

KraneShares CSI China Internet ETF

Investment Strategy:

KWEB (the Fund) tracks the CSI Overseas China Internet Index (the Index), a free float market capitalization weighted index consisting of China based companies whose primary business or businesses are focused on internet and internet-related technology. These companies are publicly traded on either the Hong Kong Stock Exchange, NASDAQ Stock Market, or New York Stock Exchange.

The China Internet Evolution

The Chinese internet sector has seen tremendous growth over the past few years. In 2014, China's E-Commerce market size surpassed the U.S. for the first time. 59.6%¹ of China's population had internet access compared to 87.0% in the U.S.². There is potential for substantial continued growth in the Chinese internet sector.

China / US Internet Statistics	China	US
Total internet population	829mm ¹	287mm ²
% of population with internet access	59.6% ¹	87.0% ²
Country's share of world internet users	22.7% ²	7.8% ²
E-Commerce market size 2018	\$1.3T ³	\$513.6B ⁴
Total retail sales 2018	\$5.5T ³	\$5.3T ⁴
% of online retail sales 2018	23.6% ³	9.7% ⁴
2017-2018 growth online sales	23.9% ³	14.2% ⁴

Fund Details	As of 12/31/2019
Primary Exchange	NYSE
Total Annual Fund Operating Expenses	0.76%
Inception Date	7/31/2013
Distribution Frequency	Annually
Index Name	CSI Overseas China Internet Index
Index Ticker	Bloomberg: H11137
Number of Holdings (ex Cash)	45
Listing Exchanges of Holdings	NASDAQ, NYSE, Hong Kong

Valuation Metrics (Data from Bloomberg as of 12/31/2019)	
Price-to-Earnings ⁵	21.18
Price-to-cash flow ⁶	20.93
Price-to-Sales ⁷	2.72
Price-to-Book ⁸	3.22

KWEB Performance History as of 12/31/2019

	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception 7/31/2013	1 Yr	3 Yr	5 Yr	Since Inception 7/31/2013
Fund NAV	17.58%	10.91%	107.57%	29.28%	13.34%	9.44%	12.05%
Closing Price	17.94%	10.78%	107.67%	29.95%	13.36%	9.48%	12.06%
Index	17.57%	11.02%	107.93%	29.21%	13.44%	9.78%	12.08%

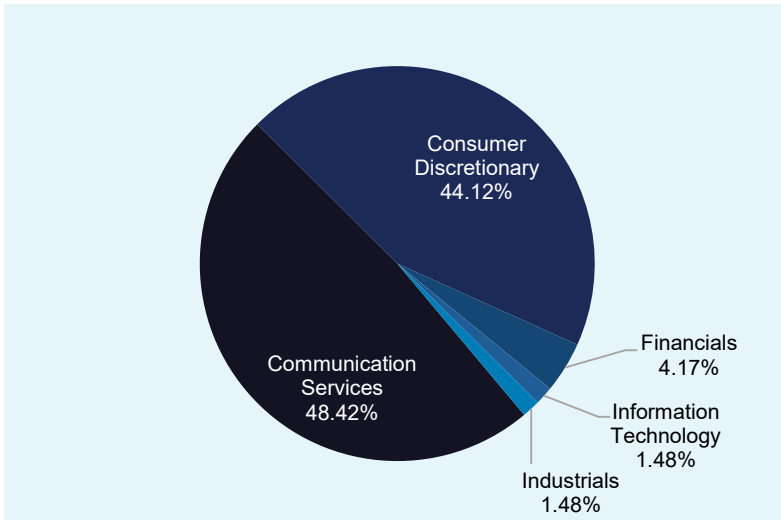
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance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

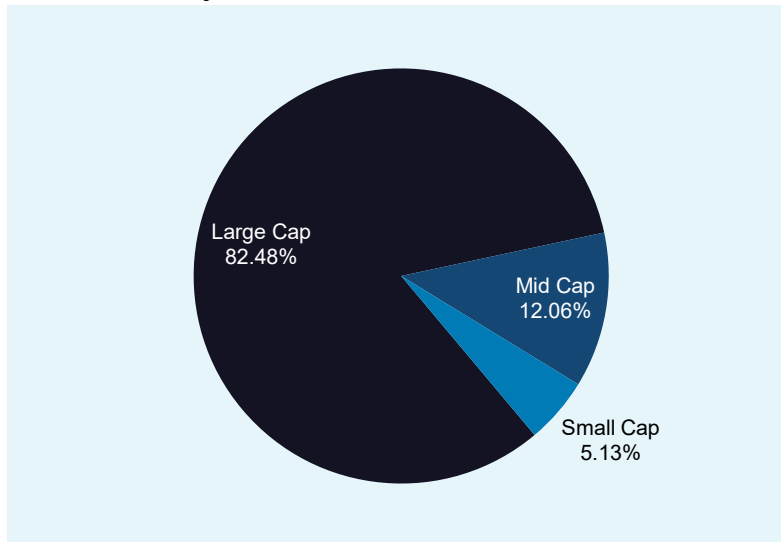
Data from Bloomberg as of 12/31/2019



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

Market Cap Breakdown

Data from Bloomberg as of 12/31/2019



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

Top Ten Holdings As of 12/31/2019 The Fund's Holdings Are Subject to Change.	Ticker	%
ALIBABA GROUP HOLDING-SP ADR	BABA US	10.06
TENCENT HOLDINGS LTD	700 HK	9.15
MEITUAN DIANPING-CLASS B	3690 HK	7.77
BAIDU INC - SPON ADR	BIDU US	7.24
JD.COM INC-ADR	JD US	6.06
TAL EDUCATION GROUP- ADR	TAL US	4.08
NETEASE INC-ADR	NTES US	3.91
TRIP.COM GROUP LTD	TCOM US	3.87
PINDUODUO INC-ADR	PDD US	3.83
VIPSHOP HOLDINGS LTD - ADR	VIPS US	3.82

KWEB features:

- Access to Chinese internet companies that provide similar services as Google, Facebook, Twitter, eBay, Amazon, etc.
- Exposure to companies benefitting from increasing domestic consumption by China's growing middle class
- Exposure to Chinese internet companies listed in both the United States and Hong Kong

1. CNNIC, The 43rd Statistical Report on the Development of China's Internet, 2/28/2019. Retrieved 9/30/2019.
2. Data from Pew Research Center, World Bank and US Census Bureau as of 12/31/2018. Retrieved 9/30/2019.
3. National Bureau of Statistics in China, "National Economic Performance Maintained within an Appropriate Range in 2018 with Main Development Goals Achieved" 1/21/2019. Note: Figures converted from Chinese Renminbi to USD as of 31 December 2018.
4. U.S. Department of Commerce, "Quarterly Retail E-commerce Sales 4th Quarter 2018" 3/13/2019.
5. Price-to-earnings: A valuation method used to compare a company's current share price to its per-share earnings
6. Price-to-cash flow: The ratio of a stock's price to its cash flow per share
7. Price-to-sales: A valuation metric for stocks calculated by dividing the company's market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue
8. 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.

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. Variable-interest entities (VIEs) do not give investors ownership in the operating company as stock does. The enforceability of the VIE structure is not guaranteed by Chinese law. 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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