

KraneShares Bloomberg China Bond Inclusion Index ETF**

Investment Strategy:

KBND is benchmarked to the Bloomberg China Inclusion Focused Bond Index, which is designed to track the performance of China's onshore renminbi-denominated bond market. The Fund seeks to invest at least 80% of its assets in a basket of fixed income securities.

KBND Overview:

- Invests in treasuries (i.e. government bonds) and high-quality corporate bonds and attempts to provide attractive yields relative to other government and investment grade bond markets with a monthly distribution.
- KBND offers access to the securities included in Bloomberg broad fixed income indexes and investment opportunities within the second largest bond market in the world.
- For investors seeking diversification¹ within their global bond portfolios, KBND offers low correlations to other major bond markets.

Bloomberg China Bond Inclusion Overview:

- The inclusion of onshore, Renminbi-denominated Chinese bonds in Bloomberg indexes began in April 2019 and was concluded at the end of 2020.
- The market estimates nearly \$150 billion of fund inflows into China's \$13 trillion onshore bond market².
- China's government bonds are a focus of the inclusion and China has already replaced South Korea as the top issuer by weight within the Bloomberg Emerging Market Local Currency Government Bond Index.

**As of June 4, 2021, formerly the KraneShares E Fund China Commercial Paper ETF (KCNF)

- Diversification does not ensure a profit or guarantee against a loss.
- Financial Times, "Bloomberg adds Chinese government bonds to flagship index", 31/03/2019.

Key Metrics	Data as of 05/31/2022
30-day SEC Yield	1.92%
Unsubsidized 30-day SEC Yield	1.72%

See page 2 for definitions.

KBND Performance History:

	Cumulative % Data as of month end: 05/31/2022				Average Annualized % Data as of month end: 05/31/2022				Average Annualized % Data as of quarter end: 03/31/2022			
	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	-0.01%	-4.33%	-2.62%	13.60%	-1.78%	3.53%	3.36%	1.72%	4.89%	3.89%	4.39%	2.28%
Closing Price	-0.97%	-5.67%	-3.91%	11.81%	-3.49%	3.00%	3.16%	1.50%	4.33%	3.73%	4.38%	2.19%
Index	-0.45%	-4.19%	-2.21%	22.08%	0.35%	4.83%	4.32%	2.70%	7.89%	5.28%	5.43%	3.29%

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.

Performance shown for periods before June 4, 2021, reflects that of the prior Fund. Future performance may be different than past performance due to changes, including investment objectives and principal investment strategies. Additionally, before June 4, 2021, a sub-adviser was responsible for the day-to-day portfolio management, and the Fund previously sought to track the performance of a different Index before fees and expenses.

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, 2022

Fund Details	Data as of 05/31/2022
Primary Exchange	NYSE
CUSIP	500767702
ISIN	US5007677025
Total Annual Fund Operating Expense (Gross)	0.69%
Total Annual Fund Operating Expense (Net)*	0.49%
Inception Date	12/02/2014
Distribution Frequency	Monthly
Index Name	Bloomberg China Inclusion Focused Bond Index
Number of Holdings	36

Top 10 Holdings as of 05/31/2022 Excluding cash. Holdings are subject to change.	Ticker	%
CGB 2.8 03/24/29	-	4.20
CGB 2.91 10/14/28	-	4.12
POWINV 3.55 10/22/22	-	4.11
CITICS 3.58 07/25/22	-	4.09
CNPCC 3.51 07/09/22	-	4.09
CGB 2.28 03/17/24	-	4.09
CHGRID 2.82 06/23/22	-	4.09
SBSG 2.37 05/22/23	-	4.08
CGB 2 3/4 02/17/32	-	4.07
CGB 2.37 01/20/27	-	4.05



Definitions:

30-day SEC Yield (Subsidized/Unsubsidized): standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.

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 a decline in value. Fluctuations in currency of foreign countries may have an adverse effect on domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increased volatility and lower trading volume.

The KraneShares Bloomberg China Bond Inclusion ETF is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. The Fund is subject to sovereign and quasi-sovereign debt risk. The governmental authority that controls the repayment of sovereign and quasi-sovereign debt may be unwilling or unable to repay the principal and/or interest when due. The Fund may invest in perpetual bonds, which offer fixed return with no maturity date. Perpetual bonds can be more volatile than other types of bonds that have a maturity date and may be more sensitive to a change in interest rates. The Fund depends on the China interbank Bond Market Program to invest directly in RMB bonds. There is no guarantee the Fund will be able to continue to participate in the program. The Fund may invest in high yield and unrated securities, whose prices are generally more sensitive to adverse economic changes and consequently more volatile. The Fund is subject to industry concentration risk and is non-diversified. Narrowly focused investments typically exhibit higher volatility.

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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