

KraneShares CSI China Internet ETF

Investment Strategy:

KWEB tracks the CSI Overseas China Internet Index, a free float market capitalization weighted index consisting of China based companies whose primary business or businesses are focused on internet and internet-related technology. These companies are publicly traded on either the Hong Kong Stock Exchange, NASDAQ Stock Market, or New York Stock Exchange.

KWEB Provides:

- Access to Chinese internet companies that provide similar services as Google, Facebook, Twitter, eBay, Amazon, etc.
- Exposure to companies benefitting from increasing domestic consumption by China's growing middle class
- Exposure to Chinese internet companies listed in both the United States and Hong Kong

China Internet Sector Highlights:

- Chinese retail web sales totaled US\$1.5 trillion in 2019, representing a year-over-year increase of 16.5%¹. This compares to US\$601.7 billion in the United States²
- China's internet population reached 854 million people, a penetration of only 61.2%³. The U.S. internet population reached 294 million people, a penetration rate of 89.5%⁴.
- Total Chinese retail sales reached US\$5.8 trillion in 2019¹
- Online shopping accounted for 25.8% of retail purchases in China in 2019¹

1. National Bureau of Statistics in China, "Total Retail Sales of Consumer Goods Went up by 8.0 percent in 2019", 1/19/2020. Note: Figures converted from Chinese Renminbi to USD as of 4/14/2020.
2. U.S. Department of Commerce, "Quarterly Retail E-commerce Sales 4th Quarter 2019" 2/19/2020.
3. CNNIC, The 44th Statistical Report on the Development of China's Internet, 8/31/2019.
4. Data from Pew Research Center, World Bank, and US Census Bureau as of 6/30/2019.

Fund Details	Data as of 01/31/2021
Primary Exchange	NYSE
CUSIP	500767306
ISIN	US5007673065
Total Annual Fund Operating Expense	0.73%
Inception Date	7/31/2013
Distribution Frequency	Annual
Index Name	CSI Overseas China Internet Index
Net Assets	\$4,049,531,395
Number of Holdings	44

Top 10 Holdings as of 01/31/2021 Holdings are subject to change.	Ticker	%
TENCENT HOLDINGS LTD	700	10.39
MEITUAN-CLASS B	3690	8.86
ALIBABA GRP-ADR	BABA	7.49
PINDUODUO INC-ADR	PDD	6.67
JD.COM INC-ADR	JD	5.70
BILIBILI INC-ADR	BILI	4.76
NETEASE INC-ADR	NTES	4.48
BAIDU INC - SPON ADR	BIDU	4.35
TAL EDUCATION GROUP- ADR	TAL	3.94
JD HEALTH INTERN	6618	3.85

KWEB 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	11.83%	21.00%	29.38%	270.59%	80.39%	10.84%	22.12%	19.08%	59.66%	11.13%	16.31%	17.53%
Closing Price	13.02%	21.17%	29.94%	271.27%	80.97%	10.89%	22.21%	19.11%	58.18%	10.76%	16.09%	17.39%
Index	11.84%	21.72%	30.15%	274.22%	81.75%	11.41%	22.26%	19.24%	60.92%	11.74%	16.48%	17.69%

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 investor's 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	
Consumer Discretionary	46.24
Communication Services	34.52
Information Technology	7.14
Financials	4.27
Health Care	4.10
Real Estate	3.19
Industrials	0.47

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. Variable-interest entities (VIEs) do not give investors ownership in the operating company as stock does. The enforceability of the VIE structure is not guaranteed by Chinese law. 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. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Such changes may have an adverse impact on performance. The fund is non-diversified.

High short-term performance of the fund is unusual and investors should not expect such performance to be repeated.

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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