

KraneShares California Carbon Allowance Strategy ETF

Investment Strategy:

The KraneShares California Carbon Allowance Strategy ETF (KCCA) provides targeted exposure to the California Carbon Allowances (CCA) cap-and-trade carbon allowance program. KCCA is benchmarked to the IHS Markit Carbon CCA Index, which tracks the most traded CCA futures contracts. As a part of the KraneShares suite of carbon ETFs, KCCA provides a new vehicle for participating in the price of carbon and hedging risk while supporting responsible investing.

KCCA Features:

- The CCA cap-and-trade program began in 2012, implemented by the California Air Resources Board (CARB) and covers approximately 80% of the states Green House Gas (GHG) emissions. In 2014, the program was expanded to cover Quebec and its emissions.¹
- The program plans to reduce carbon levels to 60% of 1990 levels by 2030 and achieve carbon neutrality by 2045. The cap will reduce 4% per year to achieve this objective.¹
- Provides potential hedge against inflation through a price floor that is pegged to inflation rates, i.e., the price floor rises 5% plus Consumer Price Index (CPI).¹
- California carbon allowances are among the fastest growing, strongest performing and diversifying asset classes. In 2022, the annual trading volume of CCA carbon allowance futures was \$44 billion.^{2, 4}
- Can provide potential portfolio diversification due to the historically low correlation to traditional asset classes.^{2, 3}

Fund Details	Data as of 10/31/2023
Primary Exchange	NYSE
CUSIP	500767553
ISIN	US5007675532
Total Annual Fund Operating Expense	0.81%
Inception Date	10/05/2021
Distribution Frequency	Quarterly
Index Name	IHS Markit Carbon CCA Index
Net Assets	\$270,673,452

By pairing KCCA with other KraneShares carbon funds, investors can customize their allocation to the global carbon credit market:

- The [KraneShares Global Carbon Strategy ETF \(KRBN\)](#) offers broad exposure to carbon allowances by tracking the major global cap-and-trade programs: European Union Allowances (EUA), California Carbon Allowances (CCA), and the Regional Greenhouse Gas Initiative (RGGI).
- The [KraneShares European Carbon Allowance Strategy ETF \(KEUA\)](#) focuses on the European Union Allowances (EUA) program, which is the world's oldest and most liquid carbon allowance market.³

*Formerly the KraneShares California Carbon Allowance ETF

1. California Air Resources Board, 2017.
2. Diversification does not ensure a profit or guarantee against a loss.
3. IHS Markit, 12/31/2020.
4. Data from Bloomberg as of 12/31/2022.

KCCA Performance History:

	Cumulative % Data as of month end: 10/31/2023				Average Annualized % Data as of month end: 10/31/2023			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	3.62%	1.97%	28.18%	19.24%	20.74%	-	-	8.86%
Closing Price	3.72%	2.04%	28.15%	19.37%	20.57%	-	-	8.91%
Index	3.79%	2.53%	30.30%	21.77%	24.31%	-	-	9.96%

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 kraneshares.com/kcca.

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 California Carbon Allowance Strategy ETF

Carbon Allowance Futures as of 10/31/2023				
	Identifier	Position	Current Exposure(\$)	% NAV
California Carbon Allowance (CCA) Vintage 2023 Future	LUDZ23 Comdty	7,125	270,180,000	99.82%
			270,180,000	100%
Collateral and Currency Management as of 10/31/2023				
	Identifier	Position	Current Exposure(\$)	% NAV
STATE ST INST US GOV	GVMXX	238,055,358	238,055,358	87.95%
USD Cash & Equivalents**	USD	32,618,138	32,618,138	12.05%
			270,673,496	100%

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

**Includes USD cash deposits & cash in margin accounts (\$32,618,138)

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 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 Fund relies on the existence of cap and trade regimes. 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 the way the Fund operates, increase Fund costs and/or change the competitive landscape. New technologies may arise that may diminish or eliminate the need for cap and trade markets. Ultimately, the cost of emissions credits is determined by the cost of actually reducing emissions levels. If the price of credits becomes too high, it will be more economical for companies to develop or invest in green technologies, thereby suppressing the demand for credits. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. The use of futures contracts is subject to special risk considerations. The primary risks associated with the use of futures contracts include: (a) an imperfect correlation between the change in market value of the reference asset and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the inability to predict correctly the direction of market prices, interest rates, currency exchange rates and other economic factors; and (e) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a loss.

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 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. 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 is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. 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. KCCA is non-diversified.

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.

The KraneShares ETFs and KFA Funds ETFs are distributed by SEI Investments Distribution Company (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with Krane Funds Advisors, LLC, the Investment Adviser for the Funds, or any sub-advisers for the Funds.

[R-SEI-KS]