



KraneShares™

An Overview of Current Trends in Emerging Markets

*& an introduction to the
KraneShares FTSE Emerging Markets Plus ETF
(Ticker : KEMP)*



Brendan Ahern

brendan.ahern@kraneshares.com



Aaron Dillon

aaron.dillon@kraneshares.com





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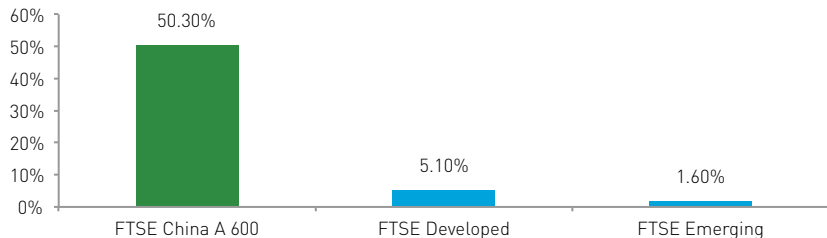


Two macro trends previously missing from Emerging Markets Indices

In 2014, Emerging Market Indices Had **Zero** Exposure to:

1 The Best Performing country equity market globally in 2014¹ & the 4th and 7th largest stock exchanges in the world.

China A share trailing 12 month total return vs emerging market & developed equity



2 The biggest IPO in history²



Alibaba was 0.74% of KEMP's net assets as of 2/28/15. Holdings are subject to change. Visit www.kraneshares.com/kemp for most recent fund holdings.

Rank	Exchange	Market cap (USD bn) ³
1	NYSE	19 351 417.2
2	NASDAQ OMX	6 979 172.0
3	Japan Exchange Group - Tokyo	4 377 994.4
4	Shanghai SE	3 932 527.7
5	Hong Kong Exchanges	3 233 030.6
6	Euronext	3 319 062.2
7	Shenzhen SE	2 072 420.0
8	TMX Group	2 093 696.8
9	Deutsche Börse	1 738 539.1
10	BSE India	1 558 299.7

Index returns are for illustrative purposes only and do not represent fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index. Past performance does not guarantee future results.

1.) From Bloomberg as of 1/31/2015 based on a comparison between every country in the FTSE Emerging Index and FTSE Developed Index (global equity) and the FTSE China A 600 Index.

2.) Source for Alibaba having the largest IPO ever: Investopedia, "Top 10 Largest Global IPOs Of All Time" 01/12/2015.

3.) Top 10 data from www.world-exchanges.org as of 1/31/2015. Based on equity exchanges with reported data.

Index Definitions:

FTSE China A 600 Index: represents the performance of the mainland Chinese market that is available to A share investors, and international investors via the Qualified Foreign Institutional Investment (QFII) scheme.

FTSE Emerging Index: provides investors with a comprehensive means of measuring the performance of the most liquid companies in the emerging markets

FTSE Developed Index: comprises Large and Mid cap stocks providing coverage of Developed markets.

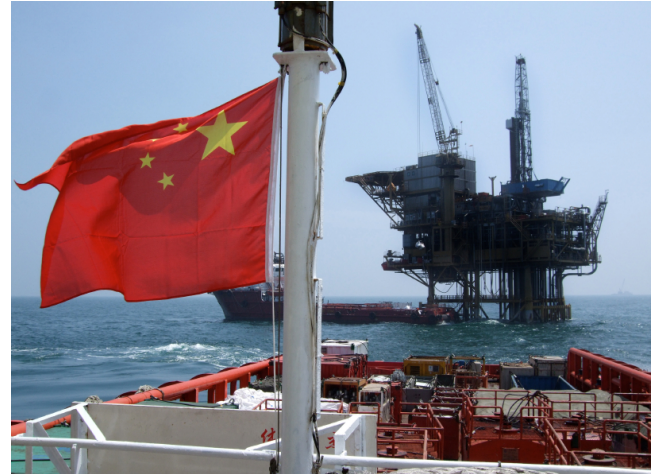
We Believe China is The Most Important Emerging Market Country:

Many emerging market index funds and ETFs lack exposure to:

- World's fourth & seventh largest stock exchanges
- 2014's best performing stock market
- The largest initial public offering ever in the United States

Many emerging market countries have the following characteristics:

- High commodity dependency
- Significant trade with China
- Highly correlated to China and other EM countries





**China's decreasing demand for
commodity imports, and its impact on
emerging market economies**

As China's economy matures, its dependency on foreign commodity imports decreases. This can have a negative effect on other emerging market economies that have historically depended on exports to China.

Many countries are dependent on exporting commodities to China. We expect China's fixed asset investment to decline which could impede commodity imports.

Individual Country Exports to China as of Q3 2014

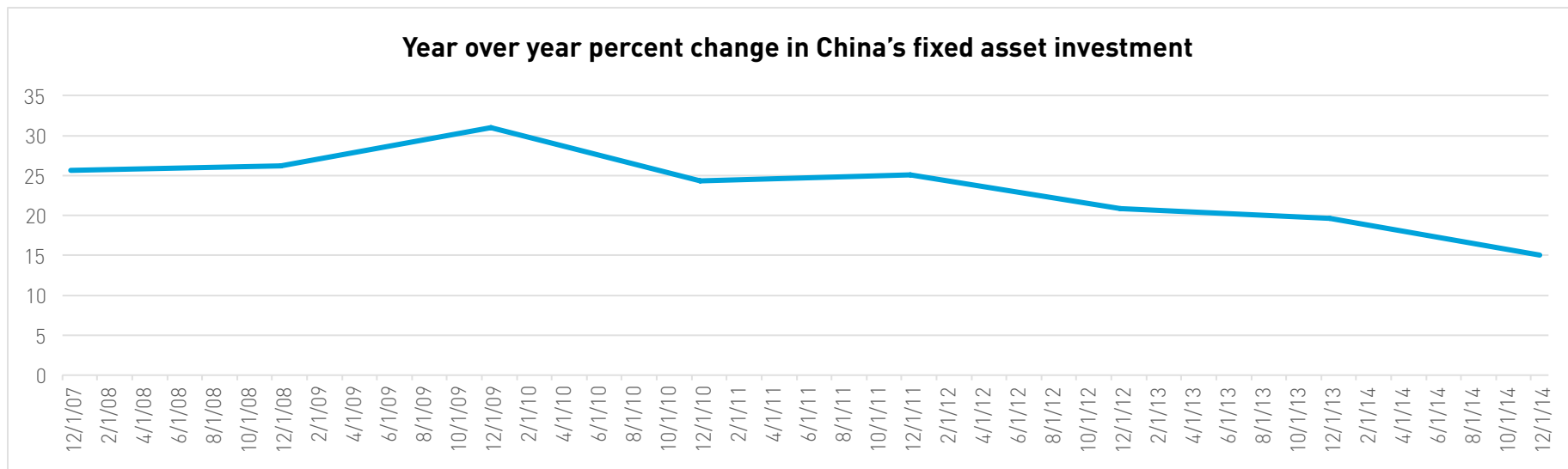
Country	Brazil	Peru	Argentina	Chile	Venezuela	Ecuador	Colombia	South Africa	Australia
Total Exports (billions)	\$16,343	\$2,063	\$2,817	\$4,536	\$1,836	\$459	2,256	4,138	13,667
China's rank as trading partner:	1	1	2	1	4	4	2	1	1

"We all know that the commodity super-cycle for commodities is over, you have to look at the details and see what countries are selling to China.¹"

– Kamel Mellahi, professor of strategic management
Warwick Business School

The rate of China's fixed asset investment has declined since 2009.

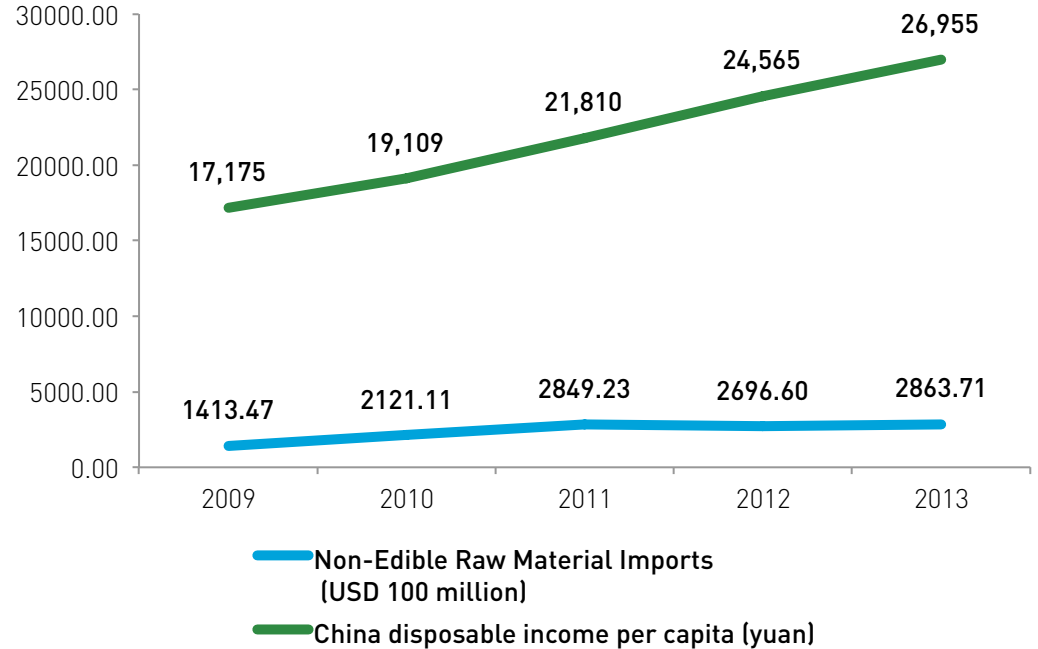
- Fixed asset investment, or FAI, is a measure of capital spending. It refers to any investment within the measurement period in physical assets, such as real estate infrastructure, machinery, etc. that are held for more than one year.
- FAI in China is correlated with its demand for commodity imports. The decline in China's FAI can have a negative effect on countries with high export dependency to China



China's demand for raw material imports has remained flat in recent years while its per capita disposable income has continued to rise

We believe an increased exposure to China will better capture its growing per capita disposable income and subsequently outperform EM countries who are heavily dependent on exports to China.

Market capitalization weighted emerging market indices include high weights to countries dependent on Chinese demand for commodity imports.



In 2014, Several Commodity/Natural Resource Countries Were Detrimental To Emerging Market Index Investors

37% of the FTSE Emerging Index are commodity dependent economies.

25% of KEMP's benchmark: FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index are commodity dependent economies

The FTSE Emerging incl China Overseas non-R/QFII 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 free float and foreign ownership adjusted market capitalization

Data from Bloomberg as of 12/31/2014; returns are 1-year figures

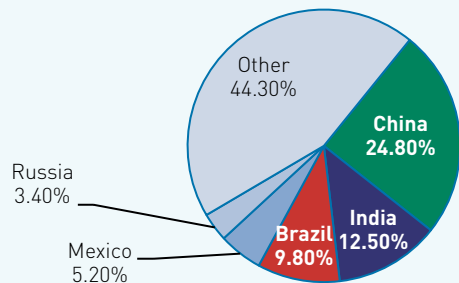
	% Average Weight	Contribution to Return (%)	Total Return (%)
FTSE Emerging Index	100.00	1.58	1.58
Brazil	12.77	-1.63	-14.35
Chile	1.63	-0.20	-11.51
China	20.77	1.62	8.78
Colombia	1.01	-0.19	-20.77
Czech Republic	0.27	0.00	-1.82
Egypt	0.36	0.07	25.19
Hong Kong	0.74	-0.01	0.48
Hungary	0.27	-0.08	-26.69
India	10.46	2.63	29.81
Indonesia	2.81	0.68	27.30
Malaysia	4.84	-0.55	-11.37
Mexico	5.77	-0.55	-9.51
Morocco	0.03	-0.01	-37.32
Pakistan	0.17	0.01	8.29
Peru	0.32	0.04	12.81
Philippines	1.63	0.32	22.30
Poland	1.80	-0.27	-13.01
Russia	5.50	-3.09	-46.33
South Africa	9.48	0.68	6.29
Taiwan	13.86	1.32	10.20
Thailand	2.80	0.40	16.46
Turkey	1.82	0.34	18.60
United Arab Emirates	0.89	0.06	14.32



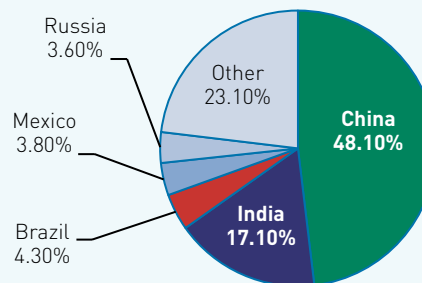
KEMP's unique approach to emerging market country allocations

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's Benchmark

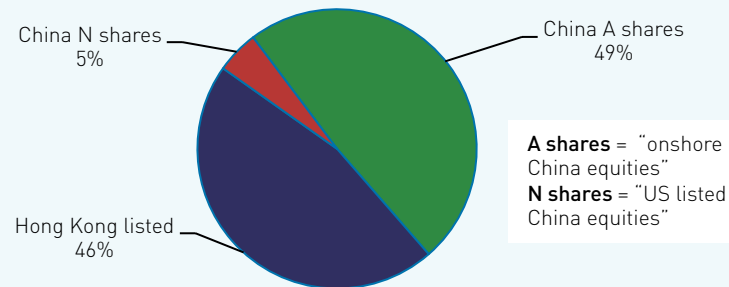


KEMP's Benchmark: FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index

FTSE Emerging Index: China Universe



KEMP's benchmark: China Universe



A shares = "onshore China equities"
N shares = "US listed China equities"

Country weights: China and India have larger allocations while Brazil and other countries that are heavily dependent on commodities exports to China are lower

Country	FTSE EM GDP+ A,N (KEMP's benchmark)		FTSE Emerging		Difference
	Weight	Rank	Weight	Rank	Weight
China	48.1%	1	24.8%	1	23.3%
India	17.1%	2	12.5%	3	4.6%
Brazil	4.3%	3	9.8%	5	-5.5%
Mexico	3.8%	4	5.2%	6	-1.4%
Russia	3.6%	5	3.4%	8	0.2%
Turkey	3.4%	6	1.9%	11	1.5%
Indonesia	3.4%	7	2.9%	10	0.5%
Taiwan	2.4%	8	14.4%	2	-12.0%
Thailand	2.4%	9	3.1%	9	-0.7%
Poland	1.8%	10	1.7%	13	0.1%
Benchmark Top 10	90.2%		79.6%		10.6%
Other	9.8%		20.4%		-10.6%

GDP Weighted vs. Market Cap Weighted Performance: KEMP's **GDP weighted** methodology results in overweight positions in China and India and an underweight to Brazil – the top three countries in KEMP's Index (69% of total weight) as of 2/12/2015. Historically, the GDP weighted allocation to the top three countries has been additive to performance compared to the **market cap weighted** FTSE Emerging Index.

GDP Weighted (KEMP) top 3 country performance vs. Market Cap Weighted (FTSE Emerging Index)		% Diff KEMP vs. FTSE EM	3M	6M	1Y	3Y	5Y
Market Cap Weighted	FTSE Emerging Index	—	-3.46	-5.58	1.55	15.58	12.23
GDP Weighted KEMP OVERWEIGHT	CHINA: FTSE China (HK Listed) Index	+23.3%	7.73	9.79	8.19	37.10	21.69
	CHINA: FTSE China A 600 Index		33.31	55.62	50.30	59.35	19.01
	CHINA: FTSE China N Share All Cap Capped Index		2.74	7.54	7.07	80.50	91.83
	INDIA: FTSE India Index		+4.6%	1.56	3.52	29.81	54.24
GDP Weighted KEMP UNDERWEIGHT	BRAZIL: FTSE Brazil Index	-5.5%	-15.23	-22.28	-14.36	-27.78	-38.76

Source: Bloomberg – 12/31/2014 **Index returns are for illustrative purposes only and do not represent fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index. Past performance does not guarantee future results.**

KEY	
■	Additive
■	Detractive

Index Definitions: **FTSE China Index** represents the performance of Chinese equities listed on the Hong Kong Stock Exchange **FTSE China N Share All Cap Capped Index:** Consist of companies incorporated outside the PRC, traded on the NYSE, the NASDAQ ,or NYSE MKT, and controlled by Mainland Chinese entities **FTSE India Index:** provides exposure to Large and Mid cap Indian equities. **FTSE Brazil Index:** provides exposure to Large and Mid cap Brazilian equities.

**FTSE Index Methodology Characterizes Korea as a Developed Markets thus eliminating from it from KEMP.
Korea's Economy is Highly Dependent to China's Economy.**

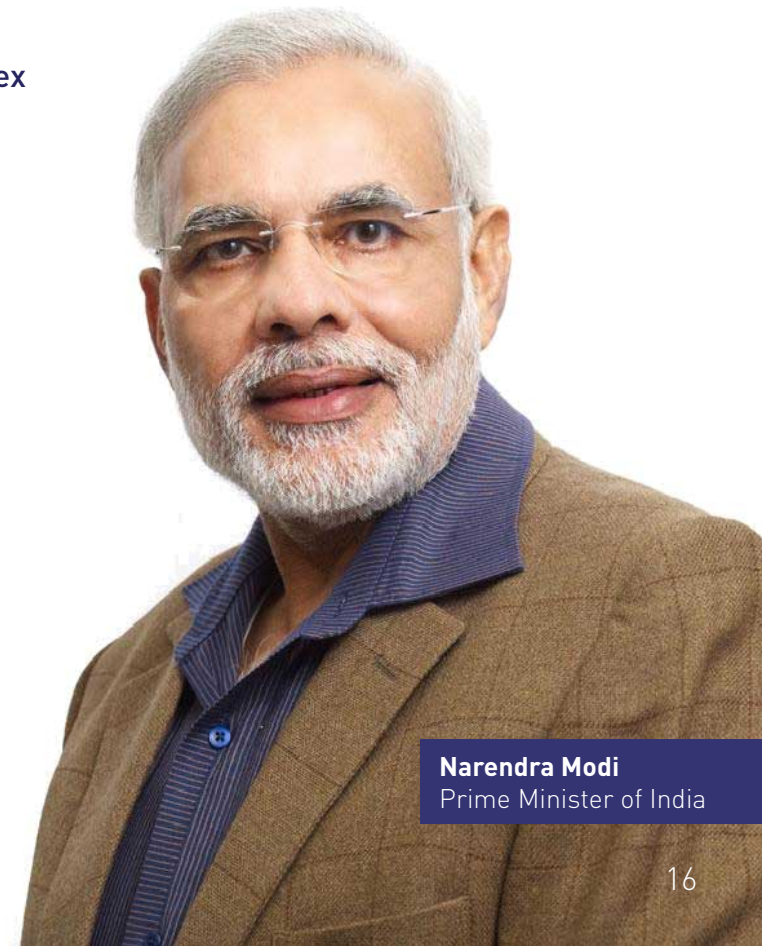
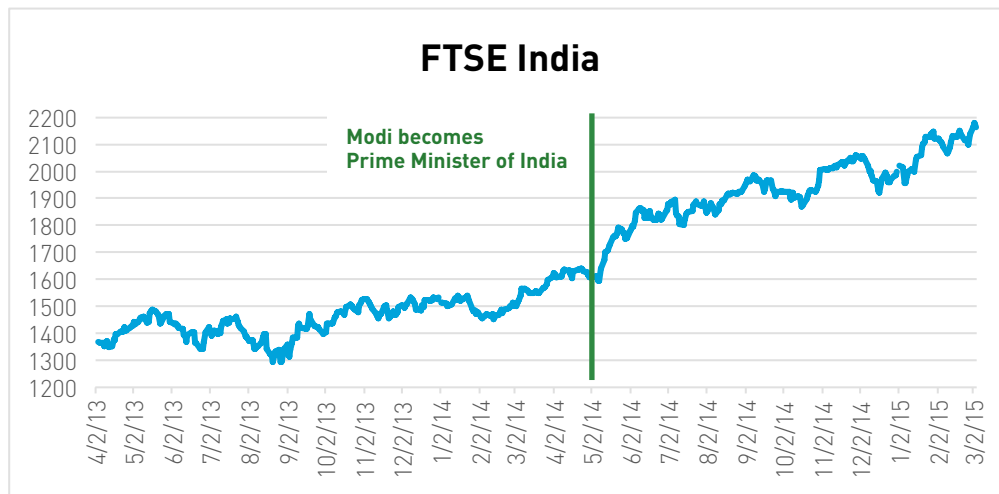
South Korea's Trading Partner	Total Trade (\$M)
China	73,287.30
United States	28,735.90
Japan	21,718.43
Saudi Arabia	12,329.86
Vietnam	8,222.48
Singapore	7,996.94
Germany	7,904.66
Australia	7,902.28
Qatar	6,735.73
Russia	6,730.95

EM or not EM?



Indian prime minister Narendra Modi has been a catalyst for major financial development in India. Since he came to office in May 2014, the FTSE India Index has exhibited accelerated growth.

KEMP has an overweight to India vs. the FTSE emerging index at 17.1% and 12.5% respectively as of its inception on 2/12/2015.



Narendra Modi
Prime Minister of India



Conclusion

We believe KEMP provides a more sophisticated and robust exposure to the emerging market countries positioned to deliver attractive returns over the next decade.

KEMP is an Emerging Market ETF providing:

- Exposure to onshore Chinese equities listed on the Shanghai & Shenzhen Stock Exchanges
- Overweight to India compared to the FTSE Emerging Index
- Exposure to Chinese companies such as Alibaba and Baidu
- Lessened exposure to commodity dependent countries
- Lessened exposure to countries with significant trade with China

Many Emerging Market Index Funds & ETFs Continue To Lack Exposure To:

- World's fourth & seventh largest stock exchanges
- 2014's best performing stock market
- The largest initial public offering ever in the United States



Thank You For Watching.

For further information please call:

+1-855-8KRANE8 (+1-855-857-2638)

Or email

info@kraneshares.com

KEMP may be appropriate for customers who desire:

- Exposure to the best performing country equity market in 2014 and the 4th and 7th largest stock exchanges in the world
- New York listed Chinese companies like Alibaba, the largest IPO to date in the United States
 - Overweight exposure to China & India vs. the FTSE Emerging Index
 - Less exposure to commodity dependent countries than the FTSE Emerging Index

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 Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal. 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 a 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 increased volatility and lower trading volume. Current and future holdings are subject to risk.

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

KEMP invests in variable-interest entities (VIEs), which are investments in foreign-domiciled American Depositary Receipts (ADRs). Rather than owning Chinese-domiciled entities, the VIEs have contractual arrangements designed to provide the economic benefits related to certain Chinese-domiciled companies. The structure of VIEs presents some unique risks that should be considered.

VIE structures do not give investors ownership in the operating company, as stock does. With a VIE, an investor has no direct claim on the core, restricted business assets of the VIE operating company. As a result, investors may not exert as much influence over the subject company as they could if they were owners of common stock. Often, the voting rights in the VIE operating company, especially in matters of corporate governance, are controlled by the principals who established the VIE operating company.

In addition, there is no guarantee as to the enforceability of the VIE structure, as it has never received explicit approval from the Chinese government and is recognized as a structure put in place principally to work around Chinese restrictions on foreign investment.