

KLXY

KraneShares Global Luxury Index ETF

Fund Description

KLXY tracks an index comprised of companies in developed markets that offer luxury goods and services. The index selects and weights holdings towards those companies with most business exposure related to the investment theme.

FactSet Analyst Report

KLXY aims to replicate a global index that is composed of companies related to the luxury sector of developed countries. This refers to firms engaged in travel & leisure, premium ware and apparel, luxury goods, and other similar industries. To be included in the index, securities undergo screening based on minimum size, trading volume, and country of listing. Eligible securities are then ranked by market cap, with the top 25 being selected. The index follows a modified market-cap weighted approach, assigning higher weights to the top 5 securities. The largest receives 10% weight, followed by incrementally decreasing allocations for the remaining top securities. The rest are then capped at a maximum weight of 4.5%. Furthermore, while the fund targets investments in the US, at least 40% of its assets will be invested in foreign entities, markets or firms with considerable business activities outside the United States. The index is rebalanced semi-annually and reconstituted yearly.