

## KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF

**As of 30/Jun/2020**

KraneShares Bloomberg Barclays China Bond Inclusion 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:

KBND is benchmarked to the Bloomberg Barclays China Treasury and Policy Bank 9% Capped Index, which is designed to track the performance of China's onshore renminbi-denominated government and government-related bond market. The Fund seeks to invest at least 80% of its assets in a basket of fixed income securities issued by either China's Ministry of Finance itself or government-owned banks within China.

### KBND Overview:

- Invests in treasuries (i.e. government bonds) and attempts to preserve principal investment while providing attractive yields relative to peers with a monthly distribution.
- KBND offers access to the securities being included in Bloomberg Barclays broad fixed income indexes and investment opportunities within the second largest bond market in the world.
- For investors seeking diversification within their global government bond allocations, KBND offers low correlations to other major government bond markets.

Fund Details	30/Jun/2020
London Stock Exchange	KBND LN
Management Fee	35bps
Listing Date	26/May/2020
Index Name	Bloomberg Barclays China Treasury and Policy Bank 9% Capped Index
Index Ticker	I34735US
ISIN Code	IE00BLM1CC35
UK Reporting Fund Status	Reporting Fund
Investment Structure	UCITS
Base Currency	USD
Underlying Securities Currency	CNY
Currency Hedge	USD
Distribution Frequency	Monthly

### Bloomberg Barclays China Bond Inclusion Overview:

- The inclusion process began in April 2019 and is expected to conclude at the end of 2020.
- The market estimates nearly \$150 billion of fund inflows<sup>1</sup> into China's \$13 trillion onshore bond market.<sup>2</sup>
- China's government bonds are a focus of the inclusion.

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

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since KBND Inception 26/May/2020	1 Yr	3 Yr	5 Yr
Fund NAV	-	-	-1.32%	-	-	-
Index	-0.83%	1.03%	-0.97%	-	-	-

**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.**

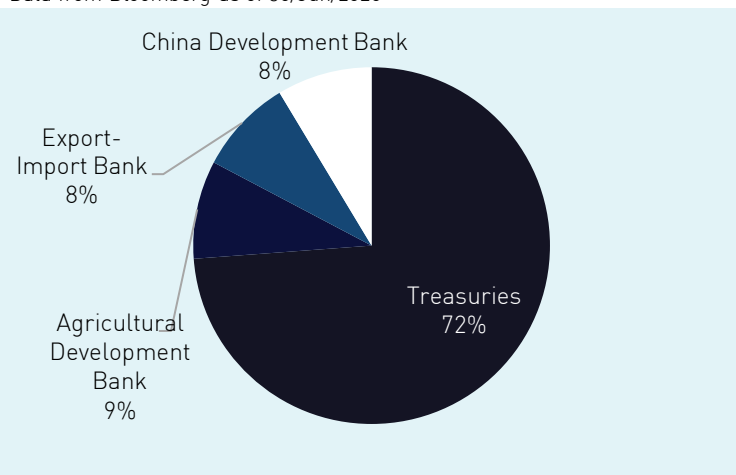
1. "Explainer: Why China's inclusion in global bond benchmarks matters", Reuters. 29 March 2019.
2. Financial Times, "Bloomberg adds Chinese government bonds to flagship index", 31/03/2019


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### Issuer Breakdown

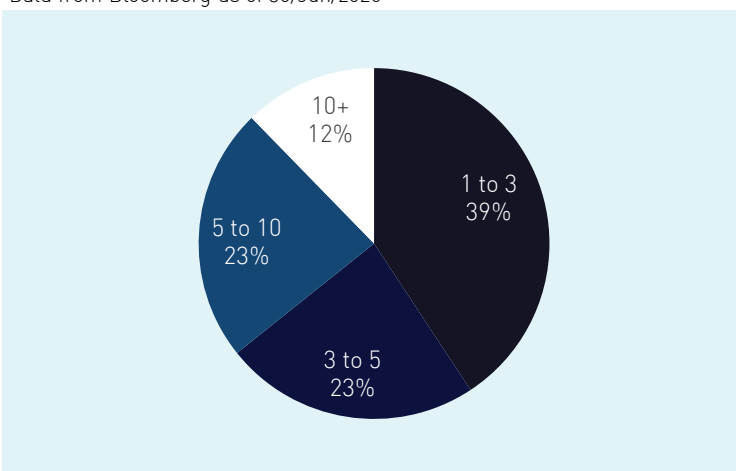
Data from Bloomberg as of 30/Jun/2020



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

### Maturity Breakdown

Data from Bloomberg as of 30/Jun/2020



Unit: Years. Excludes cash. Due to rounding, the percentage might not add up to 100%.

Fund Holdings as of 30/Jun/2020	
Excluding cash. The Fund's Holdings Are Subject to Change.	
	%
CGB 2.94 10/17/24	22.81
CGB 3.13 11/21/29	16.89
CGB 3.17 04/19/23	14.09
ADBCH 4.37 05/25/23	8.62
EXIMCH 3.37 06/03/22	8.38
SDBC 3.18 05/17/22	8.36
CGB 4.22 03/19/48	6.17
CGB 3.54 08/16/28	5.81
CGB 4 06/24/69	5.74



### KraneShares & Citigroup

- KraneShares has partnered with Citigroup to be the distributor for KBND.
- KraneShares will also leverage Citibank's bond connect capabilities to trade the underlying securities within KBND.
- Citi China was the first American bank to be selected as an official Bond Connect Trading Dealer by the People's Bank of China (PBOC) upon the establishment of the Bond Connect program in 2017.

This information is being communicated by KraneShares, which is an appointed representative of DMS Capital Solutions UK Limited, which is authorised 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. 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-KS



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