43.459	12,472,598
KraneShares MSCI China ESG Leaders UCITS ETF*	Class USD	120,000	\$30.647	3,677,622
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF**	Class USD	250,000	\$25.257	6,314,165

*The Sub-Fund commenced operations on 4 February 2020.

**The Sub-Fund commenced operations on 25 May 2020.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***4. Share capital (continued)**

The net assets and NAV per share of each class of shares in issue as at 30 September 2019 is as follows:

Sub-Fund	Class	Number of shares	NAV per share	Net Assets per Share Class USD
KraneShares CSI China Internet UCITS ETF	Class USD	900,000	\$25.743	23,168,403
KraneShares MCSI China A Share UCITS ETF	Class USD	4,300,000	\$24.484	105,280,173

Transactions in the shares of each Sub-Fund for the year ended 30 September 2020 are as follows:

Sub-Fund	Class	Shares at start of year	Shares Issued	Shares Redeemed	Shares at end of year
KraneShares CSI China Internet UCITS ETF	Class USD	900,000	4,050,000	(600,000)	4,350,000
	Class EUR	-	50,000	-	50,000
	Class GBP	-	50,000	-	50,000
KraneShares MCSI China A Share UCITS ETF	Class USD	4,300,000	650,000	(4,563,000)	387,000
KraneShares MSCI China ESG Leaders UCITS ETF*	Class USD	-	200,000	(80,000)	120,000
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF**	Class USD	-	250,000	-	250,000

*The Sub-Fund commenced operations on 4 February 2020.

**The Sub-Fund commenced operations on 25 May 2020.

Transactions in the shares of each Sub-Fund for the period ended 30 September 2019 are as follows:

Sub-Fund	Class	Shares at start of period	Shares Issued	Shares Redeemed	Shares at end of period
KraneShares CSI China Internet UCITS ETF	Class USD	-	1,800,000	(900,000)	900,000
KraneShares MCSI China A Share UCITS ETF	Class USD	-	4,300,000	-	4,300,000

5. Fees and Expenses**TER Fees**

All of the following fees and expenses payable in respect to the Share Classes of the Sub-Funds are paid as one single fee, which will not exceed an amounts described listed below. This is referred to as the total expense ratio or “TER”. The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund and payable monthly in arrears to the Investment Manager at the rate set out below. The following fees and operational expenses of each Sub-Fund shall be paid out of the TER:

- All the ordinary operating and administrative expenses of the Sub-Fund, including, but not limited to, Directors’, auditors’, legal advisors’, Investment Manager’s, Management Company’s, Administrator’s, Depositary’s, sub-custodian’s, sub-custodian’s overdraft fees, Index Providers’, and Central Bank of Ireland Levies.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***5. Fees and Expenses (continued)****TER Fees (continued)**

The TER rates for each Sub-Fund are listed below.

KraneShares CSI China Internet UCITS ETF

Class	TER
Class USD	75 bps
Class EUR	75 bps
Class GBP	75 bps

During the year ended 30 September 2020, the Sub-Fund incurred USD 665,190 (2019: USD 204,012) in TER fees and as at 30 September 2020, USD 120,204 (2019: USD 8,260) remained payable.

KraneShares MCSI China A Share UCITS ETF

Class	TER
Class USD	40 bps
Class EUR	40 bps
Class GBP	40 bps

During the year ended 30 September 2020, the Sub-Fund incurred USD 355,534 (2019: USD 77,937) in TER fees and as at 30 September 2020, USD 3,603 (2019: USD 35,070) remained payable.

KraneShares MSCI China ESG Leaders UCITS ETF

Class	TER
Class USD	40 bps
Class EUR	40 bps
Class GBP	40 bps

During the period ended 30 September 2020, the Sub-Fund incurred USD 5,602 in TER fees and as at 30 September 2020, USD 1,114 remained payable.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

Class	TER
Class USD	35 bps
Class EUR	35 bps
Class GBP	35 bps

During the period ended 30 September 2020, the Sub-Fund incurred USD 7,556 in TER fees and as at 30 September 2020, USD 1,986 remained payable.

Management fees

A minimum fee of €20,000 per Sub-Fund per annum or, if higher, a basis point charge calculated from the table hereunder. Each additional Sub-Fund will be charged an annual minimum fee of €20,000.

The fee will be calculated at each valuation point based on the Net Asset value of the Sub-Fund (before the deduction of the management fee and performance fee for the relevant valuation point) and will be paid quarterly in arrears. DMS may also provide services in respect of structured finance & corporate, company secretarial & registered office, FATCA support & fund governance support, money laundering reporting officer (MLRO), independent fund directors, KIID production and PRIIPS production.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

5. Fees and Expenses (continued)

Management fees (continued)

AUM	Basis Points
Up to €1,000,000,000	2.5
€1,000,000,001 and upwards	1.75

KraneShares CSI China Internet UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 38,275 (EUR: 32,640) (2019: USD 55,968 (EUR 50,618)) in management fees, MLRO fees, OOP fees and AP fees. As at 30 September 2020, USD 21,536 (EUR: 18,365) (2019: USD 29,302 (EUR 26,878)) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Manager.

KraneShares MCSI China A Share UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 46,841 (EUR: 39,944) (2019: USD 6,703 (EUR 6,148)) in management fees, MLRO fees, OOP fees and AP fees. As at 30 September 2020, USD 15,357 (EUR: 13,096) (2019: USD 6,703 (EUR 6,148)) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Manager.

KraneShares MSCI China ESG Leaders UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 15,843 (EUR: 13,510) in management fees, MLRO fees, OOP fees and AP fees. As at 30 September 2020, USD 11,795 (EUR: 10,059) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Manager.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 14,368 (EUR: 12,253) in management fees, MLRO fees, OOP fees and AP fees. As at 30 September 2020, USD 14,368 (EUR: 12,253) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Manager.

Administration Fees

The following fees are payable to SEI Investments – Global Fund Services Limited, (the “Administrator”). The ICAV will be charged the greater of the basis point fee or the monthly minimum fee. The basis point fee is calculated based on the aggregate net assets of the ICAV and allocated to each Sub-Fund pro-rata based on the net assets of each Sub-Fund. Fees are invoiced and payable monthly in arrears.

Monthly NAV Calculation

Net Assets	Basis Points
First USD 1 billion	7.0
Next USD 1 billion	6.5
AUM over USD 2 billion	6.0
Monthly minimum per Fund Year 1	USD 4,167
Monthly minimum per Fund Year 2	USD 5,833
Monthly minimum per Fund Year 3	USD 7,500

The above fees are inclusive of the first USD share class. Additional share classes are charged an annual fixed fee of USD 12,000 per annum. All of the Sub-Funds with the exception of KraneShares CSI China Internet UCITS ETF currently has one share class in issue. KraneShares CSI China Internet UCITS ETF has three share classes in issue.

KraneShares CSI China Internet UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 81,448 (2019: USD 45,837) in administration fees and as at 30 September 2020, USD 93,949 (2019: USD 12,501) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Administrator.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

5. Fees and Expenses (continued)

Administration Fees (continued)

KraneShares MCSI China A Share UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 70,538 (2019: USD 16,668) in administration fees and as at 30 September 2020, USD 83,039 (2019: USD 12,501) remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Administrator.

KraneShares MSCI China ESG Leaders UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 33,336 in administration fees and as at 30 September 2020, USD 33,336 remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Administrator.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 20,835 in administration fees and as at 30 September 2020, USD 20,835 remained payable. The Investment Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Administrator.

Depository Fees

Each Sub-Fund will be charged the greater of the basis point fee or the monthly minimum fee. The basis point fee is calculated based on the aggregate net assets of the ICAV and allocated to each Sub-Fund pro-rata based on the net assets of the Sub-Fund. Fees are invoiced and payable monthly in arrears.

Monthly NAV Calculation

Net Assets	Basis Points
First USD 1 billion	3.00
Next USD 1 billion	2.50
AUM over USD 2 billion	2.00
Depository Annual Minimum Fee*	USD 20,000

*Sub-Custody Schedule may apply if financial instruments have to be held at a sub custodian.

KraneShares CSI China Internet UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 29,760 (2019: USD 13,546) in depository fees and as at 30 September 2020, USD 31,691 (2019: USD 1,930) remained payable. The Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Depository.

KraneShares MCSI China A Share UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 29,530 (2019: USD 3,605) in depository fees and as at 30 September 2020, USD 32,970 (2019: USD 3,440) remained payable. The Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Depository.

KraneShares MSCI China ESG Leaders UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 13,279 in depository fees and as at 30 September 2020, USD 13,279 remained payable. The Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Depository.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 8,361 in depository fees and as at 30 September 2020, USD 8,361 remained payable. The Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees and expenses of the Depository.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

5. Fees and Expenses (continued)

Directors' Fees

No element of Directors' remuneration is performance-related. Only the Independent Directors have fees paid to them, such fees which are agreed by the Board.

During the year ended 30 September 2020, the ICAV incurred USD 33,810 (2019: USD 35,000) in Directors fees. The Manager pays out of its fees (and not out of the assets of the Sub-Fund) the fees of the Directors. The Directors Fees are allocated between the Sub-Funds as per the table below:

	30 September 2020	30 September 2019
KraneShares CSI China Internet UCITS ETF	30,940	26,250
KraneShares MCSI China A Share UCITS ETF	2,800	8,750
KraneShares MSCI China ESG Leaders UCITS ETF	455	-
KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF	805	-

Audit Remuneration

The statutory audit fee (including out of pocket expenses incurred by the auditors in connection with their work) for the year ended 30 September 2020 was USD 51,000 (2019: USD 20,000) excluding VAT for the ICAV. The fees of the auditor are paid by the Investment Manager out of its fees (and not out of the assets of the Sub-Funds).

In addition, the following fees were incurred with respect to non-audit services:

Taxation advisory services USD Nil (2019: USD 52,400*)

Other non-audit services USD 21,000 (2019: USD 13,500)

*This amount has been charged to the ICAV as a whole and were paid by Investment Manager out of its fees (and not out of the assets of the Sub-Funds).

6. Foreign exchange rate

The exchange rates as at 30 September 2020 and 30 September 2019 used in the production of these financial statements to the presentation currency of USD is as follows:

	30 September 2020	30 September 2019
EUR	1.17265	1.09020
GBP	1.29280	1.23230
HKD	0.12903	0.12757
RMB	0.14736	0.14003

7. Financial risk management

Each Sub-Fund has exposure to the following specific risks from financial instruments:

- market risk (including price risk, currency risk, interest rate risk, and concentration risk);
- liquidity risk; and
- credit risk.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The likelihood of these types of adverse changes and the extent to which they affect the business of the Sub-Funds cannot always be accurately predicted.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

7. Financial risk management (continued)

(a) Market Risk (continued)

(i) Price Risk

Price risk is the risk that the value of an investment may fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or all factors affecting all instruments traded in the market. The Investment Manager mitigates this risk by maintaining a diverse portfolio and by diversifying its investments across multiple industries.

The Manager monitors price risk on a daily basis in accordance with the Sub-Funds specific restrictions and the UCITS regulatory limits. The Manager has escalation procedures in place to report breaches of these risks limits to the Directors, the Depositary, the Investment Manager and the Regulator where appropriate.

KraneShares CSI China Internet UCITS ETF

As at 30 September 2020, the Sub-Fund had 32 (2019: 43) positions with the top five being 40.47% (2019: 42.37%) of net assets.

As at 30 September 2020, the Sub-Fund was invested in seven (2019: five) industries with the highest industry exposure being 68.73% (2019: 78.78%) of net assets.

As at 30 September 2020, should the price of the securities held by the Sub-Fund have increased or decreased by 10% with all other variables remaining constant the increase or decrease in the net assets attributable to holders of redeemable participating shares for the year would amount to approximately USD 18,547,037 (2019: USD 2,316,059).

KraneShares MCSI China A Share UCITS ETF

As at 30 September 2020, the Sub-Fund had 475 (2019: 357) positions with the top five being 18.91% (2019: 16.62%) of net assets.

As at 30 September 2020, the Sub-Fund was invested in ten (2019: ten) industries with the highest industry exposure being 37.98% (2019: 32.95%) of net assets.

As at 30 September 2020, should the price of the securities held by the Sub-Fund have increased or decreased by 10% with all other variables remaining constant the increase or decrease in the net assets attributable to holders of redeemable participating shares for the year would amount to approximately USD 1,234,351 (2019: USD 10,529,235).

KraneShares MSCI China ESG Leaders UCITS ETF

As of 30 September 2020, the Sub-Fund had 147 positions with the top five being 39.87% of net assets.

As of 30 September 2020, the Sub-Fund was invested in nine industries with the highest industry exposure being 29.45% of net assets.

At 30 September 2020, should the price of the securities held by the Sub-Fund have increased or decreased by 10% with all other variables remaining constant the increase or decrease in the net assets attributable to holders of redeemable participating shares for the period would amount to approximately USD 366,945.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

As of 30 September 2020, the Sub-Fund had ten positions with the top five being 67.52% of net assets.

As of 30 September 2020, the Sub-Fund was invested in two industries with the highest industry exposure being 69.68% of net assets.

At 30 September 2020, should the price of the securities held by the Sub-Fund have increased or decreased by 10% with all other variables remaining constant the increase or decrease in the net assets attributable to holders of redeemable participating shares for the period would amount to approximately USD 603,081.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(ii) Currency Risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Sub-Funds invest in securities and other investments that are denominated in currencies other than the functional currency of the Sub-Funds. Accordingly, the value of the Sub-Funds assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Sub-Funds will be subject to foreign exchange risks. The Sub-Funds had the following exposure to foreign currency:

KraneShares CSI China Internet UCITS ETF**30 September 2020**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Euro	-	(1)	-	-	-	(1)	-
Hong Kong Dollar	52,949,260	-	(893,349)	-	893,333	52,949,244	2,647,462
	52,949,260	(1)	(893,349)	-	893,333	52,949,243	2,647,462

30 September 2019

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Hong Kong Dollar	6,159,944	708	-	-	-	6,160,652	308,033
	6,159,944	708	-	-	-	6,160,652	308,033

KraneShares MCSI China A Share UCITS ETF**30 September 2020**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Chinese Yuan Renminbi	12,343,510	7	(3,208,448)	-	3,208,434	12,343,503	617,175
Euro	-	-	(1)	-	-	(1)	-
	12,343,510	7	(3,208,449)	-	3,208,434	12,343,502	617,175

30 September 2019

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Hong Kong Dollar	10,529,235	-	-	-	-	105,292,353	5,264,618
	10,529,235	-	-	-	-	105,292,353	5,264,618

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(ii) Currency Risk (continued)***KraneShares MSCI China ESG Leaders UCITS ETF****30 September 2020**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Chinese Yuan Renminbi	345,450	123	-	-	-	345,573	17,279
Hong Kong Dollar	2,750,555	796	-	-	(796)	2,750,555	137,528
	3,096,005	919	-	-	(796)	3,096,128	154,806

Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF**30 September 2020**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 5% USD
Chinese Yuan Renminbi	6,030,811	80,863	-	-	-	6,111,674	305,584
	6,030,811	80,863	-	-	-	6,111,674	305,584

Sensitivity analysis

As at 30 September 2020 and 30 September 2019, had the USD weakened by 5% in relation to all currencies, with all other variables held constant, the increase in the value of the Sub-Funds' investments and other net assets and liabilities including cash and cash equivalents denominated in currencies other than USD attributable to holders of redeemable participating shares is disclosed on the prior page and above.

A 5% strengthening of the USD would have resulted in an equal but opposite effect on the above financial statement amounts on the basis that all other variables remain constant.

Foreign currency rates used in the preparation of these financial statements are disclosed in Note 6.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(iii) Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk is not material for KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A Share UCITS ETF and KraneShares MSCI China ESG Leaders UCITS ETF.

Exposure to Interest Rate Risk

The Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF is exposed to the risk that the fair value or future cash flows from its financial instruments will fluctuate as a result of changes in market interest rates. The Sub-Fund monitors its exposure to market interest rates through its investments and cash balances. A summary of the Sub-Fund's interest rate gap positions as at 30 September 2020, categorized by maturity date, is disclosed below:

	Fixed interest Rate USD	Floating Interest Rate USD	Non-interest bearing USD	Total USD
Assets				
Financial assets at fair value through profit or loss	6,030,811	-	-	6,030,811
Cash and cash equivalents	-	285,340	-	285,340
Total Assets	<u>6,030,811</u>	<u>285,340</u>	<u>-</u>	<u>6,316,151</u>
Liabilities				
TER fees payable	-	-	1,986	1,986
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,986</u>	<u>1,986</u>
Interest rate sensitivity gap	<u>6,030,811</u>	<u>285,340</u>	<u>(1,986)</u>	
Sensitivity	<u>63,142</u>			

Sensitivity analysis

As at 30 September 2020, had interest rates strengthened by 1%, with all other variables held constant, total net assets and the change in net assets per the Statement of Comprehensive Income would have changed by the amounts shown above. A 1% weakening of interest rates would have resulted in an equal but opposite effect on the above financial statement amounts on the basis that all other variables remain constant.

(b) Liquidity Risk

This is the risk that a lack of a market in certain portfolio securities could prevent the Sub-Fund from liquidating unfavourable positions or prevent the Sub-Funds from funding redemptions from existing shareholders. As at 30 September 2020 and 30 September 2019, the Sub-Funds' investments are all readily realisable. The Manager compares the liquidity of portfolio assets versus the redemption profile of the sub-funds to determine if there are any potential liquidity shortfalls. The portfolio of investments can be easily liquidated in order to meet the redemption requests of the shareholders as they occur and meet contractual financial liabilities.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(b) Liquidity Risk (continued)**

The following tables details the Sub-Funds remaining contractual maturity for its financial liabilities.

KraneShares CSI China Internet UCITS ETF**30 September 2020**

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
Financial liabilities at fair value through profit or loss	39	-	-	-	39
Securities purchased payable	3,117,350	-	-	-	3,117,350
TER fees payable	120,204	-	-	-	120,204
Net assets attributable to holders of redeemable participating sha	185,393,206	-	-	-	185,393,206
Total Liabilities	188,630,799	-	-	-	188,630,799

30 September 2019

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
TER fees payable	8,260	-	-	-	8,260
Total Liabilities	8,260	-	-	-	8,260

KraneShares MCSI China A Share UCITS ETF**30 September 2020**

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
Bank overdraft	3,199,493	-	-	-	3,199,493
Redemptions payable	44,523	-	-	-	44,523
TER fees payable	3,603	-	-	-	3,603
Total Liabilities	3,247,619	-	-	-	3,247,619

30 September 2019

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
TER fees payable	35,070	-	-	-	35,070
Total Liabilities	35,070	-	-	-	35,070

KraneShares MSCI China ESG Leaders UCITS ETF**30 September 2020**

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
TER fees payable	1,114	-	-	-	1,114
Total Liabilities	1,114	-	-	-	1,114

Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF**30 September 2020**

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Liabilities					
TER fees payable	1,986	-	-	-	1,986
Total Liabilities	1,986	-	-	-	1,986

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

7. Financial risk management (continued)

(c) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Funds, resulting in a financial loss to the Sub-Funds.

The Sub-Funds manage credit risk by monitoring the financial condition and credit rating of their Sub-Custodian and other counter parties. All bond securities under the Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF are currently rated by Fitch Ratings with a Long Term Debt rating of A+ as at 30 September 2020.

The Sub-Funds currently hold no assets with any party other than the Sub-Custodian. The Sub-Custodian, is currently rated by Fitch Ratings with a Long Term Debt rating of A+ as at 30 September 2020 (2019: A+). Insolvency or bankruptcy of the Sub-Custodian may cause the Sub-Funds rights with respect to its assets held by the Depositary to be delayed or limited.

(d) Concentration Risk

The Sub-Funds are subject to concentration risk if they have a large exposure to a particular holding or if investors to the Sub-Funds have a holding of shares greater than 5%. The Sub-Funds invest substantively all of their assets in Chinese or Chinese related securities, as a result the Sub-Funds will have greater exposure to market, political, legal, economic and social risks of that country than a Sub-Fund which diversifies country risk across a number of countries.

Each Index Tracking Sub-Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Index as published by the Index Provider. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. While the Index Provider does provide descriptions of what the Index is designed to achieve, the Index Provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Index, and does not guarantee that the Index will be in line with the described methodology.

KraneShares CSI China Internet UCITS ETF

As at 30 September 2020, all (2019: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 5 (2019: 6) individual investment positions that were each greater than 5% of the NAV.

KraneShares MCSI China A Share UCITS ETF

As at 30 September 2020, all (2019: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 1 (2019: 1) individual investment positions that were each greater than 5% of the NAV.

KraneShares MSCI China ESG Leaders UCITS ETF

As at 30 September 2020, all of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 6 individual investment positions that were each greater than 5% of the NAV.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

As at 30 September 2020, all of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 9 individual investment positions that were each greater than 5% of the NAV.

(e) Global exposure and Leverage

Each Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

The commitment approach global exposure rate is 0% for the Sub-Funds as at 30 September 2020 (2019: 0%).

(f) Efficient portfolio management

The ICAV on behalf of the Sub-Funds may employ techniques and instruments relating to financial derivative instruments ("FDIs") in which it invests for efficient portfolio management purposes, a list of which (if any) shall be, where relevant, set out in the relevant Supplements of the Sub-Funds. FDI's such as currency forwards and interest rate futures may be utilised for portfolio hedging. Currency forwards may be utilised for NAV hedging.

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Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

7. Financial risk management (continued)**(g) Offsetting and amounts subject to master netting/similar agreements**

As at 30 September 2020, the Sub-Funds were subject to ISDA Master Netting Agreements, which are applicable if a Sub-Fund entered into FDI contracts on an OTC basis. The Sub-Funds were subject to a securities lending agency agreement with the Sub-Custodian also. The following financial instruments were subject to enforceable master netting agreements:

KraneShares CSI China Internet UCITS ETF

Description	Gross amount of recognised financial assets USD	Gross amount of recognised financial liabilities set-off in the Statement of Financial Position USD	Net amounts of financial assets presented in the Statement of Financial Position USD	<u>Gross amounts not offset in the Statement of Financial Position</u>		
				Financial Instruments USD	Cash Collateral Received USD	Net Amount USD
Derivative Assets						
<u>Brown Brothers Harriman</u>						
Equities	2,099,563	-	2,099,563	(2,099,563)	2,332,313	232,750

Description	Gross amount of recognised financial liabilities USD	Gross amount of recognised financial assets set-off in the Statement of Financial Position USD	Net amounts of financial liabilities presented in the Statement of Financial Position USD	<u>Gross amounts not offset in the Statement of Financial Position</u>		
				Financial Instruments USD	Cash Collateral Pledged USD	Net Amount USD
Derivative Liabilities						
<u>Brown Brothers Harriman</u>						
Forward Currency Contracts	(39)	-	(39)	39	-	-

KraneShares MCSI China A Share UCITS ETF

Description	Gross amount of recognised financial liabilities USD	Gross amount of recognised financial assets set-off in the Statement of Financial Position USD	Net amounts of financial liabilities presented in the Statement of Financial Position USD	<u>Gross amounts not offset in the Statement of Financial Position</u>		
				Financial Instruments USD	Cash Collateral Pledged USD	Net Amount USD
Derivative Liabilities						
<u>Brown Brothers Harriman</u>						
Forward Currency Contracts	-	-	-	-	-	-

As at 30 September 2019, the Sub-Funds did not use FDIs and were not subject to a securities lending agency agreement.

The Sub-Funds and their counterparty have elected to settle all transactions on a gross basis, however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party;
- bankruptcy.

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Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***8. Fair value measurement**

As the Sub-Funds' investments are classified as financial assets at fair value through profit or loss, the carrying value of the Sub-Funds' investments is a reasonable approximation of fair value. The Sub-Funds accounting policy on fair value measurements is discussed in Note 2(d). The Sub-Funds measure fair values, as defined by IFRS 13 'Fair Value Measurement' ("IFRS 13"), using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. The bonds held by the KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF Sub-Fund would be considered less than active.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, each Sub-Fund determines fair values using valuation techniques as described above.

The tables below analyse the Sub-Funds assets measured at fair value as at 30 September 2020 and 30 September 2019 by the level in the fair value hierarchy into which the fair value measurement is categorised:

KraneShares CSI China Internet UCITS ETF**30 September 2020**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	185,470,365	-	-	185,470,365
	<u>185,470,365</u>	<u>-</u>	<u>-</u>	<u>185,470,365</u>
Financial liabilities at fair value through profit or loss				
Redeemable participating shares	(185,393,206)	-	-	(185,393,206)
Unrealised loss on Forward Foreign Currency Contracts	-	(39)	-	(39)
	<u>(185,393,206)</u>	<u>(39)</u>	<u>-</u>	<u>(185,393,245)</u>

30 September 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	23,160,594	-	-	23,160,594
	<u>23,160,594</u>	<u>-</u>	<u>-</u>	<u>23,160,594</u>

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***8. Fair value measurement (continued)****KraneShares MCSI China A Share UCITS ETF****30 September 2020**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	12,343,510	-	-	12,343,510
	<u>12,343,510</u>	<u>-</u>	<u>-</u>	<u>12,343,510</u>

30 September 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	105,292,353	-	-	105,292,353
	<u>105,292,353</u>	<u>-</u>	<u>-</u>	<u>105,292,353</u>

KraneShares MSCI China ESG Leaders UCITS ETF**30 September 2020**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equity securities	3,669,451	-	-	3,669,451
	<u>3,669,451</u>	<u>-</u>	<u>-</u>	<u>3,669,451</u>

Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF**30 September 2020**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Bonds	-	6,030,811	-	6,030,811
	<u>-</u>	<u>6,030,811</u>	<u>-</u>	<u>6,030,811</u>

Transfers between levels are recognised at the end of the reporting period. There were no transfers between levels during the year/period ended 30 September 2020 and period ended 30 September 2019.

Each Sub-Fund's financial instruments not measured at fair value through profit or loss consist of cash and cash equivalents, other receivables, and TER fees payable. These financial instruments are realised or settled within a short period of time. The carrying value of these other financial instruments approximate their fair value.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

9. Related Parties

The following parties are considered related parties:

- The directors
- DMS Investment Management Services - Manager
- Krane Fund Advisors, LLC – Investment Manager

Directors' fees is disclosed in Note 5, Fees and Expenses.

Expenses charged during the year/period ended 30 September 2020 by the directors, the Manager and Investment Manager are detailed in Note 5.

DMS Investment Management Services (Europe) Limited, the Manager of the Sub-Funds, receives fees which are paid in line with the underlying Management Agreement.

In line with the underlying Management Agreement certain costs and expenses of the ICAV shall be borne by the Investment Manager.

Foreign Account Tax Compliance Act ("FATCA") services are provided by DMS FATCA Services Limited, a Company within the DMS Group. The fee for the provision of FATCA services are included in the TER Fees and the Manager reimburses DMS FATCA Services Limited directly.

Money Laundering Reporting Officer ("MLRO") services are provided by DMS Investment Management Services (Europe) Limited. The fee for the provision of MLRO services are included in the TER Fees.

Other ancillary services are provided for by DMS Investment Management Services (Europe) Limited.

There were no other related party transactions for the financial period other than those disclosed above, and in Note 5, including any other emoluments or gains which have been paid or are payable, to any Director of the ICAV. All transactions with related parties were at arm's length.

10. Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

KraneShares CSI China Internet UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 225,289 (2019: USD 90,897) in transaction costs.

KraneShares MCSI China A Share UCITS ETF

During the year ended 30 September 2020, the Sub-Fund incurred USD 313,817 (2019: USD 117,804) in transaction costs.

KraneShares MSCI China ESG Leaders UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD 11,743 in transaction costs.

KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

During the period ended 30 September 2020, the Sub-Fund incurred USD Nil in transaction costs.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

11. Significant events during the reporting year

An updated supplement for the KraneShares CSI China Internet UCITS ETF Fund was issued on 18 October 2019 to provide for the following:

Key information

- As amendment to the offer period of Class EUR and Class GBP shares, to now be from 8am on 21 October 2019 to 5pm on 20 April 2020;
- An additional Listing Stock Exchange – Euronext Amsterdam;
- A Business Day has been defined as a day on which commercial banks are open and settle payments in London, Hong Kong and New York, excluding days and on which such commercial banks are open only half a day.

Distributions

The Sub-Fund has determined to accumulate all net investment income and net realised capital gains attributable to the Class USD, Class EUR Shares and Class GBP Shares and therefore does not intend to declare dividends in respect of Shares in such Share Classes.

Listing

Shares have been admitted to the Official List of the London Stock Exchange and to trading on the Main Securities Market of Euronext Dublin and to trading on each of the Listing Stock Exchanges. Shares may also be admitted to trading on other stock exchanges.

An updated supplement for the KraneShares MCSI China A Share UCITS ETF Fund was issued on 18 October 2019 to provide for the following:

Key information

- As amendment to the offer period of Class EUR and Class GBP shares, to now be from 8am on 21 October 2019 to 5pm on 20 April 2020;
- An additional Listing Stock Exchange – Euronext Amsterdam;
- A Business Day has been defined as a day on which commercial banks are open and settle payments in London, Hong Kong and New York, excluding days and on which such commercial banks are open only half a day.

Distributions

The Sub-Fund has determined to accumulate all net investment income and net realised capital gains attributable to the Class USD, Class EUR Shares and Class GBP Shares and therefore does not intend to declare dividends in respect of Shares in such Share Classes.

Listing

Shares have been admitted to the Official List of the London Stock Exchange and to trading on the Main Securities Market of Euronext Dublin and to trading on each of the Listing Stock Exchanges. Shares may also be admitted to trading on other stock exchanges.

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact on some or all of the Sub-Funds performance.

On 4 February 2020, a sub-fund of the ICAV, KraneShares MSCI China ESG Leaders UCITS ETF commenced operations.

On 25 May 2020, a sub-fund of the ICAV, KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF commenced operations.

KRANESHARES ICAV

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

11. Significant events during the reporting year (continued)

On 2 February 2020, Sjeff Peters was appointed as a Director to the ICAV.

On 3 June 2020, Piers Wheeler was appointed as a Director to the ICAV.

There were no other significant events during the reporting year that requires adjustments or disclosure in these financial statements.

12. Events after the reporting year

On 12 November 2020, Executive Order 13959 was issued by the US government, prohibiting transactions by U.S. persons in certain Chinese issuers' securities, beginning on 11 January 2021. On 28 December 2020, the Office of Foreign Assets Control issued a list, specifying the securities. The Investment Manager liquidated securities held on KraneShares MSCI China A Share UCITS ETF prior to this date. The other 3 Sub-Funds did not hold any of the specified securities, and thus were unaffected. The Investment Manager will continue to track details of the Executive Order to ensure monitoring is up to date.

On 15 January 2021, a sub-fund of the ICAV, KraneShares MSCI All China Health Care Index UCITS ETF commenced operations.

There were no other events after the reporting year that require adjustments or disclosure in these financial statements.

13. Approval of the audited annual financial statements

The financial statements were approved by the Board of Directors on 26 January 2021.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares CSI China Internet UCITS ETF**

Purchases	Cost \$
Alibaba Group Holding Ltd	14,653,562
Tencent Holdings Ltd	13,151,061
Meituan Dianping	11,606,388
JD.com Inc	9,890,469
Ke Holdings Inc	8,499,622
Baidu Inc - Spon Adr	8,378,512
Pinduoduo Inc-Adr	8,365,436
Alibaba Health Information T	8,103,908
Trip.com Group Ltd	6,693,865
NetEase Inc	6,168,038
Vipshop Holdings Ltd	6,121,469
Tal Education Group- Adr	5,977,563
Tencent Music Entertainment Group	5,212,508
Bilibili Inc-Adr	5,014,103
Ping An Healthcare And Technology Ltd	4,807,842
iQIYI Inc	4,760,791
GSX Techedu Inc	4,178,957
Autohome Inc	3,662,151
58.com Inc	3,622,007
Momo Inc	3,131,738
JOYY Inc	2,684,234
Kingsoft Corp Ltd	2,538,386
China Literature Ltd	2,166,024
Weibo Corp-Spon Adr	2,059,129
Sina Corp	1,931,784
51Job Inc-Adr	1,788,046

The above purchases represent trades which were above 1% of the total purchases during the year.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares CSI China Internet UCITS ETF**

Sales	Proceeds \$
Meituan Dianping	9,541,220
JD.com Inc	4,784,443
58.com Inc	4,505,285
Baidu Inc - Spon Adr	3,508,112
Pinduoduo Inc-Adr	3,322,544
Alibaba Group Holding Ltd	2,792,054
Tencent Holdings Ltd	2,777,608
Tal Education Group- Adr	1,797,952
Weimob Inc	1,708,394
ZhongAn Online P&C Insurance Co Ltd	1,557,229
NetEase Inc	1,475,480
Vipshop Holdings Ltd	1,195,618
21 Vianet Group Inc	1,089,505
Trip.com Group Ltd	969,928
JOYY Inc	952,714
Oneconnect Financial Technology	893,670
iQIYI Inc	891,223
Fanhua Inc	881,048
Maoyan Entertainment	791,464
Tencent Music Entertainment Group	759,612
Sogou Inc	690,585
Bilibili Inc-Adr	686,973
Lexinfintech-Adr	674,809
360 Finance Inc	603,890
Tongcheng-Elong Holdings Ltd	595,848

The above sales represent trades which were above 1% of the total sales during the year.

In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the year or at least the top 20 purchases and sales.

The full list of purchases and sales for the year is available on request from the Administrator.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares MCSI China A Share UCITS ETF**

Purchases	Cost \$
Kweichow Moutai Co Ltd	1,108,230
Contemporary Amperex Technology Co Ltd	871,416
Shenzhen Mindray Bio-Medical Electronics Co Ltd	691,248
Ping An Insurance Group Co of China Ltd	636,495
Wingtech Technology Co Ltd	622,992
China Merchants Bank Co Ltd	570,453
Wuliangye Yibin Co Ltd	447,063
Shenzhen Goodix Technology Co Ltd	402,998
Will Semiconductor Ltd	350,131
Ping An Bank Co Ltd	325,550
CSC Financial Co Ltd	294,278
Industrial Bank Co Ltd	290,166
Jiangsu Hengrui Medicine Co Ltd	280,862
China Yangtze Power Co Ltd	275,970
Changchun High & New Technology Industry Group Inc	266,138
SF Holding Co Ltd	259,816
Muyuan Foods Co Ltd	250,312
Shanghai Pudong Development Bank Co Ltd	242,148
G-bits Network Technology Xiamen Co Ltd	219,348
Hangzhou Hikvision Digital Technology Co Ltd	217,343

The above purchases represent the top 20 purchases during the year.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares MCSI China A Share UCITS ETF**

Sales	Proceeds \$
Kweichow Moutai Co Ltd	8,698,466
Ping An Insurance Group Co of China Ltd	4,086,282
China Merchants Bank Co Ltd	3,659,285
Wuliangye Yibin Co Ltd	3,230,376
Jiangsu Hengrui Medicine Co Ltd	2,183,918
China Yangtze Power Co Ltd	1,890,944
Industrial Bank Co Ltd	1,722,882
Contemporary Amperex Technology Co Ltd	1,644,853
Shanghai Pudong Development Bank Co Ltd	1,573,570
Hangzhou Hikvision Digital Technology Co Ltd	1,506,005
Luxshare Precision Industry Co Ltd	1,485,686
Foshan Haitian Flavouring & Food Co Ltd	1,439,017
Industrial & Commercial Bank of China Ltd	1,346,063
Ping An Bank Co Ltd	1,311,548
China Vanke Co Ltd	1,310,632
CITIC Securities Co Ltd	1,266,771
Shenzhen Mindray Bio-Medical Electronics Co Ltd	1,263,758
Muyuan Foods Co Ltd	1,259,511
China Tourism Group Duty Free Corp Ltd	1,256,601
Agricultural Bank of China Ltd	1,208,833

The above sales represent the top 20 sales during the year.

In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the year or at least the top 20 purchases and sales.

The full list of purchases and sales for the year is available on request from the Administrator.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares MSCI China ESG Leaders UCITS ETF**

Purchases	Cost \$
China Construction Bank Corp	520,814
Tencent Holdings Ltd	474,680
Alibaba Group Holding Ltd	473,653
Meituan Dianping	341,767
China Merchants Bank Co Ltd	247,370
Wuxi Biologics Cayman Inc	177,190
China Overseas Land & Investment Ltd	158,854
China Mengniu Dairy Co Ltd	144,097
CSPC Pharmaceutical Group Ltd	141,567
Sino Biopharmaceutical Ltd	131,922
Geely Automobile Holdings Ltd	122,014
ENN Energy Holdings Ltd	113,659
China Conch Venture Holdings Ltd	95,400
China Gas Holdings Ltd	94,798
Shenzhou International Group Holdings Ltd	92,113
Vipshop Holdings Ltd	81,465
China Shenhua Energy Co Ltd	75,129
Country Garden Services Holdings Co Ltd	74,920
CITIC Ltd	74,271
China Vanke Co Ltd	72,949
Nio Inc	70,806
Pinduoduo Inc	70,172
Lenovo Group Ltd	59,304
AAC Technologies Holdings Inc	59,052
China Minsheng Banking Corp Ltd	58,961

The above purchases represent trades which were above 1% of the total purchases during the period.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares MSCI China ESG Leaders UCITS ETF**

Sales	Proceeds \$
China Construction Bank Corp	197,195
Tencent Holdings Ltd	196,945
Alibaba Group Holding Ltd	176,392
Meituan Dianping	139,909
China Merchants Bank Co Ltd	104,408
Pinduoduo Inc	94,596
Shenzhou International Group Holdings Ltd	81,969
China Overseas Land & Investment Ltd	73,664
China Mengniu Dairy Co Ltd	62,257
CSPC Pharmaceutical Group Ltd	60,728
Sino Biopharmaceutical Ltd	57,947
Wuxi Biologics Cayman Inc	48,965
Geely Automobile Holdings Ltd	48,339
ENN Energy Holdings Ltd	46,147
China Conch Venture Holdings Ltd	41,953
Vipshop Holdings Ltd	36,890
China Vanke Co Ltd	32,971
China Shenhua Energy Co Ltd	32,708
China Minsheng Banking Corp Ltd	31,383
CITIC Ltd	31,207
China Gas Holdings Ltd	30,797
Shandong Weigao Group Medical Polymer Co Ltd	28,700
Guangzhou Automobile Group Co Ltd	27,126
BYD Co Ltd	25,300
China CITIC Bank Corp Ltd	24,822

The above sales represent trades which were above 1% of the total sales during the period.

In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

The full list of purchases and sales for the period is available on request from the Administrator.

KRANESHARES ICAV

Appendix 1 – Statement of Portfolio Changes (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF**

Purchases	Cost \$
China Government Bond 2.94% 17/10/24	1,396,834
China Government Bond 3.13% 21/11/29	1,052,889
China Government Bond 3.17% 19/04/23	880,872
Agricultural Development Bank Of China 4.37% 25/05/23	539,727
Export-Import Bank China 3.37% 03/06/22	533,905
China Development Bank 3.18% 17/05/22	532,653
China Government Bond 4.22% 19/03/48	392,057
China Government Bond 4% 24/06/69	375,335
China Government Bond 3.54% 16/08/28	359,320
China Government Bond 3.39% 16/03/50	138,205

The above purchases represent all purchases during the period.

Sales	Proceeds \$
China Government Bond 3.13% 21/11/29	168,515

The above sale represent all sales during the period.

In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

KRANESHARES ICAV

Appendix 2 – UCITS Manager’s Report (Unaudited)

For the year ended 30 September 2020

(Expressed in United States Dollars)

DMS Investment Management Services (Europe) Limited is authorized and regulated as a UCITS Manager (the “Manager”) by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (“UCITS Regulations”). The Manager has appointed Krane Funds Advisors LLC as the “Investment Manager” to carry out discretionary investment management in relation to KraneShares ICAV.

Investment Objective of the Fund

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the investable universe of publicly traded China-based companies whose primary business or businesses are in the Internet and Internet Related sectors and which are listed outside of China (“China Internet Companies”).

Remuneration Policy

The Manager has implemented a Remuneration Policy which is in line with the provisions of the UCITS Regulations and in accordance with the European Securities Market Authority Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575). It is consistent with the business strategy, objectives, values and interests of the Manager, the ICAV and the Shareholders of the ICAV and includes measures to avoid conflicts of interest. The objective of this Policy is to ensure that the Manager maintains and applies a sound and prudent remuneration process, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Manager or the risk profiles and rules of the managed UCITS.

The Manager has established a Remuneration Policy to ensure that the requirements of the Remuneration Code are met proportionately for all relevant staff. This policy applies to the Manager and the Funds it manages. In accordance with the proportionality provisions of the ESMA Guidelines on Remuneration and taking into account its size, nature and the scope of its activities, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following: variable remuneration in instruments, retention, deferral, ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the Pay-out Process Rules); and the requirement to establish a remuneration committee.

Employee remuneration disclosure

The table below provides an overview of Aggregate total remuneration paid by the Manager to all staff; and aggregate total remuneration paid by the Manager to Manager Remuneration Code Staff. The total remuneration in relation to each Sub-Fund has been calculated by apportioning the total remuneration costs based on the AUM of the respective Sub-Fund as a percentage of the total AUM of funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (USD \$'000s)</i>
<i>Manager staff (apportioned to ICAV)</i>	<i>27</i>	<i>38</i>
<i>of which</i>		
<i>Fixed remuneration</i>	<i>27</i>	<i>38</i>
<i>Variable remuneration</i>	<i>n/a</i>	<i>0</i>
<i>Carried interest</i>	<i>n/a</i>	<i>0</i>
<i>Remuneration Code Staff</i>	<i>27</i>	<i>3,490</i>
<i>of which</i>		
<i>Senior Management</i>	<i>27</i>	<i>3,490</i>
<i>Other Code Staff</i>	<i>0</i>	<i>0</i>

KRANESHARES ICAV

Appendix 2 – UCITS Manager's Report (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)***Manager Activities**

The following table provides an overview of the size and composition of each Sub-Fund managed by the Manager. This shows the total number of funds managed as at 30 September 2020.

	<i>Number of Sub-Funds</i>	<i>AUM USD (Millions)</i>	<i>% of AUM</i>
<i>DMS Investment Management Services (Europe) Limited</i>	<i>183</i>	<i>16,854</i>	<i>100%</i>
<i>of which UCITS Funds</i>	<i>22</i>	<i>1,646</i>	<i>10%</i>
<i>KraneShares CSI China Internet UCITS ETF</i>	<i>1</i>	<i>166</i>	<i>0.98%</i>
<i>KraneShares MCSI China A Share UCITS ETF</i>	<i>1</i>	<i>9</i>	<i>0.05%</i>
<i>KraneShares MSCI China ESG Leaders UCITS ETF</i>	<i>1</i>	<i>3</i>	<i>0.02%</i>
<i>Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF</i>	<i>1</i>	<i>6</i>	<i>0.04%</i>

Risk Management & Risk Profile

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the year.

Operational Risk

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

Leverage

Each Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

KRANESHARES ICAV

Appendix 2 – UCITS Manager's Report (Unaudited) (continued)

For the year ended 30 September 2020

*(Expressed in United States Dollars)*The Risk Profile of *KraneShares CSI China Internet UCITS ETF* at 30 September 2020 is as follows:

Risk Analytics	Value	Limit
Equity Delta	1,823,547	N/A
Tracking Error	0.51%	1.00%
Expected Shortfall	6.29%	N/A

Risk Analysis	Value
Euro Stress Scenario	-14.97%
All Equities -20%	-22.02%
Fall 2008	-35.97%
S&P500 -20%	-14.16%

The Risk Profile of *KraneShares MCSI China A Share UCITS ETF* at 30 September 2020 is as follows:

Risk Analytics	Value	Limit
Equity Delta	91,054	N/A
Tracking Error	0.70%	1.00%
Expected Shortfall	6.30%	N/A

Risk Analysis	Value
Euro Stress Scenario	-9.00%
All Equities -20%	-19.69%
Fall 2008	-14.69%
S&P500 -20%	-4.80%

The Risk Profile of *KraneShares MSCI China ESG Leaders UCITS ETF* at 30 September 2020 is as follows:

Risk Analytics	Value	Limit
Equity Delta	36,734	N/A
Tracking Error	0.92%	1.00%
Expected Shortfall	5.39%	N/A

Risk Analysis	Value
Euro Stress Scenario	-11.10%
All Equities -20%	-21.04%
Fall 2008	-29.24%
S&P500 -20%	-8.31%

KRANESHARES ICAV

Appendix 2 – UCITS Manager's Report (Unaudited) (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

The Risk Profile of *Kraneshares Bloomberg Barclays China Bond Inclusion UCITS ETF* at 30 September 2020 is as follows:

Risk Analytics	Value
Equity Delta	0
Currency Delta	61,193

Risk Analysis	Value
Euro Stress Scenario	-0.70%
MSCI World Index -10%	-0.30%
Fall 2008	-1.28%
S&P GSCI Total Return Index -10%	-0.12%

KRANESHARES ICAV**Appendix 3 – Securities Financing Transactions Regulations Disclosures (Unaudited)**

For the year ended 30 September 2020

(Expressed in United States Dollars)

The ICAV entered into a securities lending agency agreement with the Sub-Custodian on 28 July 2020. Securities lending commenced on KraneShares CSI China Internet UCITS ETF in August 2020. As at 30 September 2020 the KraneShares CSI China Internet UCITS ETF was engaged in one securities lending arrangement.

Global Data:

- The amount of securities and commodities on loan as a proportion of total lendable assets: 1.13%

Concentration Data:

- Ten largest collateral issuers across all securities financing transactions:
 - UBS AG: 0.00%
- Top ten counterparties of each type of securities financing transaction:
 - UBS AG: 0.00%

Aggregate Transactions Data for Each Type of securities financing transaction Separately Broken Down According to the Below Categories:

- Type and Quality of Collateral: US Government and US Government Agency interest instruments
- Maturity Tenor of the Collateral:
 - Less than one day: \$ 0
 - One day to one week: \$ 0
 - One week to one month: \$ 0
 - One month to three months: \$ 0
 - Three months to one year: \$ 0
 - Above one year: \$ 2,332,313
- Maturity Tenor of the securities financing transaction:
 - Less than one day: \$ 2,099,563
 - One day to one week: \$ 0
 - One week to one month: \$ 0
 - One month to three months: \$ 0
 - Three months to one year: \$ 0
 - Above one year: \$ 0
- Country in which the counterparties are established: England
- Settlement and clearing: Bilateral

Data on Reuse of Collateral:

- Share of collateral received that is reused: 0.00%
- Cash collateral reinvestment returns: 0.00%

Safekeeping of Collateral Received by KraneShares CSI China Internet UCITS ETF as Part of securities financing transactions:

- Custodian Name: Brown Brothers Harriman
- Amount Held: \$ 2,332,313

Safekeeping of Collateral Granted by KraneShares CSI China Internet UCITS ETF as Part of securities financing transactions:

- Proportion held in segregated accounts: 100.00%

KRANESHARES ICAV

Appendix 3 – Securities Financing Transactions Regulations Disclosures (Unaudited) (continued)

For the year ended 30 September 2020

(Expressed in United States Dollars)

Data on Return and Cost for securities financing transactions:

- The costs reported below are securities financing transactions fees paid to BBH that are not included in the cost of the equity and are not included in the below return.

		% of Beginning of
Return	Amount	Year NAV
Received by Fund	\$0	0.00%
Received by Manager	\$0	0.00%
Received by Third Parties	\$0	0.00%
Cost		
Paid by Fund to Third Parties	\$461	0.00%
Paid by Manager	\$0	0.00%
Paid by Third Parties	\$0	0.00%