

# KraneShares California Carbon Allowance Strategy ETF

Ticker: KCCA

Principal Listing Exchange: NYSE Arca

Annual Shareholder Report: March 31, 2025



This annual shareholder report contains important information about the KraneShares California Carbon Allowance Strategy ETF (the "Fund") for the period from April 1, 2024 to March 31, 2025. You can find additional information about the Fund at <https://kraneshares.com/kcca/>. You can also request this information by contacting us at 1-855-857-2638.

## What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

<u>Fund Name</u>	<u>Costs of a \$10,000 investment</u>	<u>Costs paid as a percentage of a \$10,000 investment</u>
KraneShares California Carbon Allowance Strategy ETF	\$69	0.79%

## How did the Fund perform in the last year?

For the 12-month Period ended March 31, 2025 ("Period"), the Fund delivered the following returns:

Fund	NAV Return (%)	Market Price Return (%)	Underlying Index Return (%)	Morningstar Peer Group Median Return (%)
KCCA	-24.92	-25.34	-23.32 <sup>(a)</sup>	12.06 <sup>(b)</sup>

(a) S&P Carbon Credit CCA Index

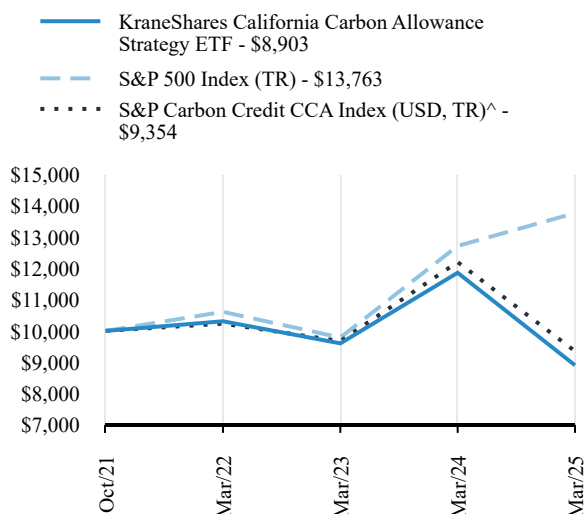
(b) The Fund is in the Morningstar U.S. ETF Commodities Focused Category.

The KraneShares California Carbon Allowance Strategy ETF seeks to provide a total return that, before fees and expenses, tracks the performance of the S&P Carbon Credit CCA Index (the "Underlying Index"), which is an index comprised of futures contracts on California carbon allowances issued by the state's "cap and trade" program that seeks to reduce greenhouse gas emissions over time.

The market undergoes periodic reforms every few years, where the latest policy updates introduce supply-tightening measures to better align the program with accelerated emissions reduction targets. From wildfires in Southern California to shifting federal climate policies, the California Air Resources Board (CARB), which issues carbon allowances, faced added pressure and introduced new considerations for the market. That said, Governor Newsom, in collaboration with other state officials, reinforced their support for the program by announcing their intentions to extend the market beyond its sunset clause in 2030. Nonetheless, delays in CARB rulemaking negatively impacted the value of Fund investments tied to California's carbon emission allowances and detracted from Fund performance. The deviation between the Fund's performance and that of the Underlying Index can be mainly attributed to management fees paid by the Fund and the Underlying Index assuming a different return on cash collateral than that earned by the Fund.

## How did the Fund perform since inception?

### Total Return Based on \$10,000 Investment



### Average Annual Total Returns as of March 31, 2025

<u>Fund/Index Name</u>	<u>1 Year</u>	<u>Since Inception</u>
KraneShares California Carbon Allowance Strategy ETF	-24.92%	-3.27%
S&P 500 Index (TR)	8.25%	9.58%
S&P Carbon Credit CCA Index (USD, TR)^	-23.32%	-1.90%

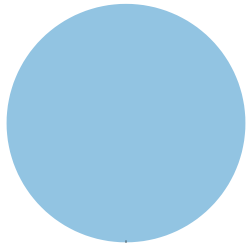
The line graph represents historical performance of a hypothetical investment of \$10,000 in the Fund since its inception on October 4, 2021. Returns shown are total returns, which assume the reinvestment of dividends and capital gains. The table and graph presented above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. **Past performance is not indicative of future performance.** Call 1-855-857-2638 or visit <https://kraneshares.com/kcca/> for current month-end performance.

<sup>^</sup> As of August 1, 2024, IHS Markit Carbon CCA Index's name changed to S&P Carbon Credit CCA Index.

### Key Fund Statistics as of March 31, 2025

<u>Total Net Assets</u>	<u>Number of Holdings</u>	<u>Total Advisory Fees Paid</u>	<u>Portfolio Turnover Rate</u>
\$109,082,163	3	\$1,500,624	74%

### What did the Fund invest in?

Market Exposure <sup>*</sup>	Futures Breakdown <sup>^</sup> Data as of 3/31/2025
<b><u>Futures Contracts:</u></b>	
Futures Contract 115.5%	
<b><u>Collateral and Currency Management:</u></b>	
Short-Term Investment, GVMXX 4.4%	
Exchange-Traded Fund <sup>**</sup> 79.9%	
	
<sup>*</sup> Percentages are calculated based on total net assets. All Investments are presented at market value with the exception of future contracts which are presented at the notional amount.	<sup>^</sup> Percentages are calculated based on total notional value. Future contracts are presented at the notional value.
<sup>**</sup> Affiliated Investment	

### Material Fund Changes

There were no material changes during the reporting period.

### Changes in and Disagreements with Accountants

There were no changes in or disagreements with accountants during the reporting period.

### Additional Information

For additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information, visit <https://kraneshares.com/kcca/>.

### Householding

You may have consented to receive one copy of a shareholder report at your address if you and one or more individuals in your home have multiple accounts at the same address. This practice is commonly called “householding” and is intended to reduce expenses. If you wish to change your householding status or receive individual copies of your shareholder report, please contact us at 1-855-857-2638 or your financial intermediary.



KraneShares Trust  
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