

# KraneShares Asia Pacific High Income USD Bond ETF

Ticker: KHYB

Principal Listing Exchange: NYSE Arca

Annual Shareholder Report: March 31, 2025



This annual shareholder report contains important information about the KraneShares Asia Pacific High Income USD Bond 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/khyb/>. You can also request this information by contacting us at 1-855-857-2638. **This annual shareholder report describes changes to the Fund that occurred during the reporting period.**

## 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 Asia Pacific High Income USD Bond ETF	\$72	0.69%

## 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 (%)
KHYB^	7.93	8.10	N/A	7.25 <sup>(1)</sup>

^ Fund is actively managed and does not track an Underlying Index

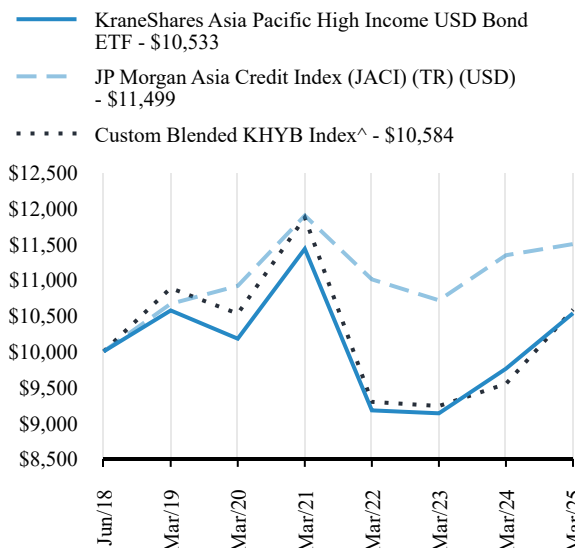
(1) The Fund is in the Morningstar U.S. ETF Emerging Markets Bond Category

The KraneShares Asia Pacific High Income U.S.D. Bond ETF seeks to provide a total return that, before fees and expenses, exceeds that of the JP Morgan Asia Credit Index (JACI) Non-Investment Grade Corporate (the "Benchmark Index") over a complete market cycle. The Benchmark Index is comprised of liquid U.S. dollar-denominated debt instruments issued out of Asia ex-Japan and is market capitalization weighted. The Underlying Index is limited to issuers classified as noninvestment grade based on the middle rating between Moody's, Fitch, and S&P.

The Asia ex Japan high yield bond market slightly underperformed the global high yield bond market, as measured by the Bloomberg Global High Yield Index, during the Period. China real estate developers' bonds continued to recover on strong government support and backstop measures, contributing positively to the Fund's performance and resulting in real estate issuers doubling as a percentage of the total portfolio. Meanwhile, trade-related uncertainties led to a slight widening of high-yield spreads in Asia. However, relatively benign inflation in local economies and rate cut cycles initiated by multiple regional central banks during the Period supported bond prices, mitigating losses 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>5 Years</u>	<u>Since Inception</u>
KraneShares Asia Pacific High Income USD Bond ETF	7.93%	0.69%	0.77%
JP Morgan Asia Credit Index (JACI) (TR) (USD)	6.63%	2.07%	2.85%
Custom Blended KHYB Index^	10.87%	0.11%	0.84%

Since its inception on June 26, 2018. The line graph represents historical performance of a hypothetical investment of \$10,000 in the Fund since inception. 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/khyb/> for current month-end performance.

^ Custom Blended KHYB Index consist of: Solactive USD China Corporate High Yield Bond Index (Inception to 31 Jul 2021) and JP Morgan Asia Credit Index (JACI) Non-Investment Grade Corporate Index (1 Aug 2021 to present.)

## Key Fund Statistics as of March 31, 2025

Total Net Assets	Number of Holdings	Total Advisory Fees Paid	Portfolio Turnover Rate
\$25,273,651	80	\$121,225	158%

## What did the Fund invest in?

Maturity Weightings <sup>*^</sup>		Top Ten Holdings			
			<u>Coupon</u>	<u>Maturity</u>	<u>Percentage of</u>
		<u>Holding Name</u>	<u>Rate</u>	<u>Date</u>	<u>Total</u>
					<u>Net Assets</u>
Less than 1 Year	9.9%	Fuqing Investment Management	3.250%	06/23/25	2.4%
1 to 3 Years	37.5%	Mong Duong Finance Holdings BV	5.125%	05/07/29	2.2%
3 to 5 Years	14.8%	Standard Chartered, H15T5Y + 3.135%	4.300%	—(A)	2.1%
5 to 10 Years	6.3%	Greentown China Holdings	8.450%	02/24/28	2.0%
Greater than 10 Years	1.1%	Pingan Real Estate Capital	3.450%	07/29/26	1.9%
Perpetual Maturity <sup>(A)</sup>	23.6%	Piramal Finance	7.800%	01/29/28	1.8%
		Yanlord Land HK	5.125%	05/20/26	1.7%
		VLL International	7.250%	07/20/27	1.7%
		Golomt Bank	11.000%	05/20/27	1.6%
		Vedanta Resources Finance II	10.875%	09/17/29	1.6%
<sup>*</sup> Percentages are calculated based on total net assets. <sup>^</sup> This chart does not include cash, and therefore, the investments as a percentage to total net assets (which includes cash) will not add up to 100%. <sup>(A)</sup> Perpetual security with no stated maturity date.		(A) Perpetual security with no stated maturity date.			

## Material Fund Changes

This is a summary of certain changes to the Fund since April 1, 2024. For more complete information, you may review the Fund's prospectus, which is available at <https://kraneshares.com/khyb/#documents> or upon request at 1-855-857-2638.

Effective August 1, 2024, the name of the Fund changed from the "KraneShares Asia Pacific High Income Bond ETF" to the "KraneShares Asia Pacific High Income USD Bond ETF".

## 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/khyb/>.

## 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  
KraneShares Asia Pacific High Income USD Bond ETF: KHYB

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