

## KraneShares European Carbon Allowance Strategy ETF

### Investment Strategy:

The KraneShares European Carbon Allowance Strategy ETF (KEUA) provides targeted exposure to the European Union Allowances (EUA) cap-and-trade carbon allowance program. KEUA is benchmarked to the S&P Carbon Credit EUA Index, which tracks the most traded EUA futures contracts. As a part of the KraneShares suite of carbon ETFs, KEUA provides a new vehicle for participating in the price of carbon and hedging risk while supporting responsible investing and impact investment goals.

### KEUA Features:

- The EUA cap-and-trade program is the world's oldest and most liquid carbon allowance market. It covers approximately 40% of the EUs total emissions covering 27 EU Member States plus Iceland, Liechtenstein and Norway<sup>1</sup>.
- The program targets reducing emissions by at least 55% of 1990 levels by 2030 and climate neutrality by 2050. The "Fit for 55" package released in 2021 set out an expansion and tightening of the program, including an increased cap reduction from 2.2% to 4.2% per year<sup>2</sup>.
- EUA carbon allowances are among the fastest-growing, strongest performing, and diversifying asset classes. In 2021, EU carbon allowance futures have traded around \$30 billion per month.<sup>3,4</sup>
- Can provide potential portfolio diversification due to the historically low correlation to traditional asset classes.<sup>1,4</sup>

Fund Details	Data as of 01/30/2026
Primary Exchange	NYSE Arca, Inc.
CUSIP	500767561
ISIN	US5007675615
Total Annual Fund Operating Expense	0.87%
Inception Date	10/04/2021
Distribution Frequency	Quarterly
Underlying Index	S&P Carbon Credit EUA Index

By pairing KEUA 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 California Carbon Allowance Strategy ETF \(KCCA\)](#) focuses on the California Carbon Allowances (CCA) program. The CCA program covers about 80% of California emissions, and in 2014, the program expanded to cover Quebec and its emissions.

1. IHS Markit, 12/31/2020.

2. Europe Commission, 7/14/2021

3. Data from Bloomberg as of 12/31/2022.

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

### KEUA Performance History:

	Cumulative % Data as of month end: 01/31/2026				Average Annualized % Data as of month end: 01/31/2026			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	-5.65%	3.89%	-5.65%	25.69%	9.11%	-3.08%	-	5.42%
Closing Price	-5.61%	3.71%	-5.61%	25.84%	9.73%	-3.12%	-	5.45%
Underlying Index	-5.79%	3.86%	-5.79%	23.67%	9.69%	-1.91%	-	5.03%

**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/keua](https://kraneshares.com/etf/keua).**

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 European Carbon Allowance Strategy ETF

Carbon Allowance Exposures as of 01/30/2026	Identifier	Position	Current Exposure(\$)	% NAV
European Union Allowance (EUA) 2026 Future	MOZ26 Comdty	69	6,670,323	100.5%
			<b>6,670,323</b>	<b>101%</b>

  

Collateral and Currency Management as of 01/30/2026	Identifier	Position	Current Notional(\$)	% NAV
Euro FX Futures	ECH6 Curncy	37	5,500,513	82.87%
KraneShares Sustainable Ultra Short Duration Index ETF	500767355	185,500	4,648,630	70.04%
EURO	EUR	890,096	1,058,907	15.95%
State Street Institutional U.S. Government Money Market Fund	GVMXX	791,611	791,611	11.93%
USD Cash & Equivalents**	USD	-4,706,560	-4,706,560	-70.91%
			<b>7,293,101</b>	<b>110%</b>

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

\*\*Includes USD cash deposits & cash in margin accounts (\$793,953), and implied short USD exposure from Euro FX futures

### About KraneShares

Krane Funds Advisors, LLC is the investment manager for KraneShares ETFs. KraneShares offers innovative investment solutions tailored to three key pillars: China, Climate, and Alternatives. Our team is determined to provide industry-leading, differentiated, and high-conviction investment strategies that offer access to key market trends. Our mission is to empower investors with the knowledge and tools necessary to capture the importance of these themes as an essential element of a well-designed investment portfolio.

### 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/etf/keua](https://www.kraneshares.com/etf/keua). 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. KEUA 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]