

KraneShares MSCI China ESG Leaders ETF

Investment Strategy

KESG seeks to track the MSCI China ESG Leaders 10/40 Index. The MSCI China ESG Leaders 10/40 Index aims to provide exposure to companies with high Environmental, Social and Governance (ESG) ratings relative to their sector peers. The MSCI China ESG Leaders 10/40 Index consists of large and mid-cap companies in China. In order to ensure diversification, the Index is designed to limit individual constituent weights to 10% and sector weights to 40% of its composition.

China's ESG Highlights

- China's commitment to stricter environmental mandates and conservation efforts is necessary to achieve national goals of sustained economic growth.
- China now is the world leader in total renewable energy capacity, at approximately 30% of total global capacity¹.
- Greater inclusion of China's capital markets internationally creates more of an incentive to align shareholder rights and governance policies with global standards.

Fund Details	Data as of 7/31/2020
Primary Exchange	NYSE
CUSIP	500767660
Inception Date	7/15/2020
Total Annual Fund Operating Expense	0.59%
Distribution Frequency	Annually
Index Name	MSCI China ESG Leaders 10/40 Index
Index Ticker	MXCNEL40 Index
Number of constituents (ex cash)	149

1. REN21's Renewables 2020 Global Status Report (GSR), Chapter 5: Investment Flows.

ESG is an effective filter for selecting companies that best adhere to China's future plans for development.

Environmental



Strong Government Initiatives

The Chinese government has enacted environmental policies and incorporated carbon reduction in national level Five-year Plans.



Proven Ability to Achieve Goals

China has surpassed other leading countries throughout the world in renewable technology.

Social



More Educated Workforce

Economic and technological transformation has created a more educated workforce that requests better working conditions.



High Quality Product Expectations

As disposable income increases, there is greater demand for better product quality.

Governance



Adherence to Global Standards

Greater inclusion of China's capital markets incentivizes Chinese companies to align corporate governance with global standards.



SOE Reform & More Mixed Ownership

Chinese companies are expected to have a more diversified management and shareholder structure in the future.

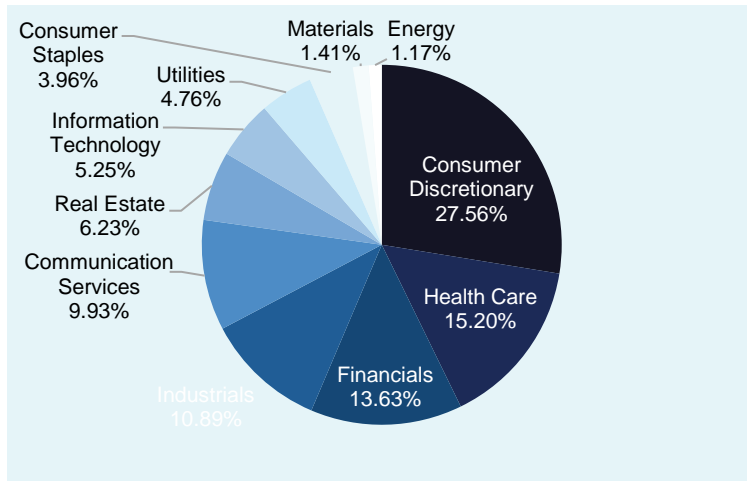
KESG Performance History as of 7/31/2020

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	-	-	-	-	-	-
Closing Price	-	-	-	-	-	-
Index	-	-	-	-	-	-

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 7/31/2020



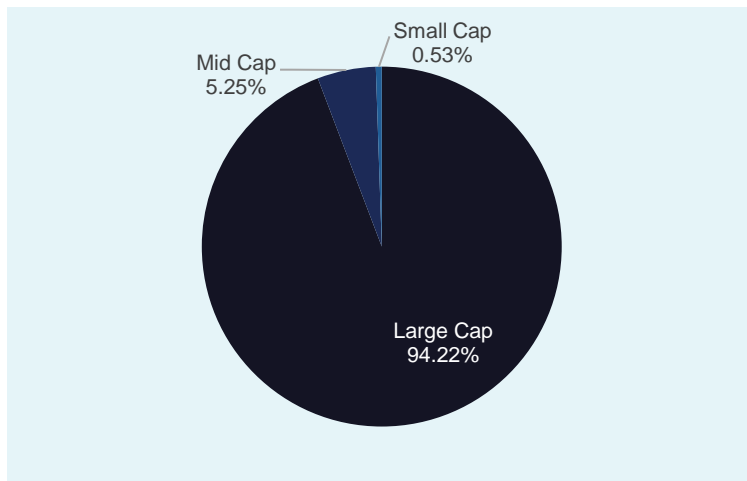
Top Ten Holdings as of 7/31/2020

The Fund's constituents are subject to change.

Top Ten Holdings	%
MEITUAN DIANPING-CLASS B	9.72
TENCENT HOLDINGS LTD	9.66
ALIBABA GROUP HOLDING-SP ADR	9.09
CHINA CONSTRUCTION BANK-H	7.14
CHINA MERCHANTS BANK-H	3.74
WUXI BIOLOGICS CAYMAN INC	3.71
SINO BIOPHARMACEUTICAL	2.72
GEELY AUTOMOBILE HOLDINGS LT	2.53
CHINA MENGNIU DAIRY CO	2.44
CHINA OVERSEAS LAND & INVEST	2.44

Market Cap Breakdown

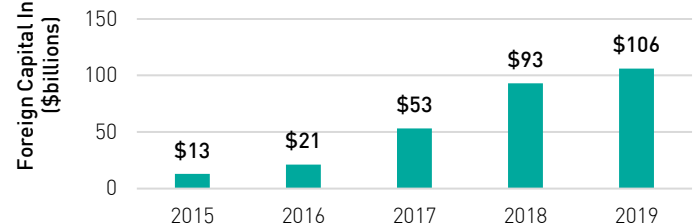
Data from Bloomberg as of 7/31/2020



International investors encourage further growth in China's ESG development

- International investors now have more exposure to China's capital markets as a result of the China A-Share inclusion to MSCI's Global Standard Indexes.
- Domestic and foreign investors are pushing for better ESG practices and policies now that they are more heavily invested in China.

Annual Foreign Capital Net Inflow Via Hong Kong, Shenzhen, and Shanghai Stock Connect²



2. MSCI ESG Reach LLC, "China Through an ESG Lens," September 2019.

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 Fund is 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. To achieve its investment objective the Fund is dependent, in part, on the continuous availability of A Shares and the ability to obtain, if necessary, additional A Shares quota. If a 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 Fund may underperform other similar funds that do not consider conscious company/ESG guidelines when making investment decisions. 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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