

**KRANESHARES ICAV**

**Annual Report and Audited Financial Statements**

For the year ended 30 September 2023

# KRANESHARES ICAV

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30 September 2023

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## KRANESHARES ICAV

### Directors and Other Information

For the year ended 30 September 2023

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#### **Directors**

Feargal Dempsey (*Irish*) <sup>(1)(2)</sup>  
Jonathan Krane (*American*)  
Lorcan Murphy (*Irish*) <sup>(1)(2)</sup>  
Xiaolin Chen (*British*)  
Sjef Pieters (*Dutch*) <sup>(1)</sup>  
Paolo Iurcotta (*Italian*) <sup>(1)</sup>

#### **Manager** <sup>(3)</sup>

Waystone Management Company (IE) Limited  
4<sup>th</sup> Floor  
35 Shelbourne Road  
Ballsbridge  
Dublin 4  
Ireland

#### **Administrator**

SEI Investments – Global Fund Services Limited  
Styne House  
Upper Hatch Street  
Dublin 2  
Ireland

#### **ICAV Secretary**

Matsack Trust Limited  
70 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

#### **Legal Advisers and Listing Sponsor**

Matheson  
70 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

#### **Sub-Custodian**

Brown Brothers Harriman & Co.  
50 Post Office Square  
Boston, MA 02110  
USA

#### **Registered Office**

70 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

#### **Investment Manager**

Krane Funds Advisors, LLC  
280 Park Avenue, 32<sup>nd</sup> Floor  
New York, New York 10017  
USA

#### **Depository**

SEI Investments - Depository and Custodial Services  
(Ireland) Limited  
Styne House  
Upper Hatch Street  
Dublin 2  
Ireland

#### **Registrar**

Brown Brothers Harriman Fund Administration Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

#### **Independent Auditors**

KPMG  
Chartered Accountants  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

#### **Distributor**

Krane Funds Advisors, LLC  
280 Park Avenue, 32<sup>nd</sup> Floor  
New York, New York 10017  
USA

<sup>(1)</sup> Non-executive

<sup>(2)</sup> Independent

<sup>(3)</sup> On 1 December 2022, the Manager’s registered address has changed from “3<sup>rd</sup> Floor, 76 Lower Baggot Street, Dublin 2, Ireland” to “4<sup>th</sup> Floor, 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland”

## KRANESHARES ICAV

### Directors' Report

For the year ended 30 September 2023

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The Directors submit this report together with the Annual Report and the Audited Financial Statements of the KraneShares ICAV (the "ICAV"), for the financial year ended 30 September 2023.

#### The ICAV

The ICAV was registered in Ireland, registration number C181441, pursuant to the Irish Collective Asset-management Vehicles Act 2015 to 2021 (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 2023, the following funds ("Sub-Funds") were in operation:

<b>Sub-Funds</b>	<b>Central Bank Authorisation Date</b>	<b>Launch date</b>
KraneShares CSI China Internet UCITS ETF	11 October 2018	20 November 2018
KraneShares MSCI China A 50 Connect UCITS ETF	14 June 2019	27 June 2019
KraneShares MSCI China ESG Leaders UCITS ETF	10 October 2019	4 February 2020
KraneShares Bloomberg China Bond Inclusion UCITS ETF	26 March 2020	26 May 2020
KraneShares MSCI All China Health Care Index UCITS ETF	19 October 2020	14 January 2021
KraneShares ICBCS SSE Star Market 50 Index UCITS ETF	28 April 2021	26 May 2021
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	16 March 2022	26 May 2022

At 30 September 2023, the following funds ("Sub-Funds") were authorised by the Central Bank but were not in operation:

<b>Sub-Funds</b>	<b>Central Bank Authorisation Date</b>	<b>Launch date</b>
KraneShares MSCI China Clean Technology Index UCITS ETF	29 June 2023	12 October 2023
KraneShares ICBCS S&P China 500 UCITS ETF	21 July 2023	16 October 2023

#### 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, on the Euronext Amsterdam on 17 May 2019 and on the Italian Stock Exchange on 8 January 2021.

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 (Unaudited) 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 page 11 in the Investment Manager's Report.

#### **KraneShares MSCI China A 50 Connect UCITS ETF**

KraneShares MSCI China A 50 Connect UCITS ETF ("the Sub-Fund") is listed on the Main Securities Market of Euronext Dublin, the London Stock Exchange and the Italian Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 26 June 2019 and on the Italian Stock Exchange on 13 October 2022.

For the year ended 30 September 2023

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**The Sub-Funds (continued)*****Investment Objective and Policies, and review of business developments (continued)*****KraneShares MSCI China A 50 Connect UCITS ETF (continued)**

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 (Unaudited) 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 page 12 in the Investment Manager’s Report.

**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, the London Stock Exchange and the Italian Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 4 February 2020 and on the Italian Stock Exchange on 17 January 2023.

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”). This Sub-Fund tracks the MSCI China ESG Leaders Index, which is comprised of securities which would have a strong focus on ESG integration. The Investment Manager will seek to have regard to relevant Sustainability Risks and their potential detrimental impact generally where possible, and where it appears to the Investment Manager to be appropriate to do so. The Schedule of Investments (Unaudited) 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 page 13 in the Investment Manager’s Report.

**KraneShares Bloomberg China Bond Inclusion UCITS ETF**

KraneShares Bloomberg 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 14 January 2021.

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 (Unaudited) 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 page 14 in the Investment Manager’s Report.

**KraneShares MSCI All China Health Care Index UCITS ETF**

KraneShares MSCI All China Health Care Index UCITS ETF (“the Sub-Fund”) is listed on the Main Securities Market of Euronext Dublin, the London Stock Exchange and the Italian Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 14 January 2021, and on the Italian Stock Exchange on 17 January 2023.

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 healthcare and healthcare-related sectors and whose securities are listed in Hong Kong, Shanghai, Shenzhen and outside of China (“China Healthcare Companies”). The Schedule of Investments (Unaudited) 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 All Shares Health Care 10/40 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 page 15 in the Investment Manager’s Report.

For the year ended 30 September 2023

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**The Sub-Funds (continued)**

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

**KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF**

KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF (“the Sub-Fund”) is listed on the Main Securities Market of Euronext Dublin, the London Stock Exchange and the Italian Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 25 May 2021 and on the Italian Stock Exchange on 21 July 2021.

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 involve science and technology (“China Science and Technology Companies”). The Schedule of Investments (Unaudited) 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 SSE Science and Technology Innovation Board 50 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 page 16 in the Investment Manager’s Report.

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (“the Sub-Fund”) is listed on the Main Securities Market of Euronext Dublin, the London Stock Exchange and the Italian Stock Exchange. The Sub-Fund listed on the Dublin and London stock exchanges on 25 May 2022 and on the Italian Stock Exchange on 2 August 2022.

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 companies that are engaged in or expected to derive significant revenues from the production of electric vehicles or their components or in other initiatives that may change the future of mobility (“Electric Vehicle Companies”). The Schedule of Investments (Unaudited) 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 Bloomberg Electric Vehicles ESG Screened 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 page 17 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 pages 49 to 51. A review of the performance of the Sub-Funds for the financial year is included in the Investment Manager’s report on pages 10 to 17.

***Significant events during the reporting year***

The Investment Manager has agreed to bear the cost of 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.

An updated Prospectus was issued for the ICAV on 1 December 2022. Updated Supplements were issued for the Sub-Funds on 1 December 2022. The updates included:

- passage of time updates for all Supplements and Prospectus;
- KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF added an Annex on its Supplements for further details on how the Investment Manager addresses sustainability risks and ESG Integration for both sub-funds

On 29 June 2023, KraneShares MSCI China Clean Technology Index UCITS ETF was authorised as a Sub-Fund of the ICAV by the Central Bank of Ireland.

On 21 July 2023, KraneShares ICBCCS S&P China 500 UCITS ETF was authorised as a Sub-Fund of the ICAV by the Central Bank of Ireland.

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

## KRANESHARES ICAV

Directors' Report (continued)

For the year ended 30 September 2023

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### ***Events after the reporting financial year***

The effects of the conflict between Ukraine and Russia and the conflict between Israel and Hamas may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may impact the Sub-Funds' performance.

On 12 October 2023, the Sub-Fund KraneShares MSCI China Clean Technology Index UCITS ETF launched.

On 16 October 2023, the Sub-Fund KraneShares ICBCCS S&P China 500 UCITS ETF launched. The Luxembourg domiciled fund ICBCCS S&P China 500 UCITS ETF closed on 13 October 2023 and merged its assets into the newly launched Sub-Fund.

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

### ***Directors***

Feargal Dempsey, Lorcan Murphy, Xiaolin Chen and Jonathan Krane were appointed as Directors on 1 October 2018. Sjeff Pieters was appointed as a Director on 10 February 2020. Paolo Iurcotta was appointed as a Director on 29 July 2021.

### ***Directors' and Secretary's Interests***

Two directors held interest in the shares of the Sub-Funds during the financial year as disclosed in Note 9 "Related Parties". None of the remaining directors, their families or the Secretary held any interest in the shares of the Sub-Funds during the financial year. 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 2023, are disclosed in Note 9 "Related Parties" in the notes to the financial statements.

### ***Secretary***

Matsack Trust Limited held the office of Secretary throughout the financial year ended 30 September 2023 and 30 September 2022.

### ***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, 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.

## KRANESHARES ICAV

Directors' Report (continued)

For the year ended 30 September 2023

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### ***Connected Persons (continued)***

Transactions with related parties during the year ended 30 September 2023 are disclosed in Note 9 "Related Parties" in the notes to the financial statements.

### ***Dividends***

All the Sub-Funds have accumulating share classes, and with the exception of KraneShares Bloomberg 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 50 Connect UCITS ETF and KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares MSCI All China Health Care Index UCITS ETF, KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF do not intend to make distributions in respect of the accumulating share classes.

KraneShares Bloomberg China Bond Inclusion UCITS ETF have made distributions in respect of the distributing share class, which are made at the discretion of the directors, with the first distribution declared in December 2022, and a second distribution declared in June 2023. Total distributions of USD 48,528 on the distributing class were made by the Sub-Fund for the year ended 30 September 2023 (2022: USD 525,919). The dividend ex-dates were 29 December 2022 and 22 June 2023, and the pay dates were 13 January 2023 and 29 June 2023 respectively.

### ***Soft Commissions***

There were no soft commission arrangements during the year (2022: Nil).

### ***Securities Lending***

The ICAV entered into a securities lending agency agreement with the Sub-Custodian on 28 July 2020. A tri-party agreement was entered into between the ICAV, Sub-Custodian and BNY Mellon in February 2021. Securities lending commenced on KraneShares CSI China Internet UCITS ETF in August 2020. Securities lending commenced on KraneShares MSCI China ESG Leaders UCITS ETF in April 2021. As at 30 September 2023 the KraneShares CSI China Internet UCITS ETF was engaged in 3 (2022: 17) securities lending arrangements with a combined value of USD 9,218,566 (2022: USD 11,065,427). As at 30 September 2023 the KraneShares MSCI China ESG Leaders UCITS ETF was engaged in one (2022: None) securities lending arrangement with a combined value of USD 75,868 (2022: USD Nil). Further details on securities lending are detailed in Note 2 (d)(ix) and Note 11 "Securities Lending".

### ***Impact of War between Ukraine and Russia***

The effects of the conflict between Ukraine and Russia may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may impact the Sub-Funds' performance.

### ***Impact of War between Israel and Gaza***

On 7 October 2023, the militant group Hamas led surprise attacks against Israel by land, sea, and air in the Gaza Strip, leading to retaliation by Israel. The conflict continues to escalate with devastating implications for the region both politically and economically in addition to the human tragedies. To date the conflict has not had an impact on the performance of the Sub-Funds, with the exception of KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF, which holds shares in one security domiciled in Israel valued at 0.81% of the net asset value of the sub-fund as at 30 September 2023.

### ***Going Concern***

It is critical for the Directors of the ICAV to assess what impacts the current events and conditions have on the ICAV and Sub-Funds operations with the key issue being whether the ICAV and Sub-Funds has sufficient liquidity to continue to meet their obligations as they fall due. In this case, the Directors are of the view that the ICAV and Sub-Funds have sufficient liquidity to cover its obligations for at least 12 months and they believe that the ICAV and Sub-Funds will continue in operational existence for the foreseeable future. The Investment Manager has agreed to bear the cost of 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 2023, the Directors believe that the ICAV and 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 2023 (2022: 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.



## KRANESHARES ICAV

Directors' Report (continued)

For the year ended 30 September 2023

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### ***Future Developments***

No further developments are expected as at the date of issue of the financial statements of the ICAV.

### ***Updates to Legal Documents***

The most recent Prospectus and Supplements of the Sub-Funds trading on 30 September 2023 were issued on 1 December 2022. No further updates have been made since these documents were issued.

### ***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 and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the increase or decrease in net assets attributable to holders of redeemable participating shares in the ICAV 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 ICAV's 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 ICAV or to cease operations, or have no realistic alternative but to do so

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and increase or decrease in net assets attributable to holders of redeemable participating shares in the ICAV 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 ICAV. In this regard they have entrusted the assets of the ICAV 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://waystone.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.

## KRANESHARES ICAV

Directors' Report (continued)

For the year ended 30 September 2023

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### **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>;
- 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.
- iv. 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/>. The Frankfurt Stock Exchange through the Stock Exchange Rules and Regulations which can be obtained from the Frankfurt Stock Exchange's website at <http://www.boerse-frankfurt.de/en/>. The Italian Stock Exchange through the Market Rules which can be obtained from the Italian Stock Exchange's website at <http://www.boerse-frankfurt.de/en/>.
- v. 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.


### **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**

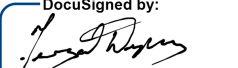
The auditor, KPMG, Chartered Accountants, were appointed statutory auditor on 6 November 2019 and have been re-appointed annually since that date, and pursuant to section 125 of the ICAV Act will continue in office.

On behalf of the Board of Directors:

DocuSigned by:  
  
40FAEF66AEB3473...

Director

Date: 17 January 2024

DocuSigned by:  
  
483CB9A00F44444...

Director

For the year ended 30 September 2023

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Dear shareholders,

The past year saw many equity asset classes regain ground following the aggressive repricing of risks that occurred in 2022, especially in the US and Europe. China's equity market was also higher for the period, driven by the repeal of the country's zero COVID policy. China's economic recovery so far this year has been uneven, skewed towards services and low-value goods consumption. Also, China's monetary policy stance has remained accommodative, especially when compared with the hawkish stance of the European Central Bank (ECB). This may continue to provide a tailwind to China equities going forward.

We are encouraged by recent developments in China and climate-related markets. The challenging macroeconomic environment and resulting volatility in global equity markets that has ensued over the past two years has led many investors to seek uncorrelated sources of return, including the asset classes in which we invest: China and climate.

- We believe that both China and climate will continue to grow and become essential elements of a well-designed investment portfolio.
- We believe that investors should have low-cost, transparent tools to obtain exposure to China's equity and fixed income markets and hedge against climate change related risks.
- China has been cutting key lending rates and made various pledges to support its stock market and institute significant market reforms.
- We are dedicated to helping investors obtain more complete passive market exposures and more balanced investment portfolios.

Thank you for investing with us!

Sincerely,

Jonathan Krane, KraneShares CEO

#### **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 5.43%, while the global equity market, as measured by the MSCI All Country World Index (ACWI), returned 21.43%.
- China's Fixed Income market demonstrated relative stability during the period as the US Fed instituted six interest rate hikes. The 10-Year China Government Bond currently offers a yield of 2.67%, down only -2.20% from 3 October 2022, versus the 10-Year US Treasury yield of 4.57%, which is up 19.32% from 3 October 2022. China's currency, the renminbi (RMB) depreciated by -2.56% versus the US dollar for the reporting period.
- The CSI Overseas China Internet Index tracks the performance of Chinese internet companies listed in the United States and Hong Kong. The index was up 11.92% for the period compared to 5.43% for the broad China equity market, as measured by the MSCI China Index.
- The MSCI China ESG Leaders 10/40 Index is designed to provide exposure to large and mid-cap companies in China with high Environmental, Social, and Governance (ESG) ratings relative to their sector peers, according to MSCI. The index was up 4.55% for the reporting period compared to 5.43% for the broad China equity market, as measured by the MSCI China Index.
- Electric vehicle (EV) ecosystem equities, as measured by the Bloomberg Electric Vehicles & Future Mobility ESG Screened Index, were down -8.39% during the period compared to the global equity market, which returned 21.43%, as measured by the MSCI All Country World Index (ACWI). Despite the underperformance for the period, many EV manufacturers reported better-than-expected second quarter sales. We continue to believe in the electrification of transport and urge investors in the EV ecosystem to take a long-term view.
- Despite a difficult macroeconomic environment globally, we continue to see investors maturing in their understanding of China's capital markets and strong interest in China-focused investment solutions, especially as China continues to pursue a relatively accommodative monetary policy stance.

## KRANESHARES ICAV

Investment Manager’s Report (continued)

For the year ended 30 September 2023

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### 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 29 September 2023 (the “reporting period”), the NAV of the Fund increased by 12.13% while the Underlying Index increased by 11.92 %, a performance difference of 0.21%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index.

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

<b>Fund &amp; Underlying Index</b>	<b>Ticker</b>	<b>Cumulative 3 October 2022 – 29 September 2023</b>	<b>Annualized Since Inception (as of Q3 2023)</b>
KraneShares CSI China Internet UCITS ETF	KWEB	12.13%	-5.92%
CSI Overseas China Internet Index	H1137	11.92%	-5.42%
MSCI China	MXCN	5.43%	-2.31%

\*KWEB was launched on 20 November 2018 at LSE

### China Internet Market Review

The repeal of China’s zero COVID policy was a powerful catalyst for China Internet equities during the period. However, China Internet equities saw some declines on profit taking and uncertainty regarding China’s uneven economic recovery and geopolitical tensions during the second half of the period. Going forward, we believe economic data and policy support may be the key drivers of performance in China Internet equities.

The best performing sector within the Fund for the period was Information Technology. Meanwhile, the Real Estate sector was the worst-performing sector.

We see three key positive catalysts for China Internet equities in the year to come:

- The People’s Bank of China (PBOC) is likely to maintain a dovish monetary policy stance, to the benefit of growth equities.
- China’s retail sales increased +5.5% year-over-year in September, indicating a continued consumer recovery.
- China’s government continues to target peak emissions by 2030 and carbon neutrality by 2060, exceedingly ambitious goals that will require massive contributions from the private sector, including many of the companies held by the Fund.

Krane Funds Advisors, LLC

17 January 2024

## KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2023

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### KraneShares MSCI China A 50 Connect UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares MSCI China A 50 Connect 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 50 Connect Index (the "Underlying Index").

The Underlying Index includes 50 of the largest and most liquid large-cap Shanghai and Shenzhen listed stocks (A-Shares) available through Stock Connect. The index offers the first officially recognized Futures contracts for Stock Connect-eligible A-shares, representing a powerful risk-management tool for international investors.

From the Fund's last reporting period to 29 September 2023 (the "reporting period"), the NAV of the Fund decreased by -7.99% while the Underlying Index decreased by -7.57%, a performance difference of -0.42%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was mainly driven by the deduction of 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	Cumulative 3 October 2023 – 29 September 2023	Annualized Since Inception* (as of Q3 2023)
KraneShares MSCI China A 50 Connect UCITS ETF	KA50	-7.99%	0.11%
Hybrid for KraneShares MSCI China A 50 Connect UCITS ETF	-	-7.57%	1.14%
MSCI China	MXCN	5.43%	-4.70%

\*KBA was launched on 27 June 2019 at LSE

### China A Share Market Review

China's A share market was down for the period, which was reflected in the performance of the Fund. Several macroeconomic headwinds impacted the Fund's performance including the continued strengthening of the US dollar, which weighed on assets denominated in other currencies, including China's Renminbi.

Although the Fund underperformed the broad China equity market, represented by the MSCI China Index, during the period, we believe it is important to recognize that the Fund has outperformed the MSCI China Index significantly since its inception. We believe this differentiated performance over both the reporting period and the Fund's lifetime demonstrate the potential diversification benefits of owning China A shares.

The best-performing sector within the Fund for the period was Communication Services. Meanwhile, the Real Estate sector was the worst-performing sector.

We see three positive catalysts for China's A share equity market in the year to come:

- China A shares are particularly attractive due to the dovish monetary policy stance of the People's Bank of China (PBOC) and the potential for the US dollar to reverse some of its recent gains versus the Renminbi as US interest rates plateau.
- China's retail sales increased +5.50% year-over-year in September, indicating a continued consumer recovery.
- The China Securities Regulatory Commission (CSRC), PBOC, among other tax and financial authorities have announced a variety of measures to support markets including lowering stock transaction costs, lowering margin financing requirements, extending market hours, and the approval of 40 new stock funds for launches on Mainland exchanges.

Krane Funds Advisors, LLC  
17 January 2024

## KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2023

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### 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 satisfaction of the 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, according to MSCI.

From the Fund's last reporting period to 29 September 2023 (the "reporting period"), the NAV of the Fund increased by 4.06%, while the Underlying Index increased by 4.55%, a performance difference of -0.49%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was mainly driven by the deduction of management fees.

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

<b>Fund &amp; Underlying Index</b>	<b>Ticker</b>	<b>Cumulative 3 October 2023 – 29 September 2023</b>	<b>Annualized Since Inception* (as of Q3 2023)</b>
KraneShares MSCI China ESG Leaders UCITS ETF	KESG	4.06%	-3.06%
MSCI China ESG Leaders 10/40 Index	MXCNEL40	4.55%	-2.18%
MSCI China	MXCN	5.43%	-6.83%

\*KESG was launched on 4 February 2020 at LSE

### China ESG Market Review

We are encouraged by the Fund's performance since inception, which still outpaces broad China equity, as represented by the MSCI China Index, supporting our thesis that ESG considerations may lead to outperformance in China.

The Fund's performance during the period was driven by exuberance over the repeal of China's zero COVID policy. The Fund's outsized exposure to technology and consumer-oriented stocks contributed significantly to gains during the period, though the Fund underperformed the MSCI China Index slightly.

In June, China extended tax breaks for new energy vehicles through 2027. The extended tax subsidy could lead to over \$70 billion in total savings for consumers who choose new energy vehicles over internal combustion engine (ICE) vehicles. This was overwhelmingly positive for the multiple electric vehicle companies held by the Fund. Nonetheless, these companies were caught up in the overall technology and growth stock selloff in China during the second half of the period.

The best-performing sector within the Fund for the period was Energy. Meanwhile, the Materials sector was the worst performing sector.

We see three key positive catalysts for China ESG Equities in the year to come:

- The People's Bank of China (PBOC) is likely to maintain a dovish monetary policy stance, to the benefit of growth equities.
- China's retail sales increased +5.5% year-over-year in September, indicating a continued consumer recovery.
- China's government continues to target peak emissions by 2030 and carbon neutrality by 2060, exceedingly ambitious goals that will require massive contributions from the private sector, including many of the companies held by the Fund.

Krane Funds Advisors, LLC

17 January 2024

## KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2023

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### KraneShares Bloomberg 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 Bank debt securities that are listed on China's Interbank bond market, while capping the exposure to individual Policy Banks at 9%.

From the Fund's last reporting period to 29 September 2023 (the "reporting period"), the NAV of the Fund decreased by (0.64%) while the Underlying Index increased by 0.46%, a performance difference of (1.10%). The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was mainly driven by the sampling of the index performed by 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	Cumulative 3 October 2022 – 29 September 2023	Annualized Since Inception* (as of Q3 2023)
KraneShares Bloomberg China Bond Inclusion UCITS ETF	KBND	(0.64%)	2.26%
Bloomberg China Treasury and Policy Bank 9% Capped Index	I34735US	0.46%	2.49%

\*KBND was launched on 26 May 2020 at LSE

### China Government Bond Market Review

The Fund was nearly flat for the period, reflecting the performance of China's currency, which appreciated slightly versus the US dollar. The People's Bank of China cut several key interest rates including the medium-term lending facility (MLF) rate, during the period, which impacted the Fund's performance by reducing the income level offered by China's government bonds. Nonetheless, the Fund performed nearly in line with the Bloomberg Global-Aggregate Bond Index.

We see three key positive catalysts for China's investment grade & government bond market in the years to come:

- Increased demand for China's currency, the Renminbi, stemming from the recent commitments from multiple economies, especially oil-exporters, to transact in the currency as opposed to the US dollar.
- The Renminbi may also appreciate if the US Federal Reserve ceases hiking interest rates for a significant period.
- China's expected economic recovery this year may also increase the attractiveness of Renminbi-denominated assets.

Krane Funds Advisors, LLC

17 January 2024

## KRANESHARES ICAV

Investment Manager’s Report (continued)

For the year ended 30 September 2023

### KraneShares MSCI All China Health Care Index UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares MSCI All China Health Care Index 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 All China Health Care Index (the “Underlying Index”).

The Underlying Index is a free float-adjusted market capitalization-weighted index designed to track the equity market performance of Chinese companies engaged in the health care sector. The securities in the Index include all types of publicly issued shares of Chinese issuers, which are listed in Mainland China, Hong Kong, and the United States. Issuers eligible for inclusion must be classified under the Global Industry Classification Standard (GICS) as engaged in the healthcare sector. The issuers included in the Underlying Index may include small-cap, mid-cap, and large-cap companies.

From the Fund’s last reporting period to 29 September 2023 (the “reporting period”), the NAV of the Fund increased 0.08% while the Underlying Index increased 0.49%, a performance difference of -0.41%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was mainly driven by the deduction of management fees.

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

<b>Fund &amp; Underlying Index</b>	<b>Ticker</b>	<b>Cumulative 3 October 2023 – 29 September 2023</b>	<b>Annualized Since Inception* (as of Q3 2023)</b>
KraneShares MSCI All China Health Care Index UCITS ETF	KURE	0.08%	-22.26%
MSCI China All Shares Health Care 10/40 Index	MICXCAH	0.49%	-21.39%
MSCI China	MXCN	5.43%	-20.10%

\*KURE was launched on 14 January 2021 at LSE

### China Health Care Review

The Fund was mostly flat for the period amid a challenging environment for China’s healthcare sector. New antigraft regulations led to concerns about the impact on pharmaceutical sales and additional restrictions on public hospitals and medical distributors. However, the Deputy President of KURE holding Aier Eye Hospital said that the new regulations will benefit private healthcare providers such as Aier due to their transparent pricing.

The best performing industry within the Fund for the period was health care technology. Meanwhile, hospital/nursing management was the worst performing industry within the Fund.

We would also like to remind investors that China’s healthcare sector is still in its early stages of development and short-term volatility should be expected. We believe the long-term growth thesis for this massive market remains intact.

We see three key positive catalysts for China’s healthcare equities in the year to come:

- According to Fortune Business Insights, the global market size of contracted medical research services provided by contract research organizations (CROs) is projected to grow +12.5% in 2023 compared to last year.
- According to a paper published by Lancet Public Health this year, life expectancy in China is likely to increase to over 80 by 2035 and potentially as high as 90 for women in certain areas. This could lead to long-term, stable demand for healthcare in the foreseeable future.
- China’s aging population, rising incomes, and increasing urbanization may provide a sustained catalyst for China’s healthcare sector.

Krane Funds Advisors, LLC

17 January 2024



## KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2023

### KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares SSE STAR Market 50 Index UCITS ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the SSE Science and Technology Innovation Board 50 Index (the "Underlying Index").

The Underlying Index is comprised of the 50 largest companies listed on the SSE Science and Technology Innovation Board (STAR Market) as determined by market capitalization and liquidity.

From the Fund's last reporting period to 29 September 2023 (the "reporting period"), the NAV of the Fund decreased by -12.02% while the Underlying Index decreased by -7.68%, a performance difference of -4.34%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was primarily driven by the index's inclusion of a name indicated in US Executive Order 1359, which was not held in the portfolio during the period, and the deduction of 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	Cumulative 3 October 2022 – 29 September 2023	Annualized Since Inception* (as of Q3 2023)
KraneShares ICBCCS SSE STAR Market 50 UCITS ETF	KSTR	-12.02%	-23.13%
SSE STAR Market 50 Index	STAR50 Index	-7.68%	-20.98%
MSCI China	MXCN	5.43%	-21.53%

\*KSTR was launched on 26 May 2022 at LSE

### STAR Market Review

The Fund was down for the period after a significant rally in the first three months of this year. China's STAR Market, a prominent venue for technology and innovation-driven companies, faced a challenging market environment over the last reporting period, marked by several factors that applied downward pressure on the prices of shares listed on this special board of the Shanghai Stock Exchange.

China's STAR Market had experienced remarkable growth and enthusiasm from investors in the years following its launch in 2019. Many technology companies listed on the STAR Market with relatively high valuations due to the board's start-up focus. These companies were subsequently re-rated against the backdrop of a slowing economic cycle in China. The economic deceleration in China and softening global demand for electronic devices also led to margin pressure for many technology companies. Moreover, the capital raised in previous years led to, in some cases, extreme competition in certain technological industries, including semiconductors, clean technology, and biotechnology.

We believe it is important to recognize that local technology companies are seen as the primary future growth drivers of China's economy. If the Chinese economy experiences a pickup in growth, as many economists anticipate, we believe it could alleviate some of the margin pressures faced by technology companies. Additionally, a more favourable economic environment may reignite investor interest in growth sectors, leading to improved valuations and performance.

The best-performing sector within the Fund for the period was Consumer Discretionary. Meanwhile, the Industrials sector was the worst-performing sector.

We see three positive catalysts for the STAR Market in the year to come:

- Ample liquidity driven by dovish central bank policy in China, in contrast to the hawkish policy likely to continue in the US and Europe may create the conditions for a vibrant IPO market in China over the next few years.
- China's government is increasing its support for high-tech industries such as semiconductor manufacturing after restrictions on the export of high-end chips to China implemented by the US last year.
- The potential revival of financial technology company Ant Group's IPO on the STAR Market may also contribute to an improvement in investor sentiment.

Krane Funds Advisors, LLC

17 January 2024

## KRANESHARES ICAV

Investment Manager's Report (continued)

For the year ended 30 September 2023

### KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (a sub-fund of KraneShares ICAV)

The KraneShares Electric Vehicles & Future Mobility ESG Screened 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 Electric Vehicles & Future Mobility ESG Screened Index (the "Underlying Index").

The Underlying Index seeks to measure the performance of companies that are engaged in the production of electric vehicles, their components, or other initiatives that may change the future of mobility. This includes electric vehicles, autonomous driving, lithium and/or copper production, lithium-ion/lead acid battery production, hydrogen fuel cell manufacturing, and/or electric infrastructure businesses. Companies involved in ESG controversies and controversial business activities are excluded from the index.

From the Fund's last reporting period to 29 September 2023 (the "reporting period"), the NAV of the Fund decreased by -10.20% while the Underlying Index decreased by -8.39%, a performance difference of -1.81%. The performance difference was calculated as the deviation between the NAV return of the Fund and the total return of the underlying index and was mainly driven by the deduction of 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	Cumulative 3 October 2023 – 29 September 2023	Annualized Since Inception* (as of Q3 2023)
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	KARS	-10.20%	-15.29%
Bloomberg Electric Vehicles & Future Mobility ESG Screened Index	BBEV	-8.39%	-13.64%
MSCI All Country World Index (ACWI)	MXWD	21.43%	5.57%

\*KARS was launched on 26 May 2022 at LSE

### Electric Vehicles Market Review

Global electric vehicle (EV) ecosystem equities were mostly lower during the period following a strong rebound to begin 2023 on positive news regarding China's reopening and declining metal prices. The higher-than-expected US inflation print for August, coupled with price cuts from electric vehicle (EV) manufacturers, may have negatively impacted investor sentiment towards the EV space towards the end of the period. Strikes organized by United Auto Workers (UAW) in the United States also weighed on EV stocks because of the potential negative impact any resolution may have on the margins of major US automakers, which have become significant players in the global EV ecosystem.

However, we believe negative sentiment towards EV equities began to subside following upbeat second quarter sales and more policy support. In June, China extended tax breaks for new energy vehicles through 2027. The extended tax subsidy could lead to over \$70 billion in total savings for consumers who choose new energy vehicles over internal combustion engine (ICE) vehicles.

EV components and raw materials stocks have led the ecosystem over the past year while charging infrastructure companies were under pressure.

We see three key positive catalysts for EV ecosystem equities in the year to come:

- Progress towards global electrification has continued steadily as electric vehicle (EV) sales reached 4 million units during the first five months of 2023 and 10 million were sold in 2022.
- In a research report published in June, Bloomberg New Energy Finance (BNEF) estimated that ICE vehicle sales peaked in 2017 and could decline to 39% below peak by 2030, a significant opportunity for EV ecosystem companies.
- China's tax break extension may fuel demand for new energy vehicles in the world's second largest economy for the next four years.

Krane Funds Advisors, LLC

17 January 2024

## KRANESHARES ICAV

### Depository's Report

For the year ended 30 September 2023

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We, SEI Investments – Depository and Custodial Services (Ireland) Limited, appointed Depository to KraneShares ICAV (“the ICAV”) provide this report solely in favour of the investors of the ICAV as a body for the year ended 30 September 2023 (“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 ICAV for the Accounting Period and we hereby report thereon to the investors of the ICAV as follows;

We are of the opinion that the ICAV 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 ICAV 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.



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

Date: 17 January 2024



## KPMG

Audit  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

### **Independent Auditor's Report to the Shareholders of Kraneshares ICAV**

#### **Report on the audit of the financial statements**

##### **Opinion**

We have audited the financial statements of Kraneshares ICAV ('the ICAV') for the year ended 30 September 2023 set out on pages 46 to 98, which comprise the 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 financial statements give a true and fair view of the assets, liabilities and financial position of the ICAV as at 30 September 2023 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 to 2021 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 audit committee.

We were appointed as auditor by the directors on 6 November 2019. The period of total uninterrupted engagement is the 5 years ended 30 September 2023. We have fulfilled our ethical responsibilities under, and we remained independent of the ICAV 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.

##### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Our evaluation of the directors' assessment of the ICAV's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the ICAV's business model and analysing how those risks might affect the ICAV's financial resources or ability to continue as a going concern over the twelve months from the date of when the financial statements are authorised for issue. The risks that we considered most likely to adversely affect the ICAV's available financial resources over this period included the value of assets under management, the Investment Manager's intention to continue to manage the portfolio and the directors' assessment of the operational resilience of the ICAV.



## **Independent Auditor's Report to the Shareholders of Kraneshares ICAV (continued)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the ICAV's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors as to the ICAV's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the ICAV's regulatory and legal correspondence.
- Reading Board minutes.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the ICAV is subject to laws and regulations that directly affect the financial statements including ICAV and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the ICAV is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: UCITS compliance and certain aspects of company legislation recognising the financial and regulated nature of the ICAV's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias.



## Independent Auditor’s Report to the Shareholders of Kraneshares ICAV (continued)

As the ICAV is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the ICAV operates in and gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, 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.

In arriving at our audit opinion above, the key audit matters was as follows (unchanged from 2022):

Valuation and accuracy of the pricing of Financial Assets at Fair Value Through Profit or Loss: USD 422.21m (2022: USD 444.02m)

*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	How the matter was addressed in our audit
<p>The ICAV’s financial assets make up 99.76% of the net asset value and are considered to be the key driver of the ICAV’s results.</p> <p>While the nature of the ICAV’s financial assets do not require a significant level of judgement, the financial assets are identified as a significant area of audit focus due to their significance in the context of the financial statements as a whole.</p> <p>The financial assets held by the ICAV includes equities and fixed income instruments.</p> <p>The ICAV’s financial assets have the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit and as a result is determined to be a key audit matter.</p>	<p>Our audit procedures over the valuation and accuracy of the pricing of the ICAV’s investment portfolio included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of, and documenting, the process in place to record investment transactions and to value the portfolio of investments;</li> <li>- Agreeing 100% of the year end portfolio prices to independent sources; and</li> <li>- Assessing the disclosures of financial assets in accordance with the fair value hierarchy set out in IFRS as adopted by the EU.</li> </ul> <p><i>Based on evidence obtained, no material misstatements were identified.</i></p>

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

Materiality for the financial statements as a whole was set at USD 4.24m (2022: USD 4.45m), determined with reference to a benchmark of Total Assets (of which it represents 1% (2022: 1%).

In applying our judgement in determining the most appropriate benchmark, the factors, which had the most significant impact were:

- the elements of the financial statements (for example, total assets, net asset value, total investment income and decrease in net assets attributable to holders of redeemable participating shares);
- the items on which attention of the users of the ICAV’s financial statements tends to be focused;

### **Independent Auditor's Report to the Shareholders of Kraneshares ICAV (continued)**

- the nature of the ICAV, where the ICAV is in its life cycle, and the industry and economic environment in which the ICAV operates; and
- the ICAV's ownership structure and the way it is financed.

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors, which had the most significant impact, increasing our assessment of materiality were:

- the ICAV's ownership structure and the way in which the entity is financed;
- the limited amount of external debt on the ICAV's balance sheet; and
- the stability of the business environment in which it operates.

We applied ICAV materiality to assist us determine the overall audit strategy.

Performance materiality for the financial statements as a whole was set at USD 3.18m (2022: USD 3.34m), determined with reference to a benchmark of materiality (of which it represents 75% (2022: 75%). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating a significant level of aggregation risk.

In applying our judgement in determining performance materiality, the following factors were considered to have the most significant impact on our assessment of performance materiality:

- entity level control deficiencies, such as in the control environment;
- the number and severity of deficiencies in control activities, including those that may be pervasive;
- turnover of senior management or key financial reporting personnel;
- the number and/or value of detected misstatements;
- the value of uncorrected misstatements, including the cumulative current period effect of immaterial prior period uncorrected misstatements; and
- management's attitude towards correcting misstatements.

We applied ICAV performance materiality to assist us in determining what risks were significant risks for the ICAV.

We reported to the Board of Directors any corrected or uncorrected identified misstatements exceeding USD 0.21m (2022: USD 0.22m), in addition to other identified misstatements that warranted reporting on qualitative grounds. With specific regard to the valuation of the ICAV's financial assets at fair value through profit or loss, we also report to the Board of Directors all corrected and uncorrected misstatements we have identified through our audit with a value in excess of 50 basis points of each of the ICAV's sub-funds Total Assets.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

#### ***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 directors' and other information, the directors' report, investment manager's report, depositary's report, schedule of investments and supplemental unaudited information including the Statement of Portfolio Changes, UCITS Manager's Report, Securities Financing Transactions Regulations Disclosures and Sustainable Finance Disclosure Regulation. 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.



## **Independent Auditor's Report to the Shareholders of Kraneshares ICAV (continued)**

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 undertaken during the course of the audit, we have not identified material misstatements in the other information.

### ***Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Acts 2015 to 2021***

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 Acts 2015 to 2021 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 8, 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 ICAV's 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 ICAV or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>

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

Our report is made solely to the shareholders of the ICAV, 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 ICAV's 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 ICAV and the ICAV's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Maria Flannery  
for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

19 January 2024



**KRANESHARES ICAV**  
Schedule of Investments (Unaudited)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares CSI China Internet UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing</b>			
<b>Equities (2022: 99.76%)</b>			
<u>China</u>			
<i>Communications (2022: 66.28%)</i>			
Alibaba Group Holding Ltd	3,339,224	36,496,815	9.05%
Autohome Inc	169,245	5,136,586	1.27%
Baidu Inc	1,431,530	24,383,269	6.05%
Bilibili Inc	647,647	8,955,760	2.22%
China Literature Ltd	1,189,800	4,352,454	1.08%
Chindata Group Holdings Ltd*	483,467	4,012,776	1.00%
East Buy Holding Ltd*	1,095,000	5,166,117	1.28%
Full Truck Alliance Co Ltd	2,378,378	16,743,781	4.15%
iQIYI Inc	1,248,532	5,918,042	1.47%
JD.com Inc	883,476	12,983,917	3.22%
Kanzhun Ltd	982,207	14,900,080	3.70%
Kuaishou Technology	2,185,200	17,536,064	4.35%
Meituan	2,001,600	29,288,529	7.26%
Tencent Holdings Ltd	903,900	35,339,566	8.77%
Tencent Music Entertainment Group	1,564,467	9,981,299	2.48%
Tongcheng Travel Holdings Ltd	3,052,400	6,703,560	1.66%
Trip.com Group Ltd	436,611	15,564,878	3.86%
Vipshop Holdings Ltd	871,732	13,956,429	3.46%
Weibo Corp	212,810	2,668,637	0.66%
<i>Total Communications</i>		<u>270,088,559</u>	<u>66.99%</u>
<i>Consumer, Cyclical (2022: 5.14%)</i>			
Alibaba Health Information Technology Ltd	12,566,000	7,829,833	1.94%
JD Health International Inc	2,515,600	13,040,771	3.24%
Ping An Healthcare and Technology Co Ltd*	1,272,400	2,969,857	0.74%
<i>Total Consumer, Cyclical</i>		<u>23,840,461</u>	<u>5.92%</u>
<i>Consumer, Non-cyclical (2022: 1.07%)</i>			
TAL Education Group	1,187,466	10,817,815	2.68%
<i>Total Consumer, Non-cyclical</i>		<u>10,817,815</u>	<u>2.68%</u>
<i>Financial (2022: 8.82%)</i>			
KE Holdings Inc	979,677	15,204,587	3.77%
Lufax Holding Ltd	2,072,282	2,196,619	0.54%
Qifu Technology Inc	369,262	5,671,864	1.41%
ZhongAn Online P&C Insurance Co Ltd	1,590,400	4,690,876	1.16%
<i>Total Financial</i>		<u>27,763,946</u>	<u>6.88%</u>

\* These securities are currently subject to stock lending agreements on a certain proportion of shares held, for further details please see note 2(d)(ix) and note 11.

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares CSI China Internet UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.76%)</b>			
<u>China (continued)</u>			
<i>Industrial (2022: 4.25%)</i>			
<i>Technology (2022: 11.45%)</i>			
Kingsoft Corp Ltd	2,512,200	9,109,786	2.26%
NetEase Inc	908,340	18,498,852	4.59%
<i>Total Technology</i>		<u>27,608,638</u>	<u>6.85%</u>
<u>Total China</u>		<u>360,119,419</u>	<u>89.32%</u>
<u>Hong Kong</u>			
<i>Consumer, Cyclical (2022: 1.96%)</i>			
<u>Ireland</u>			
<i>Communications (2022: 0.00%)</i>			
PDD Holdings Inc	393,800	38,619,966	9.58%
<i>Total Communications</i>		<u>38,619,966</u>	<u>9.58%</u>
<u>Total Ireland</u>		<u>38,619,966</u>	<u>9.58%</u>
<u>Singapore</u>			
<i>Communications (2022: 0.79%)</i>			
JOYY Inc	92,739	3,534,283	0.88%
<i>Total Communications</i>		<u>3,534,283</u>	<u>0.88%</u>
<u>Total Singapore</u>		<u>3,534,283</u>	<u>0.88%</u>
<b>Total Equities</b>		<u>402,273,668</u>	<u>99.78%</u>
<b>Total financial assets at fair value through profit or loss</b>		<u>402,273,668</u>	<u>99.78%</u>
Cash and cash equivalents (2022: 0.29%)		736,666	0.18%
Other net assets (2022: other net liabilities (0.05%))		156,662	0.04%
<b>Net asset value attributable to holders of redeemable participating shares</b>		<u>403,166,996</u>	<u>100.00%</u>
		<b>Fair Value</b>	<b>% of</b>
		<b>USD</b>	<b>Total Assets</b>
Transferable securities admitted to official stock exchange listing		402,273,668	99.72%
Other assets		1,142,192	0.28%
<b>Total Assets</b>		<u>403,415,860</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China A 50 Connect UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equities (2022: 99.84%)</b>			
<u>China</u>			
<i>Basic Materials (2022: 13.23%)</i>			
Wanhua Chemical Group Co Ltd	16,800	203,655	5.92%
Zijin Mining Group Co Ltd	109,500	182,306	5.30%
<i>Total Basic Materials</i>		<u>385,961</u>	<u>11.21%</u>
<i>Communications (2022: 2.29%)</i>			
China United Network Communications Ltd	57,100	38,481	1.12%
East Money Information Co Ltd	20,678	43,140	1.25%
Focus Media Information Technology Co Ltd	26,000	25,516	0.74%
<i>Total Communications</i>		<u>107,137</u>	<u>3.11%</u>
<i>Consumer, Cyclical (2022: 13.27%)</i>			
BYD Co Ltd	4,098	133,136	3.87%
China Tourism Group Duty Free Corp Ltd	4,390	63,852	1.86%
Contemporary Amperex Technology Co Ltd	8,680	241,883	7.03%
<i>Total Consumer, Cyclical</i>		<u>438,871</u>	<u>12.75%</u>
<i>Consumer, Non-cyclical (2022: 25.49%)</i>			
Aier Eye Hospital Group Co Ltd	16,819	41,483	1.21%
Beijing-Shanghai High Speed Railway Co Ltd	62,900	44,289	1.29%
Foshan Haitian Flavouring & Food Co Ltd	3,944	20,565	0.60%
Inner Mongolia Yili Industrial Group Co Ltd	5,600	20,392	0.59%
Jiangsu Hengrui Pharmaceuticals Co Ltd	11,436	70,540	2.05%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	1,400	24,865	0.72%
Kweichow Moutai Co Ltd	1,200	296,230	8.61%
Luzhou Laojiao Co Ltd	1,300	38,657	1.12%
Muyuan Foods Co Ltd	4,920	25,587	0.74%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	1,039	34,154	0.99%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	2,200	81,472	2.37%
Wuliangye Yibin Co Ltd	3,486	74,689	2.17%
WuXi AppTec Co Ltd	4,516	53,418	1.55%
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	1,145	43,251	1.26%
<i>Total Consumer, Non-cyclical</i>		<u>869,592</u>	<u>25.27%</u>
<i>Energy (2022: 12.65%)</i>			
China Petroleum & Chemical Corp	43,900	36,575	1.06%
China Shenhua Energy Co Ltd	9,200	39,397	1.14%
China Three Gorges Renewables Group Co Ltd	40,000	26,243	0.76%
LONGi Green Energy Technology Co Ltd	26,607	99,624	2.89%
Shaanxi Coal Industry Co Ltd	13,300	33,698	0.98%
Sungrow Power Supply Co Ltd	2,800	34,400	1.00%
Tongwei Co Ltd	15,800	69,960	2.03%
<i>Total Energy</i>		<u>339,897</u>	<u>9.88%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China A 50 Connect UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.84%) (continued)</b>			
<u>China (continued)</u>			
<i>Financial (2022: 17.99%)</i>			
Agricultural Bank of China Ltd	111,600	55,143	1.60%
Bank of Communications Co Ltd	51,600	40,794	1.19%
Bank of Ningbo Co Ltd	8,609	31,750	0.92%
China Merchants Bank Co Ltd	26,993	122,151	3.55%
China Pacific Insurance Group Co Ltd	8,900	34,923	1.01%
China Vanke Co Ltd	15,000	26,928	0.78%
CITIC Securities Co Ltd	16,005	47,582	1.38%
Industrial & Commercial Bank of China Ltd	82,800	53,187	1.55%
Industrial Bank Co Ltd	27,274	60,981	1.77%
Ping An Bank Co Ltd	25,400	39,046	1.13%
Ping An Insurance Group Co of China Ltd	14,000	92,811	2.70%
Poly Developments and Holdings Group Co Ltd	18,400	32,175	0.93%
Shanghai Pudong Development Bank Co Ltd	38,447	37,467	1.09%
<i>Total Financial</i>		674,938	19.61%
 <i>Industrial (2022: 10.31%)</i>			
China State Construction Engineering Corp Ltd	83,700	63,530	1.85%
Foxconn Industrial Internet Co Ltd	35,000	94,637	2.75%
Luxshare Precision Industry Co Ltd	25,140	102,896	2.99%
NARI Technology Co Ltd	16,000	48,731	1.42%
SF Holding Co Ltd	9,700	54,320	1.58%
<i>Total Industrial</i>		364,114	10.58%
 <i>Technology (2022: 2.10%)</i>			
Beijing Kingsoft Office Software Inc	1,632	83,058	2.41%
BOE Technology Group Co Ltd	132,400	70,146	2.04%
<i>Total Technology</i>		153,204	4.45%
 <i>Utilities (2022: 2.51%)</i>			
China Yangtze Power Co Ltd	34,400	105,007	3.05%
<i>Total Utilities</i>		105,007	3.05%
 <u>Total China</u>		3,438,721	99.91%
 <b>Total Equities</b>		3,438,721	99.91%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
*(Expressed in United States Dollars)*

**KraneShares MSCI China A 50 Connect UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>		3,438,721	99.91%
Cash and cash equivalents (2022: 0.14%)		3,150	0.09%
Other net liabilities (2022: other net assets 0.02%)		(202)	(0.01%)
<b>Net asset value attributable to holders of redeemable participating shares</b>		3,441,669	100.00%
		<b>Fair Value</b>	<b>% of</b>
		<b>USD</b>	<b>Total Assets</b>
Transferable securities admitted to an official stock exchange listing		3,438,721	99.87%
Other assets		4,514	0.13%
<b>Total Assets</b>		3,443,235	100.00%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equities (2022: 99.41%)</b>			
<u>China</u>			
<i>Basic Materials (2022: 1.98%)</i>			
Beijing Easpring Material Technology Co Ltd	200	1,156	0.02%
CMOC Group Ltd - A	6,700	5,435	0.11%
CMOC Group Ltd - H	21,000	13,487	0.28%
Ganfeng Lithium Group Co Ltd - A	480	2,938	0.06%
Ganfeng Lithium Group Co Ltd - H	2,480	10,180	0.21%
Jiangsu Eastern Shenghong Co Ltd	2,200	3,488	0.07%
Shandong Nanshan Aluminum Co Ltd	4,300	1,853	0.04%
Shanghai Putailai New Energy Technology Co Ltd	750	3,015	0.06%
Shenzhen Capchem Technology Co Ltd	200	1,203	0.03%
Sinoma Science & Technology Co Ltd	600	1,693	0.03%
Sinopec Shanghai Petrochemical Co Ltd	2,700	1,149	0.02%
Skshu Paint Co Ltd	320	3,010	0.06%
Tianqi Lithium Corp	500	3,770	0.08%
Western Mining Co Ltd	800	1,411	0.03%
Yunnan Chihong Zinc & Germanium Co Ltd	1,900	1,380	0.03%
Yunnan Energy New Material Co Ltd	300	2,466	0.05%
Zangge Mining Co Ltd	600	1,879	0.04%
Zhejiang Huayou Cobalt Co Ltd	600	3,089	0.06%
<i>Total Basic Materials</i>		62,602	1.28%
<i>Communications (2022: 31.70%)</i>			
Alibaba Group Holding Ltd	39,024	426,522	8.69%
Baidu Inc	14,000	238,462	4.86%
China Literature Ltd	400	1,463	0.03%
East Buy Holding Ltd	2,500	11,795	0.24%
JD.com Inc	14,550	213,833	4.36%
Kanzhun Ltd	1,367	20,737	0.42%
Kuaishou Technology	14,500	116,361	2.37%
Tencent Holdings Ltd	10,600	414,426	8.44%
Tongcheng Travel Holdings Ltd	8,000	17,569	0.36%
Vipshop Holdings Ltd	2,113	33,829	0.69%
<i>Total Communications</i>		1,494,997	30.46%
<i>Consumer, Cyclical (2022: 13.50%)</i>			
Air China Ltd - A	4,300	4,769	0.10%
Air China Ltd - H	12,000	8,105	0.17%
BYD Co Ltd - A	700	22,742	0.46%
BYD Co Ltd - H	6,000	185,397	3.78%
China Eastern Airlines Corp Ltd	6,400	3,865	0.08%
China Southern Airlines Co Ltd - A	4,300	3,612	0.07%
China Southern Airlines Co Ltd - H	14,000	6,811	0.14%
China Tourism Group Duty Free Corp Ltd - A	700	10,181	0.21%
China Tourism Group Duty Free Corp Ltd - H	500	6,633	0.14%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.41%) (continued)</b>			
<u>China (continued)</u>			
<i>Consumer, Cyclical (2022: 13.50%) (continued)</i>			
Contemporary Amperex Technology Co Ltd	1,620	45,144	0.92%
Ecovacs Robotics Co Ltd	300	1,997	0.04%
Fosun International Ltd	15,000	9,481	0.19%
Haier Smart Home Co Ltd - A	2,400	7,774	0.16%
Haier Smart Home Co Ltd - H	15,200	47,841	0.97%
Hangzhou Robam Appliances Co Ltd	300	1,110	0.02%
Jiumaojiu International Holdings Ltd	6,000	8,167	0.17%
Li Auto Inc	7,000	123,611	2.52%
MINISO Group Holding Ltd	596	15,436	0.31%
NIO Inc*	8,602	77,762	1.58%
Ping An Healthcare and Technology Co Ltd	3,200	7,469	0.15%
Pop Mart International Group Ltd	3,200	9,459	0.19%
Shanghai M&G Stationery Inc	300	1,503	0.03%
Shanghai Pharmaceuticals Holding Co Ltd - A	1,100	2,730	0.06%
Shanghai Pharmaceuticals Holding Co Ltd - H	4,700	7,333	0.15%
Shanghai Yuyuan Tourist Mart Group Co Ltd	1,400	1,430	0.03%
Sinotruk Hong Kong Ltd	4,000	7,702	0.16%
TCL Technology Group Corp	6,800	3,808	0.08%
Weichai Power Co Ltd - A	2,400	4,128	0.08%
Weichai Power Co Ltd - H	11,000	14,972	0.31%
XPeng Inc	6,500	58,055	1.18%
Yadea Group Holdings Ltd	8,000	14,852	0.30%
Yum China Holdings Inc	2,602	144,983	2.95%
<i>Total Consumer, Cyclical</i>		868,862	17.70%
<i>Consumer, Non-cyclical (2022: 12.51%)</i>			
3SBio Inc	11,500	9,618	0.20%
Angel Yeast Co Ltd	300	1,384	0.03%
Anjoy Foods Group Co Ltd	200	3,404	0.07%
Beijing Tongrentang Co Ltd	500	3,759	0.08%
By-health Co Ltd	800	2,085	0.04%
China Feihe Ltd	23,000	13,568	0.28%
China Mengniu Dairy Co Ltd	21,000	70,386	1.43%
China Resources Pharmaceutical Group Ltd	9,500	6,308	0.13%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	400	2,752	0.06%
CSPC Pharmaceutical Group Ltd	56,000	41,043	0.84%
Genscript Biotech Corp	8,000	21,093	0.43%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	600	2,588	0.05%
Guangzhou Kingmed Diagnostics Group Co Ltd	200	1,712	0.03%
Hangzhou Tigermed Consulting Co Ltd	200	1,828	0.04%
Hansoh Pharmaceutical Group Co Ltd	8,000	10,889	0.22%
Henan Shuanghui Investment & Development Co Ltd	1,300	4,709	0.10%

\* This security is currently subject to a stock lending agreement on a certain proportion of shares held, for further details please see note 2(d)(ix) and note 11.

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.41%) (continued)</b>			
<u>China (continued)</u>			
<i>Consumer, Non-cyclical (2022: 12.51%) (continued)</i>			
Huadong Medicine Co Ltd	700	4,058	0.08%
Inner Mongolia Yili Industrial Group Co Ltd	2,500	9,103	0.19%
Jiangsu Expressway Co Ltd	8,000	7,222	0.15%
Jiangsu Hengrui Pharmaceuticals Co Ltd	2,400	14,804	0.30%
Joincare Pharmaceutical Group Industry Co Ltd	600	1,020	0.02%
Jointown Pharmaceutical Group Co Ltd	843	1,253	0.03%
Livzon Pharmaceutical Group Inc	100	507	0.01%
Microport Scientific Corp	5,100	7,710	0.16%
Nongfu Spring Co Ltd	11,200	64,353	1.31%
Pharmaron Beijing Co Ltd	650	2,775	0.06%
Shandong Weigao Group Medical Polymer Co Ltd	15,600	13,704	0.28%
Shanghai Fosun Pharmaceutical Group Co Ltd - A	800	3,140	0.06%
Shanghai Fosun Pharmaceutical Group Co Ltd - H	3,500	8,223	0.17%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	500	18,516	0.38%
Sinopharm Group Co Ltd	8,400	24,347	0.50%
Topchoice Medical Corp	100	1,211	0.02%
Uni-President China Holdings Ltd	8,000	5,618	0.11%
WuXi AppTec Co Ltd - A	1,004	11,876	0.24%
WuXi AppTec Co Ltd - H	2,320	27,771	0.57%
Wuxi Biologics Cayman Inc	23,500	136,976	2.79%
Yihai International Holding Ltd	3,000	5,171	0.11%
Yihai Kerry Arawana Holdings Co Ltd	500	2,359	0.05%
Yunnan Baiyao Group Co Ltd	660	4,828	0.10%
Zai Lab Ltd	6,000	14,510	0.30%
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	200	7,555	0.15%
Zhejiang Expressway Co Ltd	8,000	5,965	0.12%
Zhejiang Jiuzhou Pharmaceutical Co Ltd	300	1,193	0.02%
<i>Total Consumer, Non-cyclical</i>		<u>602,894</u>	<u>12.31%</u>
 <i>Diversified (2022: 0.85%)</i>			
CITIC Ltd	37,000	34,015	0.69%
<i>Total Diversified</i>		<u>34,015</u>	<u>0.69%</u>
 <i>Energy (2022: 1.44%)</i>			
CECEP Solar Energy Co Ltd	1,500	1,192	0.02%
China Three Gorges Renewables Group Co Ltd	10,600	6,954	0.14%
Ginlong Technologies Co Ltd	200	2,155	0.04%
Ming Yang Smart Energy Group Ltd	900	1,949	0.04%
Offshore Oil Engineering Co Ltd	1,500	1,334	0.03%
Sungrow Power Supply Co Ltd	500	6,143	0.13%
Titan Wind Energy Suzhou Co Ltd	800	1,418	0.03%
<i>Total Energy</i>		<u>21,145</u>	<u>0.43%</u>

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



**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.41%) (continued)</b>			
<u>China (continued)</u>			
<i>Financial (2022: 17.74%)</i>			
Agricultural Bank of China Ltd - A	31,800	15,713	0.32%
Agricultural Bank of China Ltd - H	182,000	67,856	1.39%
China Construction Bank Corp	600,000	338,617	6.90%
China Merchants Bank Co Ltd - A	7,700	34,845	0.71%
China Merchants Bank Co Ltd - H	24,500	102,294	2.09%
China Vanke Co Ltd - A	3,400	6,104	0.12%
China Vanke Co Ltd - H	13,400	14,783	0.30%
Country Garden Services Holdings Co Ltd	13,000	13,412	0.27%
Greentown China Holdings Ltd	6,000	6,228	0.13%
Huatai Securities Co Ltd - A	2,800	6,076	0.12%
Huatai Securities Co Ltd - H	8,000	10,215	0.21%
Industrial & Commercial Bank of China Ltd - A	23,500	15,095	0.31%
Industrial & Commercial Bank of China Ltd - H	403,000	193,991	3.95%
Longfor Group Holdings Ltd	12,000	21,573	0.44%
Postal Savings Bank of China Co Ltd - A	10,900	7,435	0.15%
Postal Savings Bank of China Co Ltd - H	48,000	24,270	0.49%
<i>Total Financial</i>		878,507	17.90%
<i>Industrial (2022: 2.75%)</i>			
AAC Technologies Holdings Inc	4,500	7,699	0.16%
Anhui Conch Cement Co Ltd - A	1,500	5,359	0.11%
Anhui Conch Cement Co Ltd - H	7,000	18,635	0.38%
Beijing Capital International Airport Co Ltd	14,000	6,489	0.13%
China Baoan Group Co Ltd	900	1,287	0.03%
China Communications Services Corp Ltd	14,000	5,881	0.12%
China Conch Venture Holdings Ltd	9,500	8,103	0.17%
China Jushi Co Ltd	1,601	2,967	0.06%
CNGR Advanced Material Co Ltd	200	1,390	0.03%
COSCO Shipping Holdings Co Ltd - A	4,700	6,328	0.13%
COSCO Shipping Holdings Co Ltd - H	19,000	19,481	0.40%
GEM Co Ltd	2,000	1,672	0.03%
Goldwind Science & Technology Co Ltd	1,300	1,647	0.03%
Haitian International Holdings Ltd	3,000	6,359	0.13%
JD Logistics Inc	12,300	15,627	0.32%
Jiangsu Zhongtian Technology Co Ltd	1,300	2,650	0.05%
Kuang-Chi Technologies Co Ltd	700	1,387	0.03%
SF Holding Co Ltd	1,900	10,640	0.22%
Shanghai Electric Group Co Ltd	4,700	3,019	0.06%
Shenzhen Inovance Technology Co Ltd	550	5,019	0.10%
Shuangliang Eco-Energy Systems Co Ltd	500	725	0.01%
Sunwoda Electronic Co Ltd	500	1,160	0.02%
Zhejiang Chint Electrics Co Ltd	800	2,557	0.05%
Zhejiang Weixing New Building Materials Co Ltd	700	1,753	0.04%
Zoomlion Heavy Industry Science and Technology Co Ltd	2,600	2,445	0.05%
ZTO Express Cayman Inc	2,688	64,969	1.32%
<i>Total Industrial</i>		205,248	4.18%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.41%) (continued)</b>			
<u>China (continued)</u>			
<i>Technology (2022: 6.27%)</i>			
37 Interactive Entertainment Network Technology Group Co Ltd	700	2,085	0.04%
Kingdee International Software Group Co Ltd	18,000	22,156	0.45%
Lenovo Group Ltd	46,000	47,399	0.97%
NetEase Inc	12,000	244,387	4.98%
Perfect World Co Ltd/China	500	906	0.02%
<i>Total Technology</i>		316,933	6.46%
<i>Utilities (2022: 2.02%)</i>			
CECEP Wind-Power Corp	2,500	1,122	0.02%
ENN Energy Holdings Ltd	4,900	40,667	0.83%
ENN Natural Gas Co Ltd	1,000	2,391	0.05%
<i>Total Utilities</i>		44,180	0.90%
<u>Total China</u>		4,529,383	92.31%
<u>Hong Kong</u>			
<i>Communications (2022: 0.18%)</i>			
China Ruyi Holdings Ltd	36,000	9,331	0.19%
<i>Total Communications</i>		9,331	0.19%
<i>Consumer, Cyclical (2022: 0.16%)</i>			
Alibaba Health Information Technology Ltd	14,000	8,723	0.18%
Bosideng International Holdings Ltd	22,000	9,466	0.19%
Chow Tai Fook Jewellery Group Ltd	12,400	18,683	0.38%
Geely Automobile Holdings Ltd	38,000	44,832	0.91%
<i>Total Consumer Cyclical</i>		81,704	1.66%
<i>Consumer, Non-cyclical (2022: 3.12%)</i>			
China Medical System Holdings Ltd	9,000	13,629	0.28%
Shenzhen International Holdings Ltd	9,288	5,728	0.12%
Sino Biopharmaceutical Ltd	64,500	23,307	0.47%
Vinda International Holdings Ltd	2,000	4,806	0.10%
Want Want China Holdings Ltd	29,000	18,921	0.39%
<i>Total Consumer, Non-cyclical</i>		66,391	1.36%
<i>Energy (2022: 0.64%)</i>			
Kunlun Energy Co Ltd	24,000	20,685	0.42%
<i>Total Energy</i>		20,685	0.42%
<i>Financial (2022: 2.82%)</i>			
China Jinmao Holdings Group Ltd	36,000	4,643	0.09%
China Overseas Land & Investment Ltd	24,000	49,766	1.01%
China Resources Land Ltd	22,000	87,642	1.79%
Far East Horizon Ltd	8,000	5,761	0.12%
<i>Total Financial</i>		147,812	3.01%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI China ESG Leaders UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.41%) (continued)</b>			
<u>Hong Kong (continued)</u>			
<i>Industrial (2022: 0.20%)</i>			
China Resources Cement Holdings Ltd	14,000	3,593	0.07%
China Everbright Environment Group Ltd	24,000	8,274	0.17%
<i>Total Industrial</i>		<u>11,867</u>	<u>0.24%</u>
<i>Utilities (2022: 1.30%)</i>			
Beijing Enterprises Water Group Ltd	24,000	5,240	0.11%
China Resources Gas Group Ltd	5,600	16,410	0.33%
<i>Total Utilities</i>		<u>21,650</u>	<u>0.44%</u>
<u>Total Hong Kong</u>		<u>359,440</u>	<u>7.32%</u>
<u>Singapore</u>			
<i>Financial (2022: 0.23%)</i>			
BOC Aviation Ltd	1,300	9,071	0.18%
<i>Total Financial</i>		<u>9,071</u>	<u>0.18%</u>
<u>Total Singapore</u>		<u>9,071</u>	<u>0.18%</u>
<b>Total Equities</b>		<u>4,897,894</u>	<u>99.81%</u>
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>		4,897,894	99.81%
Cash and cash equivalents (2022: 0.46%)		6,343	0.13%
Other net assets (2022: 0.13%)		3,179	0.06%
<b>Net asset value attributable to holders of redeemable participating shares</b>		<u>4,907,416</u>	<u>100.00%</u>
		<b>Fair Value</b>	<b>% of</b>
		<b>USD</b>	<b>Total Assets</b>
Transferable securities admitted to an official stock exchange listing		4,897,894	99.77%
Other assets		11,320	0.23%
<b>Total Assets</b>		<u>4,909,214</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares Bloomberg China Bond Inclusion UCITS ETF**

<u>Description</u>	<u>Maturity Date</u>	<u>Coupon</u>	<u>Nominal</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds (2022: 97.61%)</b>					
<u>China</u>					
<i>Corporate (2022: 18.85%)</i>					
Agricultural Development Bank of China	27/02/2023	3.10	900,000	125,376	6.89%
China Development Bank	11/01/2028	2.73	600,000	82,795	4.55%
Export-Import Bank China	06/02/2028	2.87	600,000	82,964	4.56%
<i>Total Corporate</i>				<u>291,135</u>	<u>16.00%</u>
<i>Government (2022: 78.76%)</i>					
China Government Bond	02/09/2024	2.47	1,000,000	137,516	7.56%
China Government Bond	11/03/2026	3.03	1,000,000	139,561	7.68%
China Government Bond	20/01/2027	2.37	800,000	109,380	6.02%
China Government Bond	16/08/2028	3.54	1,680,000	242,721	13.35%
China Government Bond	18/11/2031	2.89	1,000,000	138,745	7.63%
China Government Bond	19/03/2048	4.22	1,680,000	279,662	15.38%
China Government Bond	16/03/2050	3.39	710,000	102,532	5.64%
China Government Bond	24/06/2069	4.00	1,680,000	280,122	15.41%
<i>Total Government</i>				<u>1,430,239</u>	<u>78.67%</u>
<b>Total Bonds</b>				<u>1,721,374</u>	<u>94.67%</u>
<b>Total financial assets at fair value through profit or loss</b>				<u>1,721,374</u>	<u>94.67%</u>
Cash and cash equivalents (2022: 1.63%)				83,914	4.61%
Other net assets (2022: 0.76%)				13,092	0.72%
<b>Net assets attributable to holders of redeemable participating shares</b>				<u>1,818,380</u>	<u>100.00%</u>
				<b>Fair Value</b>	<b>% of</b>
				<b>USD</b>	<b>Total Assets</b>
Transferable securities admitted to an official stock exchange listing				1,721,374	94.64%
Other assets				97,514	5.36%
<b>Total Assets</b>				<u>1,818,888</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI All China Health Care Index UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equities (2022: 99.83%)</b>			
<u>China</u>			
<i>Consumer, Cyclical (2022: 0.91%)</i>			
China Meheco Co Ltd	5,400	9,176	0.36%
Shanghai Pharmaceuticals Holding Co Ltd	10,100	25,064	0.99%
<i>Total Consumer, Cyclical</i>		34,240	1.35%
<i>Consumer, Non-cyclical (2022: 64.21%)</i>			
Aier Eye Hospital Group Co Ltd	33,548	82,745	3.27%
Apeloa Pharmaceutical Co Ltd	4,300	10,618	0.42%
Asymchem Laboratories Tianjin Co Ltd	1,200	24,986	0.99%
Autobio Diagnostics Co Ltd	2,050	12,867	0.51%
Beijing Tiantan Biological Products Corp Ltd	6,000	21,107	0.84%
Beijing Tongrentang Co Ltd	5,000	37,594	1.49%
Beijing Wantai Biological Pharmacy Enterprise Co Ltd	3,087	20,329	0.80%
Betta Pharmaceuticals Co Ltd	1,500	11,793	0.47%
BGI Genomics Co Ltd	1,400	10,025	0.40%
Bloomage Biotechnology Corp Ltd	1,753	20,870	0.83%
Changchun High & New Technology Industry Group Inc	1,400	26,710	1.06%
China National Medicines Corp Ltd	2,800	12,740	0.50%
China Resources Sanjiu Medical & Pharmaceutical Co Ltd	3,500	24,077	0.95%
Chongqing Taiji Industry Group Co Ltd	2,000	12,809	0.51%
Chongqing Zhifei Biological Products Co Ltd	8,600	57,449	2.27%
Dong-E-E-Jiao Co Ltd	2,400	16,161	0.64%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	5,100	21,994	0.87%
Guangzhou Kingmed Diagnostics Group Co Ltd	1,700	14,551	0.58%
Hangzhou Tigermed Consulting Co Ltd	1,400	12,798	0.51%
Huadong Medicine Co Ltd	6,300	36,525	1.45%
Hualan Biological Engineering Inc	6,600	20,110	0.80%
Hubei Jumpcan Pharmaceutical Co Ltd	3,300	12,383	0.49%
Imeik Technology Development Co Ltd	800	42,853	1.70%
iRay Technology Co Ltd	445	14,968	0.59%
Jiangsu Hengrui Pharmaceuticals Co Ltd	22,880	141,129	5.58%
Jiangsu Nhwa Pharmaceutical Co Ltd	3,600	13,099	0.52%
Jiangsu Yuyue Medical Equipment & Supply Co Ltd	3,600	17,017	0.67%
Joincare Pharmaceutical Group Industry Co Ltd	6,900	11,734	0.46%
Jointown Pharmaceutical Group Co Ltd	10,120	15,043	0.60%
Lepu Medical Technology Beijing Co Ltd	6,800	15,335	0.61%
Livzon Pharmaceutical Group Inc	2,200	11,154	0.44%
Meinian Onehealth Healthcare Holdings Co Ltd	14,200	13,253	0.52%
Nanjing King-Friend Biochemical Pharmaceutical Co Ltd	5,864	10,214	0.40%
Ovctek China Inc	3,140	11,068	0.44%
Pharmaron Beijing Co Ltd	5,350	22,837	0.90%
Shandong Buchang Pharmaceuticals Co Ltd	3,900	9,592	0.38%
Shanghai Fosun Pharmaceutical Group Co Ltd	7,600	29,834	1.18%
Shanghai Junshi Biosciences Co Ltd	2,685	14,188	0.56%
Shanghai RAAS Blood Products Co Ltd	24,500	23,405	0.93%
Shenzhen Kangtai Biological Products Co Ltd	4,000	16,070	0.64%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI All China Health Care Index UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.83%) (continued)</b>			
<u>China (continued)</u>			
<i>Consumer, Non-cyclical (2022: 64.21%) (continued)</i>			
Shenzhen Mindray Bio-Medical Electronics Co Ltd	4,300	159,240	6.30%
Shenzhen New Industries Biomedical Engineering Co Ltd	2,800	24,411	0.97%
Shenzhen Salubris Pharmaceuticals Co Ltd	4,000	16,278	0.64%
Shijiazhuang Yiling Pharmaceutical Co Ltd	6,020	19,384	0.77%
Sichuan Kelun Pharmaceutical Co Ltd	5,300	21,205	0.84%
Tonghua Dongbao Pharmaceutical Co Ltd	7,200	10,604	0.42%
Topchoice Medical Corp	1,200	14,526	0.57%
Walvax Biotechnology Co Ltd	5,800	18,740	0.74%
WuXi AppTec Co Ltd	9,220	109,059	4.32%
Yunnan Baiyao Group Co Ltd	6,480	47,405	1.88%
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	2,200	83,102	3.29%
Zhejiang Huahai Pharmaceutical Co Ltd	5,300	12,330	0.49%
Zhejiang Jiuzhou Pharmaceutical Co Ltd	3,200	12,728	0.50%
Zhejiang NHU Co Ltd	11,168	24,894	0.99%
<i>Total Consumer, Non-cyclical</i>		1,527,940	60.46%
<i>Diversified (2022: 0.58%)</i>			
Humanwell Healthcare Group Co Ltd	5,900	19,589	0.78%
<i>Total Diversified</i>		19,589	0.78%
<i>Technology (2022: 0.31%)</i>			
<u>Total China</u>		1,581,769	62.59%
<u>Hong Kong</u>			
<i>Consumer, Cyclical (2022: 0.50%)</i>			
Shanghai Pharmaceuticals Holding Co Ltd	8,900	13,887	0.55%
<i>Total Consumer, Cyclical</i>		13,887	0.55%
<i>Consumer, Non-cyclical (2022: 27.43%)</i>			
3SBio Inc	22,000	18,399	0.73%
Akeso Inc	5,000	22,983	0.91%
BeiGene Ltd	8,300	114,032	4.51%
China Medical System Holdings Ltd	16,000	24,229	0.96%
China Resources Pharmaceutical Group Ltd	19,000	12,615	0.50%
China Traditional Chinese Medicine Holdings Co Ltd	34,000	15,846	0.63%
CSPC Pharmaceutical Group Ltd	108,000	79,154	3.13%
Genscript Biotech Corp	12,000	31,640	1.25%
Hansoh Pharmaceutical Group Co Ltd	14,000	19,056	0.75%
Hygeia Healthcare Holdings Co Ltd	4,200	23,542	0.93%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares MSCI All China Health Care Index UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.83%) (continued)</b>			
<u>Hong Kong (continued)</u>			
<i>Consumer, Non-cyclical (2022: 27.43%)(continued)</i>			
Innovent Biologics Inc	13,500	65,932	2.61%
Microport Scientific Corp	10,000	15,117	0.60%
Shandong Weigao Group Medical Polymer Co Ltd	30,000	26,354	1.04%
Shanghai Fosun Pharmaceutical Group Co Ltd	5,500	12,922	0.51%
Sino Biopharmaceutical Ltd	124,000	44,807	1.77%
Sinopharm Group Co Ltd	16,000	46,375	1.84%
WuXi AppTec Co Ltd	4,280	51,233	2.03%
Wuxi Biologics Cayman Inc	39,000	227,322	9.00%
Zai Lab Ltd	11,400	27,569	1.09%
<i>Total Consumer, Non-cyclical</i>		<u>879,127</u>	<u>34.79%</u>
<u>Total Hong Kong</u>		<u>893,014</u>	<u>35.34%</u>
<u>United States of America</u>			
<i>Consumer, Non-cyclical (2022: 5.90%)</i>			
Legend Biotech Corp	723	48,564	1.92%
<i>Total Consumer, Non-cyclical</i>		<u>48,564</u>	<u>1.92%</u>
<u>Total United States of America</u>		<u>48,564</u>	<u>1.92%</u>
<b>Total financial assets at fair value through profit or loss</b>		<u>2,523,347</u>	<u>99.85%</u>
Cash and cash equivalents (2022: 0.17%)		2,148	0.09%
Other net assets (2022: 0.00%)		1,535	0.06%
<b>Net asset value attributable to holders of redeemable participating shares</b>		<u>2,527,030</u>	<u>100.00%</u>
<b>Analysis of Total Assets</b>			
Transferable securities admitted to an official stock exchange listing		<u>2,523,347</u>	<u>99.79%</u>
Other assets		5,185	0.21%
<b>Total Assets</b>		<u>2,528,532</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equities (2022: 99.33%)</b>			
<u>China</u>			
<i>Basic Materials (2022: 6.73%)</i>			
Cathay Biotech Inc	4,328	32,981	1.21%
Western Superconducting Technologies Co Ltd	11,049	69,396	2.54%
<i>Total Basic Materials</i>		<u>102,377</u>	<u>3.75%</u>
<i>Communications (2022: 1.96%)</i>			
Shenzhen Transsion Holdings Co Ltd	7,954	159,107	5.82%
<i>Total Communications</i>		<u>159,107</u>	<u>5.82%</u>
<i>Consumer, Cyclical (2022: 3.34%)</i>			
Beijing Roborock Technology Co Ltd	2,040	82,700	3.02%
Tianneng Battery Group Co Ltd	3,347	16,010	0.59%
<i>Total Consumer, Cyclical</i>		<u>98,710</u>	<u>3.61%</u>
<i>Consumer, Non-cyclical (2022: 13.95%)</i>			
Bloomage Biotechnology Corp Ltd	4,766	56,741	2.08%
iRay Technology Co Ltd	1,254	42,179	1.54%
MGI Tech Co Ltd	925	9,507	0.35%
Ninebot Ltd	10,433	49,876	1.82%
Shanghai Junshi Biosciences Co Ltd	9,278	49,028	1.79%
Shanghai United Imaging Healthcare Co Ltd	1,338	19,116	0.70%
<i>Total Consumer, Non-cyclical</i>		<u>226,446</u>	<u>8.28%</u>
<i>Energy (2022: 24.36%)</i>			
Hoymiles Power Electronics Inc	875	32,931	1.20%
Jinko Solar Co Ltd	49,270	68,301	2.50%
Ningbo Ronbay New Energy Technology Co Ltd	7,609	43,832	1.60%
Pylon Technologies Co Ltd	2,120	38,031	1.39%
Sany Heavy Energy Co Ltd	3,331	13,730	0.50%
Trina Solar Co Ltd	26,680	111,946	4.09%
Xinjiang Daqo New Energy Co Ltd	15,660	86,900	3.18%
Yuneng Technology Co Ltd	896	15,606	0.57%
<i>Total Energy</i>		<u>411,277</u>	<u>15.04%</u>
<i>Industrial (2022: 19.19%)</i>			
3peak Inc	1,762	44,015	1.61%
A VIC Chengdu UAS Co Ltd	3,139	20,163	0.74%
China Railway Signal & Communication Corp Ltd	63,770	46,214	1.69%
Everdisplay Optronics Shanghai Co Ltd	102,742	37,088	1.36%
GoodWe Technologies Co Ltd	2,489	45,160	1.65%
Guobo Electronics Co Ltd	870	10,054	0.37%
Hunan Changyuan Lico Co Ltd	23,659	27,764	1.02%
Shanghai Friendess Electronic Technology Corp Ltd	1,444	49,428	1.81%
SICC Co Ltd	2,126	16,020	0.59%
SUPCON Technology Co Ltd	11,464	75,212	2.75%
Zhongfu Shenying Carbon Fiber Co Ltd	1,951	8,076	0.30%
Zhuzhou CRRC Times Electric Co Ltd	6,248	34,114	1.25%
<i>Total Industrial</i>		<u>413,308</u>	<u>15.12%</u>

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



**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to an official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.33%) (continued)</b>			
<u>China (continued)</u>			
<i>Technology (2022: 29.80%)</i>			
ACM Research Shanghai Inc	2,145	34,676	1.27%
Advanced Micro-Fabrication Equipment Inc China	10,704	221,183	8.09%
Amlogic Shanghai Co Ltd	7,206	62,360	2.28%
ASR Microelectronics Co Ltd	5,173	44,752	1.64%
Beijing Kingsoft Office Software Inc	4,566	232,381	8.50%
Cambricon Technologies Corp Ltd	5,152	87,649	3.21%
China Resources Microelectronics Ltd	13,061	96,966	3.55%
GalaxyCore Inc	12,162	25,640	0.94%
Hwatsing Technology Co Ltd	1,176	30,910	1.13%
Hygon Information Technology Co Ltd	5,818	43,105	1.58%
Loongson Technology Corp Ltd	929	11,078	0.41%
Montage Technology Co Ltd	19,471	132,822	4.86%
National Silicon Industry Group Co Ltd	33,584	91,131	3.33%
Piotech Inc	1,385	45,283	1.66%
Qi An Xin Technology Group Inc	6,579	46,468	1.70%
Shanghai Fudan Microelectronics Group Co Ltd	6,384	41,796	1.53%
Suzhou Novosense Microelectronics Co Ltd	956	15,592	0.57%
Verisilicon Microelectronics Shanghai Co Ltd	6,176	50,819	1.86%
<i>Total Technology</i>		<u>1,314,614</u>	<u>48.08%</u>
<u>Total China</u>		<u>2,725,839</u>	<u>99.70%</u>
<b>Total Equities</b>		<u>2,725,839</u>	<u>99.70%</u>
<b>Total financial assets at fair value through profit or loss</b>		<u>2,725,839</u>	<u>99.70%</u>
Cash and cash equivalents (2022: 0.56%)		4,206	0.15%
Restricted cash (2022: 0.18%)		6,038	0.22%
Other net liabilities (2022: (0.07%))		(1,797)	(0.07%)
<b>Net asset value attributable to holders of redeemable participating shares</b>		<u>2,734,286</u>	<u>100.00%</u>
		<b>Fair Value</b>	<b>% of</b>
<b>Analysis of Total Assets</b>		<b>USD</b>	<b>Total Assets</b>
Transferable securities admitted to an official stock exchange listing		2,725,839	99.63%
Other assets		10,244	0.37%
<b>Total Assets</b>		<u>2,736,083</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing</b>			
<b>Equities (2022: 99.65%)</b>			
<u>Australia</u>			
<i>Basic materials (2022: 7.87%)</i>			
Allkem Ltd	10,653	80,855	1.74%
IGO Ltd	13,574	110,910	2.39%
Mineral Resources Ltd	1,103	48,144	1.04%
Pilbara Minerals Ltd	36,739	101,959	2.20%
<i>Total Basic materials</i>		<u>341,868</u>	<u>7.37%</u>
<u>Total Australia</u>		<u>341,868</u>	<u>7.37%</u>
<u>Belgium</u>			
<i>Basic materials (2022: 2.29%)</i>			
Umicore SA	3,784	89,942	1.94%
<i>Total Basic materials</i>		<u>89,942</u>	<u>1.94%</u>
<u>Total Belgium</u>		<u>89,942</u>	<u>1.94%</u>
<u>Canada</u>			
<i>Basic materials (2022: 1.02%)</i>			
Lithium Americas Corp	2,469	42,148	0.91%
<i>Total Basic materials</i>		<u>42,148</u>	<u>0.91%</u>
<i>Consumer, cyclical (2022: 2.50%)</i>			
Magna International Inc	2,160	116,292	2.51%
<i>Total Consumer, cyclical</i>		<u>116,292</u>	<u>2.51%</u>
<i>Energy (2022: 0.58%)</i>			
<u>Total Canada</u>		<u>158,440</u>	<u>3.42%</u>
<u>Chile</u>			
<i>Basic materials (2022: 2.75%)</i>			
Sociedad Quimica y Minera de Chile SA	1,920	113,590	2.45%
<i>Total Basic materials</i>		<u>113,590</u>	<u>2.45%</u>
<u>Total Chile</u>		<u>113,590</u>	<u>2.45%</u>
<u>China</u>			
<i>Basic materials (2022: 8.07%)</i>			
Beijing Easpring Material Technology Co Ltd	2,600	15,024	0.32%
Chengxin Lithium Group Co Ltd	4,700	14,424	0.31%
CMOC Group Ltd	91,300	74,060	1.60%
Ganfeng Lithium Group Co Ltd	8,160	49,952	1.08%
Guangzhou Tinci Materials Technology Co Ltd	9,700	35,987	0.78%
Shanghai Putailai New Energy Technology Co Ltd	10,350	41,609	0.90%
Tianqi Lithium Corp	1,800	10,078	0.22%
Xiamen Tungsten Co Ltd	7,400	17,419	0.38%
Youngy Co Ltd	1,300	9,757	0.21%
Zhejiang Huayou Cobalt Co Ltd	8,670	44,637	0.96%
<i>Total Basic materials</i>		<u>312,947</u>	<u>6.76%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.65%) (continued)</b>			
<u>China (continued)</u>			
<i>Consumer, cyclical (2022: 17.36%)</i>			
BAIC BluePark New Energy Technology Co Ltd	28,500	20,576	0.44%
BYD Co Ltd	3,900	126,704	2.73%
Contemporary Amperex Technology Co Ltd	6,320	176,118	3.80%
Gotion High-tech Co Ltd	9,200	29,296	0.63%
Guangzhou Automobile Group Co Ltd	52,000	25,695	0.55%
Li Auto Inc	10,000	176,587	3.81%
NIO Inc	11,117	100,498	2.17%
Seres Group Co Ltd	7,900	60,418	1.30%
XPeng Inc	15,300	136,652	2.94%
Yadea Group Holdings Ltd	20,000	37,130	0.80%
<i>Total Consumer, cyclical</i>		889,674	19.17%
<i>Industrial (2022: 5.20%)</i>			
China Baoan Group Co Ltd	13,300	19,022	0.41%
CNGR Advanced Material Co Ltd	3,400	23,637	0.51%
Eve Energy Co Ltd	10,500	65,026	1.40%
GEM Co Ltd	26,300	21,984	0.47%
Guangzhou Great Power Energy & Technology Co Ltd	2,400	10,877	0.23%
Hunan Yuneng New Energy Battery Material Co Ltd	2,400	12,004	0.26%
Ningbo Shanshan Co Ltd	11,700	22,322	0.48%
Qingdao TGOOD Electric Co Ltd	5,400	13,541	0.29%
Shenzhen Kedali Industry Co Ltd	1,200	15,841	0.34%
Shenzhen Senior Technology Material Co Ltd	6,500	11,660	0.25%
Shenzhen Yinghe Technology Co Ltd	3,100	9,897	0.21%
<i>Total Industrial</i>		225,811	4.85%
<b>Total China</b>		1,428,432	30.78%
<u>Germany</u>			
<i>Consumer, cyclical (2022: 2.25%)</i>			
Dr Ing hc F Porsche AG	1,140	107,421	2.31%
Mercedes-Benz Group AG	665	46,391	1.00%
Volkswagen AG	314	41,456	0.89%
<i>Total Consumer, cyclical</i>		195,268	4.20%
<i>Technology (2022: 1.13%)</i>			
Infineon Technologies AG	1,378	45,746	0.99%
<i>Total Technology</i>		45,746	0.99%
<b>Total Germany</b>		241,014	5.19%
<u>Hong Kong</u>			
<i>Consumer, Cyclical (2022: 2.07%)</i>			
Geely Automobile Holdings Ltd	104,000	122,699	2.64%
<i>Total Consumer, cyclical</i>		122,699	2.64%
<b>Total Hong Kong</b>		122,699	2.64%

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.65%) (continued)</b>			
<u>Indonesia</u>			
<i>Basic materials (2022: 0.71%)</i>			
<u>Ireland</u>			
<i>Consumer, Cyclical (2022: 3.92%)</i>			
Aptiv PLC	1,955	192,742	4.15%
<i>Total Consumer, cyclical</i>		<u>192,742</u>	<u>4.15%</u>
<u>Total Ireland</u>		<u>192,742</u>	<u>4.15%</u>
<u>Israel</u>			
<i>Energy (2022: 0.95%)</i>			
SolarEdge Technologies Inc	290	37,558	0.81%
<i>Total Energy</i>		<u>37,558</u>	<u>0.81%</u>
<u>Total Israel</u>		<u>37,558</u>	<u>0.81%</u>
<u>Japan</u>			
<i>Consumer, Cyclical (2022: 2.58%)</i>			
Panasonic Holdings Corp	17,100	192,743	4.15%
<i>Total Consumer, cyclical</i>		<u>192,743</u>	<u>4.15%</u>
<i>Industrial (2022: 3.95%)</i>			
Nidec Corporation	3,900	181,141	3.90%
W-Scope Corp	900	6,128	0.13%
<i>Total Industrial</i>		<u>187,269</u>	<u>4.03%</u>
<u>Total Japan</u>		<u>380,012</u>	<u>8.18%</u>
<u>Malaysia</u>			
<i>Basic materials (2022: 1.64%)</i>			
Lynas Rare Earths Ltd	16,314	71,492	1.54%
<i>Total Basic materials</i>		<u>71,492</u>	<u>1.54%</u>
<u>Total Malaysia</u>		<u>71,492</u>	<u>1.54%</u>
<u>The Netherlands</u>			
<i>Industrial (2022: 0.76%)</i>			
Alfen N.V.	390	16,578	0.36%
<i>Total Industrial</i>		<u>16,578</u>	<u>0.36%</u>
<u>Total The Netherlands</u>		<u>16,578</u>	<u>0.36%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
(Expressed in United States Dollars)

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.65%) (continued)</b>			
<u>South Korea</u>			
<i>Basic materials (2022: 0.24%)</i>			
SK IE Technology Co Ltd	359	19,687	0.42%
<i>Total Basic materials</i>		<u>19,687</u>	<u>0.42%</u>
<i>Communications (2022: 3.97%)</i>			
Samsung SDI Co Ltd	461	174,916	3.77%
<i>Total Communications</i>		<u>174,916</u>	<u>3.77%</u>
<i>Consumer, Cyclical (2022: 2.46%)</i>			
LG Energy Solution Ltd	318	112,292	2.42%
<i>Total Consumer, cyclical</i>		<u>112,292</u>	<u>2.42%</u>
<i>Industrial (2022: 2.12%)</i>			
Ecopro BM Co Ltd	536	100,495	2.17%
L&F Co Ltd	440	56,541	1.22%
<i>Total Industrial</i>		<u>157,036</u>	<u>3.39%</u>
<u>Total South Korea</u>		<u>463,931</u>	<u>10.00%</u>
<u>Sweden</u>			
<i>Consumer, Cyclical (2022: 0.82%)</i>			
Volvo Car AB	8,719	35,665	0.77%
<i>Total Consumer, cyclical</i>		<u>35,665</u>	<u>0.77%</u>
<u>Total Sweden</u>		<u>35,665</u>	<u>0.77%</u>
<u>United Kingdom</u>			
<i>Energy (2022: 0.20%)</i>			
<u>United States of America</u>			
<i>Basic materials (2022: 6.45%)</i>			
Albemarle Corp	1,039	176,671	3.81%
Livent Corp	3,343	61,545	1.33%
MP Materials Corp	2,652	50,653	1.09%
<i>Total Basic materials</i>		<u>288,869</u>	<u>6.23%</u>
<i>Consumer, Cyclical (2022: 11.99%)</i>			
Fisker Inc	3,810	24,460	0.53%
Ford Motor Co	4,048	50,276	1.08%
Lucid Group Inc	14,652	81,905	1.77%
Nikola Corp	10,824	16,994	0.37%
Rivian Automotive Inc	6,025	146,287	3.15%
Tesla Inc	852	213,186	4.59%
<i>Total Consumer, cyclical</i>		<u>533,108</u>	<u>11.49%</u>

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

**KRANESHARES ICAV**  
Schedule of Investments (Unaudited) (continued)

As at 30 September 2023  
*(Expressed in United States Dollars)*

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF (continued)**

<u>Description</u>	<u>Quantity</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
<b>Transferable securities admitted to official stock exchange listing (continued)</b>			
<b>Equities (2022: 99.65%) (continued)</b>			
<u>United States of America (continued)</u>			
<i>Energy (2022: 2.37%)</i>			
Plug Power Inc	10,458	79,481	1.71%
<i>Total Energy</i>		<u>79,481</u>	<u>1.71%</u>
<i>Industrial (2022: 1.43%)</i>			
ChargePoint Holdings Inc	5,885	29,248	0.63%
<i>Total Industrial</i>		<u>29,248</u>	<u>0.63%</u>
<u>Total United States of America</u>		<u>930,706</u>	<u>20.06%</u>
<b>Total Equities</b>		<u>4,624,669</u>	<u>99.66%</u>
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>		4,624,669	99.66%
Cash and cash equivalents (2022: 0.34%)		13,125	0.28%
Other net assets (2022: 0.01%)		2,683	0.06%
<b>Net asset value attributable to holders of redeemable participating shares</b>		<u>4,640,477</u>	<u>100.00%</u>
		<u>Fair Value</u>	<u>% of</u>
		<u>USD</u>	<u>Total Assets</u>
Transferable securities admitted to official stock exchange listing		4,624,669	99.60%
Other assets		18,644	0.40%
<b>Total Assets</b>		<u>4,643,313</u>	<u>100.00%</u>

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

**KRANESHARES ICAV**  
Statement of Financial Position

As at 30 September 2023  
(Expressed in United States Dollars)

	Notes	CSI China Internet UCITS ETF		MSCI China A 50 Connect UCITS ETF		MSCI China ESG Leaders UCITS ETF	
		2023	2022	2023	2022	2023	2022
		USD	USD	USD	USD	USD	USD
<b>Assets</b>							
<b>Current assets</b>							
Financial assets at fair value through profit or loss	7, 8	402,273,668	416,158,587	3,438,721	5,095,986	4,897,894	7,886,848
Cash and cash equivalents		736,666	1,204,308	3,150	7,390	6,343	36,784
Restricted cash		-	-	-	-	-	-
Interest receivable		-	-	-	-	-	-
Subscriptions receivable		-	-	-	-	-	-
Other receivables		405,526	152,998	1,364	2,774	4,977	13,446
<b>Total assets</b>		<b>403,415,860</b>	<b>417,515,893</b>	<b>3,443,235</b>	<b>5,106,150</b>	<b>4,909,214</b>	<b>7,937,078</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
TER fees payable	5	244,705	298,718	1,566	1,938	1,798	3,200
Accrued expenses and other liabilities		4,159	75,122	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)<sup>1</sup></b>		<b>248,864</b>	<b>373,840</b>	<b>1,566</b>	<b>1,938</b>	<b>1,798</b>	<b>3,200</b>
<b>Net assets attributable to holders of redeemable participating shares<sup>1</sup></b>		<b>403,166,996</b>	<b>417,142,053</b>	<b>3,441,669</b>	<b>5,104,212</b>	<b>4,907,416</b>	<b>7,933,878</b>

<sup>1</sup> All shares are liability classified under IAS 32 as at 30 September 2023. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.

**KRANESHARES ICAV**

## Statement of Financial Position (continued)

As at 30 September 2023

(Expressed in United States Dollars)

	Notes	Bloomberg China Bond Inclusion UCITS ETF		MSCI All China Health Care Index UCITS ETF		ICBCCS SSE Star Market 50 Index UCITS ETF	
		2023	2022	2023	2022	2023	2022
		USD	USD	USD	USD	USD	USD
<b>Assets</b>							
<b>Current assets</b>							
Financial assets at fair value through profit or loss	7, 8	1,721,374	1,786,224	2,523,347	5,667,821	2,725,839	2,321,273
Cash and cash equivalents		83,914	29,907	2,148	9,646	4,206	12,995
Restricted cash		-	-	-	-	6,038	4,318
Interest receivable		13,600	14,407	-	-	-	-
Subscriptions receivable		-	-	-	-	-	-
Other receivables		-	-	3,037	3,159	-	-
<b>Total assets</b>		<b>1,818,888</b>	<b>1,830,538</b>	<b>2,528,532</b>	<b>5,680,626</b>	<b>2,736,083</b>	<b>2,338,586</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
TER fees payable	5	508	500	1,502	3,086	1,797	1,655
Accrued expenses and other liabilities		-	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)<sup>1</sup></b>		<b>508</b>	<b>500</b>	<b>1,502</b>	<b>3,086</b>	<b>1,797</b>	<b>1,655</b>
<b>Net assets attributable to holders of redeemable participating shares<sup>1</sup></b>		<b>1,818,380</b>	<b>1,830,038</b>	<b>2,527,030</b>	<b>5,677,540</b>	<b>2,734,286</b>	<b>2,336,931</b>

<sup>1</sup> All shares are liability classified under IAS 32 as at 30 September 2023. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.



**KRANESHARES ICAV**  
Statement of Financial Position (continued)


As at 30 September 2023  
(Expressed in United States Dollars)

	Notes	Electric Vehicles & Future Mobility		Total 2023 USD	Total 2022 USD
		Screened UCITS ETF			
		2023 USD	2022* USD		
<b>Assets</b>					
<b>Current assets</b>					
Financial assets at fair value through profit or loss	7, 8	4,624,669	5,099,894	422,205,512	444,016,633
Cash and cash equivalents		13,125	17,424	849,552	1,318,454
Restricted cash		-	-	6,038	4,318
Interest receivable		-	-	13,600	14,407
Subscriptions receivable		-	1,268	-	1,268
Other receivables		5,519	3,303	420,423	175,680
<b>Total assets</b>		<b>4,643,313</b>	<b>5,121,889</b>	<b>423,495,125</b>	<b>445,530,760</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
TER fees payable	5	2,836	4,006	254,712	313,103
Accrued expenses and other liabilities		-	-	4,159	75,122
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)<sup>1</sup></b>		<b>2,836</b>	<b>4,006</b>	<b>258,871</b>	<b>388,225</b>
<b>Net assets attributable to holders of redeemable participating shares<sup>1</sup></b>		<b>4,640,477</b>	<b>5,117,883</b>	<b>423,236,254</b>	<b>445,142,535</b>

<sup>1</sup> All shares are liability classified under LAS 32 as at 30 September 2023. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).

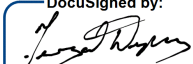
\* KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF commenced operations on 25 May 2022.

Approved on behalf of the Board of Directors:

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Director

Date: 17 January 2024

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Director

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.

**KRANESHARES ICAV**  
Statement of Comprehensive Income

For the year ended 30 September 2023  
(Expressed in United States Dollars)

	Notes	CSI China Internet UCITS ETF		MSCI China A 50 Connect UCITS ETF		MSCI China ESG Leaders UCITS ETF	
		2023	2022	2023	2022	2023	2022
		USD	USD	USD	USD	USD	USD
<b>Investment income</b>							
Interest income		-	-	-	-	-	-
Dividend income		5,151,163	5,427,641	141,510	135,672	225,976	434,282
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	2(d)(ii)	36,734,530	(466,838,288)	(500,201)	(1,526,856)	403,424	(10,274,375)
Net (loss)/gain on foreign exchange translation		(70,623)	101,732	(345)	(8,085)	1,763	(6,226)
Other income		189,308	361,367	603	92	95	1,343
Total investment gain/(loss)		42,004,378	(460,947,548)	(358,433)	(1,399,177)	631,258	(9,844,976)
<b>Expenses</b>							
TER fees	5	3,087,714	5,120,919	20,477	28,910	31,888	90,145
Transaction costs	10	701,581	1,751,841	4,143	57,930	17,417	68,487
Other expenses		-	-	-	-	1,016	2,509
Total operating expenses		3,789,295	6,872,760	24,620	86,840	50,321	161,141
<b>Finance costs</b>							
Distributions to holders of Redeemable Participating Shares		-	-	-	-	-	-
Total finance costs		-	-	-	-	-	-
Profit/(loss) before tax		38,215,083	(467,820,308)	(383,053)	(1,486,017)	580,937	(10,006,117)
Withholding taxes		-	(3,186)	(14,164)	(13,707)	(12,236)	(22,849)
<b>Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares</b>		38,215,083	(467,823,494)	(397,217)	(1,499,724)	568,701	(10,028,966)

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 from pages 58 to 98 form an integral part of these financial statements.

**KRANESHARES ICAV**

## Statement of Comprehensive Income (continued)

For the year ended 30 September 2023

(Expressed in United States Dollars)

	Notes	Bloomberg China Bond Inclusion UCITS ETF		MSCI All China Health Care Index UCITS ETF		ICBCCS SSE Star Market 50 Index UCITS ETF	
		2023	2022	2023	2022	2023	2022
		USD	USD	USD	USD	USD	USD
<b>Investment income</b>							
Interest income		54,802	76,066	-	-	-	-
Dividend income		-	-	41,304	60,189	19,145	11,983
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	2(d)(ii)	(10,830)	(93,071)	583,553	(4,318,036)	(449,036)	(1,428,724)
Net (loss)/gain on foreign exchange translation		(629)	471	(610)	(723)	(842)	(1,528)
Other income		-	-	-	-	500	60
Total investment gain/(loss)		43,343	(16,534)	624,247	(4,258,570)	(430,233)	(1,418,209)
<b>Expenses</b>							
TER fees	5	6,473	10,088	30,521	43,643	22,557	26,362
Transaction costs	10	-	-	9,787	7,299	2,981	4,250
Other expenses		-	-	167	131	-	-
Total operating expenses		6,473	10,088	40,475	51,073	25,538	30,612
<b>Finance costs</b>							
Distributions to holders of Redeemable Participating Shares		48,528	525,919	-	-	-	-
Total finance costs		48,528	525,919	-	-	-	-
(Loss)/profit before tax		(11,658)	(552,541)	583,772	(4,309,643)	(455,771)	(1,448,821)
Withholding taxes		-	-	(3,327)	(4,617)	(1,915)	(1,198)
<b>Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares</b>		<b>(11,658)</b>	<b>(552,541)</b>	<b>580,445</b>	<b>(4,314,260)</b>	<b>(457,686)</b>	<b>(1,450,019)</b>

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 from pages 58 to 98 form an integral part of these financial statements.

**KRANESHARES ICAV**

## Statement of Comprehensive Income (continued)

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

	Notes	Electric Vehicles & Future Mobility		Total 2023 USD	Total 2022 USD
		Screened UCITS ETF			
		2023 USD	2022* USD		
<b>Investment income</b>					
Interest income		-	-	54,802	76,066
Dividend income		79,026	21,271	5,658,124	6,091,038
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	2(d)(ii)	(407,389)	(760,677)	36,354,051	(485,240,027)
Net (loss)/gain on foreign exchange translation		(6,847)	(8,607)	(78,133)	77,034
Other income		-	-	190,506	362,862
Total investment (loss)/gain		(335,210)	(748,013)	42,179,350	(478,633,027)
<b>Expenses</b>					
TER fees	5	37,614	15,950	3,237,244	5,336,017
Transaction costs	10	5,264	10,961	741,173	1,900,768
Other expenses		-	-	1,183	2,640
Total operating expenses		42,878	26,911	3,979,600	7,239,425
<b>Finance costs</b>					
Distributions to holders of Redeemable Participating Shares		-	-	48,528	525,919
Total finance costs		-	-	48,528	525,919
(Loss)/profit before tax		(378,088)	(774,924)	38,151,222	(486,398,371)
Withholding taxes		(10,557)	(3,408)	(42,199)	(48,965)
<b>Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares</b>		(388,645)	(778,332)	38,109,023	(486,447,336)

\* KraneShares Electric Vehicles &amp; Future Mobility ESG Screened UCITS ETF commenced operations on 25 May 2022.

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 from pages 58 to 98 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 2023

*(Expressed in United States Dollars)*

	CSI China Internet UCITS ETF*		MSCI China A 50 Connect UCITS ETF*		MSCI China ESG Leaders UCITS ETF*	
	2023	2022	2023	2022	2023	2022
	USD	USD	USD	USD	USD	USD
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the year</b>	417,142,053	614,530,890	5,104,212	23,975,602	7,933,878	30,404,129
Subscriptions of redeemable participating shares during the year	138,970,595	822,002,849	1,364	3,338,289	5,712	6,093,345
Redemptions of redeemable participating shares redeemed during the year	(191,160,735)	(551,568,192)	(1,266,690)	(20,709,955)	(3,600,875)	(18,534,630)
Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares	38,215,083	(467,823,494)	(397,217)	(1,499,724)	568,701	(10,028,966)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>403,166,996</b>	<b>417,142,053</b>	<b>3,441,669</b>	<b>5,104,212</b>	<b>4,907,416</b>	<b>7,933,878</b>

\* The shares of these Sub-Funds are classified as liability in the current and prior year in accordance with IAS 32, please see note 2(d)(vi).

*The accompanying notes from pages 58 to 98 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 year ended 30 September 2023

*(Expressed in United States Dollars)*

	<b>Bloomberg China Bond Inclusion</b>		<b>MSCI All China Health Care</b>		<b>ICBCCS SSE Star Market 50</b>	
	<b>UCITS ETF*</b>		<b>Index UCITS ETF*</b>		<b>Index UCITS ETF*</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the year</b>	1,830,038	6,235,127	5,677,540	6,981,413	2,336,931	3,786,950
Subscriptions of redeemable participating shares during the year	-	1,927	6,450	3,010,387	855,041	-
Redemptions of redeemable participating shares redeemed during the year	-	(3,854,475)	(3,737,405)	-	-	-
Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares	(11,658)	(552,541)	580,445	(4,314,260)	(457,686)	(1,450,019)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>1,818,380</b>	<b>1,830,038</b>	<b>2,527,030</b>	<b>5,677,540</b>	<b>2,734,286</b>	<b>2,336,931</b>

\* The shares of these Sub-Funds are classified as liability in the current and prior year in accordance with IAS 32, please see note 2(d)(vi).

*The accompanying notes from pages 58 to 98 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 year ended 30 September 2023

*(Expressed in United States Dollars)*

	<b>Electric Vehicles &amp; Future Mobility Screened UCITS ETF*</b>		<b>Total</b>	<b>Total</b>
	<b>2023</b>	<b>2022<sup>1</sup></b>	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the year</b>	5,117,883	-	445,142,535	685,914,111
Subscriptions of redeemable participating shares during the year/period	1,107,659	12,954,261	140,946,821	847,401,058
Redemptions of redeemable participating shares redeemed during the year/period	(1,196,420)	(7,058,046)	(200,962,125)	(601,725,298)
Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares	(388,645)	(778,332)	38,109,023	(486,447,336)
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>4,640,477</b>	<b>5,117,883</b>	<b>423,236,254</b>	<b>445,142,535</b>

\* The shares of these Sub-Funds are classified as liability in the current and prior year in accordance with IAS 32, please see note 2(d)(vi).

<sup>1</sup> KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF commenced operations on 25 May 2022.*The accompanying notes from pages 58 to 98 form an integral part of these financial statements.*

**KRANESHARES ICAV**  
Statement of Cash Flows

For the year ended 30 September 2023  
(Expressed in United States Dollars)

	CSI China Internet UCITS ETF 2023 USD	UCITS ETF 2022 USD	MSCI China A 50 Connect UCITS ETF 2023 USD	UCITS ETF 2022 USD	MSCI China ESG Leaders UCITS ETF 2023 USD	UCITS ETF 2022 USD
<b>Cash flows from operating activities:</b>						
Net increase/(decrease) in net assets resulting from operations attributable to holders of redeemable participating shares	38,215,083	(467,823,494)	(397,217)	(1,499,724)	568,701	(10,028,966)
<b>Operating profit/(loss) before working capital changes</b>	<b>38,215,083</b>	<b>(467,823,494)</b>	<b>(397,217)</b>	<b>(1,499,724)</b>	<b>568,701</b>	<b>(10,028,966)</b>
Adjustment for:						
Withholding tax paid	-	3,186	14,164	13,707	12,236	22,849
Dividend income received	(5,151,163)	(5,427,641)	(141,510)	(135,672)	(225,976)	(434,282)
Interest income received (on instruments held at fair value)	-	-	-	-	-	-
Distributions paid during the year	-	-	-	-	-	-
Net decrease in financial assets and liabilities at fair value through profit or loss	13,884,919	197,968,410	1,657,265	18,847,948	2,988,954	22,402,630
Net increase in restricted cash	-	-	-	-	-	-
(Increase)/decrease in other receivables	(252,528)	166,670	1,410	60,110	8,469	36,657
Decrease in securities purchased payable	-	(3,165,378)	-	-	-	-
(Decrease)/increase in TER fees payable	(54,013)	(261,446)	(372)	(13,548)	(1,402)	(17,096)
(Decrease)/increase in accrued expenses and other liabilities	(70,963)	72,051	-	(44,523)	-	-
<b>Cash provided by/(used in) operations</b>	<b>8,356,252</b>	<b>189,355,852</b>	<b>1,530,957</b>	<b>18,728,022</b>	<b>2,782,281</b>	<b>22,010,758</b>
Withholding tax paid	-	(3,186)	(14,164)	(13,707)	(12,236)	(22,849)
Dividend income received	5,151,163	5,427,641	141,510	135,672	225,976	434,282
Interest income received	-	-	-	-	-	-
<b>Net cash provided by/(used in) operations</b>	<b>51,722,498</b>	<b>(273,043,187)</b>	<b>1,261,086</b>	<b>17,350,263</b>	<b>3,564,722</b>	<b>12,393,225</b>
<b>Cash flows from financing activities</b>						
Net decrease in subscriptions receivable	-	8,249,113	-	-	-	-
Net decrease in redemptions payable	-	(4,354,526)	-	-	-	-
Subscriptions of redeemable participating shares during the year	138,970,595	822,002,849	1,364	3,338,289	5,712	6,093,345
Redemptions of redeemable participating shares redeemed during the year	(191,160,735)	(551,568,192)	(1,266,690)	(20,709,955)	(3,600,875)	(18,534,630)
Distributions paid during the year	-	-	-	-	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(52,190,140)</b>	<b>274,329,244</b>	<b>(1,265,326)</b>	<b>(17,371,666)</b>	<b>(3,595,163)</b>	<b>(12,441,285)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(467,642)</b>	<b>1,286,057</b>	<b>(4,240)</b>	<b>(21,403)</b>	<b>(30,441)</b>	<b>(48,060)</b>
Cash and cash equivalents at start of the year	1,204,308	(81,749)	7,390	28,793	36,784	84,844
<b>Cash and cash equivalents at end of the year</b>	<b>736,666</b>	<b>1,204,308</b>	<b>3,150</b>	<b>7,390</b>	<b>6,343</b>	<b>36,784</b>
<b>Supplementary Information</b>						
Dividends received	5,151,163	5,427,641	141,510	135,672	225,976	434,282
Interest received	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.



**KRANESHARES ICAV**
**Statement of Cash Flows (continued)**

For the year ended 30 September 2023

(Expressed in United States Dollars)

	Bloomberg China Bond Inclusion UCITS ETF		MSCI All China Health Care Index UCITS ETF		ICBCCS SSEStar Market 50 Index UCITS ETF	
	2023 USD	2022 USD	2023 USD	2022 USD	2023 USD	2022 USD
<b>Cash flows from operating activities:</b>						
Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares	(11,658)	(552,541)	580,445	(4,314,260)	(457,686)	(1,450,019)
<b>Operating (loss)/profit before working capital changes</b>	<b>(11,658)</b>	<b>(552,541)</b>	<b>580,445</b>	<b>(4,314,260)</b>	<b>(457,686)</b>	<b>(1,450,019)</b>
Adjustment for:						
Withholding tax paid	-	-	3,327	4,617	1,915	1,198
Dividend income received	-	-	(41,304)	(60,189)	(19,145)	(11,983)
Interest income received (on instruments held at fair value)	(55,609)	(145,779)	-	-	-	-
Distributions paid during the year	48,528	525,919	-	-	-	-
Net decrease/(increase) in financial assets and liabilities at fair value through profit or loss	64,850	3,813,997	3,144,474	1,311,427	(404,566)	1,442,055
Net (increase)/decrease in restricted cash	-	-	-	-	(1,720)	419
Decrease/(increase) in other receivables	807	69,713	122	121	-	-
Decrease in securities purchased payable	-	-	-	-	-	-
Increase/(decrease) in TER fees payable	8	(2,364)	(1,584)	(4,149)	142	(3,978)
(Decrease)/increase in accrued expenses and other liabilities	-	-	-	-	-	-
<b>Cash provided by/(used in) operations</b>	<b>58,584</b>	<b>4,261,486</b>	<b>3,105,035</b>	<b>1,251,827</b>	<b>(423,374)</b>	<b>1,427,711</b>
Withholding tax paid	-	-	(3,327)	(4,617)	(1,915)	(1,198)
Dividend income received	-	-	41,304	60,189	19,145	11,983
Interest income received	55,609	145,779	-	-	-	-
<b>Net cash provided by/(used in) operations</b>	<b>102,535</b>	<b>3,854,724</b>	<b>3,723,457</b>	<b>(3,006,861)</b>	<b>(863,830)</b>	<b>(11,523)</b>
<b>Cash flows from financing activities</b>						
Net decrease/(increase) in subscriptions receivable	-	-	-	-	-	-
Net decrease in redemptions payable	-	-	-	-	-	-
Subscriptions of redeemable participating shares during the year	-	1,927	6,450	3,010,387	855,041	-
Redemptions of redeemable participating shares redeemed during the year	-	(3,854,475)	(3,737,405)	-	-	-
Distributions paid during the year	(48,528)	(525,919)	-	-	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(48,528)</b>	<b>(4,378,467)</b>	<b>(3,730,955)</b>	<b>3,010,387</b>	<b>855,041</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>54,007</b>	<b>(523,743)</b>	<b>(7,498)</b>	<b>3,526</b>	<b>(8,789)</b>	<b>(11,523)</b>
Cash and cash equivalents at start of the year	29,907	553,650	9,646	6,120	12,995	24,518
<b>Cash and cash equivalents at end of the year</b>	<b>83,914</b>	<b>29,907</b>	<b>2,148</b>	<b>9,646</b>	<b>4,206</b>	<b>12,995</b>
<b>Supplementary Information</b>						
Dividends received	-	-	41,304	60,189	19,145	11,983
Interest received	55,609	145,779	-	-	-	-
Interest paid	-	-	-	-	-	-

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.

**KRANESHARES ICAV**
**Statement of Cash Flows (continued)**

For the year ended 30 September 2023

(Expressed in United States Dollars)

	<b>Electric Vehicles &amp; Future Mobility Screened UCITS ETF</b>		<b>Total</b>	<b>Total</b>
	<b>2023</b>	<b>2022<sup>1</sup></b>	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities:</b>				
Net (decrease)/increase in net assets resulting from operations attributable to holders of redeemable participating shares	(388,645)	(778,332)	38,109,023	(486,447,336)
<b>Operating (loss)/profit before working capital changes</b>	<b>(388,645)</b>	<b>(778,332)</b>	<b>38,109,023</b>	<b>(486,447,336)</b>
Adjustment for:				
Withholding tax paid	10,557	3,408	42,199	48,965
Dividend income received	(79,026)	(21,271)	(5,658,124)	(6,091,038)
Interest income received (on instruments held at fair value)	-	-	(55,609)	(145,779)
Distributions paid during the year	-	-	48,528	525,919
Net decrease/(increase) in financial assets and liabilities at fair value through profit or loss	475,225	(5,099,894)	21,811,121	240,686,573
Net (increase)/decrease in restricted cash	-	-	(1,720)	419
(Increase)/decrease in other receivables	(2,216)	(3,303)	(243,936)	329,968
Decrease in securities purchased payable	-	-	-	(3,165,378)
(Decrease)/increase in TER fees payable	(1,170)	4,006	(58,391)	(298,575)
(Decrease)/increase in accrued expenses and other liabilities	-	-	(70,963)	27,528
<b>Cash provided by/(used in) operations</b>	<b>403,370</b>	<b>(5,117,054)</b>	<b>15,813,105</b>	<b>231,918,602</b>
Withholding tax paid	(10,557)	(3,408)	(42,199)	(48,965)
Dividend income received	79,026	21,271	5,658,124	6,091,038
Interest income received	-	-	55,609	145,779
<b>Net cash provided by/(used in) operations</b>	<b>83,194</b>	<b>(5,877,523)</b>	<b>59,593,662</b>	<b>(248,340,882)</b>
<b>Cash flows from financing activities</b>				
Net decrease/(increase) in subscriptions receivable	1,268	(1,268)	1,268	8,247,845
Net decrease in redemptions payable	-	-	-	(4,354,526)
Subscriptions of redeemable participating shares during the year/period	1,107,659	12,954,261	140,946,821	847,401,058
Redemptions of redeemable participating shares redeemed during the year/period	(1,196,420)	(7,058,046)	(200,962,125)	(601,725,298)
Distributions paid during the year	-	-	(48,528)	(525,919)
<b>Net cash (used in)/provided by financing activities</b>	<b>(87,493)</b>	<b>5,894,947</b>	<b>(60,062,564)</b>	<b>249,043,160</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,299)</b>	<b>17,424</b>	<b>(468,902)</b>	<b>702,278</b>
Cash and cash equivalents at start of the year/period	17,424	-	1,318,454	616,176
<b>Cash and cash equivalents at end of the year/period</b>	<b>13,125</b>	<b>17,424</b>	<b>849,552</b>	<b>1,318,454</b>
<b>Supplementary Information</b>				
Dividends received	79,026	21,271	5,658,124	6,091,038
Interest received	-	-	55,609	145,779
Interest paid	-	-	-	-

<sup>1</sup> KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF commenced operations on 25 May 2022.

The accompanying notes from pages 58 to 98 form an integral part of these financial statements.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 1. Nature of operations

KraneShares ICAV (the “ICAV”) was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 to 2021 (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 is formulated by the investment manager. At 30 September 2023, the following sub-funds were in operation:

<b>Sub-Funds</b>	<b>Launch date</b>
KraneShares CSI China Internet UCITS ETF	20 November 2018
KraneShares MSCI China A 50 Connect UCITS ETF	27 June 2019
KraneShares MSCI China ESG Leaders UCITS ETF	4 February 2020
KraneShares Bloomberg China Bond Inclusion UCITS ETF	26 May 2020
KraneShares MSCI All China Health Care Index UCITS ETF	14 January 2021
KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF	26 May 2021
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	26 May 2022

At 30 September 2023, the following sub-funds were authorised by the Central Bank but were not in operation:

<b>Sub-Funds</b>	<b>Central Bank Authorisation Date</b>	<b>Launch date</b>
KraneShares MSCI China Clean Technology Index UCITS ETF	29 June 2023	12 October 2023
KraneShares ICBCCS S&P China 500 UCITS ETF	21 July 2023	16 October 2023

Waystone Management Company (IE) 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 – Depository and Custodial Services (Ireland) Limited (the “Depository”) is the depository. 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 Depository’s duties.

### 2. Basis of preparation and significant accounting policies

#### (a) Statement of compliance

The financial statements of the ICAV is prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the European Union, the UCITS Regulations, and the ICAV Act 2015 to 2021. This report presents financial statements for KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A 50 Connect UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares Bloomberg China Bond Inclusion UCITS ETF, KraneShares MSCI All China Health Care Index UCITS ETF, KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF as at and for the year ended 30 September 2023. There was a change in presentation during the period, whereby the financial statements were previously prepared on a Sub-Fund basis and are now prepared for the ICAV. Comparative information has been reported for the ICAV following the change in presentation.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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

#### (b) Basis of preparation

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

##### *Going concern*

When reviewing the going concern basis, the Directors are of the view that the ICAV and Sub-Funds have sufficient liquidity to cover their obligations for at least 12 months and they believe that the ICAV and Sub-Funds will continue in operational existence for the foreseeable future.

No material uncertainties related to events or conditions that may cast significant doubt about the ability of the ICAV and Sub-Funds to continue as a going concern have been identified by the Directors. The portfolio of investments of all sub-funds can be easily liquidated in order to meet the redemption requests of the shareholders as they occur and meet contractual financial liabilities. Disclosures on liquidity risks and how these are managed are set out in Note 7.

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. Please refer to Note 8 “Fair value measurement” for further details.

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) New standards, amendments and interpretations issued and effective for the financial year beginning 1 October 2022

The following amended standards and interpretations became effective during the calendar year 2023 but do not have a material impact on the ICAV’s financial statements.

##### Effective date 1 January 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimate – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

#### **Standards, amendments and interpretations that are not yet effective for the year and not early adopted**

The following amended standard is issued but not yet effective.

##### Effective date 1 January 2024:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- IFRS S1 – General requirements for Disclosure of Sustainability – related Financial Information
- IFRS S2 – Climate - related disclosures

The ICAV has not early applied this amended standard in preparing these financial statements. This standard is not expected to have a material impact on the financial statements of the ICAV in the year of initial application.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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

#### (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 years 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 ICAV and Sub-Funds operate. The functional currency of all Sub-Funds is United States 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 (loss)/gain 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 (loss)/gain on financial assets at fair value through profit or loss’.

##### 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 designated 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.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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

#### (d) Significant accounting policies (continued)

##### ii Financial instruments (continued)

###### 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, subscriptions receivable and other receivables. 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.

###### *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, American depositary receipts, forward foreign exchange contracts and accrued interest 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 (loss)/gain' 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 recognised in profit or loss.

Cash and cash equivalents and subscriptions receivable are included in this category.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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

#### (d) Significant accounting policies (continued)

##### ii Financial instruments (continued)

*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 and accrued expenses and other liabilities.

*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.

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.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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

#### (d) Significant accounting policies (continued)

##### ii Financial instruments (continued)

###### *Impairment*

The ICAV recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost. The ICAV measures 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 ICAV considers reasonable and supporting information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the ICAV’s historical experiences and informed credit assessments and including forward-looking information.

The ICAV assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The ICAV considers 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 ICAV considers 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 ICAV considers 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 expect to receive).

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

###### 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.



## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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

#### (d) Significant accounting policies (continued)

##### ii Financial instruments (continued)

###### *Impairment (continued)*

###### 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.

##### iii. 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 2023 and 30 September 2022, 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 ICAV currently incurs 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.

##### vi. Redeemable participating shares

The Sub-Funds of the ICAV 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.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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

#### (d) Significant accounting policies (continued)

##### vi. Redeemable participating shares (continued)

A puttable financial instrument that includes a contractual obligation for the ICAV's 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 ICAV's Sub-Funds net assets in the event of the ICAV's Sub-Funds 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 ICAV's Sub-Funds 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 ICAV's Sub-Funds over the life of the instrument.

Following the change in presentation from Sub-Fund to ICAV, as noted in Note 2 (a), all shares of the Sub-Funds have been classified as liability under IAS 32 as at 30 September 2023.

KraneShares MSCI China A 50 Connect UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares Bloomberg China Bond Inclusion UCITS ETF, KraneShares MSCI All China Health Care Index UCITS ETF, and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF were previously equity classified as at 30 September 2022. Refer to the Statement of Changes in Net Assets for further details.

##### vii. Distribution policy

KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A 50 Connect UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares MSCI All China Health Care Index UCITS ETF, KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened 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 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 at the discretion of the Board.

KraneShares Bloomberg China Bond Inclusion UCITS ETF have made distributions in respect of the distributing share class. Total distributions of USD 48,528 on the distributing class were made by the Sub-Fund for the year ended 30 September 2023 (2022: USD 525,919).

##### viii. Subscriptions receivable

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

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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

#### (d) Significant accounting policies (continued)

##### ix. Securities 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 2023 the KraneShares CSI China Internet UCITS ETF was engaged in three securities lending arrangements, with multiple agreements for the same securities in some instances (30 September 2022: engaged in 17 securities lending arrangements).

Securities lending commenced on KraneShares MSCI China ESG Leaders UCITS ETF on 29 April 2021. As at 30 September 2023 the KraneShares MSCI China ESG Leaders UCITS ETF was engaged in one securities lending arrangement (30 September 2022: None).

Further information on these securities lending arrangements is available in Note 11 "Securities lending".

##### x. Segment reporting

Operating segments are the components of the ICAV whose results are regularly reviewed by the ICAV's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance. Various sub-fund revenues are disclosed in the respective Statement of Comprehensive Income of the sub-funds. The Board, which is considered to be the CODM, managed the ICAV on the basis of business divisions determined with reference to market focus, geographical focus, investment funding model and the ICAV's management hierarchy. It is the opinion of the CODM that each sub-fund can be treated as a segment as the return on each sub-fund is linked to a different benchmark. Revenue generated from each sub-fund is presented in the Statement of Comprehensive Income of the relevant sub-fund.

##### xi. Restricted cash

Each Renminbi Qualified Foreign Institutional Investor ("RQFII") is required to have a minimum reserve funding in place to mitigate settlement risks in the Shanghai and Shenzhen markets. The calculation of the settlement reserve funds requirement are performed by the local custodian based on the RQFII net remitted amount. The settlement reserve funds cannot be used for trading and repatriation, and this is why it is segregated. There is no NAV impact, just a split of the total CNY cash balance based on the requirement. The RQFII applies to KraneShares ICBCSS SSE Star Market 50 Index UCITS ETF.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 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.

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 ended 30 September 2023, 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 2023.

Class	Launch Price
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 4. Share capital (continued)

The ICAV offers the Classes of Shares in KraneShares MSCI China A 50 Connect 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 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

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 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

The ICAV offers the Classes of Shares in KraneShares Bloomberg 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 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

The ICAV offers the Classes of Shares in KraneShares MSCI All China Health Care Index 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 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 4. Share capital (continued)

The ICAV offers the Classes of Shares in KraneShares ICBCCS SSE Star Market 50 Index 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 and EUR share classes are open as at 30 September 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25
Class CNY	CNY 200

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

The ICAV offers the Classes of Shares in KraneShares Electric Vehicles & Future Mobility ESG Screened 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 2023.

<b>Class</b>	<b>Launch Price</b>
Class USD	USD 25
Class EUR	EUR 25
Class GBP	GBP 25

Minimum subscription amount of 50,000 shares (for in-kind subscriptions) or cash equivalent (for cash subscriptions).

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. KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A 50 Connect UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares MCSI All China Healthcare Index UCITS ETF, KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF and KraneShares EV & Fut Mobility ESG Screened UCITS have all been admitted to trading on the Frankfurt stock exchange and the Borsa Italiana stock exchange. KraneShares CSI China Internet UCITS ETF has also been admitted to trading on Euronext Amsterdam.

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.

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(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 2023 is as follows:

<b>Sub-Fund</b>	<b>Class</b>	<b>Number of shares</b>	<b>NAV per share</b>	<b>Net Assets per Share Class USD</b>
KraneShares CSI China Internet UCITS ETF	Class USD	16,702,809	\$18.581	310,355,630
	Class EUR	5,533,683	€12.387	72,574,208
	Class GBP	1,396,478	£11.873	20,237,158
KraneShares MSCI China A 50 Connect UCITS ETF	Class USD	137,000	\$25.122	3,441,669
KraneShares MSCI China ESG Leaders UCITS ETF	Class USD	220,000	\$22.306	4,907,416
KraneShares Bloomberg China Bond Inclusion UCITS ETF	Class USD	77,500	\$23.463	1,818,380
Kraneshares MSCI All China Health Care Index UCITS ETF	Class USD	200,000	\$12.635	2,527,030
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF	Class USD	100,000	\$13.494	1,349,404
	Class EUR	100,000	€13.080	1,384,882
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	Class USD	230,000	\$20.176	4,640,477

The net assets and NAV per share of each class of shares in issue as at 30 September 2022 is as follows:

<b>Sub-Fund</b>	<b>Class</b>	<b>Number of shares</b>	<b>NAV per share</b>	<b>Net Assets per Share Class USD</b>
KraneShares CSI China Internet UCITS ETF	Class USD	18,555,798	\$16.573	307,526,236
	Class EUR	6,569,790	€11.855	76,297,841
	Class GBP	2,580,268	£11.567	33,317,976
KraneShares MSCI China A 50 Connect UCITS ETF	Class USD	187,000	\$27.295	5,104,212
KraneShares MSCI China ESG Leaders UCITS ETF	Class USD	370,000	\$21.443	7,933,878
KraneShares Bloomberg China Bond Inclusion UCITS ETF	Class USD	77,500	\$23.613	1,830,038
Kraneshares MSCI All China Health Care Index UCITS ETF	Class USD	450,000	\$12.617	5,677,540
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF	Class USD	50,000	\$15.313	765,630
	Class EUR	100,000	€16.039	1,571,301
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*	Class USD	230,000	\$22.252	5,117,883

\*The Sub-Fund commenced operations on 25 May 2022.

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(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 2021 is as follows:

<b>Sub-Fund</b>	<b>Class</b>	<b>Number of shares</b>	<b>NAV per share</b>	<b>Net Assets per Share Class USD</b>
KraneShares CSI China Internet UCITS ETF	Class USD	17,930,604	\$29.360	526,360,591
	Class EUR	2,671,308	€17.750	54,954,487
	Class GBP	1,454,167	£16.940	33,215,812
KraneShares MSCI China A 50 Connect UCITS ETF	Class USD	637,000	\$37.638	23,975,602
KraneShares MSCI China ESG Leaders UCITS ETF	Class USD	870,000	\$34.947	30,404,129
KraneShares Bloomberg China Bond Inclusion UCITS ETF	Class USD	227,500	\$27.407	6,235,127
Kraneshares MSCI All China Health Care Index UCITS ETF*	Class USD	300,000	\$23.271	6,981,413
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF**	Class USD	50,000	\$24.814	1,240,688
	Class EUR	100,000	€21.970	2,546,262

\*The Sub-Fund commenced operations on 14 January 2021.

\*\*The Sub-Fund commenced operations on 25 May 2021.

Transactions in the shares of each Sub-Fund for the year ended 30 September 2023 are as follows:

<b>Sub-Fund</b>	<b>Class</b>	<b>Shares at start of year</b>	<b>Shares Issued</b>	<b>Shares Redeemed</b>	<b>Shares at end of year</b>
KraneShares CSI China Internet UCITS ETF	Class USD	18,555,798	6,474,737	(8,327,726)	16,702,809
	Class EUR	6,569,790	670,585	(1,706,692)	5,533,683
	Class GBP	2,580,268	227,888	(1,411,678)	1,396,478
KraneShares MSCI China A 50 Connect UCITS ETF	Class USD	187,000	-	(50,000)	137,000
KraneShares MSCI China ESG Leaders UCITS ETF	Class USD	370,000	-	(150,000)	220,000
KraneShares Bloomberg China Bond Inclusion UCITS ETF	Class USD	77,500	-	-	77,500
Kraneshares MSCI All China Health Care Index UCITS ETF	Class USD	450,000	-	(250,000)	200,000
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF	Class USD	50,000	50,000	-	100,000
	Class EUR	100,000	-	-	100,000
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	Class USD	230,000	50,000	(50,000)	230,000



**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

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

Transactions in the shares of each Sub-Fund for the year ended 30 September 2022 are as follows:

<b>Sub-Fund</b>	<b>Class</b>	<b>Shares at start of year</b>	<b>Shares Issued</b>	<b>Shares Redeemed</b>	<b>Shares at end of year</b>
KraneShares CSI China Internet UCITS ETF	Class USD	17,930,604	24,520,450	(23,895,256)	18,555,798
	Class EUR	2,671,308	7,383,551	(3,485,069)	6,569,790
	Class GBP	1,454,167	1,489,975	(363,874)	2,580,268
KraneShares MSCI China A 50 Connect UCITS ETF	Class USD	637,000	100,000	(550,000)	187,000
KraneShares MSCI China ESG Leaders UCITS ETF	Class USD	870,000	200,000	(700,000)	370,000
KraneShares Bloomberg China Bond Inclusion UCITS ETF	Class USD	227,500	-	(150,000)	77,500
Kraneshares MSCI All China Health Care Index UCITS ETF	Class USD	300,000	150,001	-	450,000
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF	Class USD	50,000	-	-	50,000
	Class EUR	100,000	-	-	100,000
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*	Class USD	-	500,000	(270,000)	230,000

*\*The Sub-Fund commenced operations on 25 May 2022.*

## KRANESHARES ICAV

### Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

## 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, Manager’s, Administrator’s, Depository’s, sub-custodian’s, sub-custodian’s overdraft fees, Index Providers’, and Central Bank of Ireland Levies.

The Investment Manager has agreed to bear the cost of fees and operational expenses which are over and above the total expense ratio or “TER” of each Sub-Fund.

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

#### *KraneShares CSI China Internet UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	75 bps
Class EUR	75 bps
Class GBP	75 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 3,087,714 (2022: USD 5,120,919) in TER fees and as at 30 September 2023, USD 244,705 (2022: USD 298,718) remained payable.

#### *KraneShares MSCI China A 50 Connect UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	40 bps
Class EUR	40 bps
Class GBP	40 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 20,477 (2022: USD 28,910) in TER fees and as at 30 September 2023, USD 1,566 (2022: USD 1,938) remained payable.

#### *KraneShares MSCI China ESG Leaders UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	40 bps
Class EUR	40 bps
Class GBP	40 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 31,888 (2022: USD 90,145) in TER fees and as at 30 September 2023, USD 1,798 (2022: USD 3,200) remained payable.

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***5. Fees and Expenses (continued)****TER Fees (continued)***KraneShares Bloomberg China Bond Inclusion UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	35 bps
Class EUR	35 bps
Class GBP	35 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 6,473 (2022: USD 10,088) in TER fees and as at 30 September 2023, USD 508 (2022: USD 500) remained payable.

*KraneShares MSCI All China Health Care Index UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	65 bps
Class EUR	65 bps
Class GBP	65 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 30,521 (2022: USD 43,643) in TER fees and as at 30 September 2023, USD 1,502 (2022: USD 3,086) remained payable.

*KraneShares ICBCS SSE Star Market 50 Index UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	82 bps
Class EUR	82 bps
Class GBP	82 bps
Class CNY	82 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 22,557 (2022: USD 26,362) in TER fees and as at 30 September 2023, USD 1,797 (2022: USD 1,655) remained payable.

*KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*

<b>Class</b>	<b>TER</b>
Class USD	72 bps
Class EUR	72 bps
Class GBP	72 bps

During the year ended 30 September 2023, the Sub-Fund incurred USD 37,614 (2022: USD 15,950) in TER fees and as at 30 September 2023, USD 2,836 (2022: USD 4,006) remained payable.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(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 2023, the ICAV incurred USD 53,793 (2022: USD 49,763) in Directors fees. The Directors fees are paid out of the TER. Any Directors fees in excess of the TER will be covered by the Investment Manager. The Directors fees are allocated between the Sub-Funds as per the table below:

	30 September 2023	30 September 2022
	USD	USD
KraneShares CSI China Internet UCITS ETF	7,685	7,109
KraneShares MSCI China A 50 Connect UCITS ETF	7,685	7,109
KraneShares MSCI China ESG Leaders UCITS ETF	7,685	7,109
KraneShares Bloomberg China Bond Inclusion UCITS ETF	7,685	7,109
Kraneshares MSCI All China Health Care Index UCITS ETF	7,685	7,109
Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF	7,685	7,109
KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF	7,685	7,109

#### 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 2023 was USD 112,000 (2022: USD 104,000) excluding VAT for the ICAV. The audit fees are paid out of the TER. Any audit fees in excess of the TER will be covered by the Investment Manager.

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

Taxation advisory services USD 11,300 (2022: USD 7,000).

Other non-audit services USD 29,000 (2022: USD 32,700).

### 6. Foreign exchange rates

The exchange rates as at 30 September 2023 and 30 September 2022 used in the production of these financial statements to the presentation currency of USD is as follows:

	30 September 2023	30 September 2022
AUD	0.64295	0.64295
CAD	0.73624	0.72778
CLP	0.00113	0.00104
CNY	0.13691	0.14102
EUR	1.05725	0.97965
GBP	1.22010	1.11630
HKD	0.12770	0.12739
IDR	0.00006	0.00007
JPY	0.00669	0.00691
KRW	0.00074	0.00070
SEK	0.09153	0.09011

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 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.

##### (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 2023, the Sub-Fund had 31 (2022: 42) positions with the top five being 40.71% (2022: 39.23%) of the Sub-Fund's net assets.

As at 30 September 2023, the Sub-Fund was invested in five (2022: six) industries with the highest industry exposure being 77.45% (2022: 67.09%) of the Sub-Fund's net assets.

As at 30 September 2023, 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 40,227,366 (2022: USD 41,615,587).

##### *KraneShares MSCI China A 50 Connect UCITS ETF*

As at 30 September 2023, the Sub-Fund had 50 (2022: 50) positions with the top five being 30.73% (2022: 31.20%) of the Sub-Fund's net assets.

As at 30 September 2023, the Sub-Fund was invested in nine (2022: nine) industries with the highest industry exposure being 25.27% (2022: 25.49%) of the Sub-Fund's net assets.

As at 30 September 2023, 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 343,872 (2022: USD 509,599).

##### *KraneShares MSCI China ESG Leaders UCITS ETF*

As of 30 September 2023, the Sub-Fund had 181 (2022: 165) positions with the top five being 33.88% (2022: 40.60%) of the Sub-Fund's net assets.

As of 30 September 2023, the Sub-Fund was invested in ten (2022: ten) industries with the highest industry exposure being 30.65% (2022: 31.88%) of the Sub-Fund's net assets.

At 30 September 2023, 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 489,789 (2022: USD 788,685).

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 7. Financial risk management (continued)

#### (a) Market Risk (continued)

##### (i) Price Risk (continued)

###### *KraneShares Bloomberg China Bond Inclusion UCITS ETF*

As of 30 September 2023, the Sub-Fund had 11 (2022: 11) positions with the top five being 59.44% (2022: 59.39%) of the Sub-Fund's net assets.

As of 30 September 2023, the Sub-Fund was invested in two (2022: two) industries with the highest industry exposure being 78.67% (2022: 78.76%) of the Sub-Fund's net assets.

At 30 September 2023, 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 172,137 (2022: USD 178,622).

###### *KraneShares MSCI All China Health Care Index UCITS ETF*

As of 30 September 2023, the Sub-Fund had 78 (2022: 86) positions with the top five being 29.71% (2022: 27.62%) of the Sub-Fund's net assets.

As of 30 September 2023, the Sub-Fund was invested in three (2022: four) industries with the highest industry exposure being 97.17% (2022: 97.56%) of the Sub-Fund's net assets.

At 30 September 2023, 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 252,334 (2022: USD 566,782).

###### *KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF*

As of 30 September 2023, the Sub-Fund had 49 (2022: 49) positions with the top five being 31.36% (2022: 28.62%) of the Sub-Fund's net assets.

As of 30 September 2023, the Sub-Fund was invested in seven (2022: seven) industries with the highest industry exposure being 48.11% (2022: 29.80%) of the Sub-Fund's net assets.

At 30 September 2023, 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 272,583 (2022: USD 232,127).

###### *KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*

As of 30 September 2023, the Sub-Fund had 68 (2022: 64) positions with the top five being 20.61% (2022: 20.72%) of the Sub-Fund's net assets.

As of 30 September 2023, the Sub-Fund was invested in six (2022: six) industries with the highest industry exposure being 51.50% (2022: 45.95%) of the Sub-Fund's net assets.

At 30 September 2023, 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 462,466 (2022: USD 509,989).

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(i) Price Risk (continued)**Kraneshares ICAV*

As of 30 September 2023, the ICAV had 468 (2022: 467) positions with the top five being 38.78% (2022: 36.76%) of the Sub-Fund's net assets.

As of 30 September 2023, the ICAV was invested in twelve (2022: twelve) industries with the highest industry exposure being 74.23% (2022: 63.51%) of the Sub-Fund's net assets.

At 30 September 2023, should the price of the securities held by the ICAV 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 42,220,551 (2022: USD 44,401,663).

*(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 2023**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Euro	-	-	-	(72,574,208)	-	(72,574,208)	(7,257,421)
Great British Pound	-	-	-	(20,237,158)	-	(20,237,158)	(2,023,716)
Hong Kong Dollar	252,910,902	-	-	-	-	252,910,902	25,291,090
	252,910,902	-	-	(92,811,366)	-	160,099,536	16,009,954

**30 September 2022**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Euro	-	-	-	(76,297,841)	-	(76,297,841)	(7,629,784)
Great British Pound	-	1	-	(33,317,976)	-	(33,317,975)	(3,331,798)
Hong Kong Dollar	284,609,881	-	-	-	-	284,609,881	28,460,988
	284,609,881	1	-	(109,615,817)	-	174,994,065	17,499,407

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

**7. Financial risk management (continued)**
**(a) Market Risk (continued)**

 (ii) *Currency Risk (continued)*
**KraneShares MSCI China A 50 Connect UCITS ETF**
**30 September 2023**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Chinese Yuan Renminbi	3,438,721	-	-	-	-	3,438,721	343,872
Euro	-	-	-	1	-	1	-
	<u>3,438,721</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>3,438,722</u>	<u>343,872</u>

**30 September 2022**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Chinese Yuan Renminbi	5,095,986	-	-	-	-	5,095,986	509,599
Euro	-	-	-	1	-	1	-
	<u>5,095,986</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,095,987</u>	<u>509,599</u>

**KraneShares MSCI China ESG Leaders UCITS ETF**
**30 September 2023**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Chinese Yuan Renminbi	427,069	39	-	-	(39)	427,069	42,707
Hong Kong Dollar	4,113,107	5,776	-	-	(72)	4,118,811	411,881
	<u>4,540,176</u>	<u>5,815</u>	<u>-</u>	<u>-</u>	<u>(111)</u>	<u>4,545,880</u>	<u>454,588</u>

**30 September 2022**

	Non-Monetary Assets USD	Monetary Assets USD	Non- Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Chinese Yuan Renminbi	789,918	-	-	-	-	789,918	78,992
Hong Kong Dollar	6,539,878	336	(319)	-	-	6,539,895	653,990
	<u>7,329,796</u>	<u>336</u>	<u>(319)</u>	<u>-</u>	<u>-</u>	<u>7,329,813</u>	<u>732,981</u>



**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(ii) Currency Risk (continued)***KraneShares Bloomberg China Bond Inclusion UCITS ETF****30 September 2023**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	1,721,374	13,600	-	-	-	1,734,974	173,497
	<u>1,721,374</u>	<u>13,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,734,974</u>	<u>173,497</u>

**30 September 2022**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	1,786,224	14,407	-	-	-	1,800,631	180,063
	<u>1,786,224</u>	<u>14,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800,631</u>	<u>180,063</u>

**Kraneshares MSCI All China Health Care Index UCITS ETF****30 September 2023**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	1,581,769	-	-	-	-	1,581,769	158,177
Hong Kong Dollar	893,014	2,651	-	-	(163)	895,502	89,550
	<u>2,474,783</u>	<u>2,651</u>	<u>-</u>	<u>-</u>	<u>(163)</u>	<u>2,477,271</u>	<u>247,727</u>

**30 September 2022**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	3,747,453	-	-	-	-	3,747,453	374,745
Hong Kong Dollar	1,588,778	-	-	-	-	1,588,778	158,878
	<u>5,336,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,336,231</u>	<u>533,623</u>

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(ii) Currency Risk (continued)***Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF****30 September 2023**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	2,731,877	2,070	-	-	-	2,733,947	273,395
Euro	-	-	-	(1,384,882)	-	(1,384,882)	(138,488)
	<u>2,731,877</u>	<u>2,070</u>	<u>-</u>	<u>(1,384,882)</u>	<u>-</u>	<u>1,349,065</u>	<u>134,907</u>

**30 September 2022**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Chinese Yuan Renminbi	2,325,591	5,368	-	-	-	2,330,959	233,096
Euro	-	-	-	(1,557,954)	-	(1,557,954)	(155,795)
	<u>2,325,591</u>	<u>5,368</u>	<u>-</u>	<u>(1,557,954)</u>	<u>-</u>	<u>773,005</u>	<u>77,301</u>

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF****30 September 2023**

	<b>Non- Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Australian Dollar	413,360	5,120	-	-	(5,119)	413,361	41,336
Canadian Dollar	158,440	-	-	-	-	158,440	15,844
Chilean Peso	113,590	-	-	-	-	113,590	11,359
Chinese Yuan Renminbi	941,788	-	-	-	-	941,788	94,179
Euro	347,534	2,229	-	-	-	349,763	34,976
Hong Kong Dollar	508,841	327	-	-	(325)	508,843	50,884
Japanese Yen	380,013	2,473	-	-	-	382,486	38,249
South Korean Won	463,931	-	-	-	-	463,931	46,393
Swedish Krona	35,665	-	-	-	-	35,665	3,567
	<u>3,363,162</u>	<u>10,149</u>	<u>-</u>	<u>-</u>	<u>(5,444)</u>	<u>3,367,867</u>	<u>336,787</u>

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(a) Market Risk (continued)***(ii) Currency Risk (continued)***KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF****30 September 2022**

	<b>Non-Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Australian Dollar	487,037	504	(593)	-	-	486,948	48,695
Canadian Dollar	209,607	-	-	-	-	209,607	20,961
Chilean Peso	140,709	-	-	-	-	140,709	14,071
Chinese Yuan Renminbi	1,066,623	129	(129)	-	-	1,066,623	106,662
Euro	329,695	4	-	-	-	329,699	32,970
Great British Pound	10,454	-	-	-	-	10,454	1,045
Hong Kong Dollar	405,654	521	(521)	-	-	405,654	40,565
Indonesian Rupiah	35,508	-	-	-	-	35,508	3,551
Japanese Yen	336,358	-	-	-	-	336,358	33,636
South Korean Won	449,780	-	-	-	-	449,780	44,978
Swedish Krona	42,045	-	-	-	-	42,045	4,205
	<b>3,513,470</b>	<b>1,158</b>	<b>(1,243)</b>	<b>-</b>	<b>-</b>	<b>3,513,385</b>	<b>351,339</b>

**Kraneshares ICAV****30 September 2023**

	<b>Non- Monetary Assets USD</b>	<b>Monetary Assets USD</b>	<b>Non- Monetary Liabilities USD</b>	<b>Monetary Liabilities USD</b>	<b>Forward Currency Contracts USD</b>	<b>Net Foreign Currency Exposure USD</b>	<b>Sensitivity 10% USD</b>
Australian Dollar	413,360	5,120	-	-	(5,119)	413,361	41,336
Canadian Dollar	158,440	-	-	-	-	158,440	15,844
Chilean Peso	113,590	-	-	-	-	113,590	11,359
Chinese Yuan Renminbi	10,842,598	15,709	-	-	(39)	10,858,268	1,085,827
Euro	347,534	2,229	-	(73,959,089)	-	(73,609,326)	(7,360,933)
Great British Pound	-	-	-	(20,237,158)	-	(20,237,158)	(2,023,716)
Hong Kong Dollar	258,425,864	8,754	-	-	(560)	258,434,058	25,843,406
Indonesian Rupiah	-	-	-	-	-	-	-
Japanese Yen	380,013	2,473	-	-	-	382,486	38,249
South Korean Won	463,931	-	-	-	-	463,931	46,393
Swedish Krona	35,665	-	-	-	-	35,665	3,567
	<b>271,180,995</b>	<b>34,285</b>	<b>-</b>	<b>(94,196,247)</b>	<b>(5,718)</b>	<b>177,013,315</b>	<b>17,701,331</b>

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

### 7. Financial risk management (continued)

#### (a) Market Risk (continued)

##### (ii) Currency Risk (continued)

#### Kraneshares ICAV

30 September 2022

	Non-Monetary Assets USD	Monetary Assets USD	Non-Monetary Liabilities USD	Monetary Liabilities USD	Forward Currency Contracts USD	Net Foreign Currency Exposure USD	Sensitivity 10% USD
Australian Dollar	487,037	504	(593)	-	-	486,948	48,695
Canadian Dollar	209,607	-	-	-	-	209,607	20,961
Chilean Peso	140,709	-	-	-	-	140,709	14,071
Chinese Yuan Renminbi	14,811,795	19,904	(129)	-	-	14,831,570	1,483,157
Euro	329,695	4	-	(77,855,794)	-	(77,526,095)	(7,752,610)
Great British Pound	10,454	1	-	(33,317,976)	-	(33,307,521)	(3,330,752)
Hong Kong Dollar	293,144,191	857	(840)	-	-	293,144,208	29,314,421
Indonesian Rupiah	35,508	-	-	-	-	35,508	3,551
Japanese Yen	336,358	-	-	-	-	336,358	33,636
South Korean Won	449,780	-	-	-	-	449,780	44,978
Swedish Krona	42,045	-	-	-	-	42,045	4,205
	309,997,179	21,270	(1,562)	(111,173,770)	-	198,843,117	19,884,312

#### *Sensitivity analysis*

As at 30 September 2023 and 30 September 2022, had the USD weakened by 10% in relation to all currencies, with all other variables held constant, the increase in the value of the Sub-Funds' and ICAV's 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 pages and above.

A 10% 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.

#### (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. For the years ended 30 September 2023 and 30 September 2022, interest rate risk is not material for KraneShares CSI China Internet UCITS ETF, KraneShares MSCI China A 50 Connect UCITS ETF, KraneShares MSCI China ESG Leaders UCITS ETF, KraneShares MSCI All China Health Care Index UCITS ETF, KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF.

#### *Exposure to Interest Rate Risk*

The KraneShares Bloomberg 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 2023, categorised by maturity date, is disclosed on the next page.

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

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

	<b>Fixed interest Rate USD</b>	<b>Floating Interest Rate USD</b>	<b>Non-interest bearing USD</b>	<b>Total USD</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	1,721,374	-	-	1,721,374
Cash and cash equivalents	-	83,914	-	83,914
Interest receivable	-	13,600	-	13,600
<b>Total Assets</b>	<u>1,721,374</u>	<u>97,514</u>	<u>-</u>	<u>1,818,888</u>
<b>Liabilities</b>				
TER fees payable	-	-	508	508
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>508</u>	<u>508</u>
<b>Interest rate sensitivity gap</b>	<u>1,721,374</u>	<u>97,514</u>	<u>(508)</u>	
<b>Sensitivity</b>	<u>90,944</u>			

A summary of the Sub-Fund's interest rate gap positions as at 30 September 2022, categorised by maturity date, is disclosed below:

	<b>Fixed interest Rate USD</b>	<b>Floating Interest Rate USD</b>	<b>Non-interest bearing USD</b>	<b>Total USD</b>
<b>Assets</b>				
Financial assets at fair value through profit or loss	1,786,224	-	-	1,786,224
Cash and cash equivalents	-	29,907	-	29,907
Interest receivable	-	14,407	-	14,407
<b>Total Assets</b>	<u>1,786,224</u>	<u>44,314</u>	<u>-</u>	<u>1,830,538</u>
<b>Liabilities</b>				
TER fees payable	-	-	500	500
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<b>Interest rate sensitivity gap</b>	<u>1,786,224</u>	<u>44,314</u>	<u>(500)</u>	
<b>Sensitivity</b>	<u>54,916</u>			

*Sensitivity analysis*

As at 30 September 2023, had interest rates strengthened by 5%, 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 3% 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.

As at 30 September 2022, had interest rates strengthened by 3%, 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.

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(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 2023 and 30 September 2022, the investments of the Sub-Funds of the ICAV 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.

The following tables details the ICAV and Sub-Funds' remaining contractual maturity for their financial liabilities.

**KraneShares CSI China Internet UCITS ETF****30 September 2023**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	244,705	-	-	-	244,705
Accrued expenses and other liabilities	4,159	-	-	-	4,159
Net assets attributable to holders of redeemable participating shares*	403,166,996	-	-	-	403,166,996
<b>Total Liabilities</b>	<b>403,415,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,415,860</b>

**30 September 2022**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	298,718	-	-	-	298,718
Accrued expenses and other liabilities	75,122	-	-	-	75,122
Net assets attributable to holders of redeemable participating shares*	417,142,053	-	-	-	417,142,053
<b>Total Liabilities</b>	<b>417,515,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417,515,893</b>

\*All shares are liability classified under IAS 32 as at 30 September 2023 and 30 September 2022. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).

**KRANESHARES ICAV**

## Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(b) Liquidity Risk (continued)****KraneShares MSCI China A 50 Connect UCITS ETF****30 September 2023**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,566	-	-	-	1,566
Net assets attributable to holders of redeemable participating shares*	3,441,669	-	-	-	3,441,669
<b>Total Liabilities</b>	<b>3,443,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,443,235</b>

**30 September 2022**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,938	-	-	-	1,938
Net assets attributable to holders of redeemable participating shares*	5,104,212	-	-	-	5,104,212
<b>Total Liabilities</b>	<b>5,106,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,106,150</b>

**KraneShares MSCI China ESG Leaders UCITS ETF****30 September 2023**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,798	-	-	-	1,798
Net assets attributable to holders of redeemable participating shares*	4,907,416	-	-	-	4,907,416
<b>Total Liabilities</b>	<b>4,909,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,909,214</b>

**30 September 2022**

	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	3,200	-	-	-	3,200
Net assets attributable to holders of redeemable participating shares*	7,933,878	-	-	-	7,933,878
<b>Total Liabilities</b>	<b>7,937,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,937,078</b>

*\*All shares are liability classified under IAS 32 as at 30 September 2023 and 30 September 2022. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).*

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(b) Liquidity Risk (continued)****KraneShares Bloomberg China Bond Inclusion UCITS ETF**

<b>30 September 2023</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	508	-	-	-	508
Net assets attributable to holders of redeemable participating shares*	1,818,380	-	-	-	1,818,380
<b>Total Liabilities</b>	<b>1,818,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,818,888</b>

<b>30 September 2022</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	500	-	-	-	500
Net assets attributable to holders of redeemable participating shares*	1,830,038	-	-	-	1,830,038
<b>Total Liabilities</b>	<b>1,830,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,830,538</b>

**Kraneshares MSCI All China Health Care Index UCITS ETF**

<b>30 September 2023</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,502	-	-	-	1,502
Net assets attributable to holders of redeemable participating shares*	2,527,030	-	-	-	2,527,030
<b>Total Liabilities</b>	<b>2,528,532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,528,532</b>

<b>30 September 2022</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	3,086	-	-	-	3,086
Net assets attributable to holders of redeemable participating shares*	5,677,540	-	-	-	5,677,540
<b>Total Liabilities</b>	<b>5,680,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,680,626</b>

*\*All shares are liability classified under IAS 32 as at 30 September 2023 and 30 September 2022. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).*



**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(b) Liquidity Risk (continued)****Kraneshares ICBCS SSE Star Market 50 Index UCITS ETF**

<b>30 September 2023</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,797	-	-	-	1,797
Net assets attributable to holders of redeemable participating shares*	2,734,286	-	-	-	2,734,286
<b>Total Liabilities</b>	<b>2,736,083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,736,083</b>

<b>30 September 2022</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	1,655	-	-	-	1,655
Net assets attributable to holders of redeemable participating shares*	2,336,931	-	-	-	2,336,931
<b>Total Liabilities</b>	<b>2,338,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,338,586</b>

**KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

<b>30 September 2023</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	2,836	-	-	-	2,836
Net assets attributable to holders of redeemable participating shares*	4,640,477	-	-	-	4,640,477
<b>Total Liabilities</b>	<b>4,643,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,643,313</b>

<b>30 September 2022</b>	<b>Less than 1 month USD</b>	<b>1 month to 1 year USD</b>	<b>Greater than 1 year USD</b>	<b>No stated maturity USD</b>	<b>Total USD</b>
<b>Liabilities</b>					
TER fees payable	4,006	-	-	-	4,006
Net assets attributable to holders of redeemable participating shares*	5,117,883	-	-	-	5,117,883
<b>Total Liabilities</b>	<b>5,121,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,121,889</b>

*\*All shares are liability classified under IAS 32 as at 30 September 2023 and 30 September 2022. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).*

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

### 7. Financial risk management (continued)

#### (b) Liquidity Risk (continued)

##### Kraneshares ICAV

30 September 2023

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
<b>Liabilities</b>					
TER fees payable	254,712	-	-	-	254,712
Accrued expenses and other liabilities	4,159	-	-	-	4,159
Net assets attributable to holders of redeemable participating shares*	423,236,254	-	-	-	423,236,254
<b>Total Liabilities</b>	<b>423,495,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423,495,125</b>

##### Kraneshares ICAV

30 September 2022

	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
<b>Liabilities</b>					
TER fees payable	313,103	-	-	-	313,103
Accrued expenses and other liabilities	75,122	-	-	-	75,122
Net assets attributable to holders of redeemable participating shares*	445,142,535	-	-	-	445,142,535
<b>Total Liabilities</b>	<b>445,530,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>445,530,760</b>

\*All shares are liability classified under IAS 32 as at 30 September 2023 and 30 September 2022. For details of Sub-Funds which were equity classified in the prior year please refer to Note 2 (d)(vi).

#### (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 ICAV, resulting in a financial loss to the ICAV.

The ICAV manages 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 China Bond Inclusion UCITS ETF are currently rated by Fitch Ratings with a Long Term Debt rating of A+ as at 30 September 2023 (2022: A+).

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 2023 (2022: A+). Insolvency or bankruptcy of the Sub-Custodian may cause the ICAV's rights with respect to its assets held by the Depository to be delayed or limited. The maximum exposure to credit risk is the carrying value of the assets held by the respective Sub-Fund.

#### (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%. Apart from KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF, the Sub-Funds invest substantively all of their assets in Chinese or Chinese related securities, and as a result these 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. KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF diversifies its 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 ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 7. Financial risk management (continued)

#### (d) Concentration Risk (continued)

##### *KraneShares CSI China Internet UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. As at 30 September 2023, all (2022: all) of the issued shares of Class EUR shares were held through a nominee account. As at 30 September 2023, all (2022: all) of the issued shares of Class GBP shares were held through a nominee account. The Sub-Fund held 5 (2022: 8) individual investment positions that were each greater than 5% of the NAV.

##### *KraneShares MSCI China A 50 Connect UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 4 (2022: 4) individual investment position that was each greater than 5% of the NAV.

##### *KraneShares MSCI China ESG Leaders UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 3 (2022: 4) individual investment positions that were each greater than 5% of the NAV.

##### *KraneShares Bloomberg China Bond Inclusion UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 9 (2022: 11) individual investment positions that were each greater than 5% of the NAV.

##### *KraneShares MSCI All China Health Care Index UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund held 3 (2022:2) individual investment positions that were each greater than 5% of the NAV.

##### *KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. As at 30 September 2023, all (2022: all) of the issued shares of Class EUR shares were held through a nominee account. The Sub-Fund held 3 (2022:3) individual investment positions that were each greater than 5% of the NAV.

##### *KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*

As at 30 September 2023, all (2022: all) of the issued shares of Class USD shares were held through a nominee account. The Sub-Fund did not hold any individual investment positions (2022: none) 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 2023 (2022: 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.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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### 7. Financial risk management (continued)

#### (g) Offsetting and amounts subject to master netting/similar agreements

As at 30 September 2023, the Sub-Funds were not subject to ISDA Master Netting Agreements, which are applicable if a Sub-Fund entered into FDI contracts on an OTC basis. As part of the Securities lending arrangements for the ICAV, collateral is held with BNY Mellon as part of a tri party arrangement. As at 30 September 2023, the Sub-Funds were subject to ISDA Master Netting Agreements.

As at 30 September 2023 and 30 September 2022, there were no open financial instruments subject to enforceable master netting agreements.

### 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. Some bonds held by the KraneShares Bloomberg China Bond Inclusion UCITS ETF Sub-Fund would be considered less than active, and thus would be considered as Level 2 due to the limited activity in the markets that they reside. The bonds valuation methodology are vendor priced.
- 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.

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

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

The tables below and the following pages analyse the Sub-Funds assets measured at fair value as at 30 September 2023 and 30 September 2022 by the level in the fair value hierarchy into which the fair value measurement is categorised:

**KraneShares CSI China Internet UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	402,273,668	-	-	402,273,668
	402,273,668	-	-	402,273,668
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(403,166,996)	-	-	(403,166,996)
	(403,166,996)	-	-	(403,166,996)

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	416,158,587	-	-	416,158,587
	416,158,587	-	-	416,158,587
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(417,142,053)	-	-	(417,142,053)
	(417,142,053)	-	-	(417,142,053)

**KraneShares MSCI China A 50 Connect UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	3,438,721	-	-	3,438,721
	3,438,721	-	-	3,438,721
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(3,441,669)	-	-	(3,441,669)
	(3,441,669)	-	-	(3,441,669)

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	5,095,986	-	-	5,095,986
	5,095,986	-	-	5,095,986
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(5,104,212)	-	-	(5,104,212)
	(5,104,212)	-	-	(5,104,212)

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***8. Fair value measurement (continued)****KraneShares MSCI China ESG Leaders UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	4,897,894	-	-	4,897,894
	4,897,894	-	-	4,897,894

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(4,907,416)	-	-	(4,907,416)
	(4,907,416)	-	-	(4,907,416)

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	7,886,848	-	-	7,886,848
	7,886,848	-	-	7,886,848

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(7,933,878)	-	-	(7,933,878)
	(7,933,878)	-	-	(7,933,878)

**KraneShares Bloomberg China Bond Inclusion UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Bonds	767,923	953,451	-	1,721,374
Accrued interest	-	13,600	-	13,600
	767,923	967,051	-	1,734,974

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(1,818,380)	-	-	(1,818,380)
	(1,818,380)	-	-	(1,818,380)

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Bonds	1,130,719	655,505	-	1,786,224
Accrued interest	-	14,407	-	14,407
	1,130,719	669,912	-	1,800,631

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(1,830,038)	-	-	(1,830,038)
	(1,830,038)	-	-	(1,830,038)

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***8. Fair value measurement (continued)****Kraneshares MSCI All China Health Care Index UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	2,523,347	-	-	2,523,347
	<u>2,523,347</u>	<u>-</u>	<u>-</u>	<u>2,523,347</u>

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(2,527,030)	-	-	(2,527,030)
	<u>(2,527,030)</u>	<u>-</u>	<u>-</u>	<u>(2,527,030)</u>

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	5,667,821	-	-	5,667,821
	<u>5,667,821</u>	<u>-</u>	<u>-</u>	<u>5,667,821</u>

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(5,677,540)	-	-	(5,677,540)
	<u>(5,677,540)</u>	<u>-</u>	<u>-</u>	<u>(5,677,540)</u>

**Kraneshares ICBCCS SSE Star Market 50 Index UCITS ETF****30 September 2023**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	2,725,839	-	-	2,725,839
	<u>2,725,839</u>	<u>-</u>	<u>-</u>	<u>2,725,839</u>

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(2,734,286)	-	-	(2,734,286)
	<u>(2,734,286)</u>	<u>-</u>	<u>-</u>	<u>(2,734,286)</u>

**30 September 2022**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	2,321,273	-	-	2,321,273
	<u>2,321,273</u>	<u>-</u>	<u>-</u>	<u>2,321,273</u>

**Financial liabilities at fair value through profit or loss**

Redeemable participating shares	(2,336,931)	-	-	(2,336,931)
	<u>(2,336,931)</u>	<u>-</u>	<u>-</u>	<u>(2,336,931)</u>

**KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)***8. Fair value measurement (continued)****KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

<b>30 September 2023</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	4,624,669	-	-	4,624,669
	<u>4,624,669</u>	<u>-</u>	<u>-</u>	<u>4,624,669</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(4,640,477)	-	-	(4,640,477)
	<u>(4,640,477)</u>	<u>-</u>	<u>-</u>	<u>(4,640,477)</u>
<b>30 September 2022</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	5,099,894	-	-	5,099,894
	<u>5,099,894</u>	<u>-</u>	<u>-</u>	<u>5,099,894</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(5,117,883)	-	-	(5,117,883)
	<u>(5,117,883)</u>	<u>-</u>	<u>-</u>	<u>(5,117,883)</u>

**Kraneshares ICAV**

<b>30 September 2023</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	420,484,138	-	-	420,484,138
Bonds	767,923	953,451	-	1,721,374
Accrued interest	-	13,600	-	13,600
	<u>421,252,061</u>	<u>967,051</u>	<u>-</u>	<u>422,219,112</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(423,236,254)	-	-	(423,236,254)
	<u>(423,236,254)</u>	<u>-</u>	<u>-</u>	<u>(423,236,254)</u>

**Kraneshares ICAV**

<b>30 September 2022</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	442,230,409	-	-	442,230,409
Bonds	1,130,719	655,505	-	1,786,224
Accrued interest	-	14,407	-	14,407
	<u>443,361,128</u>	<u>669,912</u>	<u>-</u>	<u>444,031,040</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Redeemable participating shares	(445,142,535)	-	-	(445,142,535)
	<u>(445,142,535)</u>	<u>-</u>	<u>-</u>	<u>(445,142,535)</u>

Transfers between levels are recognised at the end of the reporting year/period. There were no transfers between levels during the year ended 30 September 2023 and year/period ended 30 September 2022.

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

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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### **9. Related Parties**

The following parties are considered related parties:

- The directors
- Krane Fund Advisors, LLC – Investment Manager

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

As at 30 September 2023, directors of the ICAV held 2,625 shares in KraneShares CSI China Internet UCITS ETF fund (2022: 2,700 shares), 50 shares in KraneShares MSCI China A 50 Connect UCITS ETF (2022: Nil) and 1,500 shares in KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF fund (2022: 1,500 shares).

Expenses charged and payables during the year ended 30 September 2023 by the directors and Investment Manager are detailed in Note 5.

Waystone Management Company (IE) 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.

Other ancillary services are provided for by Waystone Management Company (IE) Limited.

There were no other related party transactions for the financial year 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.

### **Key Management personnel**

Waystone Management Company (IE) Limited are the Manager of the ICAV.

## KRANESHARES ICAV

Notes to the Financial Statements

For the year ended 30 September 2023

(Expressed in United States Dollars)

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### 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 2023, the Sub-Fund incurred USD 701,581 (2022: USD 1,751,841) in transaction costs.

#### *KraneShares MSCI China A 50 Connect UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD 4,143 (2022: USD 57,930) in transaction costs.

#### *KraneShares MSCI China ESG Leaders UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD 17,417 (2022: USD 68,487) in transaction costs.

#### *KraneShares Bloomberg China Bond Inclusion UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD Nil (2022: USD Nil) in transaction costs.

#### *KraneShares MSCI All China Health Care Index UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD 9,787 (2022: USD 7,299) in transaction costs.

#### *KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD 2,981 (2022: USD 4,250) in transaction costs.

#### *KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF*

During the year ended 30 September 2023, the Sub-Fund incurred USD 5,264 (2022: USD 10,961) in transaction costs.

#### *KraneShares ICAV*

During the year ended 30 September 2023, the ICAV incurred USD 741,173 (2022: USD 1,900,768) in transaction costs.

### 11. Securities lending

The ICAV entered into a securities lending agency agreement with the Sub-Custodian on 28 July 2020. Collateral is monitored daily by the Manager to ensure that the value of securities lent is not greater than the collateral provided on a valuation day. Securities lending commenced on KraneShares CSI China Internet UCITS ETF in August 2020. As at 30 September 2023 the KraneShares CSI China Internet UCITS ETF was engaged in 3 securities lending arrangements, with multiple agreements for the same securities in some instances. As at 30 September 2023 the total amount of securities lending arrangements entered into by the Sub-Fund was USD 9,218,566 (2022: USD 11,065,427).

Collateral securities with a value totalling of USD 9,689,480 (2022: USD 11,674,699) were received by the Depositary and a Securities lending revenue of USD 168,092 (2022: USD 403,594) has been reflected in the NAV for the Sub-Fund. Fees of USD 16,811 (2022: USD 40,287) were charged by the Investment Manager and fees of USD 29,969 (2022: USD 37,616) were charged by the Sub-Custodian for the year in relation to stock lending activities.

Securities lending commenced on KraneShares MSCI China ESG Leaders UCITS ETF on 29 April 2021. As at 30 September 2023 the KraneShares MSCI China ESG Leaders UCITS ETF was engaged in one Securities lending arrangement. As at 30 September 2023 the total amount of securities lending arrangements entered into by the Sub-Fund was USD 75,868 (2022: USD Nil). The collateral amount was USD USD 79,700 (2022: USD Nil).

No securities lending revenue has been recorded for the Sub-Fund during the year (2022: USD 350). Fees of USD 9 (2022: 131) were charged by the Investment Manager and fees of USD 17 (2022: USD 95) were charged by the Sub-Custodian for the year.

## **KRANESHARES ICAV**

Notes to the Financial Statements

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

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### **12. Significant events during the reporting year**

The Investment Manager has agreed to bear the cost of 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.

An updated Prospectus was issued for the ICAV on 1 December 2022. Updated Supplements were issued for the Sub-Funds on 1 December 2022. The updates included:

- passage of time updates for all Supplements and Prospectus;
- KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF added an Annex on its Supplements for further details on how the Investment Manager addresses sustainability risks and ESG Integration for both sub-funds

On 29 June 2023, KraneShares MSCI China Clean Technology Index UCITS ETF was authorised as a Sub-Fund of the ICAV by the Central Bank of Ireland.

On 21 July 2023, KraneShares ICBCCS S&P China 500 UCITS ETF was authorised as a Sub-Fund of the ICAV by the Central Bank of Ireland.

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

### **13. Events after the reporting year**

The effects of the conflict between Ukraine and Russia may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may impact the Sub-Funds’ performance.

On 7 October 2023, the militant group Hamas led surprise attacks against Israel by land, sea, and air in the Gaza Strip, leading to retaliation by Israel. The conflict continues to escalate with devastating implications for the region both politically and economically in addition to the human tragedies. To date the conflict has not had an impact on the performance of the Sub-Funds, with the exception of KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF, which holds shares in one security domiciled in Israel valued at 0.81% of the net asset value of the sub-fund as at 30 September 2023.

On 12 October 2023, the Sub-Fund KraneShares MSCI China Clean Technology Index UCITS ETF launched.

On 16 October 2023, the Sub-Fund KraneShares ICBCCS S&P China 500 UCITS ETF launched. The Luxembourg domiciled fund ICBCCS S&P China 500 UCITS ETF closed on 13 October 2023 and merged its assets into the newly launched Sub-Fund.

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

### **14. Approval of the audited annual financial statements**

The financial statements were approved by the Board of Directors on 17 January 2024.

**KRANESHARES ICAV**

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

For the year ended 30 September 2023

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

<b>Purchases</b>	<b>Cost USD</b>
Meituan	20,421,173
Tencent Holdings Ltd	18,245,974
Pdd Holdings Inc	13,655,882
Tencent Music-ADR	12,572,544
Baidu Inc-Class A	11,008,068
Alibaba Group Holding Ltd	10,809,187
Jd Health International Inc	10,003,175
Kuaishou Technology	9,559,732
Kanzhun Ltd - ADR	8,803,533
Full Truck Class A - ADR	6,657,702
JD.com Inc - Class A	6,313,418
Trip.Com Group Ltd - ADR	5,146,685
Tal Education Group	4,835,587
Netease Inc	4,776,149
East Buy Holding Ltd	4,762,528
Vipshop Holdings-ADR	4,736,185
Ke Holdings Inc - ADR	4,592,124
Qifu Technology Inc	3,958,578
Bilibili Inc-Class Z	3,810,818
Alibaba Health Information Technology Ltd	3,769,803
Iqiyi Inc-ADR	3,202,132
Autohome Inc-ADR	2,506,697
Kingsoft Corp Ltd	2,323,166
Tongcheng Travel Holdings	2,314,585
Weibo Corp	2,224,337

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 2023

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

<b>Sales</b>	<b>Proceeds USD</b>
Tencent Holdings Ltd	24,094,186
Jd Health International Inc	18,720,290
Trip.Com Group Ltd	18,444,148
Alibaba Group Holding Ltd	14,795,673
Netease Inc	14,259,723
JD.com Inc - Class A	14,048,932
Meituan	11,839,879
Tencent Music-ADR	11,268,579
Pdd Holdings Inc	10,888,470
Ke Holdings Inc - ADR	10,542,064
Full Truck Class A - ADR	9,029,857
Vipshop Holdings-ADR	7,166,737
Baidu Inc-Class A	6,623,533
Kanzhun Ltd - ADR	5,679,881
Kuaishou Technology	5,427,316
Bilibili Inc-Class Z	4,785,532
Weimob Inc	4,229,831
Alibaba Health	3,747,874
Hello Group Inc	3,389,575
Kingsoft Corp Ltd	3,306,625
Tongcheng Travel Holdings	2,772,630
Ali Pictures	2,557,224
Tal Education Group	2,522,598

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 2023

*(Expressed in United States Dollars)***KraneShares MSCI China A 50 Connect UCITS ETF**

<b>Purchases</b>	<b>Cost USD</b>
Beijing Kingsoft Office Software Inc	159,454
Foxconn Industrial Internet Co Ltd	143,414
Tongwei Co Ltd	127,902
Wanhua Chemical Group Co Ltd	71,810
Shenzhen Inovance Technology-A	69,654
Contemporary Amperex Technology Co Ltd	66,738
Beijing-Shanghai High Speed Railway Co Ltd	61,716
Zijin Mining Group Co Ltd	58,738
China Petroleum & Chemical Corp	54,047
LONGi Green Energy Technology Co Ltd	31,696
China Yangtze Power Co Ltd	29,191
BYD Co Ltd	27,989
China Tourism Group Duty Free Corp Ltd	20,698
Luxshare Precision Industry Co Ltd	20,071
BOE Technology Group Co Ltd	14,606
NARI Technology Co Ltd	14,511
China State Construction Engineering Corp Ltd	13,799
China United Network Communications Ltd	13,041
SF Holding Co Ltd	11,472
China Merchants Bank Co Ltd	11,246

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 2023

*(Expressed in United States Dollars)***KraneShares MSCI China A 50 Connect UCITS ETF**

<b>Sales</b>	<b>Proceeds USD</b>
Wanhua Chemical Group Co Ltd	159,401
Zijin Mining Group Co Ltd	152,042
Contemporary Amperex Technology Co Ltd	144,196
Yunnan Energy New Material Co	128,356
LONGi Green Energy Technology Co Ltd	110,549
Kweichow Moutai Co Ltd	99,938
Luxshare Precision Industry Co Ltd	98,472
BOE Technology Group Co Ltd	70,976
China Merchants Bank Co Ltd	57,815
Shenzhen Inovanc A(HK-C)	54,626
BYD Co Ltd	53,686
Cosco Shipping Holdings Co Ltd	53,529
Beijing Kingsoft Office Software Inc	50,101
Tongwei Co Ltd	47,520
China Yangtze Power Co Ltd	46,830
China Shenhua Energy Co Ltd	46,822
Ping An Insurance Group Co of China Ltd	45,021
Shaanxi Coal Industry Co Ltd	43,402
Chongqing Zhifei A(HK-C)	40,656
Eve Energy A(HK-C)	39,419
Shenzhen Mindray Bio-Medical Electronics Co Ltd	38,471
China Tourism Group Duty Free Corp Ltd	36,652
China State Construction Engineering Corp Ltd	35,028
Jiangsu Hengrui Pharmaceuticals Co Ltd	32,001
SF Holding Co Ltd	31,857
Foxconn Industrial Internet Co Ltd	31,757
Wuliangye Yibin Co Ltd	30,623
NARI Technology Co Ltd	30,090
Industrial Bank Co Ltd	28,108
Sungrow Power Supply Co Ltd	25,072
Agricultural Bank of China Ltd	23,493
Industrial & Commercial Bank of China Ltd	22,814

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 2023

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

<b>Purchases</b>	<b>Cost USD</b>
JD.com Inc	404,878
Industrial & Commercial Bank of China Ltd - H	342,424
Meituan - Class B	276,511
China Resources Land Ltd	203,873
Kuaishou Technology	168,809
Li Auto Inc	157,671
ZTO Express Cayman Inc	140,570
Agricultural Bank of China Ltd - H	117,381
Alibaba Group Holding Ltd	113,809
NIO Inc	110,570
Baidu Inc	101,553
Nongfu Spring Co Ltd	101,065
China Construction Bank Corp	79,068
Geely Automobile Holdings Ltd	74,676
Haier Smart Home Co Ltd - H	74,451
NetEase Inc	61,422
BYD Co Ltd - H	56,226
XPeng Inc	51,326
Tencent Holdings Ltd	46,179
COSCO Shipping Holdings Co Ltd - H	45,514
Chow Tai Fook Jewellery Group Ltd	36,896

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 2023

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

<b>Sales</b>	<b>Proceeds USD</b>
Meituan - Class B	707,705
China Construction Bank Corp	508,316
Tencent Holdings Ltd	492,397
Alibaba Group Holding Ltd	474,848
NetEase Inc	295,422
Baidu Inc	267,301
Yum China Holdings Inc	199,804
JD.com Inc	196,199
BYD Co Ltd - H	180,136
Li Auto Inc - ADR	162,107
China Merchants Bank Co Ltd - H	159,107
Wuxi Biologics Cayman Inc	145,728
Li Auto Inc	135,250
Industrial & Commercial Bank of China Ltd - H	126,093
China Mengniu Dairy Co Ltd	98,215
China Resources Land Ltd	90,228
Kuaishou Technology	80,604
ZTO Express Cayman Inc	76,262
ENN Energy Holdings Ltd	74,466
China Overseas Land & Investment Ltd	67,584

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 2023

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

<b>Purchases</b>	<b>Cost USD</b>
Agricul Dev Bank China 3.10% 27/02/33	132,543
China Development Bank 2.73% 11/01/28	87,733
Export-Import Bank China 2.87% 06/02/28	87,416

The above purchases represent all purchases during the year.

<b>Sales</b>	<b>Proceeds USD</b>
Agricul Dev Bank China 4.37% 25/05/23	126,549

The above sale represents all 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.

**KRANESHARES ICAV**

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

For the year ended 30 September 2023

*(Expressed in United States Dollars)***KraneShares MSCI All China Health Care Index UCITS ETF**

<b>Purchases</b>	<b>Cost USD</b>
BeiGene Ltd	287,679
Wuxi Biologics Cayman Inc	236,328
Zai Lab Ltd	45,929
iRay Technology Co Ltd	39,434
China Resources Pharmaceutical Group Ltd	37,716
Hubei Jumpcan Pharmaceutical Co Ltd	35,836
Shenzhen Mindray Bio-Medical Electronics Co Ltd	35,788
Akeso Inc	35,731
Jiangsu Hengrui Pharmaceuticals Co Ltd	28,255
CSPC Pharmaceutical Group Ltd	26,587
China Meheco Co Ltd	22,297
Imeik Technology Development Co Ltd	19,465
Innovent Biologics Inc	16,997
Bloomage Biotechnology Corp Ltd	16,914
Jiangsu Nhwa Pharmaceutical Co Ltd	16,343
Aier Eye Hospital Group Co Ltd	16,074
Chongqing Taiji Industry Group Co Ltd	14,872
Legend Biotech Corp	14,723
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	11,859
Microport Scientific Corp	11,858

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 2023

*(Expressed in United States Dollars)***KraneShares MSCI All China Health Care Index UCITS ETF**

<b>Sales</b>	<b>Proceeds USD</b>
Wuxi Biologics Cayman Inc	509,758
Shenzhen Mindray Bio-Medical Electronics Co Ltd	284,453
BeiGene Ltd - ADR	248,137
Jiangsu Hengrui Pharmaceuticals Co Ltd	219,223
BeiGene Ltd	189,774
CSPC Pharmaceutical Group Ltd	168,376
WuXi AppTec Co Ltd	154,129
Aier Eye Hospital Group Co Ltd	149,437
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	134,452
Chongqing Zhifei Biological Products Co Ltd	96,601
Innovent Biologics Inc	91,593
Zai Lab Ltd - ADR	90,157
Sino Biopharmaceutical Ltd	88,905
Imeik Technology Development Co Ltd	80,325
Yunnan Baiyao Group Co Ltd	75,336
Shandong Weigao Group Medical Polymer Co Ltd	65,598
Sinopharm Group Co Ltd	61,918
WuXi AppTec Co Ltd	60,386
Genscript Biotech Corp	59,972
Shanghai Fosun Pharmaceutical Group Co Ltd	57,790
Changchun High & New Technology Industry Group Inc	56,300
Beijing Wantai Biological Pharmacy Enterprise Co Ltd	55,090
Huadong Medicine Co Ltd	54,605
Beijing Tongrentang Co Ltd	52,150

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 2023

*(Expressed in United States Dollars)***KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF**

<b>Purchases</b>	<b>Cost USD</b>
Montage Technology Co Ltd	110,739
Advanced Micro-Fabrication Equipment Inc China	94,477
Beijing Kingsoft Office Software Inc	84,420
Shanghai Fudan Microelectronics Group Co Ltd	71,980
Xinjiang Daqo New Energy Co Ltd	69,304
Cambricon Technologies Corp Ltd	54,697
Trina Solar Co Ltd	52,211
ASR Microelectronics Co Ltd	51,626
Hygon Information Technology Co Ltd	50,072
Shenzhen Transsion Holdings Co Ltd	45,505
Piotech Inc	45,051
Yuneng Technology Co Ltd	44,348
Suzhou Novosense Microelectronics Co Ltd	41,243
Jinko Solar Co Ltd	37,632
National Silicon Industry Group Co Ltd	36,679
Zhuhai Guanyu Battery Co., Ltd.	36,186
Bloomage Biotechnology Corp Ltd	35,641
Hwatsing Technology Co Ltd	32,684
Shanghai United Imaging Healthcare Co Ltd	32,178
Amlogic Shanghai Co Ltd	31,415
Suzhou Nanomicro Technology Co Ltd	30,458
Hunan Changyuan Lico Co Ltd	29,579
Western Superconducting Technologies Co Ltd	29,541
SUPCON Technology Co Ltd	29,014
China Resources Microelectronics Ltd	28,199
3peak Inc	27,140
SICC Co Ltd	25,082
A VIC Chengdu UAS Co Ltd	23,009
ACM Research Shanghai Inc	22,932
iRay Technology Co Ltd	22,854
Zhuzhou CRRC Times Electric Co Ltd	22,120
Ningbo Ronbay New Energy Technology Co Ltd	20,427
Verisilicon Microelectronics Shanghai Co Ltd	19,677
Shanghai Junshi Biosciences Co Ltd	19,235
Sany Heavy Energy Co Ltd	19,087
GoodWe Technologies Co Ltd	18,714
Changchun BCHT Biotechnology Co	18,413
Pylon Technologies Co Ltd	18,299
GalaxyCore Inc	18,277
Everdisplay Optronics Shanghai Co Ltd	18,208
China Railway Signal & Communication Corp Ltd	18,152

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 2023

*(Expressed in United States Dollars)***KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF**

<b>Sales</b>	<b>Proceeds USD</b>
Beijing Kingsoft Office Software Inc	63,094
Qingdao Haier Biomedical Co Ltd	45,425
Zhuhai Guanyu Battery Co., Ltd.	42,381
Advanced Micro-Fabrication Equipment Inc China	38,588
Jiangsu Cnano Technology Co., Ltd.	37,047
Trina Solar Co Ltd	36,107
Raytron Technology Co Ltd	35,927
Autel Intelligent Technology Corp., Ltd.	32,355
CanSino Biologics Inc.	30,663
Bestechnic Shanghai Co Ltd	30,324
Guangdong Jiayuan Technology Co.,Ltd.	28,279
Shanghai Medicilon INC	27,098
Cambricon Technologies Corp Ltd	24,526
Changchun BCHT Biotechnology Co	23,823
Montage Technology Co Ltd	21,855
Suzhou Nanomicro Technology Co Ltd	21,830
Micro-Tech Nanjing Co Ltd	21,036
Zhejiang HangKe Technology Incorporated Co	20,567
iRay Technology Co Ltd	20,263
China Resources Microelectronics Ltd	18,598
3peak Inc	16,252
Qi An Xin Technology Group Inc	14,969
Amlogic Shanghai Co Ltd	14,105
Shenzhen Transsion Holdings Co Ltd	13,802
China Railway Signal & Communication Corp Ltd	12,864
SUPCON Technology Co Ltd	12,635
Verisilicon Microelectronics Shanghai Co Ltd	11,913
Western Superconducting Technologies Co Ltd	10,206
Ningbo Ronbay New Energy Technology Co Ltd	9,008
National Silicon Industry Group Co Ltd	8,588

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 2023

*(Expressed in United States Dollars)***KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

<b>Purchases</b>	<b>Cost USD</b>
Dr Ing hc F Porsche AG	150,957
Rivian Automotive Inc	113,034
Albemarle Corp	109,589
Li Auto Inc	105,375
BYD Co Ltd	101,118
Tesla Inc	100,776
Contemporary Amperex Technology Co Ltd	99,974
Aptiv PLC	93,596
Plug Power Inc	89,986
Samsung SDI Co Ltd	87,093
Geely Automobile Holdings Ltd	80,238
LG Energy Solution Ltd	78,864
Panasonic Holdings Corp	78,820
Nidec Corporation	77,549
Sociedad Quimica y Minera de Chile SA	70,372
Lucid Group Inc	68,091
MP Materials Corp	57,601
NIO Inc	54,856
XPeng Inc	53,456
Eve Energy Co Ltd	50,290
Magna International Inc	45,918
Seres Group Co Ltd	45,084
IGO Ltd	44,699
Pilbara Minerals Ltd	34,819
Umicore SA	34,571
Allkem Ltd	30,518
SolarEdge Technologies Inc	30,477
CNGR Advanced Material Co Ltd	29,266
Chengxin Lithium Group Co Ltd	29,159
Ganfeng Lithium Group Co Ltd	26,683

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 2023

*(Expressed in United States Dollars)***KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF**

<b>Sales</b>	<b>Proceeds USD</b>
Aptiv PLC	167,044
Samsung SDI Co Ltd	147,407
BYD Co Ltd	145,670
LG Energy Solution Ltd	140,419
Tesla Inc	122,367
Panasonic Holdings Corp	120,859
Li Auto Inc	118,195
Ecopro BM Co Ltd	88,608
Rivian Automotive Inc	87,206
Magna International Inc	83,274
Albemarle Corp	78,840
Contemporary Amperex Technology Co Ltd	77,763
Nidec Corporation	74,267
NIO Inc	69,135
XPeng Inc	68,002
Infineon Technologies AG	61,439
IGO Ltd	55,111
Pilbara Minerals Ltd	52,788
Mercedes-Benz Group AG	50,084
Umicore SA	46,555
Sociedad Quimica y Minera de Chile SA	46,429
Mineral Resources Ltd	45,158
Geely Automobile Holdings Ltd	40,622
Lucid Group Inc	34,740
Lynas Rare Earths Ltd	34,314
Allkem Ltd	33,294
Eve Energy Co Ltd	32,280
SolarEdge Technologies Inc	30,068
Ganfeng Lithium Group Co Ltd	29,954
Ballard Power Systems Inc	29,641

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 2 – UCITS Manager’s Report (Unaudited)

For the year ended 30 September 2023

(Expressed in United States Dollars)

Waystone Management Company (IE) 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 the ICAV 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 ICAV 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 the ICAV has been calculated by apportioning the total remuneration costs based on the Assets Under Management (“AUM”) of the ICAV as a percentage of the total AUM of funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (USD \$'000s)</i>
<b><i>Manager staff (apportioned to ICAV)</i></b>	<b><i>74</i></b>	<b><i>\$76</i></b>
<i>of which</i>		
<i>Fixed remuneration</i>	<i>74</i>	<i>\$76</i>
<i>Variable remuneration</i>	<i>N/A</i>	<i>0</i>
<i>Carried interest</i>	<i>N/A</i>	<i>0</i>
<b><i>Remuneration Code Staff</i></b>	<b><i>74</i></b>	<b><i>\$9,573</i></b>
<i>of which</i>		
<i>Senior Management</i>	<i>74</i>	<i>\$9,573</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 2023

(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 2023.

	<i>Number of Sub-Funds</i>	<i>AUM USD (Millions)</i>	<i>% of AUM</i>
<i>Waystone Management Company (IE) Limited</i>	<i>334</i>	<i>\$53,317</i>	<i>100%</i>
<i>of which UCITS Funds</i>	<i>99</i>	<i>\$13,804</i>	<i>26%</i>
<i>KraneShares CSI China Internet UCITS ETF</i>	<i>1</i>	<i>\$403</i>	<i>0.76%</i>
<i>KraneShares MSCI China A 50 Connect UCITS ETF</i>	<i>1</i>	<i>\$3</i>	<i>0.01%</i>
<i>KraneShares MSCI China ESG Leaders UCITS ETF</i>	<i>1</i>	<i>\$5</i>	<i>0.01%</i>
<i>KraneShares MSCI All China Healthcare Index ETF</i>	<i>1</i>	<i>\$3</i>	<i>0.01%</i>
<i>KraneShares ICBCCS SSE Star Market 50 Index UCITS ETF</i>	<i>1</i>	<i>\$3</i>	<i>0.01%</i>
<i>KraneShares Bloomberg China Bond Inclusion UCITS ETF</i>	<i>1</i>	<i>\$2</i>	<i>0.01%</i>
<i>KraneShares Electric Vehicles &amp; Future Mobility ESG Screened UCITS ETF</i>	<i>1</i>	<i>\$5</i>	<i>0.01%</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 ICAV’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 ICAV’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 ICAV 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 ICAV. 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.

**KRANESHARES ICAV**

## Appendix 2 – UCITS Manager’s Report (Unaudited) (continued)

For the year ended 30 September 2023

*(Expressed in United States Dollars)*

The Risk Profile of KraneShares CSI China Internet UCITS ETF at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.12%	1.00%

The Risk Profile of *KraneShares MSCI China A 50 Connect UCITS ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.33%	1.00%

The Risk Profile of *KraneShares MSCI China ESG Leaders UCITS ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.03%	1.00%

The Risk Profile of *KraneShares MSCI All China Healthcare Index ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.19%	1.00%

The Risk Profile of *KraneShares ICBCCS SSE Star Market 50 index UCITS ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.49%	1.00%

The Risk Profile of *KraneShares Bloomberg China Bond Inclusion UCITS ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.46%	1.00%

The Risk Profile of *KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF* at 30 September 2023 is as follows:

<b>Risk Analytics</b>	<b>Value</b>	<b>Limit</b>
Tracking Error	0.17%	1.00%

## KRANESHARES ICAV

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

For the year ended 30 September 2023

(Expressed in United States Dollars)

#### **Securities Lending**

As at 30 September 2023 the KraneShares CSI China Internet UCITS ETF was engaged in three securities lending arrangements. The following table details the value of securities on loan as a proportion of the Sub-Funds total NAV as at 30 September 2023.

<b>Security</b>	<b>Currency</b>	<b>Market Value</b>	<b>% of NAV</b>
Chindata Group Holdings-Adr	USD	3,602,793	0.89%
East Buy Holding Ltd	USD	4,503,133	1.12%
Ping An Healthcare and Technology Co Ltd	USD	1,112,640	0.28%
		<u>9,218,566</u>	<u>2.29%</u>

The total income earned from securities lending transactions is split between the Sub-Fund and the securities lending agent, details of which can be found in Note 11 to the financial statements. Income earned by the securities during the year from securities lending transactions is disclosed in Note 11 to the financial statements.

The following table details the value of securities on loan and associated cash collateral received, analysed by borrowing counterparty as at 30 September 2023.

<b>Counterparty</b>	<b>Securities on loan</b>	<b>Collateral received</b>
Citigroup Markets	340,331	357,616
Merrill Lynch	4,162,802	4,374,225
Morgan Stanley Co International	4,139,521	4,350,952
UBS AG London	575,912	606,687
	<u>9,218,566</u>	<u>9,689,480</u>

#### **Collateral**

##### **Global Data:**

- The amount of securities and commodities on loan as a proportion of total lendable assets: 2.29%

##### **Concentration Data:**

- Ten largest collateral issuers across all securities financing transactions:
  - Citigroup Markets: 0.08%
  - Merrill Lynch : 1.03%
  - Morgan Stanley Co International: 1.03%
  - UBS AG: 0.14%
- Top ten counterparties of each type of securities financing transaction:
  - Citigroup Markets: 0.09%
  - Merrill Lynch : 1.08%
  - Morgan Stanley Co International: 1.08%
  - UBS AG: 0.15%

**KRANESHARES ICAV**

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

For the year ended 30 September 2023

*(Expressed in United States Dollars)***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: \$ 9,689,480
- Maturity Tenor of the securities financing transaction:
  - 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: \$ 9,218,566
- Countries in which the counterparties are established: United States of America and 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 Securities Received by KraneShares CSI China Internet UCITS ETF as Part of securities financing transactions:**

- Custodian Name: Citigroup Markets, Merrill Lynch, Morgan Stanley Co International and UBS AG London
- Value of Securities held: \$ 9,218,566

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

- Proportion held in segregated accounts: 100.00%

**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:

<b>Return</b>	<b>Amount</b>	<b>% of Beginning of Year NAV</b>
Received by Fund	\$168,092	0.04%
Received by Manager	\$0	0.00%
Received by Third Parties	\$0	0.00%
 <b>Cost</b>		
Paid by Fund to Third Parties	\$29,969	0.01%
Paid by Manager	\$0	0.00%
Paid by Third Parties	\$0	0.00%

**KRANESHARES ICAV**

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

For the year ended 30 September 2023

*(Expressed in United States Dollars)***Securities Lending:**

As at 30 September 2023 the KraneShares MSCI China ESG Leaders UCITS ETF was engaged in one securities lending arrangement. The following table details the value of the security on loan as a proportion of the Sub-Funds total NAV as at 30 September 2023.

<b>Security</b>	<b>Currency</b>	<b>Market Value</b>	<b>% of NAV</b>
NIO Inc	USD	75,868	1.55%
		<u>75,868</u>	<u>1.55%</u>

The total income earned from securities lending transactions is split between the Sub-Fund and the securities lending agent, details of which can be found in Note 11 to the financial statements. Income earned by the securities during the year from securities lending transactions is disclosed in Note 11 to the financial statements.

The following table details the value of the security on loan and associated cash collateral received, analysed by borrowing counterparty as at 30 September 2023.

<b>Counterparty</b>	<b>Securities on loan</b>	<b>Collateral received</b>
Barclays Capital Securities Limited	75,868	79,700
	<u>75,868</u>	<u>79,700</u>

**Collateral****Global Data:**

- The amount of securities and commodities on loan as a proportion of total lendable assets: 2.29%

**Concentration Data:**

- Ten largest collateral issuers across all securities financing transactions:
  - Barclays Capital Securities Limited: 1.62%
- Top ten counterparties of each type of securities financing transaction:
  - Barclays Capital Securities Limited: 1.55%

**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: \$ 79,700
- Maturity Tenor of the securities financing transaction:
  - 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: \$ 75,869
- Countries in which the counterparties are established: United States of America and England
- Settlement and clearing: Bilateral

**KRANESHARES ICAV**

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

For the year ended 30 September 2023

*(Expressed in United States Dollars)***Data on Reuse of Collateral:**

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

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

- Custodian Name: Barclays Capital Securities Limited
- Value of Securities held: \$ 75,869

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

- Proportion held in segregated accounts: 100.00%

**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:

<b>Return</b>	<b>Amount</b>	<b>% of Beginning of Year NAV</b>
Received by Fund	\$0	0.00%
Received by Manager	\$0	0.00%
Received by Third Parties	\$0	0.00%
<b>Cost</b>		
Paid by Fund to Third Parties	\$17	0.01%
Paid by Manager	\$0	0.00%
Paid by Third Parties	\$0	0.00%

For the year ended 30 September 2023

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***The Sustainable Finance Disclosure Regulation (“SFDR”) and Taxonomy Regulation***

KraneShares MSCI China ESG Leaders UCITS ETF and KraneShares Electric Vehicles & Future Mobility ESG Screened UCITS ETF are classified as Article 8 funds according to the Sustainable Finance Disclosure Regulation (“SFDR”). This means that these Sub-Funds promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR. Details are disclosed in Appendix 4. The rest of the Sub-Funds are classified as Article 6 funds. The investments underlying these Sub-Funds do not take into account the European Union criteria for environmentally sustainable activities.

During the course of the year, regulation around sustainability-related disclosures continued to evolve, through the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) (the “SFDR”) and the EU Taxonomy Regulation (Regulation (EU) 2020/852, and amending SFDR) (the “Taxonomy Regulation”) and their associated regulatory technical standards and available guidance. Additional disclosure requirements under SFDR Level 2 are applicable to all annual reports published on or after 1 January 2023 and such disclosures as they relate to the Sub-Funds can be found in Appendix 4 of this report. Such disclosures have in part been prepared using data sourced from third party data providers which was available as at the date of which the disclosures were produced. It has been observed that the availability of data continues to be challenging in some respects and there may be further regulatory guidance of relevance to the content of the disclosures that is still to be issued. The disclosures included in Appendix 4 of this report should consequently be read and understood in light of these continuing challenges. With the assistance of the Manager and the Investment Managers, the Board continues to monitor the ongoing development and evolution of sustainability-related regulation and associated guidance and the availability of relevant data in this regard.



ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

KraneShares MSCI China ESG Leaders UCITS ETF

Legal entity identifier:

6354004USA5UAUKNGF48

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

Unless otherwise stated, all data provided in this disclosure is measured as at 30 September 2023.

The environmental and/or social characteristics promoted by the Sub-Fund are those promoted by the The MSCI China ESG Leaders 10/40 Index (the "Index") which the Sub-Fund tracks. The Index aims to represent the performance of large and mid-cap China Companies with high environmental, social and governance ("ESG") performance relative to their sector peers (the "China Companies").

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



For the year ended 30 September 2023

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Through tracking the Index, the Sub-Fund promotes the following environmental/social characteristics:

- Investment in environmentally and socially responsible companies; and
- Avoidance of investment in companies which show a qualifying involvement from controversial activities including the production of alcohol and tobacco or gambling

● **How did the sustainability indicators perform?**

During the period, the following sustainability indicators were used to measure the attainment of the Sub-Fund's social and environmental characteristics:

- ESG Ratings provided by the Index Provider – securities must be rated average (BB) or above to be included in the Index;
- ESG Controversy Rating provided by the Index Provider – securities must not be rated in the two lowest categories to be included in the Index; and
- Companies showing qualifying involvement in the following sectors are excluded from the index in compliance with the exclusionary thresholds detailed in Annex II: thermal coal, tobacco, alcohol, gambling, nuclear power and weapons, conventional weapons, controversial weapons, civilian firearms, fossil fuel extraction and thermal coal power.

During the reporting period, the Sub-Fund held 99.74% of investments with environmental and / or social characteristics as measured as against the indicators set out above. The average tracking error for the reporting period was 0.002%. These figures are percentages average net assets as at the end of September 2022, December 2022, March 2023, June 2023, and September 2023.

● **...and compared to previous periods?**

NOT APPLICABLE – first reporting period. No comparison available.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

For the year ended 30 September 2023

— — — Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

NOT

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **September 30, 2023**



### How did this financial product consider principal adverse impacts on sustainability factors?

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.



### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
ALIBABA GROUP HOLDING LTD	Consumer Discretionary	8.70	CHINA
TENCENT HOLDINGS LTD	Communication Services	8.45	CHINA
CHINA CONSTRUCTION BANK CORPORATION	Financials	6.91	CHINA
NETEASE INC	Communication Services	4.98	CHINA
BAIDU INC	Communication Services	4.86	CHINA
JD.COM INC	Consumer Discretionary	4.36	CHINA

For the year ended 30 September 2023

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

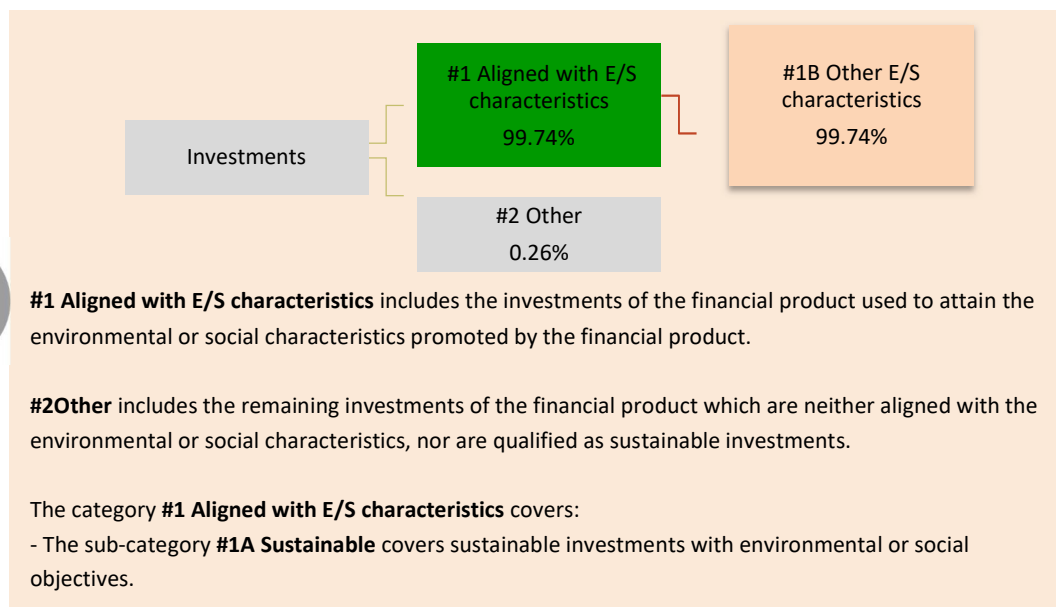
INDUSTRIAL AND COMMERCIAL BANK OF CHINA	Financials	3.96	CHINA
BYD CO LTD	Consumer Discretionary	3.78	CHINA
YUM CHINA HOLDINGS INC	Consumer Discretionary	2.96	CHINA
WUXI BIOLOGICS CAYMAN INC	Health Care	2.79	CHINA
LI AUTO INC	Consumer Discretionary	2.52	CHINA
KUAISHOU TECHNOLOGY CO LTD	Communication Services	2.37	CHINA
CHINA MERCHANTS BANK CO LTD	Financials	2.09	CHINA
CHINA RESOURCES LAND LTD	Real Estate	1.79	HONG KONG
NIO INC	Consumer Discretionary	1.59	CHINA

### What was the proportion of sustainability-related investments?

See below – The Sub-Fund does not commit to investing in sustainable investments.

### What was the asset allocation?

99.74 % of the Sub-Fund’s assets were invested in securities which are #1 Aligned with the environmental and social characteristics as outlined in the table below. 0.26% of the assets, consisting of cash as well as other instruments described further below were classified under #2 Other and will not be aligned with the promoted environmental and social characteristics. These figures are percentages average net assets as at the end of September 2022, December 2022, March 2023, June 2023, and September 2023.



**Asset allocation** describes the share of investments in specific assets.

For the year ended 30 September 2023

● ***In which economic sectors were the investments made?***

The sectors and industry groups where investments of the Fund were made are set out below as of September 30, 2023.

Within the Energy sector: the Fund held 0.03% of its net assets in the Oil & Gas Equipment and Services sub-industry (as defined by the Global Industry Classification Standard (GICS)) as of September 30, 2023.

Within the Utilities sector: the Fund held on 2.03% of its net assets in the Gas Utilities sub-industry (as defined by GICS) as of September 30, 2023.

<b>Sector / Industry Group</b>	<b>% Allocation</b>
<b>Communication Services</b>	<b>21.35</b>
Media & Entertainment	21.35
<b>Consumer Discretionary</b>	<b>30.83</b>
Automobiles & Components	10.73
Consumer Discretionary Distribution & Retail	15
Consumer Durables & Apparel	1.38
Consumer Services	3.72
<b>Consumer Staples</b>	<b>4.54</b>
Food, Beverage & Tobacco	4.07
Materials	0.33
Household & Personal Products	0.14
<b>Energy</b>	<b>0.03</b>
Energy	0.03
<b>Financials</b>	<b>16.74</b>
Banks	16.29
Financial Services	0.33
Materials	0.12
<b>Health Care</b>	<b>9.28</b>
Pharmaceuticals, Biotechnology & Life Sciences	7.54
Health Care Equipment & Services	1.74
<b>Industrials</b>	<b>7.35</b>
Capital Goods	3.68
Transportation	3.47
Commercial & Professional Services	0.2
<b>Information Technology</b>	<b>1.66</b>
Technology Hardware & Equipment	1.21
Software & Services	0.45
<b>Materials</b>	<b>1.92</b>
Materials	1.92
<b>Real Estate</b>	<b>4.15</b>
Real Estate Management & Development	4.15
<b>Utilities</b>	<b>1.92</b>
Utilities	1.92
<b>Cash</b>	<b>0.23</b>

For the year ended 30 September 2023

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Sub-Fund's Net Asset Value is invested in sustainable investments that have an environmental objective aligned with the EU Taxonomy.

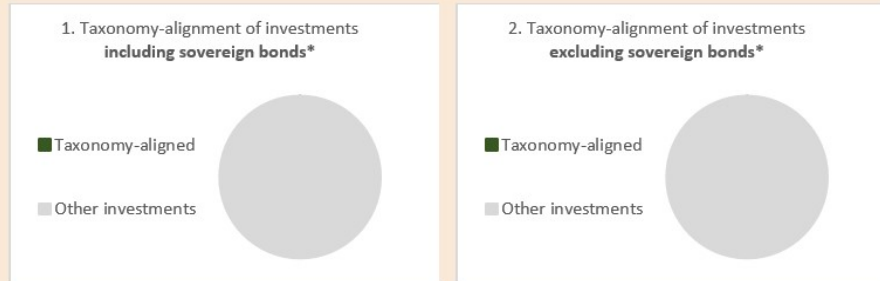
**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas In  nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**What was the share of investments made in transitional and enabling activities?**


The Sub-Fund does not commit to make investments that are aligned with the EU Taxonomy. For the reporting period, 0% of the Fund's investments were identified for the purpose of this report as being in transitional and enabling activities.

**How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:


- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

For the year ended 30 September 2023

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NOT APPLICABLE - the Sub Fund does not commit to invest in sustainable investments that have an environmental objective aligned with the EU Taxonomy.

**not**  **What was the share of sustainable investments with an environmental objective aligned with the EU Taxonomy?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.



**What was the share of socially sustainable investments?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Investments made by the Sub-Fund that may be classified as “#2 Other” include only the cash held in the Sub-Fund.

No minimum environmental or social safeguards were applied to these assets.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Sub-Fund is an index fund tracking the performance of the Index. 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 China Companies.

The investment policy of the Sub-Fund is to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index and which is considered by the Directors to be an appropriate index for the Sub-Fund to track, in accordance with the Prospectus), as closely as possible.

The Index is a free-float adjusted market capitalisation weighted index that is designed to measure the performance of large and mid-cap China Companies with high ESG performance relative to their sector peers. The Index methodology aimed to include securities of companies with the highest ESG ratings representing 50% of the market capitalisation in each Global Industry Classification Standard (“GICS”) sector.

In determining the ESG requirements for inclusion in the Index, the Index Provider utilised a three step process. Firstly, an overall rating was provided based on how well companies managed ESG risks and opportunities such as climate change, product liability and corporate behaviour, with scores and percentiles also indicating how well a company managed each individual ESG element relative to their industry peers. Secondly, an assessment of any negative ESG controversies for the relevant company was undertaken. The ESG controversies framework of the Index Provider is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights of Work, and the UN Global Compact. Thirdly, an exclusion list was applied where companies meet the relevant criteria to be deemed to be involved in controversial activities including the production of alcohol and tobacco or gambling.

For the year ended 30 September 2023

Further details on the Index, including its components and performance, are available at: [https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_ESG\\_Leaders\\_Methodology\\_May2023.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_ESG_Leaders_Methodology_May2023.pdf)

## How did this financial product perform compared to the reference benchmark?

The Sub-Fund tracked the Index as closely as possible throughout the reporting period, regardless of whether the Index level rose or fell. The Investment Manager sought to minimise as far as possible the tracking error between the performance of the Index and that of the Sub-Fund. The average tracking error for the reporting period was 0.002%.

### ● **How does the reference benchmark differ from a broad market index?**

As outline above, the Index uses specific MSCI ESG Research products – MSCI ESG Ratings, MSCI ESG Controversies, MSCI Business Involvement Screening Research and MSCI Climate Change Metrics - to determine eligibility for index exclusions, which are not a feature of the Parent Index..

### ● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Both the Sub-Fund and the Benchmark abided by the sustainability indicators described the section above titled “How did the sustainability indicators perform”. The Sub-Fund invested in assets that met these criteria 99.74% of the time on average based on quarter-end information as compared to the Benchmark which maintained exposure to assets that met these criteria 100%.

### ● **How did this financial product perform compared with the reference benchmark?**

The Sub-Fund is passive and tracked the Index with minimal tracking error. The Sub-Fund returned 4.43% on a gross of fees basis, underperforming the Index performance of 4.55% by 0.12%. The Sub-Fund returned 4.03% on a net of fees basis during the reporting period.

### ● **How did this financial product perform compared with the broad market index?**

The Sub-Fund returned 4.43% on a gross of fees basis, underperforming the broad market index (MSCI Global Investable Market Indexes) performance of 5.33% by 0.90%. The Sub-Fund returned 4.03% on a net of fees basis during the reporting period. The investment policy of the Sub-Fund is to track the performance of the Benchmark Index as closely as possible while seeking to minimize as far as possible the tracking difference between the Sub-Fund’s performance and that of the Benchmark Index. It is not expected that the Sub-Fund will track the broad market index.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

KraneShares Electric Vehicles & Future Mobility ETF

**Legal entity identifier:**

635400NFFPE57ATBIF87

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> <b>Yes</b></p> <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective</b>: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

Unless otherwise stated, all data provided in this disclosure is measured as at 30 September 2023.

The environmental and/or social characteristics promoted by the Sub-Fund are those promoted by the Bloomberg Electric Vehicles ESG Screened Index (Total Return version (BBVET)) (the "Index") which the Sub-Fund tracks. The Index aims to represent the performance of Electric Vehicle Companies.

Through tracking the Index, the Sub-Fund promoted the following environmental/social characteristics:



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

For the year ended 30 September 2023

- Investment in companies that were engaged in or expected to derive significant revenues from the production of electric vehicles or their components or in other initiatives that may change the future of mobility; and
- Avoidance of investment in companies which were involved in environmental, social and governance (“ESG”) controversies and controversial business activities, based on data from the ESG data provider, Sustainalytics.

● **How did the sustainability indicators perform?**

Attainment of the relevant characteristics were evaluated using the indicators described below. The sustainability indicators used were:

- Sector classifications – securities must be classified as belonging to the vehicles, electric vehicle components, batteries, hydrogen fuel cells, or raw materials sector classifications, as determined by the Index Provider, to be included in the Index; and
- ESG controversies and controversial business activities data from ESG data provider, Sustainalytics – securities which trigger the criteria and thresholds set out in response to the question “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?” below are excluded from the Index.

At the end of the reporting period, the Sub-Fund held on average 99.82% of investments with environmental and / or social characteristics as measured as against the indicators set out above. The average tracking error for the reporting period was 0.003%. These figures are percentages average net assets as at the end of September 2022, December 2022, March 2023, June 2023, and September 2023.

● **...and compared to previous periods?**

NOT APPLICABLE – first reporting period. No comparison available.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

— **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

For the year ended 30 September 2023

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **September 30, 2023**



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**How did this financial product consider principal adverse impacts on sustainability factors?**

NOT APPLICABLE - The sub-fund does not commit to considering principal adverse impacts on sustainability factors.

**What were the top investments of this financial product?**



Largest investments	Sector	% Assets	Country
TESLA INC	Consumer Discretionary	4.65	UNITED STATES
PANASONIC HOLDINGS CORP	Consumer Discretionary	4.20	JAPAN
APTIV PLC	Consumer Discretionary	4.20	IRELAND
NIDEC CORP	Industrials	3.95	JAPAN
ALBEMARLE CORP	Materials	3.85	UNITED STATES
LI AUTO INC	Consumer Discretionary	3.85	CHINA
CONTEMPORARY AMPEREX TECHNOLOGY CO., LIMITED	Industrials	3.83	CHINA
SAMSUNG SDI CO LTD	Information Technology	3.82	SOUTH KOREA
RIVIAN AUTOMOTIVE INC	Consumer Discretionary	3.19	UNITED STATES

**KRANESHARES ICAV**

Appendix 4 – Sustainable Finance Disclosure Regulation (Unaudited) (continued)

For the year ended 30 September 2023

Asset allocation describes the share of investments in specific assets.

XPENG INC	Consumer Discretionary	2.98	CHINA
BYD CO LTD	Consumer Discretionary	2.76	CHINA
GEELY AUTOMOBILE HOLDINGS GROUP CO., LTD	Consumer Discretionary	2.67	HONG KONG
MAGNA INTERNATIONAL INC	Consumer Discretionary	2.53	CANADA
SOC QUIMICA Y MINERA CHILE S.A.	Industrials	2.48	CHILE
LG ENERGY SOLUTION LTD.	Industrials	2.45	SOUTH KOREA

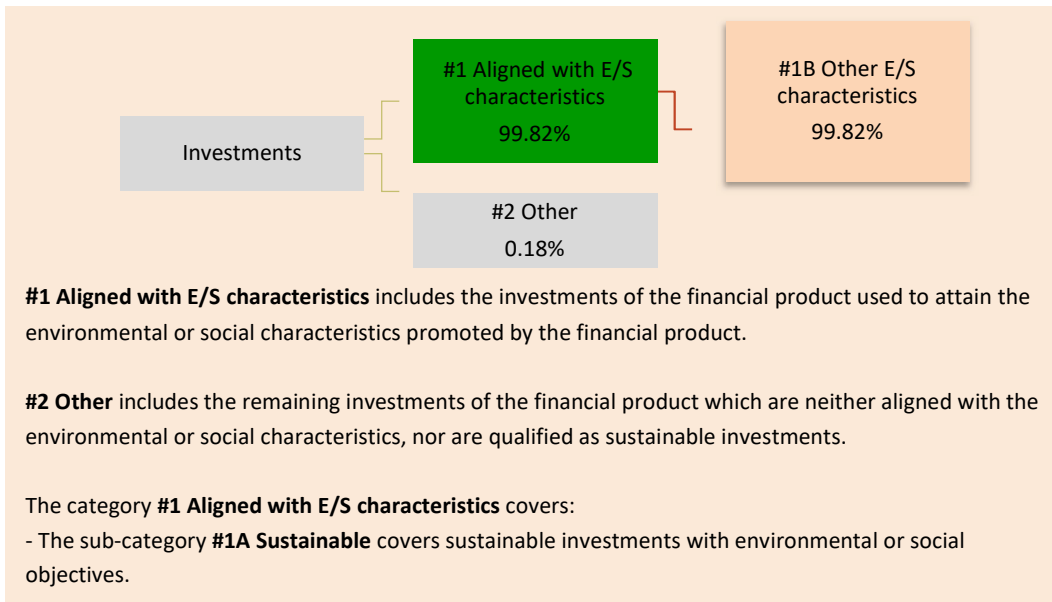
**What was the proportion of sustainability-related investments?**

See below – The Sub-Fund does not commit to investing in sustainable investments.

● **What was the asset allocation?**



99.82% of the Sub-Fund’s assets were invested in securities which are #1 Aligned with the environmental and social characteristics as outlined in the table below. 0.18% of the assets, consisting of cash described further below were classified under #2 Other and will not be aligned with the promoted environmental and social characteristics. These figures are percentages average net assets as at the end of September 2022, December 2022, March 2023, June 2023, and September 2023.



For the year ended 30 September 2023

● **In which economic sectors were the investments made?**

The sectors and industry groups where investments of the Fund were made are set out below as of September 30, 2023.

<b>Sector / Industry Group</b>	<b>% Allocations</b>
<b>Consumer Discretionary</b>	<b>44.45</b>
Automobile Components	40.13
Consumer Durables & Apparel	4.32
<b>Materials</b>	<b>26.65</b>
Materials	26.65
<b>Industrials</b>	<b>21.68</b>
Capital Goods	21.68
<b>Information Technology</b>	<b>6.85</b>
Technology Hardware & Equipment	5.04
Semiconductors & Semiconductor Equipment	1.81
<b>Cash</b>	<b>0.37</b>



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of the Sub-Fund's Net Asset Value is invested in sustainable investments that have an environmental objective aligned with the EU Taxonomy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>2</sup>?**

Yes:

In fossil gas In  nuclear energy

No

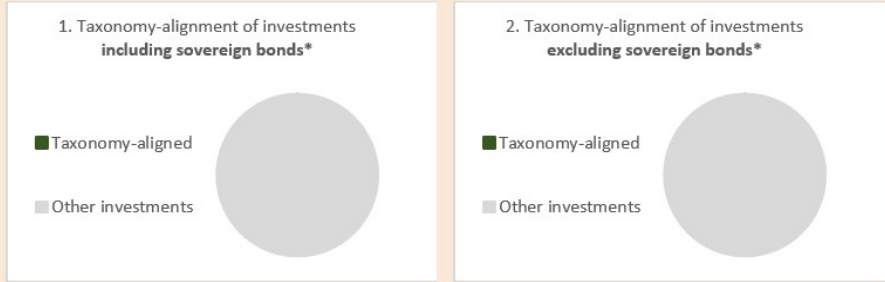
<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

For the year ended 30 September 2023

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**What was the share of investments made in transitional and enabling activities?**

The Sub-Fund does not commit to make investments that are aligned with the EU Taxonomy. For the reporting period, 0% of the Fund's investments were identified for the purpose of this report as being in transitional and enabling activities.

**How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

NOT APPLICABLE - the Sub Fund does not commit to invest in sustainable investments that have an environmental objective aligned with the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

**What was the share of socially sustainable investments?**

NOT APPLICABLE – The Sub-Fund does not commit to investing in sustainable investments.

**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Investments made by the Sub-Fund that may be classified as “#2 Other” include only the cash held in the Sub-Fund.

No minimum environmental or social safeguards were applied to these assets.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

For the year ended 30 September 2023



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund is an index fund tracking the performance of the Index. 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 companies that are engaged in or expected to derive significant revenues from the production of electric vehicles or their components or in other initiatives that may change the future of mobility (“**Electric Vehicle Companies**”).

The investment policy of the Sub-Fund is to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index and which is considered by the Directors to be an appropriate index for the Sub-Fund to track, in accordance with the Prospectus), as closely as possible.

The Index screened out companies involved in ESG controversies and controversial business activities. Data for such ESG controversies was sourced by the Index Provider from Sustainalytics, an ESG data provider. The thresholds for exclusion were determined by in the Index Provider and can be summarised as follows: Extreme Event Controversies, Controversial Weapons, UNGC Violation, Civilian Firearms, Thermal Coal Extraction and Tobacco.

All companies which have been assessed by ESG data provider, Sustainalytics as being subject to Extreme Event Controversies or which have that have breached a principle of the UN Global Compact were excluded from the Index.

Further details on the Index can be found at: <https://www.bloomberg.com/professional/product/indices/bloomberg-equity-indices/>, <https://assets.bbhub.io/professional/sites/10/Bloomberg-Electric-Vehicles-ESG-Screened-Index-Methodology.pdf> and <https://assets.bbhub.io/professional/sites/10/Bloomberg-Electric-Vehicles-ESG-Screened-Index-Select-Constituents.pdf>.



### How did this financial product perform compared to the reference benchmark?

The Sub-Fund tracked the Index as closely as possible throughout the reporting period, regardless of whether the Index level rose or fell. The Investment Manager sought to minimise as far as possible the tracking error between the performance of the Index and that of the Sub-Fund. The average tracking error for the reporting period was 0.003%.

#### ● *How does the reference benchmark differ from a broad market index?*

The Index methodology provides for two core exclusionary criteria which are not features of the Parent Index (Bloomberg World Equity Aggregate Index):

- Investment in companies that were engaged in or expected to derive significant revenues from the production of electric vehicles or their components or in other initiatives that may change the future of mobility; and
- Avoidance of investment in companies which were involved in environmental, social and governance (“ESG”) controversies and controversial business activities, based on data from the ESG data provider, Sustainalytics.

For the year ended 30 September 2023

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● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Both the Sub-Fund and the Benchmark abided by the sustainability indicators described the section above titled “How did the sustainability indicators perform”. The Sub-Fund invested in assets that met these criteria 99.82% of the time on average based on quarter-end information as compared to the Benchmark which maintained exposure to assets that met these criteria 100%.

● ***How did this financial product perform compared with the reference benchmark?***

The Sub-Fund is passive and tracked the Index with minimal tracking error. The Sub-Fund returned -9.47% on a gross of fees basis, underperforming the Index performance of -9.30% by 0.17%. The Sub-Fund returned -10.19% on a net of fees basis during the reporting period..

● ***How did this financial product perform compared with the broad market index?***

The Sub-Fund returned -9.47% on a gross of fees basis, underperforming the broad market index performance of 19.95% by 29.42%. The Sub-Fund returned -10.19% on a net of fees basis during the reporting period. The investment policy of the Sub-Fund is to track the performance of the Reference Benchmark Index as closely as possible while seeking to minimize as far as possible the tracking difference between the Sub-Fund’s performance and that of the Reference Benchmark Index. It is not expected that the Sub-Fund will track the broad market index

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.