

KraneShares MSCI China ESG Leaders UCITS ETF

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

For Investors in the United Kingdom (UK). Investors should read the Key Investor Information Document and Prospectus prior to investing. The Fund seeks to track the performance of an index composed of companies from developed countries.

Investment Strategy:

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

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

China's ESG Highlights:

- Chinese domestic investors and issuers are moving fast to incorporate ESG considerations in their decision making, driven by strong regulatory initiatives to promote ESG practices and disclosures.
- China's commitment to stricter environmental mandates and conservation efforts is necessary to achieve national goals of sustained economic growth. Consequently, China now is the world leader in total renewable energy capacity, at approximately 31% of total global capacity¹.
- China's economic and technological transformation drives demand for a more educated workforce. In recent years, many Chinese companies in knowledge-intensive sectors have improved their talent programs, which has in turn upgraded their MSCI ESG Rating.
- Greater inclusion of China's capital markets internationally creates more of an incentive to align shareholder rights and governance policies with global standards, paving the way for Chinese companies to develop a more diversified shareholder structure.

KESG Features:

- Benchmarked to an MSCI ESG Index: MSCI has over 40 years of experience measuring and modelling ESG performance of companies and was voted 'Best Firm for SRI research' for the last four years²
- As companies with high ESG scores have proven to consistently outperform their peers in China, investors do not necessarily have to compromise returns for investing based on beliefs.

1. REN21's Renewables 2019 Global Status Report (GSR)

2. Data from MSCI as of 12/20/2021

KESG Performance History:

	Cumulative % Data as of month end: 31/Dec/2021				Average Annualized % Data as of month end: 31/Dec/2021				Average Annualized % Data as of quarter end: 31/Dec/2021			
	1 Mo	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	-4.08%	-6.47%	-21.78%	30.76%	-12.12%	-	-	15.09%	-12.12%	-	-	15.09%
Index	-4.10%	-6.28%	-21.47%	33.58%	-11.64%	-	-	16.37%	-11.64%	-	-	16.37%

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

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

Fund Details	Data as of 31/Dec/2021
Primary SEDOL	BJVRFQ3
Primary ISIN	IE00BKPT4N29
Inception Date	03/Feb/2020
Total Annual Fund Operating Expense	0.40%
Distribution Frequency	Accumulating
Index Name	MSCI China ESG Leaders 10/40 Index
Net Assets	\$25,168,627
Number of Holdings	165
UK Reporting Fund Status	Reporting Fund
Investment Structure	UCITS
Base Currency	USD

Top 10 Holdings as of 31/Dec/2021 Holdings are subject to change.	Ticker	%
TENCENT HOLDINGS LTD	700	9.10
MEITUAN-CLASS B	3690	8.37
ALIBABA GROUP HOLDING LTD	9988	7.34
CHINA CONSTRUCTION BANK-H	939	7.17
PING AN	2318	4.32
WUXI BIOLOGICS CAYMAN INC	2269	4.06
NIO INC - ADR	NIO	4.02
CHINA MERCHANTS BANK-H	3968	3.27
BYD CO LTD-H	1211	2.85
LI NING CO LTD	2331	2.63

Listings as of 31/Dec/2021	Ticker	Currency	Listing Date	SEDOL	ISIN
London Stock Exchange	KESG LN	USD	04/Feb/2020	BJVRFQ3	IE00BKPT4N29

Sector Breakdown	%
Data from Bloomberg as of 31/Dec/2021	
Consumer Discretionary	40.50
Financials	15.89
Health Care	10.54
Communication Services	9.16
Industrials	6.59
Real Estate	5.24
Consumer Staples	3.65
Utilities	3.55
Information Technology	3.31
Materials	1.38
Energy	0.06

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

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

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

For additional fund documentation, please visit www.waystone.com or www.kraneshares.eu. [R-KS-EU]