

KraneShares KWEB Covered Call Strategy ETF

Investment Strategy:

The KraneShares KWEB Covered Call Strategy ETF (ticker: KLIP) follows a "covered call" or "buy-write" strategy. KLIP buys shares of the [KraneShares CSI China Internet ETF \(ticker: KWEB\)](#) and "writes" or "sells" corresponding call options on KWEB. Both KLIP and KWEB are benchmarked to the CSI Overseas China Internet Index, which tracks the performance of the investable universe of publicly traded China-based companies in the Internet sector. KLIP can generate option income.

Covered Call ETF Features:

- A covered call ETF is an exchange-traded fund that generates option income by writing options on stocks or ETFs.
- Covered call ETFs manage the options exposure for investors, which can be more economical and time efficient than buying individual stock options.
- Writing covered calls may produce higher yields during periods of market volatility.

KLIP Features:

- KLIP sells covered call options on KWEB, an established ETF with a deep options market.
- KWEB provides exposure to the China internet sector, which has historically been more volatile than the US internet / technology sector. KLIP has the potential to provide higher yields than covered call strategies based on the US and other markets.
- Combining allocations to both KLIP and KWEB can help produce a targeted growth and option income strategy by maintaining upside while trading performance uncertainty for more stable distributions.
- KLIP provides monthly distributions.

Previous 12 Month Distributions*



**See page 2 for definitions. Please refer [here](#) for the SEC 19a Notice with a breakdown of the latest distribution. Approximately 100% of the Fund's distributions have been classified as return of capital, as option income is excluded from the SEC 19a net investment income calculation. For questions about KLIP distributions, please refer to our [FAQ](#).

KLIP 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	-3.57%	-5.81%	-9.12%	21.19%	1.59%	10.19%	-	5.84%
Closing Price	-3.32%	-5.55%	-8.74%	21.58%	1.87%	10.18%	-	5.94%
KWEB Price Return	-7.09%	-13.94%	-21.50%	-22.25%	-13.43%	6.11%	-	-7.17%

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/klip](https://www.kraneshares.com/etf/klip).

*Distribution levels may vary month-to-month and no minimum distribution amount can be guaranteed. Past performance does not guarantee future results. Note, no fees have been waived.

KWEB Price Return is for illustrative purposes only.

Fund Details	Data as of 05/29/2026
Primary Exchange	NYSE Arca, Inc.
CUSIP	500767272
ISIN	US5007672729
Total Annual Fund Operating Expense	0.95%
Inception Date	01/11/2023
Management Style	Active
Net Assets	\$113,449,172
Number of Holdings	12

Top 10 Holdings as of 05/29/2026 Holdings are subject to change.	Ticker	%
KraneShares CSI China Internet ETF	KWEB	101.34
Cash	USD	0.56
STATE ST INST US GOV	GVMXX	0.00
2KWEB US 06/12/26 C29.15	-	0.00
2KWEB US 06/12/26 C29.59	-	0.00
2KWEB US 06/18/26 C28.06	-	-0.01
2KWEB US 06/05/26 C28.78	-	-0.02
2KWEB US 06/12/26 C29.55	-	-0.04
2KWEB US 07/02/26 C26.66	-	-0.04
2KWEB US 06/18/26 C28.17	-	-0.34

Yield Metrics**	Data as of 05/31/2026
Distribution Rate	24.68%
Distribution Frequency	Monthly
30-day SEC Yield	7.49%

KWEB Sector Breakdown Data from Bloomberg as of 05/31/2026	%
Consumer Discretionary	39.83
Communication Services	38.47
Industrials	7.12
Consumer Staples	6.94
Real Estate	5.19
Financials	2.25

Portfolio Manager: James Maund

James Maund is head of Capital Markets at KraneShares and has managed the Fund since inception. James has more than 15 years of experience in ETF trading and capital markets. Prior to joining KraneShares, James was a Vice President in the Institutional ETF Group / ETF Capital Markets Group at State Street Global Advisors.

Portfolio Manager: Jonathan Shelon, CFA

Jonathan Shelon is the Chief Operating Officer at KraneShares and has managed the Fund since inception. Jonathan has extensive experience in managing investment portfolios at leading asset management organizations. Prior to Krane, Jonathan was the Chief Investment Officer of the Specialized Strategies Team at J.P. Morgan, overseeing \$40 billion in AUM.

Definitions:

Distribution Rate: is the annualized payout, expressed as a percentage of NAV, that an investor would receive, assuming that the latest monthly distribution remained the same over the next twelve (12) months. Distribution Rate may include return of capital, ordinary dividends, or capital gain. Distributions may coincide with a decline in NAV. The Distribution Rate is representative of a single distribution and does not indicate total return. Future distributions may differ significantly from the latest distribution and are not guaranteed. Please note the Fund's distributions have mainly been classified as return of capital for the purposes of the 19a Notice because option income is excluded from the 19a net investment income calculation.

30-day SEC Yield: standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. Option Premium is not included in the SEC yield calculation.

This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money.

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.

By writing call options in return for the receipt of premiums, the Fund will give up the opportunity to benefit from potential increases in the value of the Index above the exercise prices of such options, but will continue to bear the risk of declines in the value of the Index. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the underlying stocks over time. As a result, the risks associated with writing call options may be similar to the risks associated with writing put options. In addition, the Fund's ability to sell the securities underlying the options will be limited while the options are in effect unless the Fund cancels out the option positions through the purchase of offsetting identical options prior to the expiration of the written options. As the writer of a call option, the Fund may not be able to control the time when it may be required to fulfill its obligation to the purchaser of the option; however, the terms of the FLEX options written by the Fund will make them exercisable only on their expiration date. Exchanges may suspend the trading of options in volatile markets. If trading is suspended, the Fund may be unable to write options at times that may be desirable or advantageous to do so. Premiums the Fund receives from writing call options will result in short-term capital gains and will be distributed as ordinary income. As a result, a significant portion of distributions could be taxed at effective rates higher than those that would apply if the Fund engaged in a different investment strategy.

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 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. KLIP 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.

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