

KraneShares MSCI China ESG Leaders ETF

Investment Strategy:

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

China's ESG Highlights:

- Chinese domestic investors and issuers are moving fast to incorporate ESG considerations in their decision making, driven by strong regulatory initiatives to promote ESG practices and disclosures.
- China's commitment to stricter environmental mandates and conservation efforts is necessary to achieve national goals of sustained economic growth. Consequently, China now is the world leader in total renewable energy capacity, at approximately 31% of total global capacity¹.
- China's economic and technological transformation drives demand for a more educated workforce. In recent years, many Chinese companies in knowledge-intensive sectors have improved their talent programs, which has in turn upgraded their MSCI ESG Rating.
- Greater inclusion of China's capital markets internationally creates more of an incentive to align shareholder rights and governance policies with global standards, paving the way for Chinese companies to develop a more diversified shareholder structure.

KESG Features:

- MSCI China ESG Leaders 10/40 Index inclusion criteria has a track record of effectively identifying growth companies within China's new economy.
- As companies with high ESG scores have proven to consistently outperform their peers in China, investors do not necessarily have to compromise returns for investing based on beliefs.
- Benchmarked to an MSCI ESG Index: MSCI is the #1 index provider for ESG, Socially Responsible Investment (SRI), and Corporate governance indexes according to a 2018 survey of 1,300 participants conducted by SRI Connect and Extel.

1. REN21's Renewables 2019 Global Status Report (GSR)

KESG Performance History:

	Cumulative % Data as of month end: 09/30/2020				Average Annualized % Data as of quarter end: 09/30/2020			
	1 Mo	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	-3.02%	-	-	2.84%	-	-	-	2.84%
Closing Price	-2.71%	-	-	3.48%	-	-	-	3.48%
Index	-2.89%	12.17%	31.88%	3.09%	-	-	-	3.09%

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 investors 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.

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	Data as of 9/30/2020
Primary Exchange	NYSE
CUSIP	500767660
ISIN	US5007676605
Total Annual Fund Operating Expense	0.59%
Inception Date	7/29/2020
Distribution Frequency	Annual
Index Name	MSCI China ESG Leaders 10/40 Index (Net)
Number of Holdings	150

Top 10 Holdings as of 9/30/2020 Holdings are subject to change.	Ticker	%
ALIBABA GRP-ADR	BABA	9.79
MEITUAN DIANPING-CLASS B	3690 HK	8.98
TENCENT HOLDINGS LTD	700 HK	8.73
CHINA CONSTRUCTION BANK-H	939 HK	7.76
WUXI BIOLOGICS CAYMAN INC	2269 HK	4.73
NIO INC - ADR	NIO	3.67
CHINA MERCHANTS BANK-H	3968 HK	3.49
CHINA MENGNIU DAIRY CO	2319 HK	2.55
GEELY AUTOMOBILE	175 HK	2.32
SINO BIOPHARMACEUTICAL	1177 HK	2.20

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.

Risk Disclosures:

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. 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.

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).

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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