

## KraneShares MSCI China A Share UCITS ETF

KraneShares MSCI China A Share 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

KBA is benchmarked to the MSCI China A Index which captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges (A-shares). Over the coming years, MSCI will complete the incremental inclusion of China A-shares into their Global Standard Indexes, including the MSCI Emerging Markets Index, which may potentially benefit the securities KBA holds today. The MSCI China A Index 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 offshore RMB exchange rate (CNH).

### MSCI China A-Share Inclusion Overview:

- China A-Shares are vastly underrepresented in global indexes. While the United States has a weight of 57.56% in the MSCI All Country World Index, China only has a weight of 4.98%<sup>1</sup>.
- MSCI is incrementally realigning China's overall weight in their Global Standard Indexes through the inclusion process, and by the end of 2019, MSCI's definition of China will include 264 large-cap and 172 mid-cap A-Share securities, including 30 securities from the ChiNext board<sup>2</sup>.
- Upon completion, China A-Shares are predicted to account for nearly 20% of the MSCI Emerging Market (EM) Index<sup>3</sup>.

**With \$1.8 trillion tracking the MSCI EM Index alone<sup>4</sup>, the MSCI inclusion could trigger significant institutional flows from both passive and active managers into the A-Share securities that KBA holds today.**

Fund Details	As of 30/Jun/2020
Exchange	London Stock Exchange
Management Fee	40bps
Listing Date	26/Jun/2019
Distribution Frequency	Accumulating
Index Name	MSCI China A Index
Index Ticker	NU718708
ISIN Code	IE00BJLJK515
SEDOL	BJ9JTF8
UK Reporting Fund Status	Reporting Fund
Investment Structure	UCITS
Base Currency	USD
AUM	\$ 85.53mm

### MSCI China A Index:

- The Index captures large and mid-cap equities listed on the Shanghai and Shenzhen stock exchanges and reflects the full 2019 inclusion of China A-Shares in the MSCI Emerging Markets Index.
- On March 11, 2019, the Hong Kong Stock Exchange announced a license agreement with MSCI to introduce futures contracts on the MSCI China A Index<sup>5</sup>.
- There are a total of 473 constituents<sup>1</sup> giving investors diverse exposure to A-Shares.

### KBA Performance History as of 30/Jun/2020

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception 26/Jun/2019	1 Yr	3 Yr	5 Yr
Fund NAV	15.61%	4.22%	12.60%	11.62%	-	-
Index	15.69%	5.05%	14.12%	13.08%	-	-

**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.**

1. Data from MSCI as of 30/Jun/2020.
2. MSCI, "MSCI Will Increase the Weight of China A Shares in MSCI Indexes", 28/Feb/2019.
3. MSCI, "China and the future of equity allocations", June 2019.
4. As of 30/Jun/2018, as reported on 30/Sep/2018 by eVestment, Morningstar and Bloomberg, retrieved 30/Jun/2020.
5. HKEx, MSCI China A Index Futures, 11/Mar/2019.



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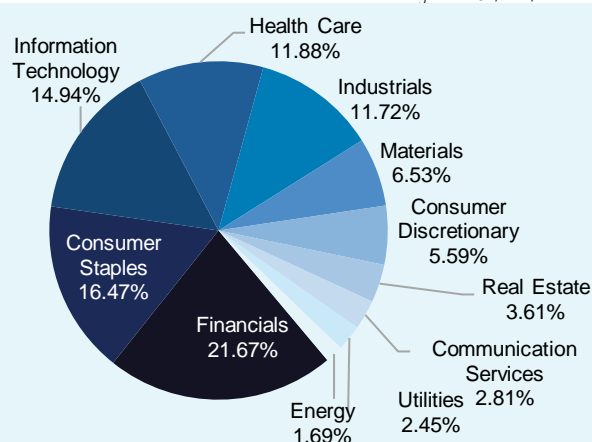


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## Sector Breakdown

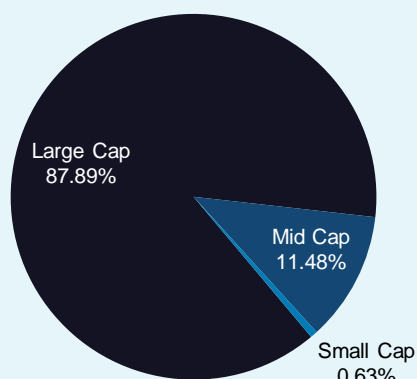
Source: Bloomberg as of 30/Jun/2020



Excluding cash. Due to rounding, the percentage might not add up to 100%.

## Market Cap Breakdown

Source: Bloomberg as of 30/Jun/2020



Excluding cash. Due to rounding, the percentage might not add up to 100%.

Top Ten Holdings as of 30/Jun/2020 (Excluding cash) The Fund's Holdings Are Subject to Change.	%
KWEICHOW MOUTAI CO LTD-A	5.76
PING AN INSURANCE GROUP CO-A	2.43
CHINA MERCHANTS BANK-A	2.2
WULIANGYE YIBIN CO LTD-A	2.1
JIANGSU HENGRUI MEDICINE C-A	1.51
CHINA YANGTZE POWER CO LTD-A	1.31
CONTEMPORARY AMPEREX TECHN-A	1.19
LUXSHARE PRECISION INDUSTR-A	1.11
FOSHAN HAITIAN FLAVOURING -A	1.04
INDUSTRIAL BANK CO LTD -A	1.04

## MSCI Overview:

- Over \$14.8 trillion in equity assets are benchmarked to MSCI indexes globally<sup>1</sup>
  - 99 of the top 100 global investment managers are MSCI clients<sup>2</sup>
  - MSCI is the de-facto standard of emerging markets investing for institutional investors
  - The Index utilizes the MSCI Global Investable Market Indices Methodology (GIMI), which offers a close alignment with international equity markets in terms of size, industry, style, and segmentation
- As of 30/Jun/2018, as reported on 30/Sep/2018 by eVestment, Morningstar and Bloomberg, retrieved 31/Mar/2020.
  - As of March 2018; defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross-listings, are counted, retrieved 30/Jun/2020.

This information is being communicated by KraneShares, which is an appointed representative of DMS Capital Solutions UK Limited, which is authorized and regulated by the Financial Conduct Authority in the United Kingdom under the reference number 503325.

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 Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: [info@oligofunds.ch](mailto:info@oligofunds.ch). 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.DMSGovernance.com](http://www.DMSGovernance.com) [R-DMS]



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