

## KraneShares Bosera MSCI China A 50 Connect Index ETF

### Investment Strategy:

KBA is benchmarked to the MSCI China A 50 Connect Index, consisting of 50 large-cap Shanghai and Shenzhen listed stocks (A-shares) available through Stock Connect. A key feature of this Index is that it offers the first officially recognized Futures contracts for Stock Connect-eligible A-shares, representing a powerful risk management tool that makes its underlying stocks attractive to international investors. KBA focuses on the largest, most liquid stocks, which receive most foreign interest and inflows and may benefit from increased global investment in China's onshore market over the long term.

### MSCI China A 50 Connect Index Features:

- Designed to meet the requirements of the growing number of investors in China's mainland A-share markets.
- In addition to offering high correlation to broad China A-share benchmarks<sup>1</sup>, the MSCI China A 50 Connect Index may offer greater liquidity and investability due to its balanced sector weighting methodology and focus on China's largest, most liquid securities.
- An expected reduction in tracking error and bid-ask spreads given that market makers can directly hedge exposure with Futures.

### China A-Share Internationalization Highlights:

- China A-Shares are vastly underrepresented in global indexes. While the United States has a weight of 46.76% in the MSCI All Country World Index, China only has a weight of 5.25%<sup>1</sup>.
- MSCI is realigning China's overall weight in their Global Standard Indexes through an incremental inclusion process. Upon completion, China A-shares are predicted to account for about 20% of the MSCI Emerging Market (EM) Index<sup>1</sup>.
- Greater accessibility and inclusion in global indexes has led to significant foreign inflows into the China A-share market over the past several years.

1.) Data from MSCI as of 6/30/2023.

Fund Details	Data as of 07/31/2023
Primary Exchange	NYSE
CUSIP	500767405
ISIN	US5007674055
Total Annual Fund Operating Expense (Gross)	0.78%
Total Annual Fund Operating Expense (Net)*	0.55%
Inception Date	03/04/2014
Distribution Frequency	Annual
Index Name	MSCI China A 50 Connect Index
Net Assets	\$407,423,704
Number of Holdings	53

Top 10 Holdings as of 07/31/2023 Excluding cash. Holdings are subject to change.	Ticker	%
KWEICHOW MOUTAI CO LTD-A	600519	7.86
CONTEMPORARY A-A	300750	7.57
WANHUA CHEMIC-A	600309	6.91
ZIJIN MINING-A	601899	4.83
BYD CO LTD -A	002594	3.75
LUXSHARE PRECI-A	002475	3.56
CHINA MERCHANTS BANK-A	600036	3.52
LONGI GREEN EN-A	601012	3.50
BEIJING KINGSO-A	688111	2.90
PING AN INSURA-A	601318	2.73

### KBA Performance History:

	Cumulative % Data as of month end: 07/31/2023				Average Annualized % Data as of month end: 07/31/2023			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	8.37%	-1.57%	-2.53%	63.11%	-11.93%	-4.52%	4.05%	5.33%
Closing Price	7.82%	-1.65%	-2.08%	63.13%	-11.83%	-4.39%	3.86%	5.34%
Index	8.48%	-1.51%	-2.09%	78.06%	-10.96%	-3.82%	4.70%	6.32%

**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 quarter end, please visit [www.kraneshares.com/kba](http://www.kraneshares.com/kba).**

The Hybrid KBA Index (noted as "Index" above in the chart) consists of the MSCI China A Index from the inception of the Fund through October 23, 2014, the MSCI China A International Index from October 23, 2014 through December 26, 2017, the MSCI China A Inclusion Index from December 26, 2017 to May 29, 2019, the MSCI China A Index from May 29, 2019 to January 5, 2022, and the MSCI China A 50 Connect Index going forward. Performance shown for periods before January 5, 2022, 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 January 5, 2022, 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 and in effect until August 1, 2024

Sector Breakdown Data from Bloomberg as of 07/31/2023	%
Financials	18.58
Industrials	15.47
Consumer Staples	15.18
Information Technology	14.95
Materials	11.78
Health Care	8.24
Consumer Discretionary	5.55
Utilities	3.59
Energy	2.87
Real Estate	1.78
Communication Services	1.69

**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](http://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 Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. A derivative (i.e., futures/forward contracts, swaps, and options) is a contract that derives its value from the performance of an underlying asset. The primary risk of derivatives is that changes in the asset's market value and the derivative may not be proportionate, and some derivatives can have the potential for unlimited losses. Derivatives are also subject to liquidity and counterparty risk. The Fund is subject to liquidity risk, meaning that certain investments may become difficult to purchase or sell at a reasonable time and price. If a transaction for these securities is large, it may not be possible to initiate, which may cause the Fund to suffer losses. Counterparty risk is the risk of loss in the event that the counterparty to an agreement fails to make required payments or otherwise comply with the terms of the derivative.

The ability of the Fund 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 is subject to political, social or economic instability within China which may cause decline in value. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. The Fund may invest in Initial Public Offerings (IPOs). Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile. In addition, as the Fund increases in size, the impact of IPOs on the Fund's performance will generally decrease.

Narrowly focused investments typically exhibit higher volatility. The Fund's assets are expected to be concentrated in a sector, industry, market, or group of concentrations to the extent that the Underlying Index has such concentrations. The securities or futures in that concentration could react similarly to market developments. Thus, the Fund is subject to loss due to adverse occurrences that affect that concentration. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility.

ETF 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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