

# KraneShares Electric Vehicles and Future Mobility ETF

## Investment Strategy:

KARS seeks to measure the performance of the Solactive Electric Vehicles and Future Mobility Index. The Index is designed to track the performance of companies engaged in the production of electric vehicles and/or their components, or engaged in other initiatives that may change the future of mobility. The Index includes issuers engaged in the electric vehicle production, autonomous driving, shared mobility, lithium and/or copper production, lithium-ion/lead acid batteries, hydrogen fuel cell manufacturing and/or electric infrastructure businesses.

## Future Mobility Sector Highlights

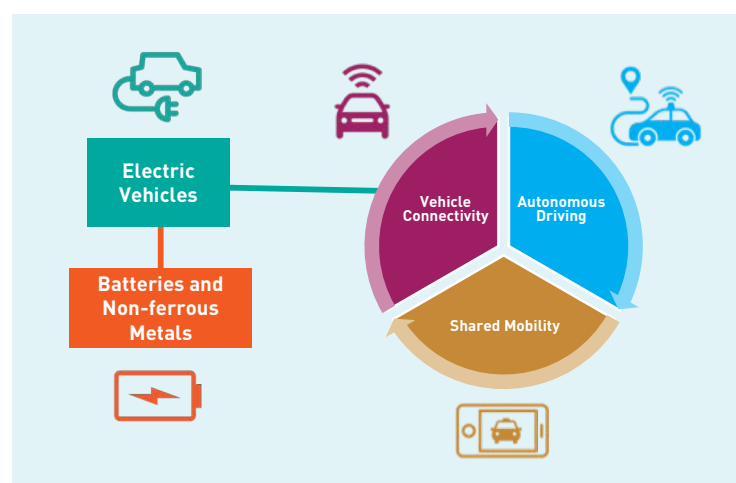
- 55% of new car sales and 33% of the global car fleet are projected to be electric by 2040.<sup>1</sup>
- The global electric vehicle market is projected to command \$2.7 trillion of total investment before 2040.<sup>2</sup>
- Autonomous vehicles and the resulting “passenger economy” are projected to generate a cumulative \$8 trillion in global service revenues by 2050.<sup>3</sup>

## KARS features:

- Access to global companies that operate in all areas of new transportation methods, passenger and freight, including electric vehicles, autonomous vehicles and shared mobility.
  - Exposure to companies that lead the development of vehicle connectivity like Internet of Vehicles (IoV) and Intelligent Mobility.
  - Exposure to the growth brought on by increased demand for lithium-ion battery and non-ferrous metals like lithium due to electric vehicle adoption.
  - Access equities listed in Mainland China, currently the world’s largest electric vehicle market.
1. Bloomberg New Energy Finance as of 9/30/2018.
  2. Morgan Stanley Research. “The EV Infrastructure 55: A Diversified Way to Play a Critical Enabler in the EV Theme.” Morgan Stanley. 17 October 2017
  3. Lancot, Roger. “Accelerating The Future: The Economic Impact of the Emerging Passenger Economy.” Strategy Analytics. June 2017.

| Fund Details                        | As of 9/30/2018                                       |
|-------------------------------------|---|
| Primary Exchange                    | NYSE  |
| Inception Date                      | 1/18/2018   |
| Cusip                               | 500767827   |
| Total Annual Fund Operating Expense | 0.70%   |
| Distribution Frequency              | Semiannually  |
| Index Name                          | Solactive Electric Vehicles and Future Mobility Index |
| Index Ticker                        | Bloomberg: SOLKARSN                                   |
| Number of Holdings (ex Cash)        | 56  |

## Future Mobility Ecosystem



## KARS Performance History as of 9/30/2018

|               | Cumulative % |        |                 | Average Annualized % |      |                 |
|---------------|--------------|--------|-----------------|----------------------|------|-----------------|
|               | 3 Mo         | 6 Mo   | Since Inception | 1 Yr                 | 3 Yr | Since Inception |
| Fund NAV      | -2.03%       | -6.78% | -13.12%         | -                    | -    | -13.12%         |
| Closing Price | -2.02%       | -7.63% | -12.88%         | -                    | -    | -12.88%         |
| Index         | -2.44%       | -8.10% | -14.66%         | -                    | -    | -14.66%         |

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. For performance data current to the most recent month end, please visit [www.kraneshares.com](http://www.kraneshares.com).

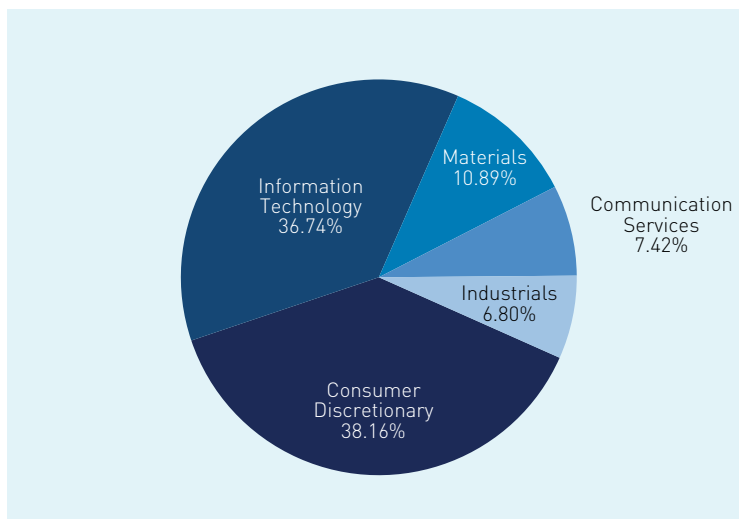
ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value (NAV) 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 P.M. Eastern Time (when NAV is normally determined).

**Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.**

**KARS Sector Breakdown**

Data from Bloomberg as of 9/30/2018

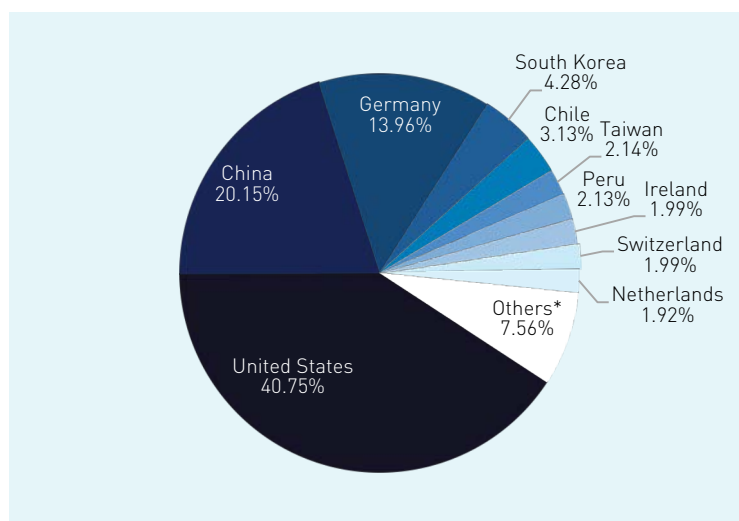
Data as of 9/30/2018



| Top Ten Fund Holdings As of 9/30/2018<br>The Fund's Holdings Are Subject to Change. | Ticker   | %    |
|---|----------|------|
| BAIDU INC - SPON ADR  | BIDU US  | 3.73 |
| VOLKSWAGEN AG-PREF  | VOW3 GR  | 3.70 |
| ALPHABET INC-CL A   | GOOGL US | 3.69 |
| TEXAS INSTRUMENTS INC   | TXN US   | 3.67 |
| NVIDIA CORP   | NVDA US  | 3.64 |
| ANALOG DEVICES INC  | ADI US   | 3.59 |
| DAIMLER AG-REGISTERED SHARES  | DAI GR   | 3.46 |
| FORD MOTOR CO   | F US     | 3.44 |
| BAYERISCHE MOTOREN WERKE AG   | BMW GR   | 3.32 |
| TESLA INC   | TSLA US  | 3.18 |

**China, the United States, and Germany are leading the world in future mobility**
**KARS Country Breakdown**

Data from Bloomberg as of 9/30/2018



\* Others include Canada, Sweden, Austria, Japan, Australia, United Kingdom

**China**

- Plug-in Vehicle Sales World Ranking (2015): 1<sup>st</sup>
- Electric Vehicle Stock (2017): 1,227,770<sup>2</sup>
- Fund weight: 20.15%<sup>3</sup>

**United States**

- Plug-in Vehicle Sales World Ranking (2015): 2<sup>nd</sup>
- Electric Vehicle Stock (2016): 762,060<sup>2</sup>
- Fund weight: 40.75%<sup>3</sup>

**Germany**

- Plug-in Vehicle Sales World Ranking (2015): 7<sup>th</sup>
- Electric Vehicle Stock (2016): 109,560<sup>2</sup>
- Fund weight: 13.96%<sup>3</sup>

1. Cobb, Jeff. "Top 10 Plug-in Vehicle Adopting Countries of 2016." Hybridcars.com. 17 January 2017.
2. International Energy Agency. "Global EV Outlook 2018." 2018.
3. Data from Bloomberg as of 9/30/2018.

Carefully consider the Funds' investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' full and summary prospectus, which may be obtained by visiting [www.kraneinvestments.com](http://www.kraneinvestments.com). 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 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 to domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume.

Narrowly focused investments typically exhibit higher volatility. The ability of the KraneShares Emerging Markets Consumer Technology Index ETF to achieve its investment objective is dependent, in part, on the continuous availability of A Shares and the ability to obtain, if necessary, additional A Shares quota. The fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. The Fund may engage in securities lending. The Fund is non-diversified.

Although the information provided in this document has been obtained from sources which Krane Funds Advisors, LLC believes to be reliable, it does not guarantee accuracy of such information and such information may be incomplete or condensed.

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