

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 period¹.
- 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.

| Fund Details | Data as of 01/31/2021 |
|-------------------------------------|---|
| 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 | 138 |

| Top 10 Holdings as of 01/31/2021 Holdings are subject to change. | Ticker | % |
|---|--------|------|
| SHENZHEN MINDR-A | 300760 | 5.05 |
| CELLTRION INC | 068270 | 4.40 |
| SAMSUNG BIOLOGICS CO LTD | 207940 | 3.85 |
| JIANGSU HENGRU-A | 600276 | 3.81 |
| WUXI BIOLOGICS CAYMAN INC | 2269 | 3.20 |
| CELLTRION HEALTH | 091990 | 3.02 |
| AIER EYE HSPTL-A | 300015 | 3.00 |
| SUN PHARMACEUTICAL INDUS | SUNP | 2.93 |
| CHINA EVERGRANDE | 708 | 2.59 |
| CHONGQING ZHIF-A | 300122 | 2.47 |

KMED Performance History:

| | Cumulative % Data as of month end: 01/31/2021 | | | | Average Annualized % Data as of month end: 01/31/2021 | | | | Average Annualized % Data as of quarter end: 12/31/2020 | | | |
|---------------|--|--------|--------|-----------------|--|------|------|-----------------|--|------|------|-----------------|
| | 1 Mo | 3 Mo | 6 Mo | Since Inception | 1 Yr | 3 Yr | 5 Yr | Since Inception | 1 Yr | 3 Yr | 5 Yr | Since Inception |
| Fund NAV | -0.28% | 17.04% | 12.87% | 45.85% | 60.04% | - | - | 16.86% | 59.42% | - | - | 17.65% |
| Closing Price | -0.50% | 17.42% | 13.71% | 46.42% | 64.78% | - | - | 17.05% | 61.97% | - | - | 17.96% |
| Index | -0.21% | 17.73% | 13.98% | 49.30% | 62.20% | - | - | 17.95% | 61.78% | - | - | 18.76% |

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.

| Sector Breakdown | % |
|--------------------------------------|-------|
| Data from Bloomberg as of 01/31/2021 | |
| Health Care | 97.70 |
| Consumer Staples | 1.49 |

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:

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 in 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.

Fund shares are bought and sold on an exchange at market price (not NAV) and are not individually redeemed from the Fund. However, shares may be redeemed at NAV directly by certain authorized broker-dealers (Authorized Participants) in very large creation/redemption units. The returns shown do not represent the returns you would receive if you traded shares at other times. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. Beginning 12/23/2020, market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates the current NAV per share. Prior to that date, market price returns were based on the midpoint between the Bid and Ask price. NAVs are calculated using prices as of 4:00 PM Eastern Time.

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