

KraneShares MSCI China Environment ETF

Investment Strategy:

KGRN seeks to track the the MSCI China IMI Environment 10/40 Index. The Index is comprised of securities that derive at least 50% of their revenues from environmentally beneficial products and services. The Index is based on five key Clean Technology environmental themes: Alternative Energy, Sustainable Water, Green Building, Pollution Prevention and Energy Efficiency. The Index aims to serve as a benchmark for investors seeking exposure to Chinese companies that focus on contributing to a more environmentally sustainable economy by making efficient use of scarce natural resources or by mitigating the impact of environmental degradation. Constituent selection is based on data from MSCI Environment, Social, and Governance (ESG).

China's Environmental Protection Highlights:

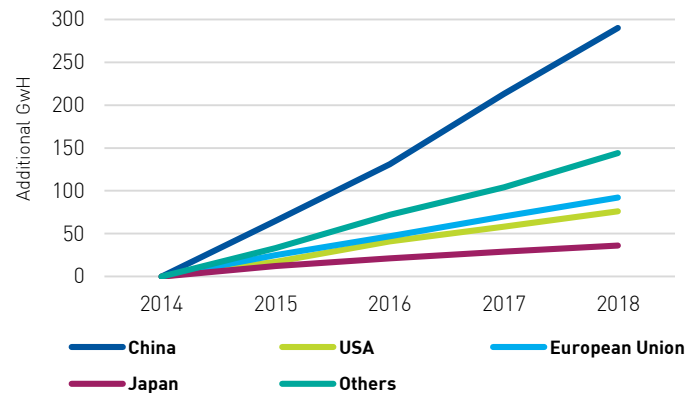
- China is the world leader in total renewable energy capacity, at 31% of total global capacity¹.
- China's goal is to spend \$360 billion on renewable energy² by 2020 and have renewable energy account for 35% of its electricity consumption by 2030³.
- Meeting these standards would create as much new renewable energy capacity as the entire US electricity system⁴, and China would represent half of the world's green building floor space⁵.
- China has a proven track record of achieving ambitious long term renewable energy goals set forth within The Five Year Plan.

KGRN Features:

- Access to China's fast-growing environmental protection industry that has rapidly become the largest renewable energy market in the world¹.
- Exposure to companies that stand to benefit from China's increased focus and spending on clean energy technologies.
- MSCI is recognized as the #1 Socially Responsible Investment (SRI) and corporate governance research firm for the last four years, as determined by the Extel & SRI Connect Independent Research in Responsible Investment (IRRI) Survey..

Fund Details	As of 12/31/2019
Primary Exchange	NYSE
Total Annual Fund Operating Expense	0.80%
Cusip	500767850
Inception Date	10/12/2017
Distribution Frequency	Annually
Index Name	MSCI China IMI Environment 10/40 Index
Index Ticker	Bloomberg: M1CXCI
Number of Holdings (ex Cash)	37

Annual Growth of Electric Power Capacity From Renewable Technologies⁶



1. REN21's Renewables 2019 Global Status Report (GSR) pg 179
2. "China Aims to Spend at Least \$360 Billion on Renewable Energy by 2020", The New York Times, 1/5/2017. Retrieved 12/31/2019.
3. Bloomberg, "China Steps Up Its Push Into Clean Energy", 9/26/2018, retrieved 12/31/2019.
4. US Energy Information Administration, "What is U.S. electricity generation by energy source?", 3/1/2019.
5. UTC, Accelerating the World's Largest Green Building Market: China. Oct. 4, 2016.
6. Data from International Energy Agency as of 12/31/2018. Retrieved on 12/31/2019.

KGRN Performance History as of 12/31/2019

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	13.46%	5.29%	-19.43%	11.85%	-	-9.28%
Closing Price	13.77%	4.62%	-19.83%	11.95%	-	-9.49%
Index	14.96%	6.32%	-17.91%	13.56%	-	-8.51%

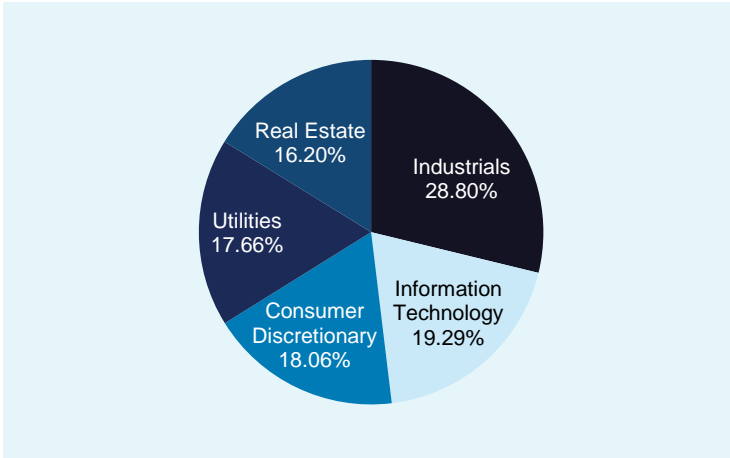
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance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

The Index reflects the reinvestment of any cash distributions after deduction of any withholding tax using the maximum rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses (except for withholding taxes described above). Indexes are unmanaged and one cannot invest directly in an index.

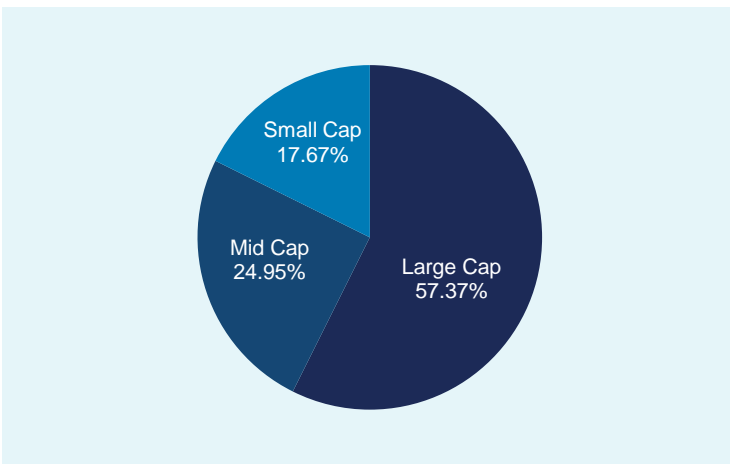
KGRN Sector Breakdown



Data from Bloomberg as of 12/31/2019

Top Ten Holdings as of 12/31/2019 Excluding cash. The Fund's Holdings are Subject to Change.	Ticker	%
CHINA CONCH VENTURE HOLDINGS	586 HK	8.97
SHIMAO PROPERTY HOLDINGS LTD	813 HK	8.69
CHINA EVERBRIGHT INTL LTD	257 HK	7.37
BYD CO LTD-H	1211 HK	6.92
NIO INC - ADR	NIO US	6.68
CONTEMPORARY AMPEREX TECHN-A	300750 CH	4.81
CHINA LONGYUAN POWER GROUP-H	916 HK	4.42
XINYI SOLAR HOLDINGS LTD	968 HK	4.23
BEIJING ENTERPRISES WATER GR	371 HK	4.17
HUANENG RENEWABLES CORP-H	958 HK	4.11

KGRN Market Cap Breakdown



Data from Bloomberg as of 12/31/2019



MSCI Environmental, Social and Governance (ESG) Research

- MSCI ESG Research provides in-depth research, ratings, and analysis of the environmental, social, and governance-related business practices of thousands of companies worldwide. The Index uses company research provided by MSCI ESG Research.
- MSCI is recognized as the #1 Socially Responsible Investment (SRI) and corporate governance research firm for the last four years, as determined by the Extel & SRI Connect Independent Research in Responsible Investment (IRRI) Survey.
- According to MSCI as of March 2018 over \$108 billion in assets are benchmarked to MSCI ESG indexes.

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.

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. The fund is non-diversified.

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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