

KESG

KraneShares MSCI China ESG Leaders Index ETF

Fund Description

KESG tracks a market-cap-weighted index of Chinese companies that have high environmental, social and governance ratings.

FactSet Analyst Report

KESG tracks an index of Chinese stocks with the highest ESG ratings representing 50% of the market cap in each sector. All types of publicly issued shares of Chinese issuers are eligible, including: A-shares, and those listed in Hong Kong or outside China. Constituents are selected from its parent index, MSCI EM Asia ESG Leaders Index using three screens. First, issuers within each industry are rated on how well they manage ESG risks like climate change, Second, an assessment on the negative ESG impact of the firms operations, products and service based on global frameworks such as UN Declaration of Human Rights, and Third, excludes firms involved in controversial activities like civilian firearms and nuclear power. The Underlying Index is market-cap weighted, individual securities are capped at 10%. Securities having 5% or more weight may not collectively exceed 40% weight of the Index. The Index is reconstituted annually at the May semi-annual review.

