

KraneShares MSCI China Environment ETF

Investment Strategy:

KGRN seeks to track the performance of the MSCI China IMI Environment 10/40 Index. The Index is comprised of securities that derive at least 50% of their revenues from environmentally beneficial products and services. The Index is based on five key Clean Technology environmental themes: Alternative Energy, Sustainable Water, Green Building, Pollution Prevention and Energy Efficiency. The Index aims to serve as a benchmark for investors seeking exposure to Chinese companies that focus on contributing to a more environmentally sustainable economy by making efficient use of scarce natural resources or by mitigating the impact of environmental degradation. Constituent selection is based on data from MSCI Environment, Social, and Governance (ESG).

China's Environmental Protection Highlights:

- China is the world leader in total renewable energy capacity, at approximately 31% of total global capacity¹
- China's goal is to spend \$360 billion on renewable energy² by 2020 and have renewable energy account for 35% of its electricity consumption by 2030³
- Meeting these standards would create as much new renewable energy capacity as the entire US electricity system⁴, and China would represent half of the world's green building floor space⁵
- China has a proven track record of achieving ambitious long term renewable energy goals set forth within The Five Year Plan, the government's vision for China's development over the next five years.⁶

KGRN Features:

- Access to China's fast-growing environmental protection industry that has rapidly become the largest renewable energy market in the world¹
- Exposure to companies that stand to benefit from China's increased focus and spending on clean energy technologies
- Benchmarked to an MSCI ESG Index: MSCI is the #1 index provider for Socially Responsible Investment (SRI), Corporate governance, and ESG indexes according to a 2015 survey of 1,200 participants conducted by SRI Connect and Extel.

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

2.) Michael Forsythe, "China Aims to Spend at Least \$360 Billion on Renewable Energy by 2020", The New York Times, 1/5/2017. Retrieved 9/30/2020.

3.) Bloomberg, "China Steps Up Its Push Into Clean Energy", 9/26/2018, Retrieved 9/30/2020.

4.) US Energy Information Administration, "What is U.S. electricity generation by energy source?", 3/1/2019.

5.) UTC, Accelerating the World's Largest Green Building Market: China. Oct. 4, 2016, Retrieved 9/30/2020.

6.) "The 13th Five-Year Plan", published by the U.S.-China Economic and Security Review Commission on 2/14/2017.

KGRN 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	9.43%	43.63%	86.02%	33.69%	88.27%	-	-	10.28%
Closing Price	10.47%	45.40%	87.42%	34.83%	91.33%	-	-	10.59%
Index	9.45%	38.41%	78.60%	29.91%	81.93%	9.88%	-	9.21%

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	500767850
ISIN	US5007678502
Total Annual Fund Operating Expense	0.79%
Inception Date	10/12/2017
Distribution Frequency	Annual
Index Name	MSCI China IMI Environment 10/40 Index
Number of Holdings	44

Top 10 Holdings as of 9/30/2020 Holdings are subject to change.	Ticker	%
NIO INC - ADR	NIO	9.47
CONCH VENTURE	586 HK	8.34
BYD CO LTD-H	1211 HK	8.22
shimano group	813 HK	7.86
XINYI SOLAR HOLDINGS LTD	968 HK	5.33
CHINA EVERGRANDE GROUP	3333 HK	4.71
YADEA GROUP HOLDINGS LTD	1585 HK	4.50
CONTEMPORARY A-A	300750 C2	4.47
LONGI GREEN EN-A	601012 C1	4.33
BJ ENT WATER	371 HK	4.00

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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