

KraneShares FTSE Emerging Markets Plus ETF

Investment Strategy

The KraneShares FTSE Emerging Markets Plus ETF (BATS:KEMP) is a gross domestic product ("GDP") weighted fund that includes China A Shares and China N Shares. Country allocations are based on five year purchase power parity GDP forecasts by the International Monetary Fund. China A Shares are Chinese equities listed on the Shanghai or Shenzhen stock exchanges. China N Shares are China equities listed on the New York or NASDAQ stock exchanges.

Why Weight by GDP?

- A country's weight within a market capitalization weighted index may diverge significantly from that country's share of global GDP
- Developed Markets often trade at a multiple to their respective GDPs while emerging markets often trade at a fraction
- Weighting by GDP, as opposed to market capitalization, increases exposure to larger economies
- **Notable increases – GDP weighted vs. market cap weighted:**
China & India
- **Notable decreases – GDP weighted vs. market cap weighted:**
Taiwan & Brazil

China Share Classes Matter

- Older emerging market funds historically limited their China investment universe to Hong Kong listed Chinese companies only.
- KEMP's China investment universe includes onshore China (A-shares), U.S.-listed Chinese Companies (N-shares), and Chinese companies listed in Hong Kong (H-shares).
- The Onshore Chinese markets consist of the Shanghai and Shenzhen stock exchanges, which are the fourth and eighth largest exchanges in the world respectively, with a combined market cap of \$8.52 trillion.¹
- China N-shares include some of the largest internet and E-commerce companies in China. These companies choose to list in the United States to attract a greater international investor base.

KEMP Performance History as of 09/30/2017

	Cumulative			Annualized Calendar QTR (09/30/2017)	
	3 Mo	6 Mo	Since Inception 02/12/2015	1 Yr	Since Inception 02/12/2015
Fund NAV	8.65%	14.10%	11.87%	18.90%	4.36%
Closing Price	8.87%	14.57%	13.07%	19.10%	4.78%
Index	7.56%	12.55%	16.47%	18.62%	5.88%

*KraneShares has contractually agreed to reduce its management fee in an amount equal to any Acquired Fund Fees and Expenses incurred by the Fund from its investments in the KraneShares Bosera MSCI China A Share. This expense limitation may be reduced at any time. In the absence of current fee waivers, performance would be reduced. Fee waivers are contractual and in effect until 7/31/18.

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 investor's 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 month end, please visit www.kraneshares.com

ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value (NAV) when selling. The NAV of the Fund's shares is calculated each day the national securities exchanges are open for trading as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 P.M. Eastern time (the "NAV Calculation Time"). Shares are bought and sold at market price not NAV. Closing price returns are based on the midpoint of the bid/ask spread at 4:00 P.M. Eastern Time (when NAV is normally determined).

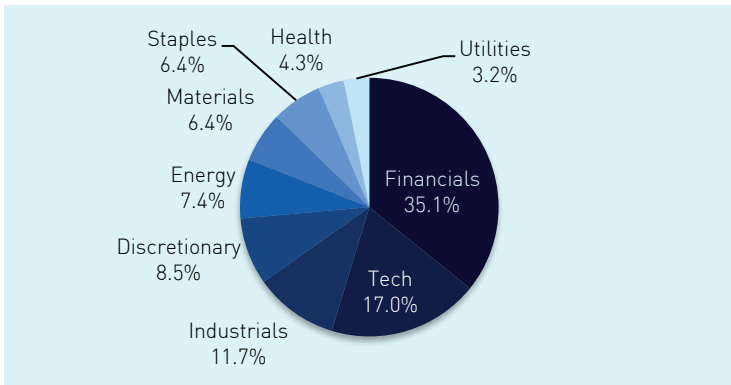
Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

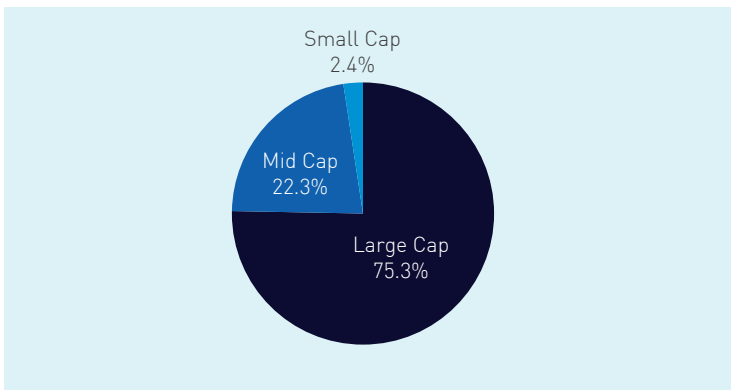
Fund Details	As of 09/30/2017	
Primary Exchange	BATS	
Cusip	500767801	
Total Annual Fund Operating Expense	Gross: 0.86%	Net: 0.72%*
Inception Date	2/12/2015	
Distribution Frequency	Annually	
Index Name	FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index	
Index Ticker	Bloomberg : GDPECO	
Number of Holdings (ex Cash)	151	

Valuation Metrics (Data from Morningstar as of 09/30/2017)	
Price-to-Earnings ²	14.73
Price-to-cash flow ³	8.21
Price-to-Sales ⁴	1.62
Price-to-Book ⁵	1.84






1. Data from the World Federation of Exchange as of 8/30/2017, retrieved 10/5/2017
2. Price-to-earnings: A valuation method used to compare a company's current share price to its per-share earnings
3. Price-to-cash flow: The ratio of a stock's price to its cash flow per share
4. Price-to-sales: A valuation ratio that compares a company's stock price to its revenues
5. Price-to-book value: A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share

Sector Breakdown

 Source:
 ETF Research Center. As of 09/30/2017.

Market Cap Breakdown

 Source:
 ETF Research Center. As of 09/30/2017.


Top Ten Holdings as of 09/30/2017 (excluding cash) The Fund's Holdings Are Subject to Change.	Ticker	%
KRANESH BOSERA MSCI CHINA	KBA	14.63
HDFC BANK LTD-ADR	HDB	5.62
TENCENT HOLDINGS LTD	700 HK	4.28
ALIBABA GROUP HOLDING-SP	BABA	2.54
ICICI BANK LTD-SPON ADR	IBN	2.38
INFOSYS TECHNOLOGIES ADR	INFY	2.29
CHINA CONSTRUCTION BANK-H	939 HK	1.85
BAIDU INC - SPON ADR	BIDU	1.67
VEDANTA LTD-ADR	VEDL	1.44
SBERBANK	SBER RM	1.26

	KEMP Country Weights as of 09/30/2017	%
1	 China	35.98
2	 India	14.39
3	 Brazil	7.57
4	 Indonesia	6.08
5	 Russia	5.73
6	Other EM countries	30.25

Data from Bloomberg as of 9/30/2017

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 www.kraneshares.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives. The Funds are subject to political, social or economic instability within China which may cause a decline in value. Fluctuations in currency of foreign countries may have an adverse effect on domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increased volatility and lower trading volume.

The ability of the KraneShares FTSE Emerging Markets Plus ETF to achieve its investment objective is dependent, in part, on the continuous availability of A Shares through the Fund's investment in the KraneShares Boserá MSCI China A Share ETF and that fund's continued access to the China A Shares market. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

Although the information provided in this document has been obtained from sources which Krane Funds Advisors, LLC believes to be reliable, it does not guarantee accuracy of such information and such information may be incomplete or condensed.

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