

## KraneShares Dynamic Emerging Markets Strategy ETF

### Investment Strategy:

The KraneShares Dynamic Emerging Markets Strategy ETF (KEM) is an active ETF that provides investors with exposure to broad Emerging Market (EM) equities while dynamically adjusting the portfolio's China weight based on fundamental, valuation, and technical signals. KEM has the potential to mitigate downside risk by dynamically adjusting its allocations between the Underlying ETFs and cash and cash equivalents. By combining a strategic allocation with a systematic valuation overlay between China and the rest of Emerging Markets, KEM may potentially outperform its benchmark: the MSCI Emerging Markets Index. KEM primarily invests in the following ETFs:

- The KraneShares MSCI All China Index ETF ([KALL](#))
- The KraneShares MSCI Emerging Markets ex China Index ETF ([KEMX](#))

### KEM Features:

- Considers factors such as valuation multiples of the underlying fund holdings and moving averages of the benchmark in making allocation decisions
- Treats China and Emerging Markets ex China as separate and distinct asset classes
- Allocations are adjusted at least quarterly and sometimes intra-quarterly if market conditions warrant
- Has the ability to allocate up to 10% of the portfolio to cash and cash equivalents based on market conditions

### EM & China Equity Highlights:

- Emerging markets countries have accounted for over two-thirds of global GDP growth over the past ten years and accounted for 50% of global GDP in 2022.<sup>1</sup>
- Emerging markets only constitute 11% of the MSCI All Country World Index (ACWI)<sup>1</sup>.
- China has the world's second largest economy and stock market but is also underrepresented in global indexes<sup>2</sup>.
- China's equity market typically exhibits low correlations to both developed markets and EM ex China<sup>2</sup>.

1. Data from World Economics and MSCI as of 12/31/2022. Retrieved on 6/30/2023.

2. Data from MSCI as of 12/31/2022.

### KEM Performance History:

	Cumulative % Data as of month end: 10/31/2023				Cumulative % 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	-2.55%	–	–	-3.68%	–	–	–	-3.68%
Closing Price	-2.95%	–	–	-4.04%	–	–	–	-4.04%
Benchmark	-3.89%	–	–	-6.58%	–	–	–	-6.58%

**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/kem](https://kraneshares.com/kem).**

Benchmark returns are for illustrative purposes only. Benchmark performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

Fund Details	Data as of 10/31/2023
Primary Exchange	NYSE
CUSIP	500767439
ISIN	US5007674394
Total Annual Fund Operating Expense	0.49%
Inception Date	08/25/2023
Distribution Frequency	Annual
Benchmark	MSCI Emerging Markets Index
Number of Holdings	3

Top 10 Holdings as of 10/31/2023 Holdings are subject to change.	Ticker	%
KraneShares MSCI All China Index ETF	KALL	55.02
KraneShares MSCI Emerging Markets ex China Index ETF	KEMX	34.88
Cash	USD	10.10

**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](http://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 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 actively-managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for the Fund. The Fund may incur high portfolio turnover rates, which may increase the Fund's brokerage commission costs and negatively impact the Fund's performance. 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 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 will invest in other investment companies, including those advised, sponsored or otherwise serviced by Krane and/or its affiliates. The Fund will indirectly be exposed to the risks of investments by such funds and will incur its pro rata share of the Underlying ETFs' expenses. 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. The Fund is new and does not yet have a significant number of shares outstanding. If the Fund does not grow in size, it will be at greater risk than larger funds of wider bid-ask spreads for its shares, trading at a greater premium or discount to NAV, liquidation and/or a trading halt.

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. KEM 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]