

KraneShares CCBS China Corporate High Yield Bond USD Index ETF

Investment Strategy

KCCB seeks to provide investment results that, before fees and expenses, track the price and yield performance of the Solactive USD China Corporate High Yield Bond Index. The Index seeks to track the performance of outstanding high yield debt securities denominated in U.S. dollars issued by Chinese companies.

USD China Corporate High Yield Bond Market Features:

- As dollar investors seek yield globally, the U.S. dollar denominated China corporate high yield bond market has grown considerably to meet investor demand.
- From 2014 to 2017, China accounted for more than half of all new annual USD bond issuance in Asia.¹
- The total value of Chinese USD denominated high yield bonds increased over 250% from 2015 to 2019, and the number of issuing companies also increased by over 250% over the same period.²
- By the end of 2019, the total USD China Corporate High Yield Bond market size reached \$800 billion with over 700 issuing companies.²

KCCB Features:

- USD-denominated exposure to China's high yield bond market
- Low correlation with US and global markets
- Co-managed by China Construction Bank (CCB), the second largest bank in the world by assets³.

KCCB Performance History as of 3/31/2020

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception 6/28/2018	1 Yr	3 Yr	Since Inception 6/28/2018
Fund NAV	-7.13%	-5.48%	1.78%	-3.72%	-	1.01%
Closing Price	-5.95%	-4.23%	3.39%	-2.46%	-	1.91%
Index	-7.33%	-5.74%	5.27%	-3.28%	-	2.95%

1. Data from Bloomberg as of 12/31/17, retrieved on 3/31/2020.
2. Data from Bloomberg as of 12/31/2019, retrieved on 3/31/2020.
3. Global Finance, "Biggest Banks In The World 2018", 11/1/2018, retrieved 3/31/2020.
4. Data from China Construction Bank as of 3/31/2020.

*Modified Duration: The change in the value of a bond that occurs with each percentage (100 bps) change in interest rates.

**Average 3-Year Default Probability: The average of the default probabilities (over a 3-year period) of the securities within the portfolio. Default probability is the probability that an issuer will default within a certain period (in this case 3 years) and is calculated based on each issuer's financials, economic environment, and credit rating. The metric is sourced from Bloomberg using data as of 12/31/2019.

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 when buying and receive less than net asset value (NAV) 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).

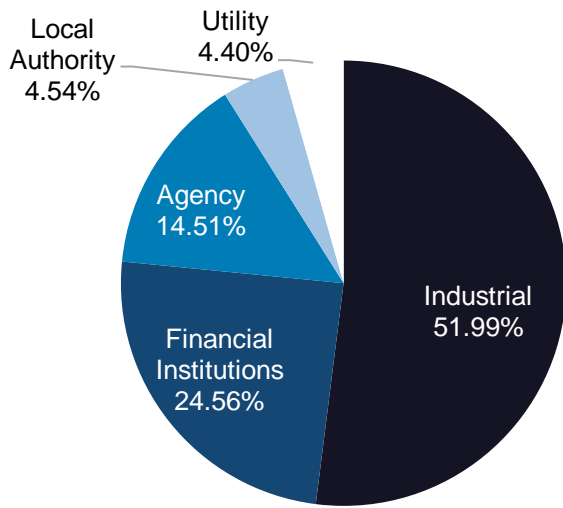
Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

Fund Details	As of 3/31/2020
Ticker	KCCB
Primary Exchange	NYSE
Total Annual Fund Operating Expense	0.69%
Inception Date	6/28/2018
Distribution Frequency	Monthly
Index Name	Solactive USD China Corporate High Yield Bond Index
Index Ticker	Bloomberg: SOLCNHYC
Cusip	500767843
Number of Holdings (ex cash)	52
Modified Duration*	3.52 Years
30-day SEC Yield	6.62%
Unsubsidized 30-day SEC Yield	6.62%
Average 3-Year Default Probability**	2.33%

China Construction Bank (CCB) Quick Facts

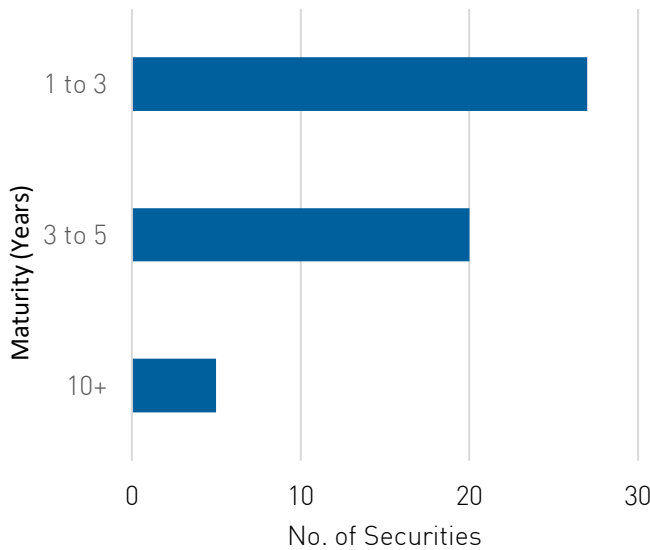
- **Headquartered in Beijing** with offices worldwide
- **Second largest** bank in the world by assets³
- **Established in 1954**
- **Investment and Retail banking** divisions in China and around the world
- **Asset Management Team** with an average of 20 years of experience across asset classes including fixed income, equities, money market, FX, derivatives, fund-of-funds, etc.⁴

KCCB Sector Breakdown



Data from Bloomberg as of 3/31/2020. Excluding cash.

KCCB Maturity Breakdown



Data from Bloomberg as of 3/31/2020.

Top Ten Holdings as of 3/31/2020 Excluding cash. The Fund's Holdings Are Subject to Change	% of Fund
CKINF 5 7/8 PERP	4.35
CNREFI 3 3/8 03/09/22	3.58
NANYAN 5 PERP	2.90
KAISAG 9 3/8 06/30/24	2.81
KMCMIN 6.2 06/27/22	2.70
SHIMAO 6 1/8 02/21/24	2.66
ICBCAS 4 1/4 PERP	2.65
EVERRE 7 1/2 06/28/23	2.59
CIMWLB 6 1/2 PERP	2.24
CHALUM 4 1/4 04/21/22	2.18

China USD High Yield bonds have low correlations relative to the global bond market

Correlation Matrix	Bloomberg Barclays Asia USD Investment Grade Bond Index Yield To Worst	Bloomberg Barclays Asia USD High Yield Bond Index Yield To Worst	Solactive China USD Corporate High Yield Index Yield To Worst
Bloomberg Barclays Asia USD Investment Grade Bond Index Yield To Worst	100%		
Bloomberg Barclays Asia USD High Yield Bond Index Yield To Worst	58%	100%	
Solactive China USD Corporate High Yield Index	-59%	-83%	100%

Data from Bloomberg as of 3/31/2020. Weekly correlation data from 3/31/2015 to 3/31/2020..

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.kranehares.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 a decline in value. Fluctuations in currency of foreign countries may have an adverse effect on domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increased volatility and lower trading volume.

The KraneShares CCBS China Corporate High Yield Bond USD Index ETF is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. The components of the securities held by the Fund will be rated by Chinese credit rating agencies, which may use different criteria and methodology than U.S. entities or international credit rating agencies. The Fund may invest in high yield and unrated securities, whose prices are generally more sensitive to adverse economic changes and consequently more volatile. The Fund is subject to industry concentration risk and is non-diversified. Narrowly focused investments typically exhibit higher volatility.

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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