

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 impact 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.

Global Carbon Allowance Market Highlights

- According to IHS Markit, as of June 30, 2023 the global price of carbon was \$52.71 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 2022, the four largest global carbon futures markets tracked by IHS Markit's Global Carbon Index, had an annual trading volume of \$712.1 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 ~4 billion metric tons of CO₂.⁵

1. IHS Markit, 6/30/2023

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

5. ICAP, "China National ETS," retrieved 3/31/2023.

KRBN Performance History:

	Cumulative % Data as of month end: 11/30/2023				Average Annualized % Data as of month end: 11/30/2023			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	-2.82%	-8.09%	-0.94%	125.47%	-0.24%	27.05%	-	27.56%
Closing Price	-3.26%	-8.28%	0.18%	124.47%	-1.34%	25.95%	-	27.39%
Index	-2.94%	-8.04%	1.02%	131.35%	2.34%	28.12%	-	28.55%

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/krbn](https://www.kraneshares.com/krbn).

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.

Fund Details	Data as of 11/30/2023
Primary Exchange	NYSE
CUSIP	500767678
ISIN	US5007676787
Total Annual Fund Operating Expense	0.79%
Inception Date	07/30/2020
Distribution Frequency	Quarterly
Index Name	IHS Markit Global Carbon Index
Net Assets	\$438,939,607

Holdings and Exposures of the KraneShares Global Carbon Strategy ETF

Carbon Allowance Futures as of 11/30/2023	Identifier	Position	Current Exposure(\$)	% NAV
European Union Allowance (EUA) 2024 Future	MOZ24 Comdty	2,992	241,642,579	55.05%
California Carbon Allowance (CCA) Vintage 2024 Future	CDBZ24 Comdty	2,648	109,653,680	24.98%
California Carbon Allowance (CCA) Vintage 2025 Future	BCYZ25 Comdty	500	22,080,000	5.03%
Regional Greenhouse Gas Initiative (RGGI) Vintage 2024 Future	RJOZ24 Comdty	1,400	22,050,000	5.02%
UK Allowance (UKA) 2024 Future	UKEZ4 Comdty	400	21,840,186	4.98%
European Union Allowance (EUA) 2025 Future	MOZ25 Comdty	260	21,821,039	4.97%
			439,087,484	100%

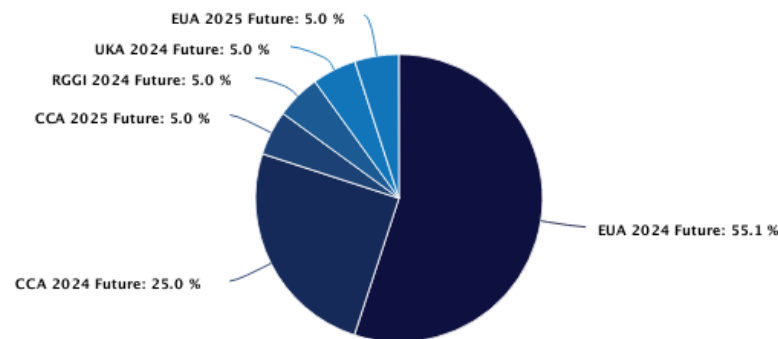
Collateral and Currency Management as of 11/30/2023	Identifier	Position	Current Exposure(\$)	% NAV
STATE ST INST US GOV	GVMXX	274,458,476	274,458,476	62.53%
Euro FX Futures	ECZ3 Curncy	1412	192,332,050	43.82%
EURO	EUR	48,750,000	53,190,909	12.12%
BRITISH STERLING POUND	GBP	14,800,000	18,736,075	4.27%
USD Cash & Equivalents**	USD	-105,407,139	-105,407,139	-24.01%
			433,310,370	99%

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

**Includes USD cash deposits & cash in margin accounts (\$64,809,709), and implied short USD exposure from Euro FX futures

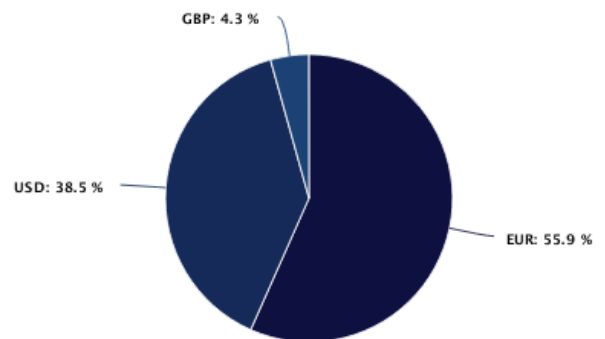
Carbon Allowance Futures Breakdown

Data as of 11/30/2023



Currency Exposure Breakdown

Data as of 11/30/2023



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. KRBN 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.

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