

KraneShares CSI China Internet ETF

Investment Strategy:

KWEB (the Fund) tracks the CSI Overseas China Internet Index (the Index) a free float market capitalization weighted index consisting of China based companies whose primary business or businesses are focused on internet and internet-related technology. These companies are publicly traded on either the Hong Kong Stock Exchange, NASDAQ Stock Market, or New York Stock Exchange.

The China Internet Evolution

The Chinese internet sector has seen tremendous growth over the past few years. In 2014 China's E-Commerce market size surpassed the U.S. for the first time. Only 52.2% of China's population are internet users compared to 88.5% in the U.S.¹ There is potential for substantial continued growth in the Chinese internet sector.

China / US Internet Statistics	China	US
Total internet population	721mm ¹	287mm ¹
% of population with internet access	52.2% ¹	88.5% ¹
Country's share of world internet users	21.1% ¹	8.4% ¹
E-Commerce market size 2016	\$749b ²	\$394.9b ³
Total retail sales 2016	\$4.8T ²	\$4.8T ³
% of online retail sales 2016	15.5% ²	8.2% ³
2015-2016 growth online sales	26.2% ²	15.1% ³

1. Data from internetlivestats.com as of 12/31/2016. Retrieved 1/12/2017.

2. National Bureau of Statistics in China, "Total Retail Sales of Consumer Goods in December 2016" 1/22/2017. Note: Figures converted from Chinese Renminbi to USD

3. Rebecca DeNale and Deanna Weidenhamer, "Quarterly Retail E-commerce Sales 4th Quarter 2016" U.S. Department of Commerce 2/17/2017.

Fund Details	As of 03/31/2017
Primary Exchange	NASDAQ
Total Annual Fund Operating Expenses	0.72%
Inception Date	7/31/2013
Distribution Frequency	Semiannually
Index Name	CSI Overseas China Internet Index
Index Ticker	Bloomberg: H11137
Number of Holdings (ex Cash)	33
Listing Exchanges of Holdings	NASDAQ, NYSE, Hong Kong

Valuation Metrics [Data from Morningstar as of 3/31/2017]

Price-to-Earnings ⁴	29.10
Price-to-cash flow ⁵	21.62
Price-to-Sales ⁶	3.21
Price-to-Book ⁷	3.65

4. Price-to-earnings: A valuation method used to compare a company's current share price to its per-share earnings

5. Price-to-cash flow: The ratio of a stock's price to its cash flow per share

6. Price-to-sales: A valuation metric for stocks calculated by dividing the company's market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue

7. 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.

KWEB Performance History as of 03/31/2017

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception 7/31/2013	1 Yr	3 Yr	Since Inception 7/31/2013
Fund NAV	21.41%	3.79%	73.22%	19.55%	6.31%	16.16%
Closing Price	21.74%	3.56%	73.54%	19.48%	6.30%	16.22%
Index	20.81%	3.43%	72.07%	18.25%	6.35%	15.95%

Cumulative return is the aggregate amount that an investment has gained or lost over time. Average 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. For performance data current to the most recent month end, please visit www.kraneshares.com

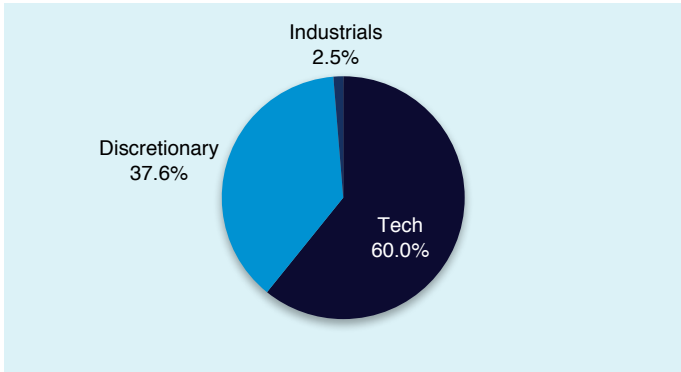
ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value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

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.

Sector Breakdown

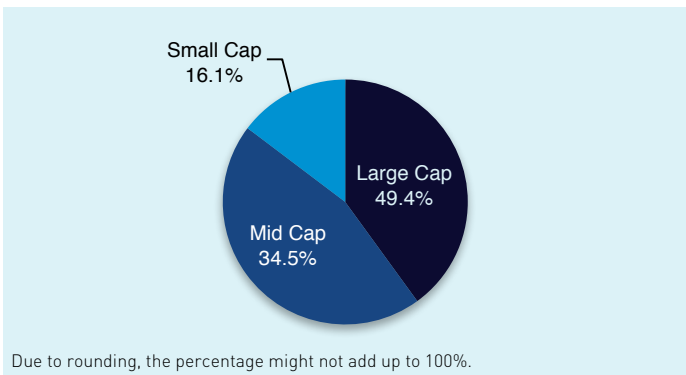
Source: ETF Research Center. As of 03/30/2017



Top Ten Holdings As of 03/31/2017 The Fund's Holdings Are Subject to Change.	Ticker	%
TENCENT HOLDINGS LTD	700 HK	10.52
ALIBABA GROUP HOLDING-SP	BABA	9.47
JD.COM INC-ADR	JD	7.93
BAIDU INC - SPON ADR	BIDU	7.43
CTRP.COM INTERNATIONAL-A	CTRP	6.34
TAL EDUCATION GROUP- ADR	TAL	4.92
MOMO INC-SPON ADR	MOMO	4.68
KINGSOFT CORP LTD	3888 HK	4.59
NETEASE INC-ADR	NTES	4.46
VIPSHOP HOLDINGS LTD ADR	VIPS	4.10

Market Cap Breakdown

Source: ETF Research Center. As of 03/30/2017



KWEB features:

- Access to Chinese internet companies that provide similar services as Google, Facebook, Twitter, eBay, Amazon, etc.
- Exposure to companies benefitting from increasing domestic consumption by China's growing middle class
- Exposure to Chinese internet companies listed in both the United States and Hong Kong

KWEB 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.

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.kraneshares.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 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.

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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