

KraneShares Global Carbon Strategy ETF*

Investment Strategy:

The KraneShares Global Carbon Strategy ETF (KRBN) is benchmarked to IHS Markit's Global Carbon Index, which offers broad coverage of cap-and-trade carbon allowances by tracking the most traded carbon credit futures contracts. The index introduces a new measure for hedging risk and going long the price of carbon while supporting responsible investing. Currently, the index covers the major European and North American cap-and-trade programs: European Union Allowances (EUA), California Carbon Allowances (CCA), the Regional Greenhouse Gas Initiative (RGGI), and United Kingdom Allowances (UKA).

KRBN Features

- Going long the price of carbon may support responsible investing and incentivize pollution reduction aligned with ESG investment goals.
- Can provide potential portfolio diversification due to the global carbon futures markets' historically low correlation to other asset classes.¹
- KRBN may be appropriate for investors who are concerned about the increase in cost of carbon emissions on their portfolios. As the cost of carbon emissions rise, KRBN typically benefits, while companies with heavy carbon footprints typically suffer.³
- May be a beneficiary of tightening carbon emissions regulation worldwide. Tightening emissions regulation may provide a positive catalyst for the performance of the global carbon allowance market.

Fund Details	Data as of 08/31/2022
Primary Exchange	NYSE
CUSIP	500767678
ISIN	US5007676787
Total Annual Fund Operating Expense	0.78%
Inception Date	07/30/2020
Distribution Frequency	Annual
Index Name	IHS Markit Global Carbon Index
Net Assets	\$928,748,671

Global Carbon Allowance Market Highlights

- According to IHS Markit, as of December 31, 2021 the global price of carbon was \$51.45 per ton of CO₂. It is estimated that carbon allowance prices need to reach \$147 per ton of CO₂ to meet a 1.5°C global warming limit^{1,2}
- As of December 2021, the four largest global carbon futures markets tracked by IHS Markit's Global Carbon Index, had an annual trading volume of \$683.9 billion.¹
- In April 2019, The Financial Times reported that European carbon allowances within the European Union Emissions Trading System were the world's top-performing commodity over the past two years.^{3,4}
- In 2021, China launched its carbon allowance market, expected to be the largest in the world, projected to cover ~3.3 billion CO₂⁴

*Formerly the KraneShares Global Carbon ETF

1. IHS Markit, 12/31/2021

2. Financial Times, "Global Carbon Pricing, Too Important to Leave to Governments", Jul 7, 2021.

3. Financial Times, April 17, 2019 "Niche asset nears mainstream as investors warm to EU carbon market".

4. Environmental Defense Fund, "China's National ETS Open for Business", Jan 5, 2021; World Bank State of Carbon Markets, June 2019

KRBN Performance History:

	Cumulative % Data as of month end: 08/31/2022				Average Annualized % Data as of month end: 08/31/2022				Average Annualized % Data as of quarter end: 06/30/2022			
	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	-0.88%	-11.33%	-10.65%	120.13%	11.29%	-	-	45.86%	36.86%	-	-	61.20%
Closing Price	-0.61%	-10.98%	-10.67%	119.93%	10.40%	-	-	45.79%	33.74%	-	-	60.25%
Index	0.21%	-10.76%	-9.97%	120.24%	11.57%	-	-	45.89%	36.99%	-	-	60.89%

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.

Diversification does not ensure a profit or guarantee against a loss.

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.

Holdings and Exposures of the KraneShares Global Carbon Strategy ETF

Carbon Allowance Futures as of 08/31/2022	Identifier	Position	Current Exposure(\$)	% NAV
European Union Allowance (EUA) 2022 Future	MOZ22 Comdty	6,388	513,748,945	55.32%
California Carbon Allowance (CCA) Vintage 2022 Future	CTIZ22 Comdty	8,042	218,340,300	23.51%
UK Allowance (UKA) 2022 Future	UKEZ2 Comdty	499	56,269,341	6.06%
Regional Greenhouse Gas Initiative (RGGI) Vintage 2022 Future	WQCZ22 Comdty	3,748	51,122,720	5.5%
European Union Allowance (EUA) 2023 Future	MOZ23 Comdty	563	47,021,329	5.06%
California Carbon Allowance (CCA) Vintage 2023 Future	LUDZ23 Comdty	1,504	43,721,280	4.71%
			930,223,914	100%

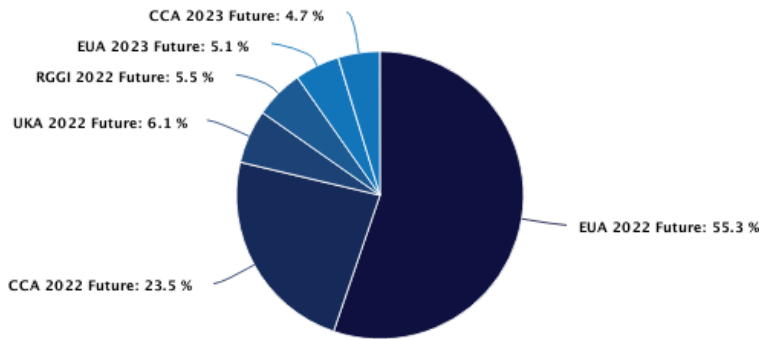
Collateral and Currency Management as of 08/31/2022	Identifier	Position	Current Exposure(\$)	% NAV
Euro FX Futures	ECU2 Curncy	4000	502,800,000	54.14%
USD Cash & Equivalents**	USD	265,038,439	265,038,439	28.54%
EURO	EUR	110,000,000	110,610,570	11.91%
BRITISH STERLING POUND	GBP	45,000,000	52,362,113	5.64%
SCHWAB SHORT-TER	SCHO	215,000	10,513,500	1.13%
			941,324,622	101%

Holdings, carbon allowance futures, and collateral are subject to change.

**Includes USD cash deposits & cash in margin accounts (\$411,560,113), and implied short USD exposure from Euro FX futures

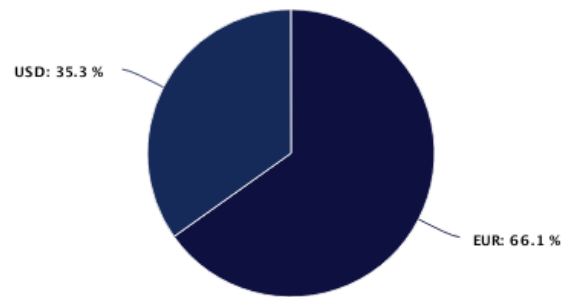
Carbon Allowance Futures Breakdown

Data as of 08/31/2022



Currency Exposure Breakdown

Data as of 08/31/2022



About KraneShares

Krane Funds Advisors, LLC is the investment manager for KraneShares ETFs. Our suite of China focused ETFs provides investors with solutions to capture China's importance as an essential element of a well-designed investment portfolio. We strive to provide innovative, first to market strategies that have been developed based on our strong partnerships and our deep knowledge of investing. We help investors stay current on global market trends and aim to provide meaningful diversification*. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).

About Climate Finance Partners

Climate Finance Partners serves as the sub-adviser of the Fund. Climate Finance Partners delivers innovative climate finance solutions and investment products to address capital needs for emerging environmental challenges. CLIFI is led by a team of investment professionals with deep experience in the fields of traditional investment and environmental finance.

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. There is no assurance that cap and trade regimes will continue to exist, or that they will prove to be an effective method of reduction in GHG emissions. Changes in U.S. law and related regulations may impact how the way the Fund operates, increase Fund costs and/or change the competitive landscape. Funds may underperform other similar funds that do not consider conscious company/ESG guidelines when making investment decisions.

The Fund invests through a subsidiary, and is indirectly exposed to the risks associated with the Subsidiary's investments. Since the Subsidiary is organized under the law of the Cayman Islands and is not registered with the SEC under the Investment Company Act of 1940, as such the Fund will not receive all of the protections offered to shareholders of registered investment companies. The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and may be affected by changes in overall market movements, volatility of the Index, changes in interest rates, or factors affecting a particular industry or commodity.

The Fund and the Subsidiary will be considered commodity pools upon commencement of operations, and each will be subject to regulation under the Commodity Exchange Act and CFTC rules. Commodity pools are subject to additional laws, regulations and enforcement policies, which may increase compliance costs and may affect the operations and performance of the Fund and the Subsidiary. Futures and other contracts may have to be liquidated at disadvantageous times or prices to prevent the Fund from exceeding any applicable position limits established by the CFTC. Additionally, the Fund's investments are subject to liquidity risk, which exists when an investment is or becomes difficult to purchase or sell at a reasonable time and price.

Investments in non-U.S. instruments may involve risk of loss due to foreign currency fluctuations and political or economic instability. The Fund's assets are expected to be concentrated in an industry or group of industries to the extent that the Index concentrates in a particular industry or group of industries. The Fund is non-diversified. Diversification does not ensure a profit or guarantee against a loss.

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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