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The Through Train is Here:

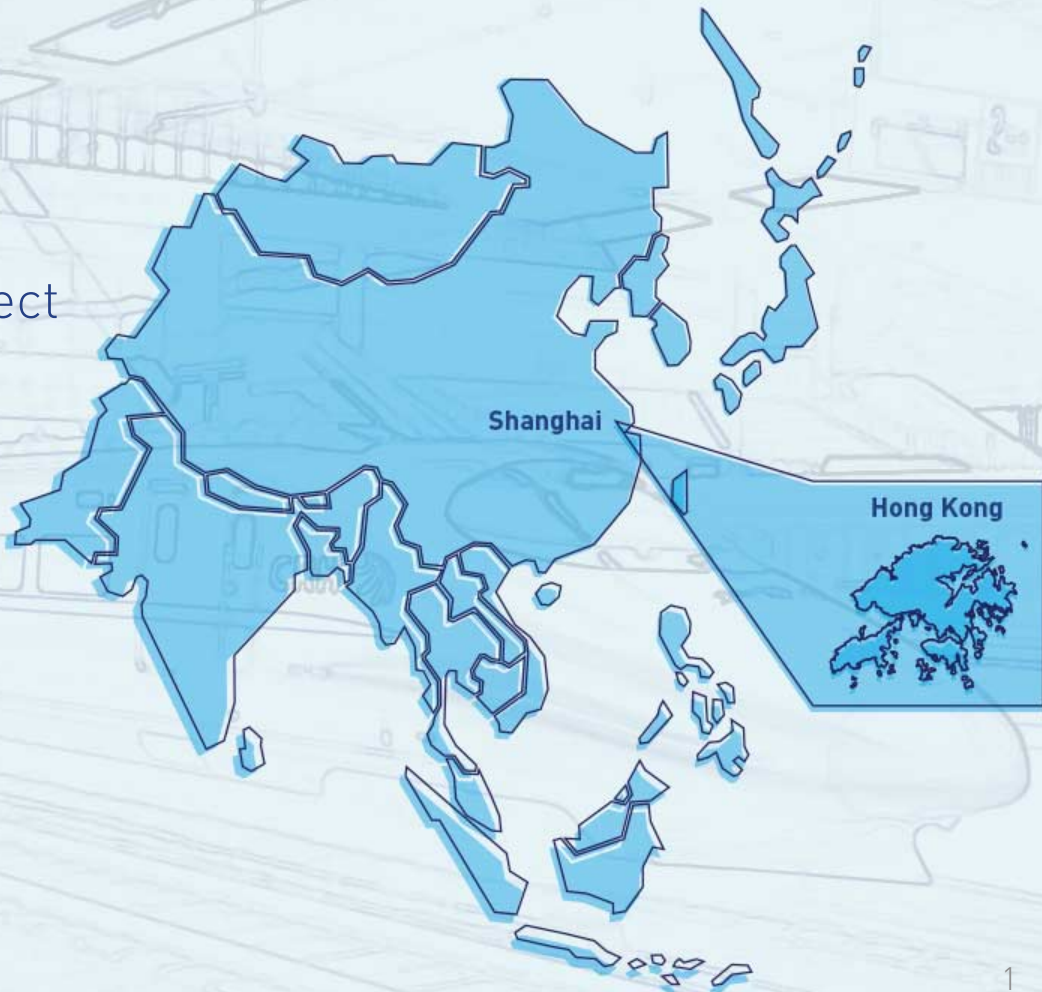
An Overview of the
Shanghai-Hong Kong Stock Connect



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KraneShares™

KraneShares is dedicated to raising awareness of opportunities in China's economy & capital markets among global investors



The Shanghai-Hong Kong Stock Connect Is a Significant Event For Investors Globally

1. Unprecedented Access to China's Mainland Markets For the First Time
2. Immediate buy opportunity
 - Inexpensive Valuations
 - Market Still Below 2008 High
 - Lack of Correlation to Equity Indices
3. Potential Inclusion In Benchmarks



Traders working at the Hong Kong Stock Exchange



China Is Home To Three of the World's Largest Stock Exchanges

- There are 119 active stock exchanges in the world
- The top 15 stock exchanges hold 83% of global market capitalization
- 15% of global market capitalization is held on the three Chinese stock exchanges

Source: www.world-exchanges.org as of 11/30/2014.
Based on equity exchanges with reported data.

Top 15 stock exchanges by market cap, 11/30/2014

Rank	Exchange	Market cap (USD bn)
1	NYSE	19,445,200
2	NASDAQ OMX	7,096,435
3	Japan Exchange Group - Tokyo	4,419,112
4	London SE Group	4,155,392
5	Euronext	3,464,413
6	Hong Kong Exchanges	3,287,852
7	Shanghai SE	3,275,055
8	TMX Group	2,130,600
9	Shenzhen SE	2,059,801
10	Deutsche Börse	1,798,368
11	SIX Swiss Exchange	1,634,636
12	BSE India	1,608,664
13	National Stock Exchange India	1,569,506
14	Australian SE	1,316,572
15	NASDAQ OMX Nordic Exchange	1,254,078



Foreign Investors Have Had Very Limited Exposure to the Mainland Markets. Investing In China Has Historically Meant Investing in Chinese Companies Listed in Hong Kong

Share Class	Exchange	Currency
A Share	Shanghai or Shenzhen	RMB
B Share	Shanghai or Shenzhen	USD
H Share	Hong Kong	HKD
Red Chip	Hong Kong	HKD
N Share	NYSE or NASDAQ	USD
S Share	Singapore	SGD
P Share	Hong Kong	HKD
Hong Kong	Hong Kong	HKD



Historical Access to the Mainland Markets – QFII

270 Institutions Globally Have Been Provided Access to the Mainland Markets through the Qualified Foreign Institutional Investor Program (QFII).

Key points regarding QFII:

- The goal of the QFII program is to attract long-term, stable foreign capital into China's capital markets
- Institutions must go through a lengthy process to apply for and receive a QFII license from the China Securities Regulatory Commission (CSRC)
 - Criteria for application: asset size, # of years in business, headquarters, home country
 - Currently hedge funds are not eligible for QFII
- Approved QFII licensees must then apply for an investment quota from the State Administration for Foreign Exchange (SAFE)
- QFII Custodians – who must be approved by the CSRC – play a significant role in the application process
- QFII investments have a 1 year lock up period

Historical Access to the Mainland Markets – RQFII

In response to the success of the QFII program, Chinese authorities created the Renminbi Qualified Foreign Institutional Investor Program (RQFII). RQFII allowed Chinese asset managers to list mainland access ETFs and mutual funds in Hong Kong.

RQFII		QFII	
Availability	Primarily available to Chinese asset management firms	Availability	Restricted to pre-approved global institutional investors.
Liquidity*	No restrictions	Liquidity	Weekly liquidity
Lock-up*	No restrictions	Lock-up	Up to 12 month lock-up

*The QFII and RQFII programs are an exception to Chinese laws, which generally restrict foreign investment in A Shares. The RQFII rules were only recently announced and are novel. Chinese regulators may alter or eliminate the programs at any time. In addition, the A Share quota may be reduced or revoked by the Chinese regulators if, among other things, the RQFII manager fails to observe SAFE and other applicable Chinese regulations, which could lead to other adverse consequences, including the requirement that the a fund dispose of its A Shares holdings at an inopportune time.

Key points regarding RQFII:

- Originally launched in 2011, allowing Hong Kong-incorporated subsidiaries of Chinese asset managers to apply for investment quota
- RQFII allows offshore Chinese asset managers to structure passive strategies such as ETFs which invest directly in Mainland equities or fixed income products
- RQFII was recently expanded to other financial institutions whose primary business is conducted in Hong Kong
- RQFII applicants must apply for and receive an RQFII quota
- RQFII provides daily liquidity whereas QFII allows for only weekly liquidity
- RQFII is denominated in RMB and does not impact China's foreign currency reserves, providing greater ease of approval and ability to receive more quota



New Access to the Mainland Markets – The Shanghai-Hong Kong Stock Connect

Shanghai-Hong Kong Stock Connect Allows Foreign Investors Access to the Shanghai Stock Exchange without QFII. It also provides access to the Hong Stock Exchange for mainland investors.

Key points regarding the Shanghai-Hong Kong Stock Connect:

- On November 17, 2014, 568 Stocks on the Shanghai Stock Exchange (SSE) were made eligible for purchase
- These stocks represent 90% of the SSE market capitalization & 80% of Average Daily Turnover
- Within the 568, 66 are dually listed on the SSE and Hong Kong Stock Exchange
- Aggregate Connect Quota RMB 300 billion (~US \$48.7 billion)
- Aggregate Quota = Aggregate Buy Trades + Aggregate Sell Trades
- RMB 13 billion Daily Quota (~US \$2.1 billion)
- Daily Quota = Buy Orders + Sell Trades + Adjustments (eg Buy Order cancelled, Buy Order rejected by SSE, Buy Order executed at a better price)



Mainland China Represents Value

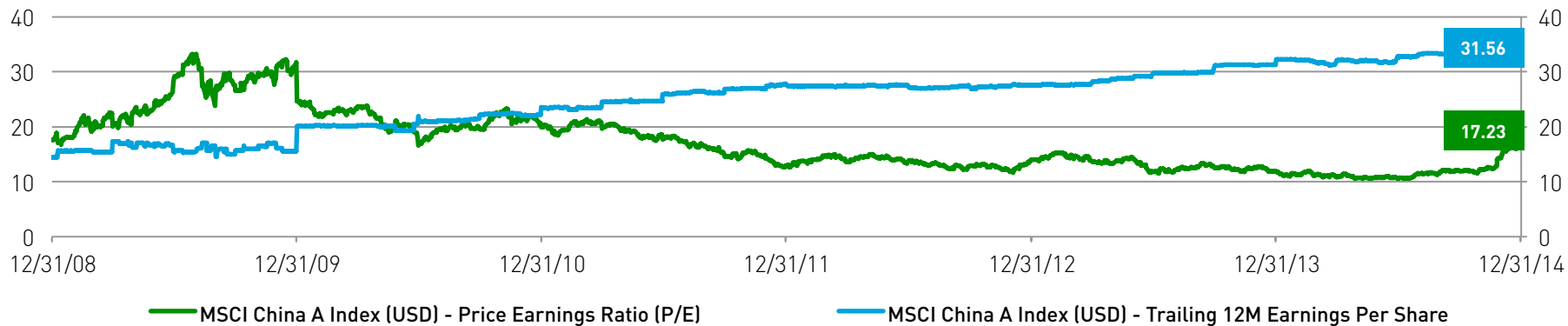
The mainland markets are trading at low valuations compared to other indices.

As December 31, 2014	P/E	P/E Forward	P/BV
MSCI China A International	16.62	13.23	2.25
MSCI ACWI IMI	18.08	15.09	2.06
MSCI Emerging Markets	13.17	10.58	1.52
MSCI USA	19.23	16.68	2.82

The mainland market's low P/E (green line) has been driven by strong Earnings Per Share growth (blue line)

Mainland Market P/E and Earnings Per Share Growth

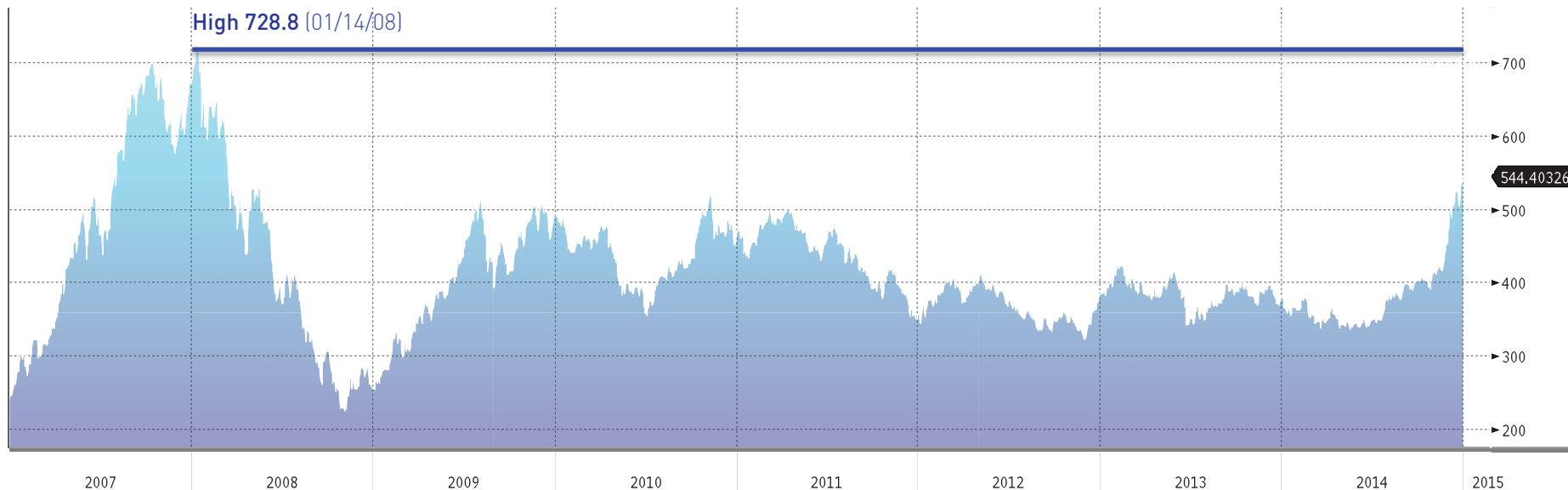
12/31/08 – 12/31/14





Onshore Equities Market Is Still 22% Below the 2008 High

MSCI China A Index Performance 1/1/07 – 12/31/14



Source: MSCI via Bloomberg – China A Chart from January 1, 2007 to December 31, 2014

Onshore Chinese Equities Have Exhibited Low Correlation to Other Indices Historically

- As Emerging Markets (EM) become more correlated with Developed Markets over the years, the diversification benefits of EM investing have largely diminished
- Frontier Markets (FM) still has relatively low correlations with the rest of the world
- Remarkably, China A-shares exhibits an even lower correlation than Frontier Markets
 - MSCI's "China A-shares: Too Big to Ignore" September 2014

MSCI Indices Correlation to MSCI China A

	ACWI	EAFE	EM	USA	China	Frontier	China A
ACWI	1						
EAFE	0.96	1					
EM	0.89	0.87	1				
USA	0.95	0.85	0.77	1			
China	0.72	0.70	0.86	0.60	1		
Frontier	0.46	0.48	0.44	0.39	0.38	1	
China A	0.16	0.16	0.27	0.09	0.48	0.17	1

- **MSCI ACWI Index - All Country World Index**
incepted 5/31/1990
- **MSCI EAFE Index- Europe, Australasia, Israel and Far East**
incepted 5/31/1986
- **MSCI EM Index- Emerging Markets**
incepted 1/01/2001
- **MSCI USA Index – Large and mid cap segments of US market**
incepted 3/31/1986
- **MSCI China Index - Chinese companies listed in Hong Kong**
incepted 5/31/1994
- **MSCI Frontier Markets Index - Frontier Markets**
incepted 12/18/2007
- **MSCI China A Index - Chinese companies listed on Shanghai and Shenzhen Stock Exchanges**
incepted 5/10/2005

Source: Table from Bloomberg, weekly correlation beginning from the year end date from the youngest index inception (MSCI Frontier Markets Index) December 31, 2007 to December 31, 2014



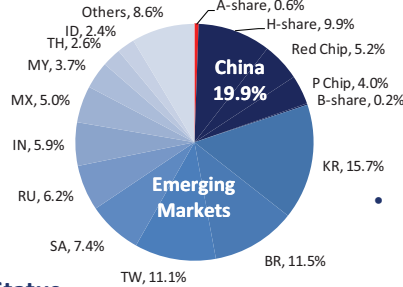
**Potential Inclusion in Benchmarks:
Mainland Stocks Have Not Been Included In Broader Indices
Due to the Lack of Access By Foreign Investors**



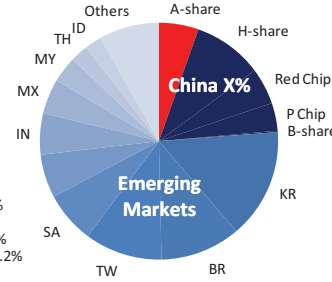
Successful implementation of the Shanghai-Hong Kong Stock Connect, could allow MSCI to include mainland equities in their indices. Below is MSCI's roadmap for including the mainland in their MSCI Emerging Markets Index.

KR = South Korea
BR = Brazil
TW = Taiwan
SA = South Africa
RU = Russia
IN = India
MX = Mexico
MY = Malaysia
TH = Thailand
ID = Indonesia

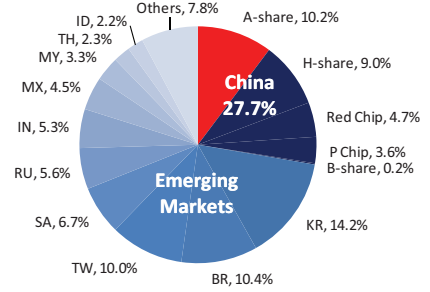
Potential Initial Step: Partial Inclusion (5%*)



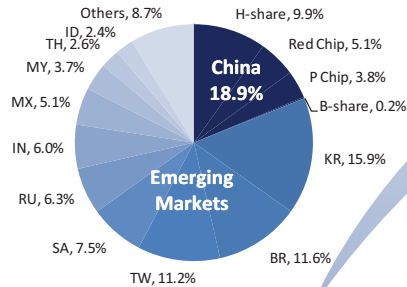
Potential Additional Steps: Partial Inclusion (>5%*)



Potential Full Inclusion (100%*)



Current Status



- Further improvements in quota allocation mechanism and size of overall quota
- Further relaxation on capital mobility and other market accessibility constraints

- Abolishment of the quota system
- Full liberalization of capital mobility restrictions
- Alignment of International accessibility standards

* The percentage number refers to the Inclusion Factor applied to the free float-adjusted market capitalization of China A share constituents in the pro forma MSCI China Index. China A-share securities are subject to a foreign ownership limit of 30%
Data as of October 18, 2013 based on the pro forma results of November 2013 SAIR (Semi-Annual Index Review)
Source: MSCI



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Definitions – Source Bloomberg

Price/Earnings Ratio equals the security's current price divided by the earnings per share.

Price/Earnings Forward Ratio uses forecasted earnings for the P/E calculation for the next twelve months.

Price/Book Value Ratio equals a stock's price divided by the book value per share.

There is no guarantee that any security will be added to an index or a Fund.

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Carefully consider the Funds' investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' prospectus, which may be obtained by visiting www.kraneshares.com or by calling 1-855-8KRANE8.

Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal. There can be no assurance that the Funds will achieve its stated objectives. The Funds focus their investments primarily with Chinese issuers and issuers with economic ties to China. The Funds are subject to political, social or economic instability within China which may cause decline in value. Fluctuations in currency of foreign countries may have an adverse affect to domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume. Current and future holdings are subject to risk.

Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Such changes may have an adverse impact on performance.

The KraneShares ETFs are distributed by SEI Investments Distribution Company, which is not affiliated with Krane Funds Advisors, LLC, the Investment Adviser for the Fund.



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The ability of the KraneShares Boserá MSCI China A ETF to achieve its investment objective is dependent on the continuous availability of A Shares and the ability to obtain, if necessary, additional A Shares quota. If the Fund is unable to obtain sufficient exposure due to the limited availability of A Share quota, the Fund could seek exposure to the component securities of the Underlying Index by investing in depositary receipts. The Fund may, in some cases, also invest in Hong Kong listed versions of the component securities and B Shares issued by the same companies that issue A Shares in the Underlying Index. The Fund may also use derivatives or invest in ETFs that provide comparable exposures. Investments in derivatives, including swap contracts and index futures in particular, may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the derivatives, imperfect correlations with underlying investments, lack of availability and counterparty risk. The use of swap agreements entails certain risks, which may be different from, and possibly greater than, the risks associated with investing directly in the underlying asset. The Fund, may be concentrated in the financial services sector. Those companies may be adversely impacted by many factors, including, government regulations, economic conditions, credit rating downgrades, changes in interest rates, and decreased liquidity in credit markets. This sector has experienced significant losses in the recent past, and the impact of more stringent capital requirements and of recent or future regulation on any individual financial company or on the sector as a whole cannot be predicted.



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