

KraneShares Bosera MSCI China A Share ETF

Investment Strategy:

KBA is benchmarked to the MSCI China A Inclusion Index which is designed to track the progressive partial inclusion of A Shares in the MSCI Emerging Markets Index over time. The Index is designed for global investors accessing the A Shares market using the Stock Connect framework and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

MSCI has completed the initial 5% China A-Share Inclusion into the MSCI Emerging Markets Index. China A-Shares are projected to comprise 14.7% of the MSCI Emerging Markets Index upon full inclusion.¹

With \$1.8 trillion benchmarked to the MSCI Emerging Market Index², full inclusion of Mainland 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 over \$127 billion in AUM³ 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) and Stock Connect Programs

Fund Details	As of 12/31/2018	
Primary Exchange	NYSE	
Cusip	500767405	
Total Annual Fund Operating Expense	Gross: 0.80%	Net: 0.60%*
Inception Date	3/4/2014	
Distribution Frequency	Annually	
Index Name	MSCI China A Inclusion Index	
Index Ticker	Bloomberg: M1CNA	
Number of Holdings (ex Cash)	237	
Underlying Exchanges	Shanghai and Shenzhen	

Valuation Metrics (Data from Morningstar as of 12/31/2018)

Price-to-Earnings ⁴	10.70
Price-to-Cash flow ⁵	8.61
Price-to-Sales ⁶	1.08
Price-to-Book ⁷	1.36

1. MSCI, "Consultation on Further Weight Increase of China A Shares in the MSCI Indexes", September 2018, retrieved on 12/31/2018.
2. As of June 30, 2018, as reported on September 30, 2018 by eVestment, Morningstar and Bloomberg, retrieved 12/31/2018.
3. Bosera data is from bosera.com as of 12/31/2018, retrieved 1/14/2018
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 ratio that compares a company's stock price to its revenues
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

KBA Performance History as of 12/31/2018

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception 3/4/2014	1 Yr	3 Yr	Since Inception 3/4/2014
Fund NAV	-11.39%	-15.11%	15.73%	-26.25%	-8.54%	3.08%
Closing Price	-12.38%	-15.17%	15.23%	-26.38%	-8.27%	2.98%
Index†	-11.32%	-14.96%	22.08%	-28.26%	-9.55%	4.22%

†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 through December 25, 2017, and the MSCI China A Inclusion Index going forward.

*Fee waivers are contractual and in effect until 10/4/19.

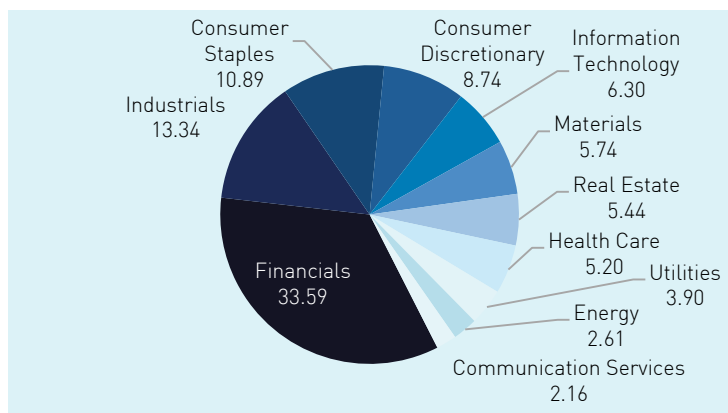
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance 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).

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

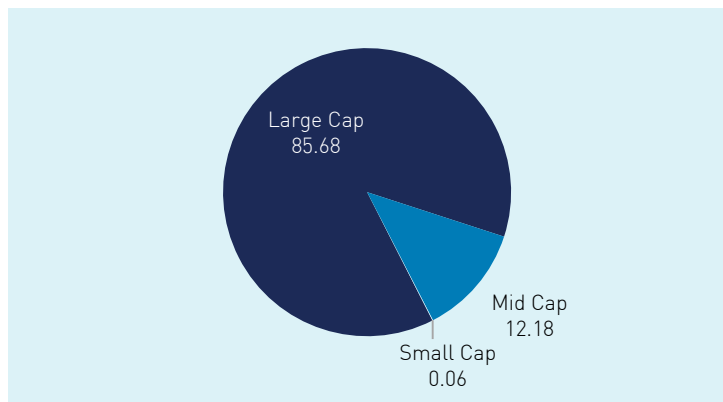
Source: Bloomberg as of 12/31/18



Excluding cash. Due to rounding, the percentage might not add up to 100%.

Market Cap Breakdown

Source: Bloomberg as of 12/31/18



Due to rounding, the percentage might not add up to 100%.

Top Ten Holdings as of 12/31/2018 (Excluding cash) The Fund's Holdings Are Subject to Change.

	%
KWEICHOW MOUTAI CO LTD-A	4.64
PING AN INSURANCE GROUP CO-A	3.90
CHINA MERCHANTS BANK-A	3.28
INDUSTRIAL BANK CO LTD -A	1.97
IND & COMM BK OF CHINA-A	1.82
SHANGHAI PUDONG DEVEL BANK-A	1.77
AGRICULTURAL BANK OF CHINA-A	1.65
MIDEA GROUP CO LTD-A	1.55
CHINA STATE CONSTRUCTION-A	1.52
CHINA VANKE CO LTD-A	1.48

MSCI at a glance:

- Over \$14.8 trillion in equity assets are benchmarked to MSCI indexes globally¹
- 99 of the top 100 global investment managers are MSCI clients²
- 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

¹ As of June 30, 2018, as reported on September 30, 2018 by eVestment, Morningstar and Bloomberg, retrieved 12/31/2018.

² As of March 2018; defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross-listings, are counted.

Bosera at a glance:³

- 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.
- \$127 billion in assets under management, it is one of the top five asset managers in mainland China
- 181 open-ended funds

³Bosera data is from bosera.com as of 12/31/2018, retrieved 1/14/2018

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.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 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.

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 other types of securities. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

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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