

KraneShares China Alpha Index ETF

Investment Strategy:

KCAI tracks the Quant Insight (Qi) China Alpha Index, which seeks to outperform the CSI 300 Index by applying a systematic machine learning approach. KCAI's index was developed by its sub-advisor Qi to generate excess returns in China A-Shares through an alpha optimization filtering process combined with proprietary AI technology.

KCAI Features:

- **Long Only:** stock selection from the CSI 300 Index universe.
- **Diversified:** No individual stock can make up more than 5% of the ETF.
- **Dynamic:** Rebalanced monthly using proprietary AI investment decision making technology.

China A-Shares Highlights:

- China A-Shares are vastly underrepresented in global indexes. While the United States has a weight of 64.70% in the MSCI All Country World Index, China only has a weight of 2.57%.¹
- China A shares have exhibited an unusually low correlation to global markets of less than 0.4 over the past ten years,² demonstrating the potential diversification* benefits of adding an allocation to China A shares to a global portfolio.
- The inefficiency of the China A-Shares market makes it a potentially important source of alpha.

1.) Data from MSCI as of 12/31/2023.

2.) Data from MSCI and Bloomberg as of 6/30/2024. Correlation is based on weekly observations of the MSCI China A Index and the MSCI All Country World Index (ACWI).

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

| Fund Details | Data as of 05/29/2026 |
|-------------------------------------|-----------------------|
| Primary Exchange | NYSE Arca, Inc. |
| CUSIP | 500767397 |
| ISIN | US5007673974 |
| Total Annual Fund Operating Expense | 0.79% |
| Inception Date | 08/27/2024 |
| Distribution Frequency | Annual |
| Underlying Index | Qi China Alpha Index |
| Number of Holdings | 43 |

| Top 10 Holdings as of 05/29/2026 Excluding cash. Holdings are subject to change. | Ticker | % |
|---|--------|------|
| SUZHOU TFC OPTICAL COMMUNI-A | 300394 | 4.43 |
| ZHONGJI INNOLIGHT CO LTD-A | 300308 | 4.22 |
| EOPTOLINK TECHNOLOGY INC L-A | 300502 | 4.13 |
| SIEYUAN ELECTRIC CO LTD-A | 002028 | 3.12 |
| SHANGHAI INTERNATIONAL POR-A | 600018 | 3.10 |
| BANK OF CHINA LTD-A | 601988 | 3.08 |
| CHINA CONSTRUCTION BANK-A | 601939 | 3.03 |
| COSCO SHIPPING HOLDINGS CO-A | 601919 | 3.03 |
| BANK OF JIANGSU CO LTD-A | 600919 | 3.03 |
| DAQIN RAILWAY CO LTD -A | 601006 | 2.98 |

KCAI Performance History:

| | Cumulative % Data as of month end: 05/31/2026 | | | | Average Annualized % Data as of month end: 05/31/2026 | | | |
|------------------|--|-------|-------|-----------------|--|------|------|-----------------|
| | 1 Mo | 3 Mo | YTD | Since Inception | 1 Yr | 3 Yr | 5 Yr | Since Inception |
| Fund NAV | 0.03% | 2.97% | 6.90% | 80.72% | 59.67% | - | - | 40.00% |
| Closing Price | -0.34% | 3.02% | 6.40% | 80.02% | 59.87% | - | - | 39.69% |
| Underlying Index | 0.08% | 3.30% | 7.45% | 85.46% | 62.43% | - | - | 42.07% |

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/etf/kcai.

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.

| Sector Breakdown | % |
|--------------------------------------|-------|
| Data from Bloomberg as of 05/31/2026 | |
| Financials | 38.89 |
| Industrials | 23.52 |
| Information Technology | 13.20 |
| Consumer Discretionary | 11.47 |
| Materials | 11.28 |
| Health Care | 1.34 |

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/etf/kcai. 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.

A-Shares are issued by companies in mainland China and traded on local exchanges. They are available to domestic and certain foreign investors, including QFIs and those participating in Stock Connect Programs like Shanghai-Hong Kong and Shenzhen-Hong Kong. Foreign investments in A-Shares face various regulations and restrictions, including limits on asset repatriation. A-Shares may experience frequent trading halts and illiquidity, which can lead to volatility in the Fund's share price and increased trading halt risks. The Chinese economy is an emerging market, vulnerable to domestic and regional economic and political changes, often showing more volatility than developed markets. Companies face risks from potential government interventions, and the export-driven economy is sensitive to downturns in key trading partners, impacting the Fund. U.S.-China tensions raise concerns over tariffs and trade restrictions, which could harm China's exports and the Fund. China's regulatory standards are less stringent than in the U.S., resulting in limited information about issuers. Tax laws are unclear and subject to change, potentially impacting the Fund and leading to unexpected liabilities for foreign investors. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values.

Machine learning is a part of artificial intelligence that creates algorithms to improve from data without explicit programming. The Underlying Index depends on a machine learning model using various inputs, including historical data. If the model fails, the Index and Fund may lose value. Biases or errors in the model or data can lead to poor selections and may not be quickly corrected, harming the Fund. Additionally, machine learning models may overfit historical data and struggle with unexpected market conditions, negatively impacting the Index and the Fund. In addition to the normal risks associated with investing, investments in mid-size companies typically exhibit higher volatility. 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.

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.test2hoadex

[R-SEI-KS]