

KraneShares MSCI All China Health Care Index ETF

Investment Strategy:

KURE seeks to measure the performance of MSCI China All Shares Health Care 10/40 Index. The Index is a free float adjusted market capitalization weighted index designed to track the equity market performance of Chinese companies engaged in the health care sector. The securities in the Index include all types of publicly issued shares of Chinese issuers, which are listed in Mainland China, Hong Kong and United States. Issuers eligible for inclusion must be classified under the Global Industry Classification Standard as engaged in the healthcare sector. The issuers included in the Underlying Index may include small-cap, mid-cap and large-cap companies.

China Health Care Sector Highlights:

- China is one of the fastest growing major healthcare markets in the world with a ten-year compound annual growth rate of 13%, compared to just 3% in the United States and 2% in Japan¹.
- China is the second largest healthcare market globally with total healthcare expenditures reaching \$630 billion in 2017¹, a number projected to reach \$1.1 trillion by 2020².
- There is still opportunity for considerable growth in China's healthcare market with per capita health spending at just \$441, compared to an average of over \$5,400 for the world's top eight healthcare markets³.
- China's aging population, rising incomes and increasing urbanization may provide a sustained catalyst for growth in China's healthcare sector.

KURE features:

- Exposure to Chinese companies listed in the Mainland, Hong Kong and United States that are involved in the healthcare industry, specifically: patent and generic pharmaceuticals, hospital administration, biotechnology, medical equipment production, healthcare IT, and traditional Chinese medicine.
- Exposure to companies that benefit from China's growing middle class and aging population.
- Access to leading Chinese pharmaceutical companies which have been recipients of favorable policy and market conditions for research and development and the invention of new medicines and devices.

1.) Major healthcare markets defined as top five global markets by the World Health Organization. Data from the World Health Organization, last updated on 4/7/2020.

2.) International Trade Association, "2016 Top Markets Report Pharmaceuticals, 2016". Retrieved 9/30/2020.

3.) Data from the World Health Organization, last updated on 4/7/2020. Retrieved 9/30/2020.

KURE 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	5.18%	18.47%	15.31%	65.05%	71.90%	18.18%	-	18.18%	67.28%	-	-	16.70%
Closing Price	5.61%	18.13%	16.04%	66.10%	81.83%	18.43%	-	18.43%	69.27%	-	-	16.80%
Index	5.49%	18.69%	15.77%	68.25%	72.82%	18.94%	-	18.92%	68.94%	-	-	17.35%

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.

*Fee waivers are contractual and in effect until August 1, 2021

Fund Details	Data as of 01/31/2021
Primary Exchange	NYSE
CUSIP	500767835
ISIN	US5007678353
Total Annual Fund Operating Expense (Gross)	0.79%
Total Annual Fund Operating Expense (Net)*	0.65%
Inception Date	1/31/2018
Distribution Frequency	Annual
Index Name	MSCI China All Shares Health Care 10/40 Index (USD)
Net Assets	\$198,744,531
Number of Holdings	111

Top 10 Holdings as of 01/31/2021 Holdings are subject to change.	Ticker	%
WUXI BIOLOGICS CAYMAN INC	2269	8.85
JIANGSU HENGRU-A	600276	6.44
SHENZHEN MINDR-A	300760	5.46
WUXI APPTec CO LTD-A	603259	4.24
AIER EYE HSPTL-A	300015	3.97
BEIGENE LTD-ADR	BGNE	3.85
ALIBABA HEALTH	241	3.54
INNOVENT BIOLOGICS INC	1801	3.02
CHONGQING ZHIF-A	300122	2.98
ZAI LAB LTD-ADR	ZLAB	2.91

Sector Breakdown	%
Data from Bloomberg as of 01/31/2021	
Health Care	100.00

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. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility.

The ability of the KraneShares MSCI All China Health Care Index ETF to achieve its 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 fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

The KraneShares MSCI All China Health Care 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.

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.

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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