**KraneShares MSCI China ESG Leaders ETF**

**Investment Strategy:**
KESG seeks to track the MSCI China ESG Leaders 10/40 Index, designed to provide exposure to companies with high Environmental, Social and Governance (ESG) ratings relative to their sector peers. The Index consists of large and mid-cap companies in China. In order to ensure diversification, the Index limits individual constituent weights to 10% and sector weights to 40% of its composition.

**China’s ESG Highlights:**
- Chinese domestic investors and issuers are moving fast to incorporate ESG considerations in their decision making, driven by strong regulatory initiatives to promote ESG practices and disclosures.
- China’s commitment to stricter environmental mandates and conservation efforts is necessary to achieve national goals of sustained economic growth. Consequently, China now is the world leader in total renewable energy capacity, at approximately 31% of total global capacity.
- China’s economic and technological transformation drives demand for a more educated workforce. In recent years, many Chinese companies in knowledge-intensive sectors have improved their talent programs, which has in turn upgraded their MSCI ESG Rating.
- Greater inclusion of China’s capital markets internationally creates more of an incentive to align shareholder rights and governance policies with global standards, paving the way for Chinese companies to develop a more diversified shareholder structure.

**KESG Features:**
- MSCI China ESG Leaders 10/40 Index inclusion criteria has a track record of effectively identifying growing companies within China’s new economy.
- As companies with high ESG scores have proven to consistently outperform their peers in China, investors do not necessarily have to compromise returns for investing based on beliefs.
- Benchmarked to an MSCI ESG Index: MSCI is the #1 index provider for ESG, Socially Responsible Investment (SRI), and Corporate governance indexes according to a 2018 survey of 1,300 participants conducted by SRI Connect and Extel.

**KESG Performance History:**

<table>
<thead>
<tr>
<th>Top 10 Holdings as of 03/31/2021</th>
<th>Ticker</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA CONSTRUCTION BANK-H</td>
<td>939</td>
<td>9.21</td>
</tr>
<tr>
<td>ALIBABA GRP-ADR</td>
<td>BABA</td>
<td>8.60</td>
</tr>
<tr>
<td>TENCENT HOLDINGS LTD</td>
<td>700</td>
<td>8.07</td>
</tr>
<tr>
<td>MEITUAN-CLASS B</td>
<td>3690</td>
<td>7.11</td>
</tr>
<tr>
<td>CHINA MERCHANTS BANK-H</td>
<td>3988</td>
<td>4.43</td>
</tr>
<tr>
<td>WUXI BIOLOGICS CAYMAN INC</td>
<td>2269</td>
<td>4.19</td>
</tr>
<tr>
<td>NIO INC - ADR</td>
<td>NIO</td>
<td>3.52</td>
</tr>
<tr>
<td>BYD CO LTD-H</td>
<td>1211</td>
<td>2.48</td>
</tr>
<tr>
<td>COUNTRY GARDEN S</td>
<td>6098</td>
<td>2.45</td>
</tr>
<tr>
<td>CHINA MENGNIU DAIRY CO</td>
<td>2319</td>
<td>2.32</td>
</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>Sector Breakdown</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Discretionary</td>
<td>31.08</td>
</tr>
<tr>
<td>Health Care</td>
<td>15.81</td>
</tr>
<tr>
<td>Financials</td>
<td>14.18</td>
</tr>
<tr>
<td>Communication Services</td>
<td>9.67</td>
</tr>
<tr>
<td>Industrials</td>
<td>9.12</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6.45</td>
</tr>
<tr>
<td>Information Technology</td>
<td>4.97</td>
</tr>
<tr>
<td>Utilities</td>
<td>4.15</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3.13</td>
</tr>
<tr>
<td>Materials</td>
<td>1.29</td>
</tr>
<tr>
<td>Energy</td>
<td>0.02</td>
</tr>
</tbody>
</table>

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.
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/redeemption 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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