

Navigating Market Uncertainty

A Different Approach
to Emerging Market
& China Investing



Brendan Ahern
Chief Investment Officer
(646) 918-6612

brendan.ahern@kraneshares.com



KraneShares delivers U.S. investors the views of Chinese investment professionals through our partnerships with two of China's largest mutual fund families



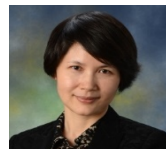
\$73b AUM



Conrad Cheng
Deputy CEO



\$99b AUM



Gaohui Huang
CEO

Bosera Quick Facts:

- **China located:** Headquartered in Shenzhen with offices in Beijing, Shanghai and Hong Kong
- **Chinese professionals:** 120 person investment team residing in China
- **Established in 1998, Bosera was among the 1st** Chinese asset management companies approved to do business in Mainland China
- **\$73b** in assets under management; one of the top five asset managers by assets in Mainland China
- **#1:** in number of portfolios managed in China's National Social Security Fund
- **17 million** clients globally
- **30 funds** offered including ETFs, open end mutual funds and closed end funds

E Fund Quick Facts

- **China located:** Headquartered in Guangzhou with offices in Beijing, Shanghai and Hong Kong
- **Chinese professionals:** 130 person investment team residing in China
- **Established in 2001, was among the 1st** Chinese asset management companies approved to do business in Mainland China
- **\$90b** in assets under management; one of the top three asset managers by assets in Mainland China
- **57 funds** offered including ETFs, open end mutual funds and closed end funds
- **Largest fixed income manager in China**



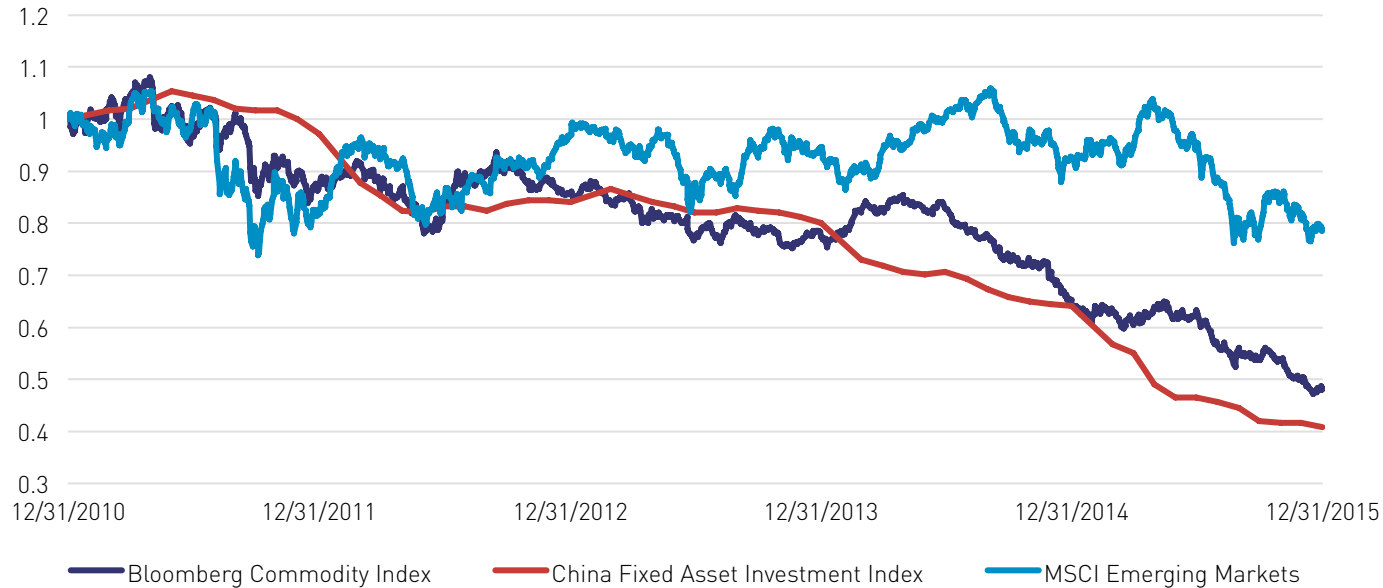
Three Concerns Impacting Traditional Emerging Market Investors

We believe our approach to emerging market investing helps to mitigate three major concerns that investors have today. In fact, our approach may potentially outperform both traditional emerging market (EM) and other international asset classes.

Concern	Traditional Emerging Market Investing
The end of the commodity super cycle	Overweight commodity exporting countries that have been hardest hit by sinking energy prices and slowing demand from China
China's slowing GDP	Overweight historic past drivers of China's growth such as: heavy-manufacturing, resource-extraction and construction industries
Currency Wars	Overweight exposure to emerging market currencies that have been forced to depreciate, like the Ruble, Real, and Mexican Peso

China's waning appetite for fixed asset investment (capital spending on physical assets, i.e. infrastructure, machinery, real estate) has contributed to the decline in commodity prices and performance of export dependent emerging market economies.

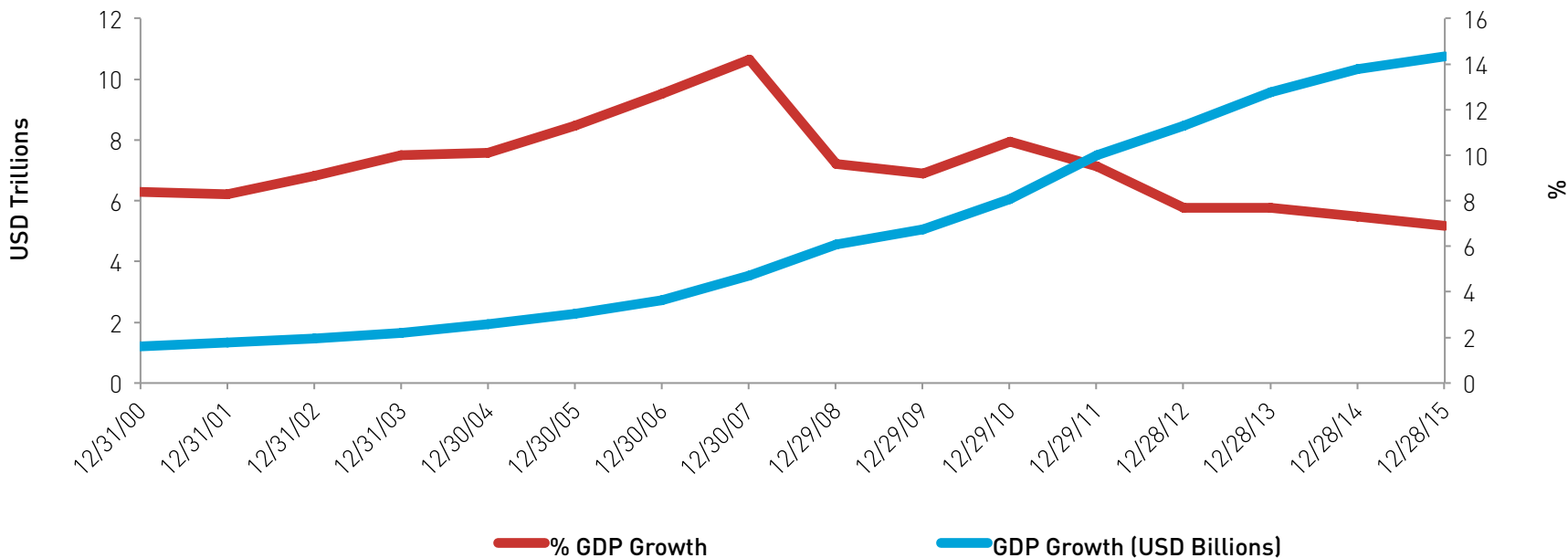
Relationship between China fixed asset investment, commodity prices, and emerging market performance



Data have been normalized at 12/31/2010. Source: Bloomberg as of 12/31/2015

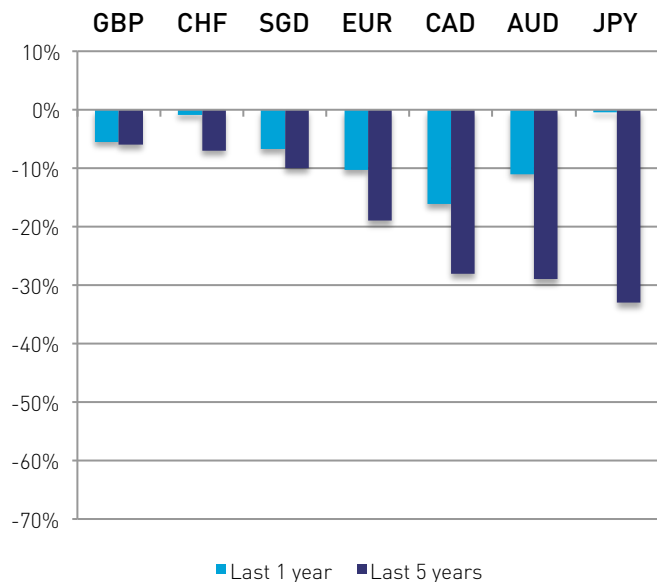
While it is true China's growth rate is slowing, its total GDP value has expanded dramatically over the past decade

Strong GDP Growth in China
12/31/00 – 12/31/15

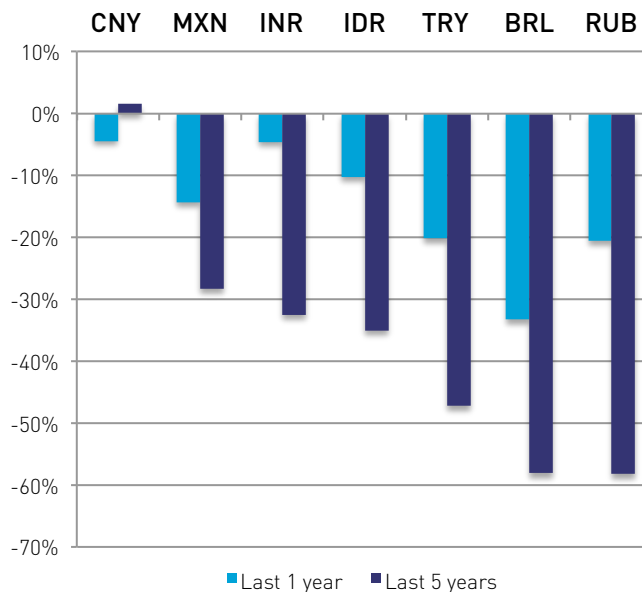


While the renminbi (RMB) depreciated against the U.S. Dollar, Swiss Franc, and Yen over the past year, it was the strongest performing currency over the past five years. We believe as the U.S. starts to feel the negative impact on its exports from the strong dollar, we anticipate the RMB will begin to appreciate again. Even over the past year, an overweight to the RMB vs. other emerging market currencies would have been additive to performance.

Total Spot Return DM currencies vs. USD
(1yr and 5yr returns)



Total Spot Return EM currencies vs. USD
(1yr and 5yr returns)



Developed Markets (DM)	
British Pound	GBP
Swiss Franc	CHF
Singapore Dollar	SGD
Euro	EUR
Canadian Dollar	CAD
Australian Dollar	AUD
Japanese Yen	JPY
Emerging Markets (EM)	
Chinese Yuan	CNY
Mexican Peso	MXN
Indian Rupee	INR
Indonesian Rupiah	IDR
Turkish Lira	TRY
Brazilian Real	BRL
Russian Ruble	RUB



How our approach is different

Preface:

The Definition of China for many investors has been 145 Chinese companies (\$994 billion market cap) listed on the Hong Kong Stock Exchange. This definition represents only a small percentage of Chinese stocks.

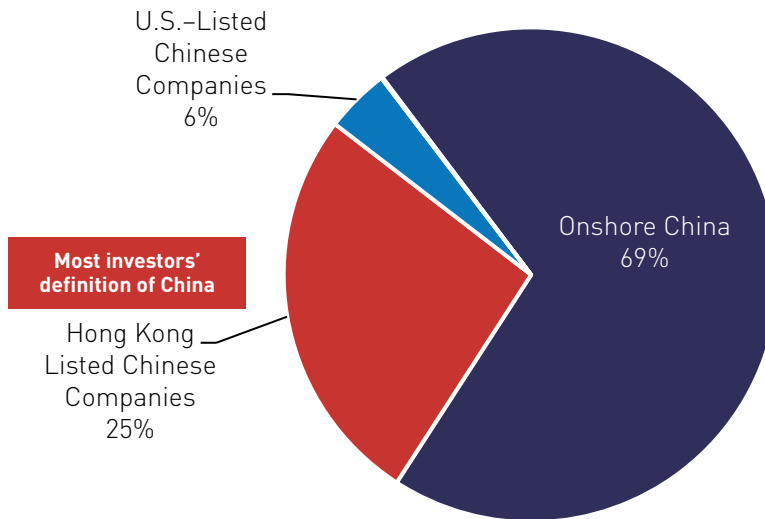
MSCI China (Hong Kong Only)
 157 Stocks
 \$915 Billion Market Cap

MSCI All China IMI
 2,587 Stocks
 \$3.75 Trillion Market Cap

% of Stocks In Current China Definition: 6%

% of Market Cap In Current Definition: 25%

China Share Class Breakdown by Market Cap of MSCI All China IMI

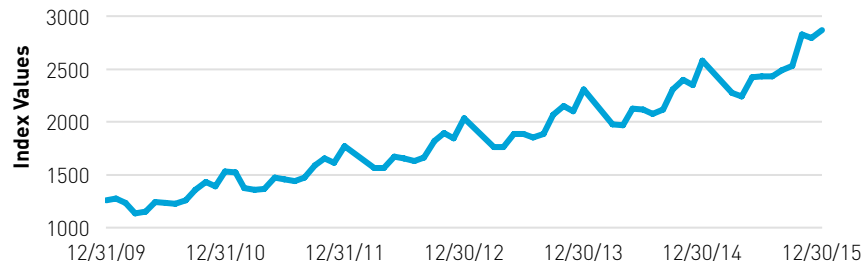


China is undergoing a shift from an export driven economy to a domestic consumption driven economy. In 2012 the services sector surpassed the industrial sector as the largest contributor to China's GDP for the first time. Retail sales have expanded steadily, and service sector PMI indicates healthy growth.

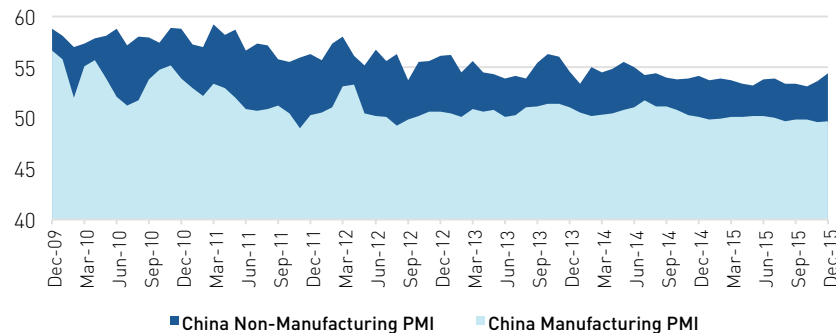
China GDP Breakdown
(2010 - 2015)



Value of Monthly China Retail Sales Index In US \$
(12/31/2009 - 12/31/2015)



China Manufacturing PMI vs. Non-manufacturing PMI
(12/31/2009 - 12/31/2015)



Our ETFs have been specifically manufactured to help investors navigate the changing landscape of international investing. If you are interested in how our approach may potentially enhance your portfolio's risk / return profile, please contact us and we will gladly create a custom model for you.

Concern	Our Approach	Corresponding KraneShares ETF
The end of the commodity super cycle	We offer investors a non-traditional emerging market exposure strategy, which has outperformed many traditional commodity dependent Emerging Market strategies.	<p>KEMP – Broad emerging market strategy with an overweight to Chinese companies listed in the onshore markets, the U.S. and Hong Kong</p> <p>KBA – Offers exposure to China's onshore market (69% of China's total market cap), which has historically been excluded from the definition of emerging markets</p>
China's slowing GDP Growth Rate	Overweight the drivers of China's new economy such as domestic consumptions, services and technology companies	KWEB – Offers exposure to China's internet & technology sector, a primary beneficiary of China's growing domestic consumption
Currency Wars	Overweight China's currency, the Renminbi (RMB). The RMB has historically been one of the strongest international currencies, even compared to the USD.	KCNY – Offers exposure to the RMB one of the most stable and best performing currencies over the past one and five years.

Implementation: KraneShares Exchange Traded Funds

KWEB

KraneShares CSI China Internet ETF
(Nasdaq : KWEB)

KCNY

KraneShares E Fund China Commercial Paper ETF
(NYSE : KCNY)

KBA

KraneShares Boserá MSCI China A ETF
(NYSE : KBA)

KEMP

KraneShares FTSE Emerging Markets Plus ETF
(BATS : KEMP)

KFYP

KraneShares CSI New China ETF
(NYSE : KFYP)

KraneShares CSI China Internet ETF (Nasdaq: KWEB)

Investment Objective

The KraneShares CSI China Internet ETF seeks 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.

KWEB Performance History as of 12/31/2015

	Cumulative*			Annualized Calendar QTR 12/31/2015	
	3 Mo	6 Mo	Since Inception 7/31/2013	1 Yr	Since Inception 7/31/2013
Fund Nav	-0.94%	28.78%	55.78%	17.83%	20.13%
Closing Price	-1.04%	28.13%	55.82%	18.04%	20.15%
Index ¹	-0.63%	29.49%	56.08%	19.70%	20.23%

***Cumulative return is the aggregate amount that an investment has gained or lost over time. Annualized Return is the average return gained or lost by an investment each year over a given time period.**

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted.

1.) **CSI Overseas China Internet Index:** Represents the Chinese internet companies listed in overseas markets (New York and Hong Kong), in order to measure the performance of the Chinese internet companies listed outside mainland China.

Key Fund Information

KWEB

Ticker	KWEB
Primary Exchange	NASDAQ
CUSIP	500767306
ISIN	US5007673065
Total Annual Fund Operating Expense	0.71%
Inception Date	7/31/2013
Distribution Frequency	Semiannually

Top 10 Holdings (as of 12/31/2015)

% of Net Assets	Name
10.63	TENCENT HOLDINGS LTD
8.95	ALIBABA GROUP HOLDING-SP
7.69	BAIDU INC - SPON ADR
6.40	CTRIP.COM INTERNATIONAL-A
6.30	JD.COM INC-ADR
4.34	NETEASE.COM INC ADR
4.22	58.COM INC-ADR
4.21	QIHO 360 TECHNOLOGY LTD
4.14	YOUKU.COM INC ADR
4.00	SINA CORP

Holdings are subject to change

Chinese Internet Stocks Are Direct Beneficiaries of Rising Domestic Consumption

Company	Primary Business	Comparable U.S. Business	3 Year Average Revenue Growth Rate
Baidu	Search	Google	50%
Alibaba	E-Commerce	Amazon	56%
Tencent	Social Media	Facebook	40%
Ctrip	Travel	Expedia	28%
JD.com	E-Commerce	Amazon	75%
Youku Tuduo	Video –	YouTube	69%
Qihoo	Cyber Security	Norton	102%
Netease	Portal	Yahoo	17%
Sina	Portal – Yahoo	Twitter	16%
Vipshop	Luxury E-Commerce	Groupon	537%

Phase 1 of China N-share inclusion within broad MSCI indices is now complete

Due to their listing outside of Hong Kong, U.S.-listed Chinese stocks (China N-shares) were previously excluded from MSCI's definition of China within their broad-based international indices. Phase One inclusion caused trading volumes and stock prices of the affected stocks to increase. We believe Phase Two may have similar results.

Phase 1 of N Shares Inclusion	December 1, 2015
Phase 2 of N Shares Inclusion	June 1, 2016
Free Float Adjusted Market capitalization of 14 Included Stocks ¹	\$174 billion
N-share projected weight in the MSCI Emerging Market Index upon full inclusion ¹	4.6%
Estimated inflow to N-shares upon full inclusion from Passive Managers ²	\$8.6 billion
Estimated inflow to N-shares upon full inclusion from Active Managers ²	\$44 billion
% of total N-share allocation covered by KWEB ³	99%
KWEB's market cap exposed to Inclusion Stocks ³	60%

Many Chinese internet and technology firms choose to list in the United States to attract a greater investor base. These companies represent some of the biggest and most recognizable internet names in China, like Alibaba, Baidu and JD.com.



1. MSCI Equity Indexes Global Summary November 12, 2015 page 54 and actual weight of Included Stocks within MSCI Emerging Markets Index from Phase 1 inclusion on December 1, 2015
2. Inclusion data calculated off amount of assets benchmarked to affected indices by active and passive managers from MSCI as of 6/30/2015 discounted by 30% to reflect market movement as of 12/31/2015. This value then looks at pro forma weights and actual index weights from Phase 1 inclusion of N-share stocks.
3. Based on KWEB's holdings as of 12/31/2015 and affected N-share stocks outlined in the MSCI Equity Indexes Global Summary

Phase 1 N-share inclusion caused the price of U.S.-listed Chinese companies, like Alibaba, Baidu, and JD.com to spike in the last minutes of trading on 11/30/2015. We anticipate Phase 2 will yield similar results.

JD 11/30/2015 One Day Performance

Alibaba 11/30/2015 One Day Performance

Baidu 11/30/2015 One Day Performance



KraneShares Bosera MSCI China A Share ETF (NYSE: KBA)

Investment Objective

The KraneShares Bosera MSCI China A ETF is a free-float adjusted market capitalization weighted index that is designed to track the equity market performance of large-cap and mid-cap Chinese securities ("A Shares").

KBA Performance History as of 12/31/2015

	Cumulative**			Annualized Calendar QTR 12/31/2015	
	3 Mo	6 Mo	Since Inception 03/04/2014	1 Yr	Since Inception 03/04/2014
Fund Nav	8.83%	-23.62%	51.29%	-3.00%	25.50%
Closing Price	7.40%	-24.28%	49.30%	-4.64%	24.60%
Index ¹	12.70%	-21.21%	65.30%	2.30%	31.66%

The Hybrid KBA Index (noted as "Index" above in the chart) consists of the MSCI China A Index from the inception of the Fund through October 23, 2014, and the MSCI China A International Index going forward.

*Effective July 10, 2014, KraneShares has contractually agreed to reduce its management fee from exceeding 0.85% of the Fund's average daily net assets until July 31, 2016. In the absence of current fee waivers, performance would be reduced.

**Cumulative return is the aggregate amount that an investment has gained or lost over time. Annualized Return is the average return gained or lost by an investment each year over a given time period.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted.

1.) The MSCI China A International Index captures large and mid-cap representation and includes the China A-share constituents of the MSCI China All Shares Index. It is based on the concept of the integrated MSCI China equity universe with China A-shares included.

Key Fund Information

Ticker	KBA	
Primary Exchange	NYSE	
CUSIP	500767405	
ISIN	US5007674055	
Total Annual Fund Operating Expense	Gross: 1.51%	Net: 1.31%*
Inception Date	3/4/2014	
Distribution Frequency	Annual	

Top 10 Holdings (as of 12/31/2015)

% of Net Assets	Name
1.77	PING AN INSURANCE GROUP C
1.71	CHINA MERCHANTS BANK-A
1.56	SHANGHAI PUDONG DEVEL BAN
1.5	INDUSTRIAL BANK CO LTD -A
1.38	CSR CORP LTD -A
1.36	BANK OF CHINA LTD-A
1.35	CHINA MINSHENG BANKING-A
1.30	CHINESE YUAN RENMINBI
1.29	KWEICHOW MOUTAI CO LTD-A
1.24	AGRICULTURAL BANK OF CHINA

Holdings are subject to change

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 have relatively low correlations with the rest of the world
- Remarkably, China A-shares exhibit an even lower correlation than Frontier Markets - MSCI's "China A-shares: Too Big to Ignore" September 2014

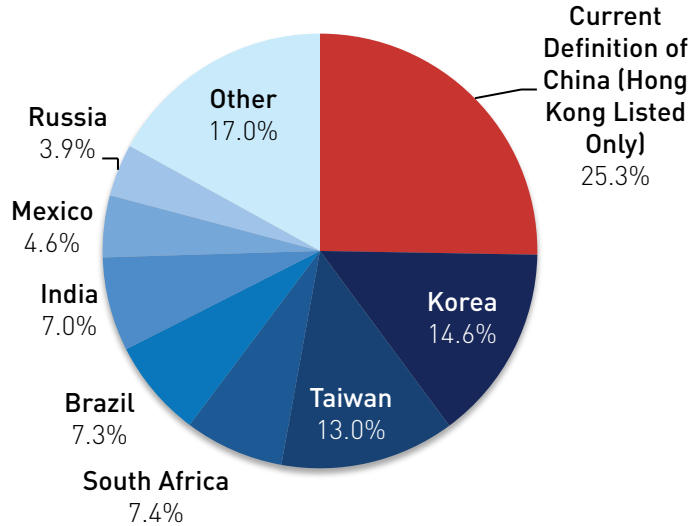
MSCI Indices Correlation to MSCI China A

	ACWI	EAFE	EM	USA	China	Frontier	China A
ACWI	1						
EAFE	0.97	1					
EM	0.90	0.88	1				
USA	0.96	0.89	0.79	1			
China	0.73	0.72	0.87	0.61	1		
Frontier	0.73	0.71	0.70	0.68	0.54	1	
China A	0.38	0.35	0.46	0.33	0.60	0.27	1

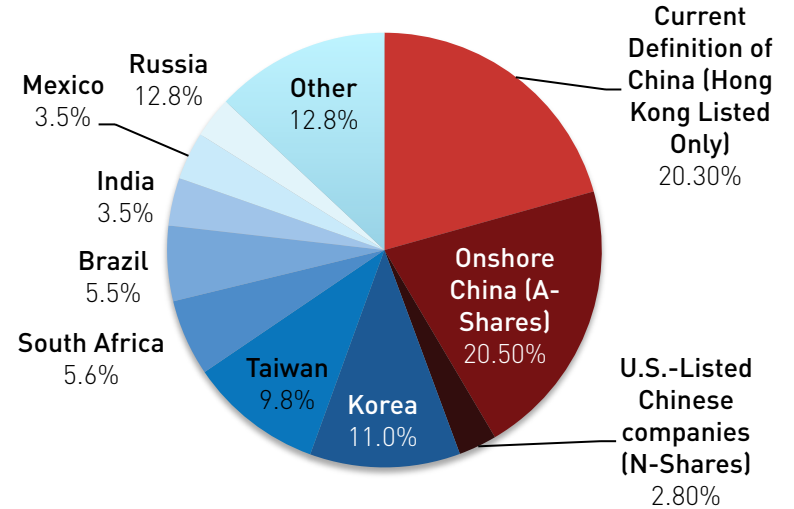
- ACWI - All Country World Index
- EAFE - Europe, Australasia, Israel and Far East
- EM - Emerging Markets
- China - Chinese companies listed in Hong Kong
- Frontier - Frontier Markets
- China A - Chinese companies listed on Shanghai and Shenzhen Stock Exchanges

China A Shares are currently being reviewed for inclusion in broad MSCI Indices including MSCI Emerging Market Index

Current Status



Potential Full Inclusion (100%*)



Source: MSCI * 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. As of 6/30/2015

KraneShares FTSE Emerging Markets Plus ETF (BATS : KEMP)

Investment Objective

The KraneShares FTSE Emerging Markets Plus ETF (BATS:KEMP) is a gross domestic product ("GDP") weighted fund which includes China A shares and China N shares. Country allocations are based on five year purchase power parity GDP forecasts by the International Monetary Fund. China A shares are China equities listed on the Shanghai or Shenzhen stock exchanges. China N shares are China equities listed on the New York or NASDAQ stock exchanges.

KEMP Performance History as of 12/31/2015

	Cumulative**			Annualized Calendar QTR (12/31/2015)	
	3 Mo	6 Mo	Since Inception 02/12/2015	1 Yr	Since Inception 02/12/2015
Fund Nav	1.16%	-18.23%	-13.75%	-	-13.75%
Closing Price	1.89%	-17.14%	-12.31%	-	-12.31%
Index ¹	4.38%	-17.67%	-9.85%	-	-9.85%

*KraneShares has contractually agreed to reduce its management fee in an amount equal to any Acquired Fund Fees and Expenses incurred by the Fund from its investments in the KraneShares FTSE Emerging Markets Plus ETF. This expense limitation may be reduced at any time. In the absence of current fee waivers, performance would be reduced.

****Cumulative return is the aggregate amount that an investment has gained or lost over time. Annualized Return is the average return gained or lost by an investment each year over a given time period.**

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted.

1.) **FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index** comprises large and mid cap securities of the FTSE Emerging Index, FTSE China A Index and FTSE China Overseas Index (China N-shares and S Chips). Constituents are weighted by GDP.

Key Fund Information

KEMP

Ticker	KEMP
Primary Exchange	BATS
CUSIP	500767801
ISIN	US5007678015
Total Annual Fund Operating Expense	0.88%*
Inception Date	02/12/2015
Distribution Frequency	Annual

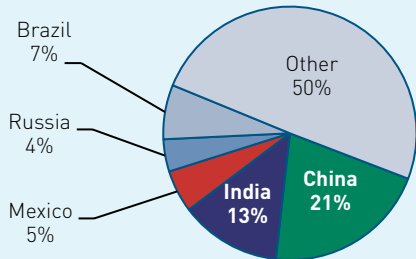
Top 10 Holdings (as of 12/31/2015)

% of Net Assets	Name
15.54	KRANESH BOSERA MSCI CHINA
7.59	INFOSYS TECHNOLOGIES ADR
4.55	HDFC BANK LTD-ADR
2.94	ICICI BANK LTD-SPON ADR
2.38	CHINA CONSTRUCTION BANK-H
1.85	TENCENT HOLDINGS LTD
1.58	CHINA MOBILE LTD
1.54	BAIDU INC - SPON ADR
1.36	TATA MOTORS LTD-SPON ADR
1.14	CHINA LIFE INSURANCE CO-H

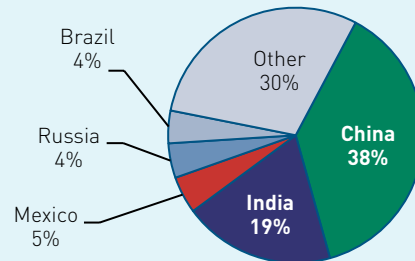
Holdings are subject to change

KraneShares FTSE Emerging Plus ETF (ticker KEMP) Is The First Broad Emerging Market ETF To Include Stocks Listed on the Shanghai & Shenzhen Stock Exchanges and US Listed China Companies, providing a more sophisticated & robust China exposure.

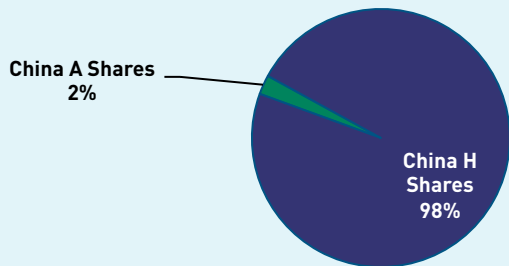
FTSE Emerging Index Country Allocation



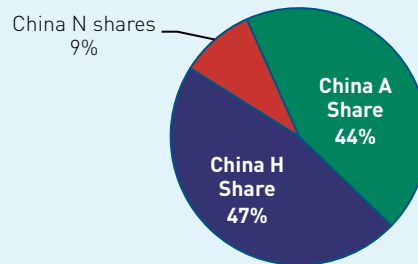
KEMP Country Allocation



FTSE Emerging Index: China Universe



KEMP's China Investment Universe



A Shares = "Onshore China Equities"
N Shares = "US Listed China Equities"
H Shares = Hong Kong Listed

KraneShares E Fund China Commercial Paper ETF (NYSE: KCONY)

Investment Objective

The KraneShares E Fund China Commercial Paper ETF (NYSE: KCONY) seeks to track the CSI Diversified High Grade Commercial Paper Index. The Fund seeks to deliver a diversified basket of investment-grade¹ commercial paper denominated in on-shore Renminbi issued by sovereign, quasi-sovereign and corporate issuers in the People's Republic of China and traded in the inter-bank bond market. Commercial paper in the Fund is investment-grade and has a remaining term to final maturity of no more than one year and no less than one month.

KCONY Performance History as of 12/31/2015

	Cumulative**			Annualized Calendar QTR 12/31/2015	
	3 Mo	6 Mo	Since Inception 12/02/2014	1 Yr	Since Inception 12/02/2014
Fund Nav	-1.37%	-3.52%	-1.87%	-1.17%	-1.74%
Closing Price	-0.79%	-3.04%	-1.64%	-1.19%	-1.52%
Index ²	-1.07%	-2.56%	-0.68%	0.19%	-0.63%

* Pursuant to the terms of an Expense Limitation Agreement, KraneShares has contractually agreed to reduce its management fee from exceeding 0.56% of the Fund's average daily net assets until July 31, 2016. In the absence of current fee waivers, performance would be reduced.

**Cumulative return is the aggregate amount that an investment has gained or lost over time. Annualized Return is the average return gained or lost by an investment each year over a given time period.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted.

2.) **CSI Diversified High Grade Commercial Paper Index** represents a diversified basket of investment-grade commercial paper denominated in on-shore renminbi (RMB) issued by sovereign, quasi-sovereign, and corporate issuers in the People's Republic of China and traded in the inter-bank bond market.

Key Fund Information

KCONY

Ticker	KCONY	
Primary Exchange	NYSE	
CUSIP	500767702	
ISIN	US5007677025	
Total Annual Fund Operating Expense	Gross: 0.72%	Net: 0.60%*
Inception Date	12/02/2014	
Distribution Frequency	Monthly	

Credit quality of underlying securities	Investment Grade ¹	% Top 10 Holdings (subject to Change)	
		Rating	Holder
Effective Maturity	0.38 years	8.30	CQ JIANGBEIZUI DEV & INV
		8.28	STATE POWER INVESTMENT
Yield to Maturity	2.97%	8.27	BEIJING STATE-OWNED ASSET
		8.26	QINSAL 2.97 12/29/16 CORP
Coupon	3.60%	4.87	CHINESE YUAN RENMINBI
		4.18	XIANJINBAO RT RED MMKT
Holdings	100% Cash & Equivalents	4.16	GANSU ASSET INVESTMENT
		4.15	DATANG INT TUOKETUO POWE
		4.14	SHAANXI NONFERROUS METALL
		4.14	CHENER 3.2 9/11/16 CORP

- For purposes of the Underlying Index, investment grade commercial paper is commercial paper that is issued by an issuer whose long-term bonds are rated AAA or equivalent by one or more Chinese credit rating agencies; or commercial paper that is issued by an issuer whose long-term bonds are rated AA+ or equivalent by one or more Chinese credit rating agencies and commercial paper is rated A-1 or equivalent by one or more Chinese credit rating agencies

In November 2015 the RMB was approved for inclusion into the International Monetary Fund's Special Drawing Rights (SDR) basket of reserve currencies. SDR currencies are widely considered to be the most stable and prevalently use currencies in the world. Upon inclusion, which will commence in October 1, 2016, every IMF member country's central bank will be required to hold RMB. We anticipate the RMB will appreciate with the increased demand.

SDR Weights	2005	2010	2016 Estimate
USD	44%	41.90%	41.73%
EUR	34%	37.50%	30.93%
GBP	11%	11.30%	8.09%
JPY	11%	9.40%	8.33%
RMB	-	-	10.92%

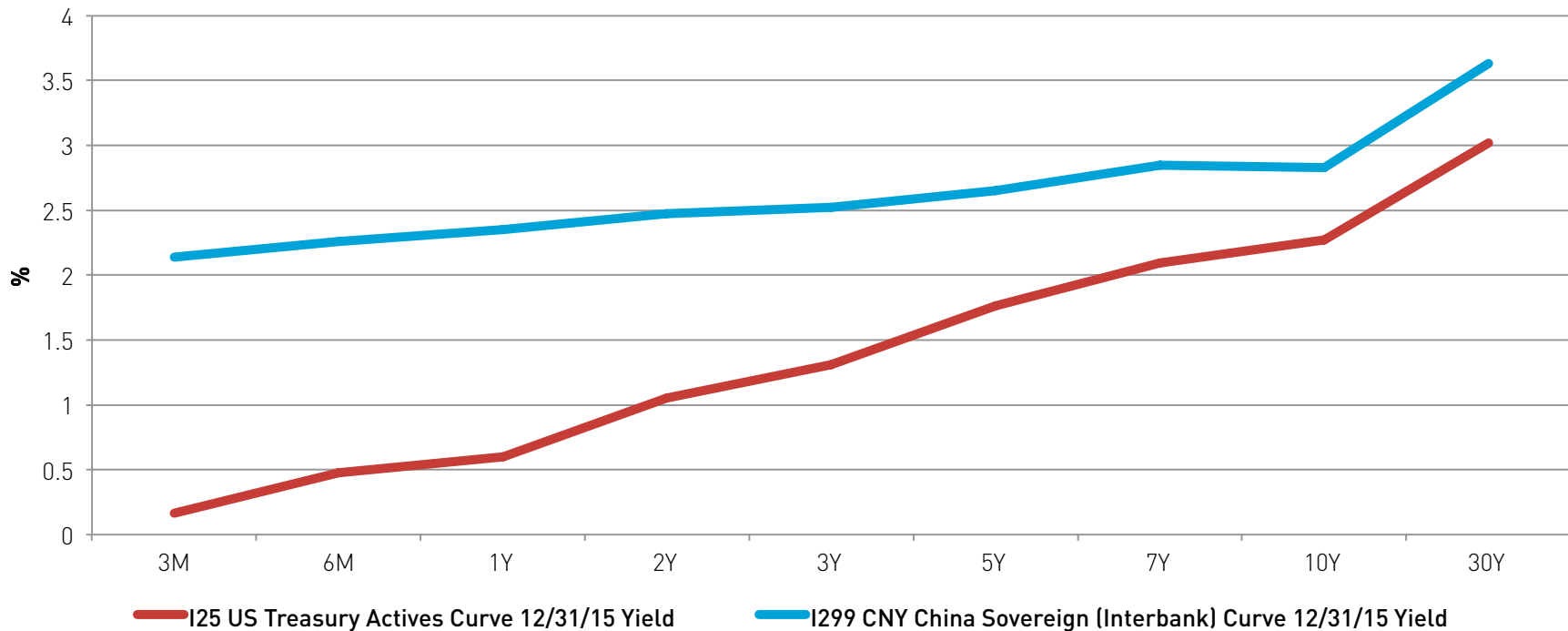
*China could see inflows of as much as \$3 trillion into renminbi assets over the medium-to-long term as successful inclusion of the yuan in the International Monetary Fund's (IMF) reserve currency basket sets the stage for further opening of the country's financial markets.**

*Nyshka Chandran, (Nov 30 2015) "SDR inclusion to help China lure trillion-dollar inflows", CNBC

Data from the International Monetary Fund as of 11/30/2015

China and US Treasury Yield Curves as of 12/31/2015

China sovereign debt delivers 178bps spread vs US sovereign debt for maturities under one year as of 12/31/2015



©2016 KraneShares

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 a Fund 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 effect on 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.

ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling. The NAV of the Fund's shares is calculated each day the national securities exchanges are open for trading as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time (the "NAV Calculation Time"). Shares are bought and sold at market price not NAV. Closing price returns are based on the midpoint of the bid/ask spread at 4:00 pm Eastern Time (when NAV is normally determined).

An active secondary market for the Fund's shares may not exist. Although the Fund's shares will be listed on an exchange, subject to notice of issuance, it is possible that an active trading market may not develop or be maintained. There is no guarantee that distributions will be paid.

The ability of the KraneShares Bosera 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.

The ability of the KraneShares FTSE Emerging Markets Plus ETF to achieve its investment objective is dependent, in part, on the continuous availability of A Shares through the Fund's investment in the KraneShares Bosera MSCI China A Share ETF and that fund's continued access to the China A Shares market. If such access is lost or becomes inadequate to meet its investment needs, it may have a material adverse effect on the ability of the Fund to achieve its investment objective because shares of the KraneShares Bosera MSCI China A Share ETF may no longer be available for investment by the Fund, may trade at a premium to NAV, or may no longer be a suitable investment for the Fund.

The KraneShares FTSE Emerging Markets Plus ETF and KraneShares Bosera MSCI China A Share ETF 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. These ETFs may also invest in derivatives. 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 KraneShares E Fund China Commercial Paper ETF is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. It is also subject to income risk, call risk, credit risk, and Chinese credit rating risks. The components of the securities held by the Fund will be rated by Chinese credit rating agencies, which may use different criteria and methodology than U.S. entities or international credit rating agencies. The Fund may invest in high yield and unrated securities, whose prices are generally more sensitive to adverse economic changes. As such, their prices may be more volatile. The Fund is subject to industry concentration risk and is nondiversified. The KraneShares E Fund China Commercial paper ETF invests in sovereign and quasi-sovereign debt. Investments in sovereign and quasi-sovereign debt securities involve special risks, including the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, and the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. In order to qualify for the favorable tax treatment generally available to regulated investment companies, the Fund must satisfy certain income and asset diversification requirements each year. If the Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income. Narrowly focused investments 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.



Thank You!

For further information please call:

(646) 918-6612

Or email

brendan.ahern@kraneshares.com