KCAI
KraneShares China Alpha Index ETF

Fund Description

KCAI tracks an index that seeks to outperform the CSI 300 Index by employing a systematic machine learning approach in selection and weighting of China A-shares.

FactSet Analyst Report

KCAI seeks to outperform the CSI 300 Index by applying AI to a quantitative process in selecting and weighting securities. The index universe begins with CSI 300 China A-Shares, not subject to US sanctions. The fund filters index components based on historical prices, financial indicators, market trends, mathematical parameters, market capitalization, and sector classification, among other data inputs. The algorithm optimizes the holdings and weights that are most likely to provide a total return exceeding the benchmark. The fund selects up to 50 China A-Shares, capped at 5%, through the Stock Connect Programs. Up to 20% of assets may be invested in other equities not part of the underlying index, as well as derivatives, other investment companies or ETFs, and cash or cash equivalents. The fund may also engage in securities lending. The index is reconstituted and rebalanced monthly.