

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

# KraneShares Bloomberg China Bond Inclusion UCITS ETF Class USD

**KraneShares Bloomberg China Bond Inclusion UCITS ETF is a sub-fund of KraneShares ICAV**

MANUFACTURER: KraneShares ICAV

ISIN: IE00BLM1CC35

WEBSITE: <https://www.waystone.com/funds/kraneshares-icav/>

TELEPHONE NUMBER: +353(0)16192300

COMPETENT AUTHORITY: The Central Bank of Ireland is responsible for supervising KraneShares ICAV in relation to this Key Information Document

MANAGEMENT COMPANY: Waystone Management Company (IE) Limited (the "Management Company") is authorised in Ireland and regulated by the Central Bank of Ireland.

Authorised in: This PRIIP is authorised in Ireland.

ISSUED ON 01/01/2023

## WHAT IS THIS PRODUCT?

**Type:** KraneShares Bloomberg China Bond Inclusion UCITS ETF (the "Fund") is a sub-fund of KraneShares ICAV, an Irish collective asset-management vehicle ("ICAV") constituted as an umbrella fund with segregated liability between sub-funds with registration number C181441 and authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended. Segregated liability between sub-funds means that the assets and liabilities of each sub-fund are segregated by law, so that an investor should have no claims over the assets of a sub-fund in which they do not own shares. The prospectus and periodic reports are prepared for KraneShares ICAV at umbrella level. Shares in the Fund may not be converted into shares in another sub-fund or from one share class in the Fund into another share class within the same sub-fund.

**Objectives:** The Fund seeks to deliver the performance of publicly traded fixed income securities issued by the Chinese government and government-related Chinese banks (the "Issuers").

**Investment Policy:** The Fund is passively managed and will seek to achieve its objective by passively tracking the performance of the USD unhedged version of the Bloomberg China Treasury and Policy Bank 9% Capped Index (the "Index") as closely as possible. The Index is designed to measure the performance of the Issuers and seeks to track the performance of the Chinese onshore renminbi-denominated government and government-related bank fixed-income market. The Fund invests primarily in securities which are included in the Index. In order to track the performance of the Issuers, the Fund will build a representative portfolio by holding a selection of the securities of the Index that provides a return comparable to that of the Index. Consequently, the Fund may only hold a certain sub-set of the components of the Index. The Fund may be fully invested in sub-investment grade securities. The Fund does not intend to use financial derivative instruments. The Fund does not intend to engage in securities lending and does not intend to use repurchase agreements or total return swaps. The Fund may invest up to 10% of its net asset value in other regulated collective investment schemes, including other exchange traded funds. The Fund intends to make dividend payments on a semi-annual frequency which may be paid from either the Fund's net income and / or its capital. Save in exceptional circumstances, the Fund will only issue and redeem shares of the Fund ("Shares") to certain institutional investors. However, other investors may purchase or sell Shares through brokers on one or more stock exchanges. The Shares trade on these stock exchanges at market prices which may fluctuate throughout the day. Market prices may be greater or less than the daily net asset value of the Fund.

Shareholders may redeem Shares on any business day (a day on which commercial banks are open and settle payments in London, New York and Shanghai, including days on which such commercial banks are open only half a day) and any other day at the Directors' discretion provided Shareholders are notified in advance. A list of dealing days for the Fund is published on <https://kraneshares.eu/>.

The Fund's base currency and the class currency of the Class is U.S. Dollars.

**Depository:** SEI Investments - Depository and Custodial Services (Ireland) Limited

**Intended Retail Investors:** Typical investors in the Fund are expected to be investors who are seeking exposure to the performance of the Issuers and are prepared to accept the risks associated with an investment of this type.

**Term:** This Fund has no maturity date. The Management Company is not entitled to terminate the Fund unilaterally. The Fund may be terminated unilaterally by KraneShares ICAV under certain circumstances as set out in the prospectus for KraneShares ICAV.

Copies of the prospectus, the latest annual and half-yearly reports and application forms may be obtained in English free of charge by contacting the Management Company at 35 Shelbourne Road, Ballsbridge, Dublin 4, Dublin, DO4 A4EO, Ireland, or via <https://www.waystone.com/funds/kraneshares-icav/>. Further information on the latest share price as well as further practical information on the Fund is published on <https://kraneshares.eu/kbndln/>.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### RISK INDICATOR

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

Lower Risk Higher Risk  
 ←—————→  
 Typically lower rewards      Typically higher rewards

1	2	3	4	5	6	7
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The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact our capacity to pay you.

**Be aware of currency risk.** In some circumstances, you may receive payments in a different currency, so the final return

**you will get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

The Fund is subject to the following Risk Factors (without limitation):

- Concentration Risk
- Index Tracking Risk
- Liquidity Risk
- China Risk
- Emerging Market Risk
- ETF Specific Risk
- Country Risk
- Fixed Income Risk

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN? (CONTINUED)

### PERFORMANCE SCENARIOS

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

Recommended Holding Period: 5 years		1 year	5 years (Recommended Holding period)
Investment 10,000 USD			
Scenarios			
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	9,230 USD	8,600 USD
	Average return each year	-7.71%	-2.97%
Unfavourable	What you might get back after costs	9,440 USD	9,280 USD
	Average return each year	-5.59%	-1.48%
Moderate	What you might get back after costs	10,210 USD	10,720 USD
	Average return each year	2.11%	1.41%
Favourable	What you might get back after costs	10,780 USD	11,250 USD
	Average return each year	7.84%	2.39%

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## WHAT HAPPENS IF KRANESHARES ICAV IS UNABLE TO PAY OUT?

SEI Investments – Depositary and Custodial Services (Ireland) Limited (The “Depositary”) will perform safekeeping duties for the Fund’s assets. In the event of the insolvency of the Manufacturer (Krane Shares ICAV), the Fund’s assets in the safekeeping of the Depositary will not be affected. However, in the event of the Depositary’s insolvency, or someone acting on its behalf, the Fund may suffer a financial loss. However, this risk is mitigated to a certain extent by the fact the Depositary is required by law and regulation to segregate its own assets from the assets of the Fund. The Depositary will also be liable to the Fund and the investors for any loss arising from its negligent, or intentional failure properly to fulfil its obligations.

There is no compensation or guarantee scheme in place which may offset, all or any of, this loss.

## WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### COSTS OVER TIME

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product performs. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- USD 10,000 is invested.

Investment 10,000 USD Scenarios	If you exit after 1 year	If you exit after 5 years
<b>Total Costs</b>	<b>148 USD</b>	<b>828 USD</b>
<b>Annual Cost Impact (*)</b>	1.48%	1.52% each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 2.93% before costs and 1.41% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

## WHAT ARE THE COSTS (CONTINUED)

### COMPOSITION OF COSTS

		If you exit after 1 year
<b>One-Off Costs upon entry or exit</b>		
<b>Entry Costs</b>	There are no entry costs for this product.	0 USD
<b>Exit Costs</b>	There are no exit costs for this product.	0 USD
<b>Ongoing costs taken each year</b>		
<b>Management fees and other administrative or operating costs</b>	All the ordinary operating and administrative expenses of the Share Class shall be paid out of the Total Expense Ratio ("TER") of 0.35% the value of your investment per year. This is an estimate based on actual costs over the last year.	35 USD
<b>Transaction costs</b>	1.13% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. The TER does not include transaction costs.	113 USD
<b>Incidental costs taken under specific conditions</b>		
<b>Performance fees</b>	There is no performance fee for this product.	0 USD

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

**Recommended holding period:** 5 years.

The Fund is designed to deliver capital appreciation over a long-term investment horizon with a low level of risk.

You can redeem your shares on a daily basis with no penalty.

## HOW CAN I COMPLAIN?

If you have any complaints about the product, the conduct of the manufacturer or the person advising on the product, complaints can be lodged via the following methods:

### PRIIPs Manufacturer

I. Phone: +1 646-293-0913

II. E-mail: [compliance@kraneshares.com](mailto:compliance@kraneshares.com)

III. Mail: Chief Compliance Officer, 280 Park Avenue, 32nd Floor, New York, NY 10017 USA

IV. Online: [kraneshares.eu](http://kraneshares.eu)

### UCITS Management Company's details

I. Phone: +353(0)16192300

II. E-mail: [complianceeurope@waystone.com](mailto:complianceeurope@waystone.com)

III. Mail: Head of Compliance Waystone Management Company (IE) Limited is 35 Shelbourne Road, Ballsbridge, Dublin 4, Dublin, DO4 A4EO, Ireland, telephone +353 1 619 2300.

IV. Online: <https://www.waystone.com/>.

## OTHER RELEVANT INFORMATION

**Remuneration Policy:** The Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at the following website <https://www.waystone.com/waystone-policies/> and a paper copy of such remuneration policy is available to investors free of charge upon request.

Performance is shown for full calendar years since this share class was launched in 2020 and can be found at <https://kraneshares.eu/kbndln/>. Previous performance scenario calculations are published on a monthly basis and can be found at <https://kraneshares.eu/kbndln/>.