

## KraneShares Bosera MSCI China A Share ETF

### Investment Strategy:

KBA (the Fund) tracks the MSCI China A International Index (the Index): 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 listed on the Shanghai and Shenzhen Stock Exchanges. The Index is based on the concept of the integrated MSCI China equity universe with mainland Chinese securities included.

### KBA's holdings represent Mainland Chinese equities scheduled for inclusion into broad MSCI Indexes

With \$4.3 trillion benchmarked to the affected indexes<sup>1</sup>, full inclusion of Onshore Chinese equities could see significant flows into the securities KBA owns today.

### KBA Key differentiators

- The Index adheres to MSCI's Global Investable Market Index (GIMI) rules – ensuring all holdings pass a transparent, rules-based inclusion criteria
- MSCI provides comprehensive historical fundamental data on the Index
- KBA is co-managed by Bosera Asset Management; headquartered in Shenzhen, China. Bosera has \$90 billion in AUM<sup>2</sup> and is one of the largest Chinese asset managers by assets under management
- KBA provides access to the Shanghai and Shenzhen Stock Exchanges - which are traditionally not available to US investors - via the Renminbi Qualified Foreign Institutional Investor (RQFII) program

### KBA Performance History as of 3/31/2017

	Cumulative**			Annualized Calendar QTR 3/31/2017	
	3 Mo	6 Mo	Since Inception 03/04/2014	Preceding 12mos.	Since Inception 03/04/2014
Fund NAV	4.49%	0.66%	27.47%	-2.04%	8.22%
Closing Price	7.36%	0.66%	29.35%	-0.42%	8.74%
Index†	5.17%	2.54%	42.95%	1.40%	12.31%

†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.

\*KraneShares has contractually agreed to reduce its management fee from exceeding 0.58% of the Fund's average daily net assets until July 31, 2018. 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 Calendar QTR 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. 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 when buying and receive less than net asset value (NAV) 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).

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.

**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.**

Fund Details	As of 3/31/2017	
Primary Exchange	NYSE	
Cusip	500767405	
Total Annual Fund Operating Expense	Gross: 0.84%	Net: 0.64%*
Inception Date	3/04/2014	
Distribution Frequency	Annually	
Index Name	MSCI China A International Index	
Index Ticker	Bloomberg: M1CNAI	
Number of Holdings (ex Cash)	230	
Underlying Exchanges	Shanghai and Shenzhen	

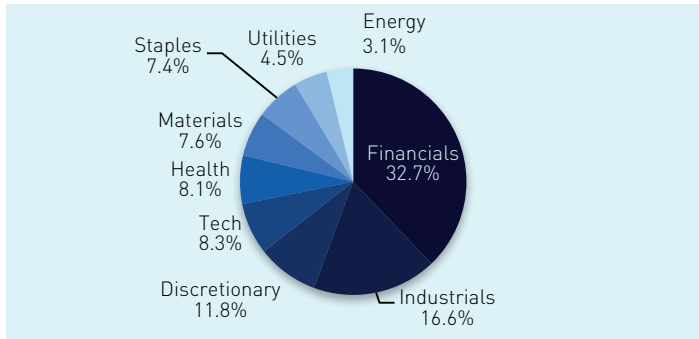
### Valuation Metrics (Data from Morningstar as of 3/31/2017)

Price-to-Earnings <sup>3</sup>	15.19
Price-to-cash flow <sup>4</sup>	7.04
Price-to-Sales <sup>5</sup>	1.32
Price-to-Book <sup>6</sup>	1.86

1. Data from MSCI as of 6/30/2016, as reported on 9/30/2016
2. Data from bosera.com as of 12/31/2016, retrieved 4/3/2017
3. Price-to-earnings: A valuation method used to compare a company's current share price to its per-share earnings
4. Price-to-cash flow: The ratio of a stock's price to its cash flow per share
5. Price-to-sales: A valuation ratio that compares a company's stock price to its revenues
6. Price-to-book value: a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share

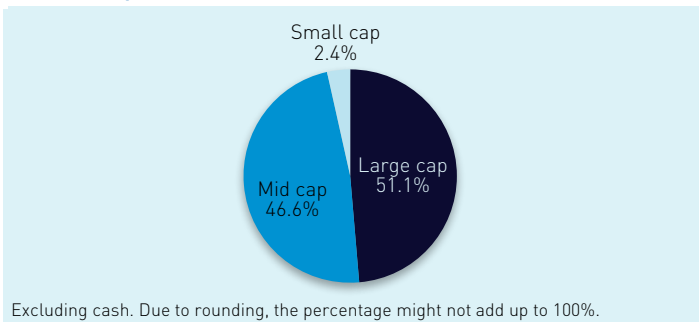
### Sector Breakdown

Source: ETF Research Center. As of 3/30/2017.



### Market Cap Breakdown

Source: ETF Research Center. As of 3/30/2017.



### Bosera at a glance:<sup>1</sup>

- Headquartered in Shenzhen with offices in Beijing, Shanghai, and Hong Kong
- 120 person investment team
- Established in 1998, Bosera was among the 1st Chinese asset management companies in Mainland China.
- \$90 billion in assets under management, it is one of the top five asset managers in mainland China
- 164 open-ended funds

<sup>1</sup>Bosera data is from bosera.com as of 12/31/2016, retrieved 4/3/2017

Top Ten Holdings as of 3/31/2017 (Excluding cash) The Fund's Holdings Are Subject to Change.	%
PING AN INSURANCE GROUP C	2.42
KWEICHOW MOUTAI CO LTD-A	2.21
INDUSTRIAL BANK CO LTD -A	1.82
SHANGHAI PUDONG DEVEL BAN	1.66
CHINA STATE CONSTRUCTION	1.58
CHINA MINSHENG BANKING-A	1.51
CHINA MERCHANTS BANK-A	1.48
AGRICULTURAL BANK OF CHIN	1.44
CHINA YANGTZE POWER CO LT	1.27
CHINA EVERBRIGHT BANK CO-	1.27

### MSCI at a glance:

- Over \$10 trillion in assets are benchmarked to MSCI indexes globally<sup>2</sup>
- 97 of the top 100 global investment managers are MSCI clients<sup>2</sup>
- MSCI is the de-facto standard of emerging markets investing for institutional investors
- The Index utilizes the MSCI Global Investable Market Indices Methodology (GIMI), which offers a close alignment with international equity markets in terms of size, industry, style, and segmentation

<sup>2</sup>Data from MSCI as of 6/30/2016, as reported on 9/30/2016

**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 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 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 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. 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.

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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