

KraneShares Emerging Market Healthcare Index ETF

Investment Strategy:

KMED seeks to provide investment results that, before fees and expenses, track the performance of the Solactive Emerging Markets Healthcare Index. The index seeks to track the equity market performance of companies engaged in the health care sector in various emerging markets. The issuers include small-cap, mid-cap, and large-cap companies involved in hospital management, healthcare management, pharmaceutical manufacturing, and biotechnology, among other sub-industries.

Emerging Market Healthcare Sector Highlights:

- By 2040, emerging market countries on average are projected to increase healthcare spending as percent of GDP by 24.4% compared to just 9.8% in developed markets over the same time period¹.
- In emerging markets, rapid urbanization and rising income is fueling growth in the demand for healthcare services and treatments.
- Cases of non-communicable diseases (NCDs) such as diabetes and cancer are rising steadily in emerging market countries, driving demand for healthcare services.
- Emerging markets governments are enacting policies such as India's "National Health Protection Mission" and China's "Healthy China 2030 Plan" to meet the growing demand for healthcare.

Fund Details	As of 12/31/2019
Primary Exchange	NYSE
Cusip	500767819
Total Annual Fund Operating Expense	0.79%
Inception Date	8/29/2018
Distribution Frequency	Annual
Index Name	KraneShares Emerging Market Healthcare Index ETF
Index Ticker	SOLKMED
Number of Holdings (ex Cash)	66

KMED Features:

- Exposure to the Emerging Market healthcare industry with a low correlation to US healthcare equities. Specifically: pharmaceuticals, biotechnology, healthcare administration services, and medical equipment.
- Access to emerging market innovators in healthcare and pharmaceutical research.
- Exposure to companies that benefit from EM demographic shifts

1. Dieleman, Joseph L et al., "Future and potential spending on health 2015–40: development assistance for health, and government, prepaid private, and out-of-pocket health spending in 184 countries", The Lancet, Volume 389, Issue 10083, 2005 – 2030. Retrieved 12/31/2019

KMED Performance History as of 12/31/2019

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	12.81%	9.05%	-8.25%	12.31%	-	-6.23%
Closing Price	11.71%	8.35%	-9.15%	11.60%	-	-6.92%
Index	13.17%	8.85%	-7.52%	13.63%	-	-5.67%

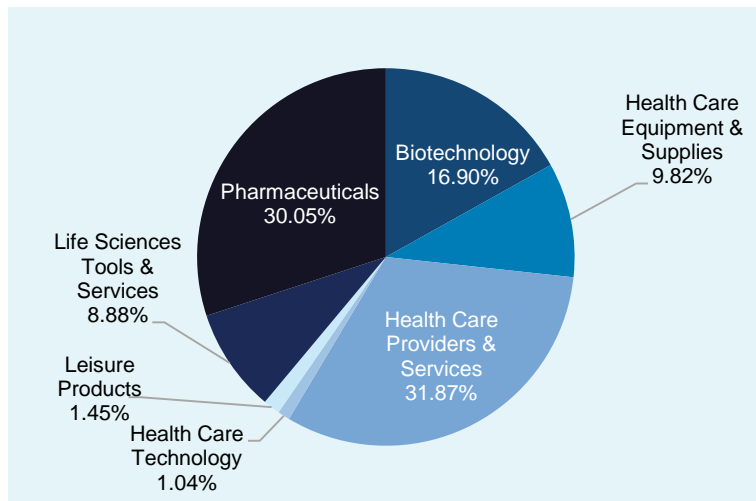
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance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

KMED Sector Breakdown



Data from Bloomberg as of 12/31/2019. Excluding cash.

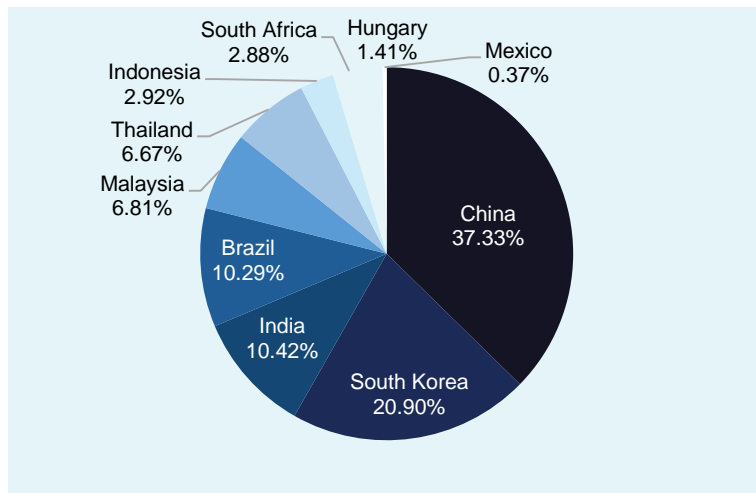
Top Ten Fund Holdings

Excluding cash. As of 12/31/2019

The fund's holdings are subject to change.

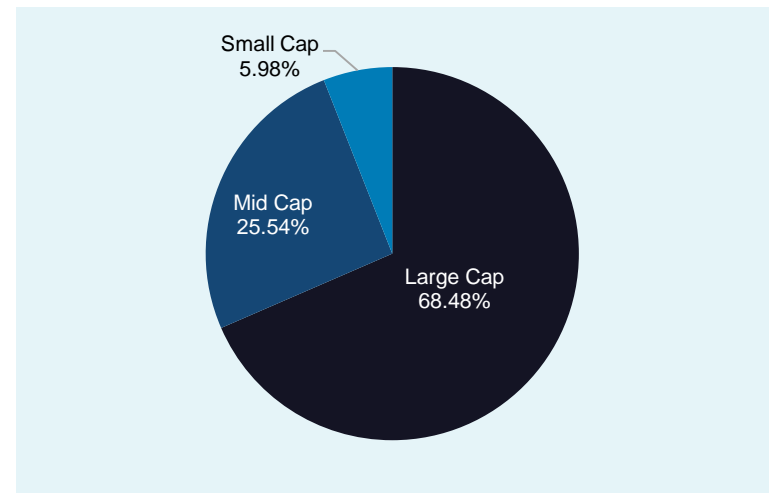
Company Name	%
SAMSUNG BIOLOGICS CO LTD	4.95
CELLTRION INC	4.63
HAPVIDA PARTICIPACOES E INVE	4.37
SUN PHARMACEUTICAL INDUS	4.32
IHH HEALTHCARE BHD	4.18
SHENZHEN MINDRAY BIO-MEDIC-A	4.17
JIANGSU HENGRUI MEDICINE C-A	4.12
NOTRE DAME INTERMED PAR SA	3.32
BANGKOK DUSIT MED SERVICE	2.51
AIER EYE HOSPITAL GROUP CO-A	2.48

KMED Country Breakdown



Data from Bloomberg as of 12/31/2019. Excluding cash.

KMED Market Cap Breakdown



Data from Bloomberg as of 12/31/2019. Excluding cash.

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. Such changes may have an adverse impact on performance. The fund is non-diversified.

The ability of the KraneShares Emerging Market Healthcare Index ETF to achieve their respective investment objectives is dependent, in part, 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 to limited availability of A Share quota, the Fund could seek exposure to the component securities of the Underlying Index by investment in other types of securities. The funds may invest in derivatives, which are often more volatile than other investments and may magnify the Funds' gains or losses.

The KraneShares Emerging Market Healthcare Index ETF invests primarily in the health care industry. The profitability of companies in the healthcare sector may be affected by government regulations and government healthcare programs, government reimbursement for medical expenses, increases or decreases in the cost of medical products and services, limited product lines, increased emphasis on the delivery of healthcare through outpatient services and product liability claims. Many healthcare companies are heavily dependent on patent protection, which may be time consuming and costly, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in pricing pressure, including price discounting, and may be thinly capitalized and susceptible to product obsolescence. Many new products in the healthcare sector require significant research and development and may be subject to regulatory approvals, which may be time consuming and costly and with no guarantee that the product will come to market.

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.

Diversification may not protect against market risk.

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