

## KraneShares Emerging Market Healthcare Index ETF

### Investment Strategy:

KMED seeks to provide investment results that, before fees and expenses, track the performance of the Solactive Emerging Markets Healthcare Index. The index seeks to track the equity market performance of companies engaged in the health care sector in various emerging markets. The issuers include small-cap, mid-cap, and large-cap companies involved in hospital management, healthcare management, pharmaceutical manufacturing, and biotechnology, among other sub-industries.

### Emerging Market Healthcare Sector Highlights:

- By 2040, emerging market countries on average are projected to increase healthcare spending as percent of GDP by 24.4% compared to just 9.8% in developed markets over the same time period<sup>1</sup>.
- In emerging markets, rapid urbanization and rising income is fueling growth in the demand for healthcare services and treatments.
- Cases of non-communicable diseases (NCDs) such as diabetes and cancer are rising steadily in emerging market countries, presenting a growth opportunity for innovators in the healthcare space.
- Emerging markets governments are enacting policies such as India's "National Health Protection Mission" and China's "Healthy China 2030 Plan" to meet the growing demand for healthcare.

### KMED features:

- Exposure to the Emerging Market healthcare industry with a low correlation to US healthcare equities. Specifically: pharmaceuticals, biotechnology, healthcare administration services, and medical equipment.
- Access to emerging market innovators in healthcare and pharmaceutical research.
- Exposure to companies that benefit from the growing and aging EM populations.

1.) Dieleman, Joseph L et al., "Future and potential spending on health 2015–40: development assistance for health, and government, prepaid private, and out-of-pocket health spending in 184 countries", The Lancet, Volume 389, Issue 10083, 2005 - 2030. Retrieved 9/30/2020.

### KMED 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	-4.88%	7.84%	45.80%	23.69%	52.07%	-	-	10.71%
Closing Price	-2.79%	8.40%	47.24%	24.91%	53.58%	-	-	11.24%
Index	-4.94%	8.01%	46.56%	25.55%	53.65%	-	-	11.50%

**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](http://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	500767819
ISIN	US5007678197
Total Annual Fund Operating Expense	0.80%
Inception Date	8/29/18
Distribution Frequency	Annual
Index Name	Solactive Emerging Markets Healthcare Index
Number of Holdings	103

Top 10 Holdings as of 9/30/2020 Holdings are subject to change.	Ticker	%
SHENZHEN MINDR-A	300760 C2	4.72
SAMSUNG BIOLOGICS CO LTD	207940 KS	4.27
CELLTRION INC	068270 KS	4.26
SUN PHARMACEUTICAL INDUS	SUNP IN	3.99
TOP GLOVE CORP BHD	TOPG MK	3.45
HARTALEGA HOLDINGS BHD	HART MK	3.26
DR. REDDY'S LABORATORIES	DRRD IN	2.98
CELLTRION HEALTH	091990 KS	2.89
IHH HEALTHCARE BHD	IHH MK	2.75
CHONGQING ZHIF-A	300122 C2	2.44

**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](http://www.kraneshares.com). Read the prospectus carefully before investing.**

**Risk Disclosures:**

Narrowly focused investments typically exhibit higher volatility. Such changes may have an adverse impact on performance. The fund is non-diversified.

The ability of the KraneShares Emerging Market Healthcare Index ETF to achieve their respective investment objectives is dependent, in part, on the continuous availability of A Shares and the ability to obtain, if necessary, additional A Shares quota. If the 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 funds may invest in derivatives, which are often more volatile than other investments and may magnify the Funds' gains or losses.

The KraneShares Emerging Market Healthcare Index ETF invests primarily in the health care industry. The profitability of companies in the healthcare sector may be affected by government regulations and government healthcare programs, government reimbursement for medical expenses, increases or decreases in the cost of medical products and services, limited product lines, increased emphasis on the delivery of healthcare through outpatient services and product liability claims. Many healthcare companies are heavily dependent on patent protection, which may be time consuming and costly, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in pricing pressure, including price discounting, and may be thinly capitalized and susceptible to product obsolescence. Many new products in the healthcare sector require significant research and development and may be subject to regulatory approvals, which may be time consuming and costly and with no guarantee that the product will come to market.

Diversification may not protect against market risk.

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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