

Diversification Opportunities From Capturing China as an Asset Class

An Overview of the
KraneShares MSCI All China
Index ETF (Ticker: KALL)

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Diversification may not protect against market risk



Introduction to KraneShares

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 up to date on global market trends and aim to provide meaningful diversification. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).



KALL

KraneShares MSCI All China Index ETF

Investment Strategy:

KALL seeks to provide investment results that, before fees and expenses, track the price performance of the MSCI China All Shares Index. The index seeks to track the equity market performance of companies based in China and listed in Hong Kong, the United States, and the Mainland. Companies available for inclusion must be headquartered in China and meet the market capitalization minimums required by the MSCI Global Investable Market Indexes Methodology.

China Broad Equity Market Features:

- The increased availability of Chinese equities to foreign investors over the past few years has brought about the rise of China as an asset class.
- China has the world's second largest economy and equity market, with a capitalization of over \$7.2 trillion.¹
- 2018 was the first year that Chinese companies listed in Hong Kong, the United States, and the Mainland were reflected in the MSCI Emerging Markets Index, which is tracked by over \$1.8 trillion in assets.²
- Only 2% of Mainland China's stock market is owned by foreigners.³

KALL Features:

- Diversification through strategic ownership of China as an asset class
- Exposure to shares of Chinese companies listed in Hong Kong, the United States, and Mainland China
- Broad exposure to China's equity market that can be used for strategic asset allocation

1. Data from MSCI as of December 31, 2018. In order to capture the entire China opportunity, we added together the full market caps of the Shenzhen and Shanghai Stock Exchanges and then added the MSCI China Index market capitalization to arrive at the market cap for each year.

2. As of June 30, 2018, as reported on September 30, 2018 by eVestment, Morningstar and Bloomberg.

3. South China Morning Post. "China's Stock Market Must Attract More Foreign Investors, Industry Regulator Says." 6/24/2018

Defining an Asset Class – The “MAP” Framework

	 <p>Market Size</p>	 <p>Availability</p>	 <p>Portfolio Impact</p>
Asset Class Characteristic	<ul style="list-style-type: none"> Asset classes need to be sizable, since most allocators prefer strategic allocations that are greater than 5%. Market size is perhaps the simplest metric and indicates the significance of the opportunity. 	<ul style="list-style-type: none"> A large investment category is not sufficient, since not every market is accessible or investable. Availability ensures global investors can participate in a market and that there is sufficient capacity and volume. 	<ul style="list-style-type: none"> Even if the market size is large and availability is high, the investment has to be differentiated compared to everything else in the portfolio. Otherwise, portfolios may be overexposed to a set of characteristics that are already owned somewhere else.
Analysis Summary	<p>We define China’s equity market as the sum of all public shares of Chinese companies regardless of where they are listed. The adjusted market capitalization of the Chinese equity market represents 7% of the global equity market.</p>	<p>China’s equity market has historically been difficult for investors outside of China to access. Nonetheless, thanks to ambitious inclusion efforts, starting in 2002, Chinese equities have become available to foreign investors.</p>	<p>The unique performance characteristics of China’s equity market, which diverge from emerging markets outside of China, warrant its designation as a distinct asset class in diversified portfolios.</p>

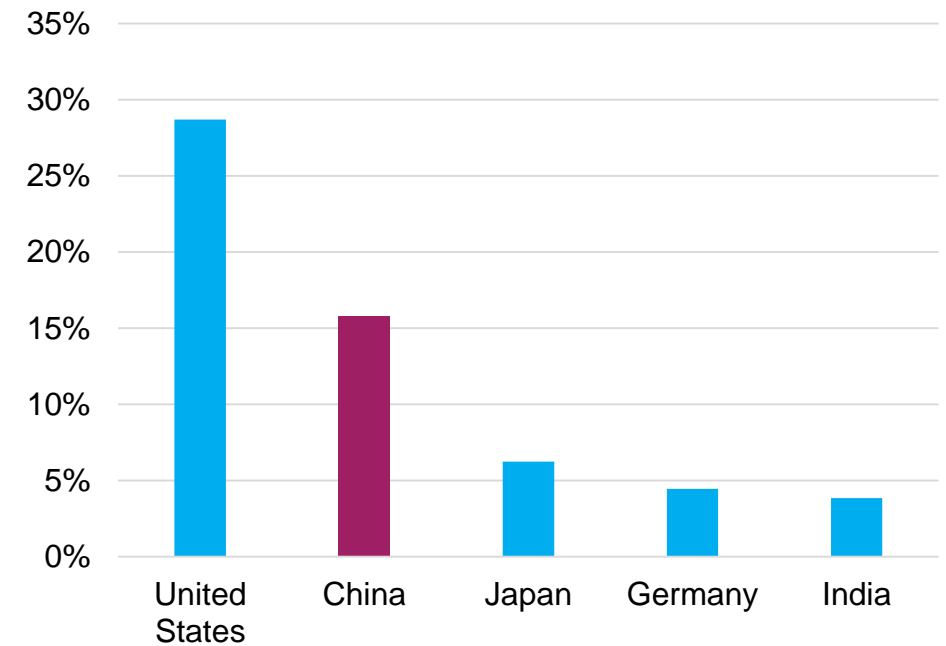


The size of China's equity market is large enough to be considered its own asset class

China has the world's second largest economy and stock market.

Equity Asset Class		2018 Full MARKET CAPITALIZATION (\$bb)		Adjusted MARKET CAPITALIZATION*				
		2018	2018	(Percentage of World)				
				2018	2010	2000	1990	1980
Developed Market Equities	United States	26,621	43%	53%	41%	48%	34%	50%
	Europe	11,464	18%	19%	24%	32%	27%	23%
	Japan	5,182	8%	7%	8%	10%	31%	17%
	Pacific ex-Japan	2,532	4%	4%	5%	3%	3%	5%
	Other (Israel and Canada)	1,746	3%	3%	5%	2%	3%	5%
	TOTAL DEVELOPED	47,547	76%	85%	84%	95%	98%	100%
Rest of the World	Emerging Markets ex-China	7,669	12%	8%	11%	5%	2%	
	China**	7,235	12%	7%	4%	0.3%		
	Frontier	394	0%	0.3%	0.5%			
	TOTAL EM and FM	15,300	24%	15%	16%	5%	2%	0%
	TOTAL	62,847	100%	100%	100%	100%	100%	100%

Top 5 Country Weights in the MSCI All Country World Index (GDP Weighted)



Data from MSCI as of 3/31/2019. See page 16 for index definition.

Data from MSCI as of 12/31/2018, retrieved 3/31/2019. Due to rounding numbers may not add up to 100%.

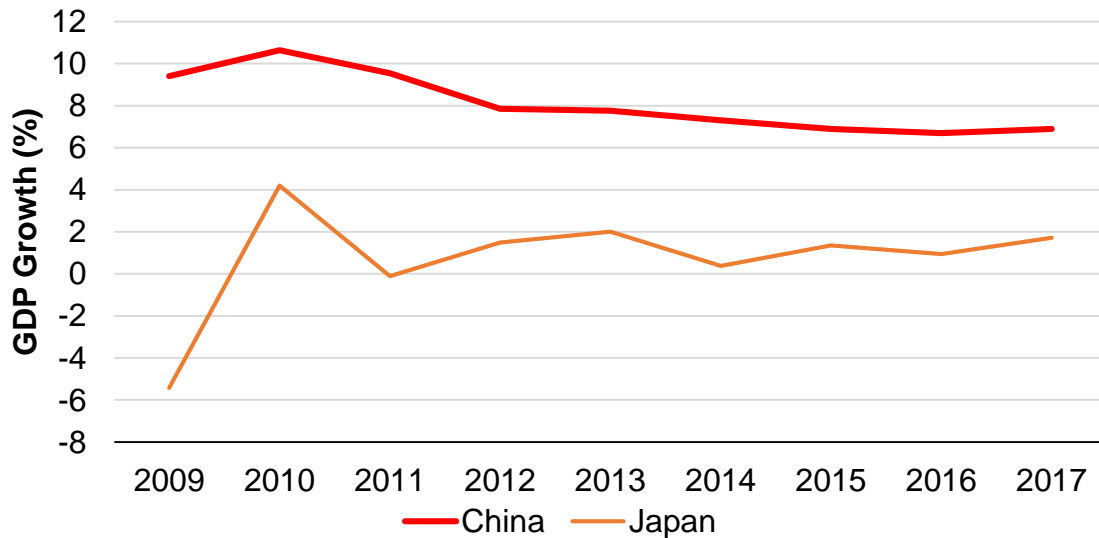
*Full market capitalization based on MSCI Investable Market Indexes (IMI). Historic adjusted market Capitalizations based on MSCI Standard Indexes. Adjusted market caps reflect free-float or shares that are freely traded in the open market. The free-float adjustment reduces the overall market by about 1/3.

**China includes Hong Kong, ADR and Mainland listed Chinese companies. Market capitalization formula: MSCI China A International IMI + Hong Kong & ADR constituents within MSCI Emerging Market Index.

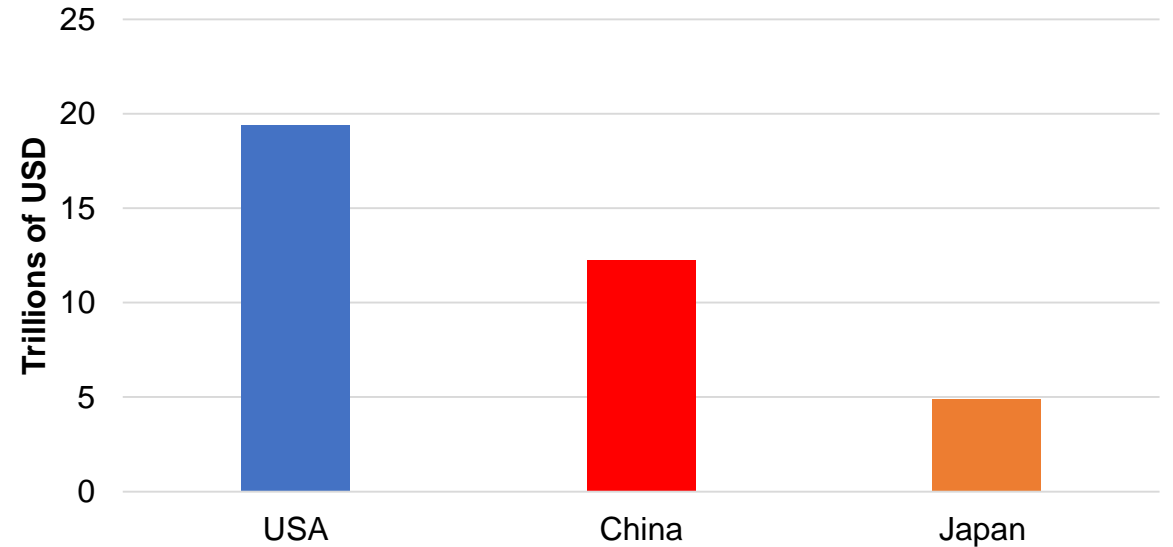
China's equity market is large enough to be considered its own asset class and has a better track record of growth in recent years than other comparable economies

- China's full equity market capitalization is over \$7 trillion¹, while Japan's is just over \$5 trillion², nonetheless Japan is still widely considered an asset class on its own; MSCI has maintained a dedicated index for Japan since 1986.²
- China's adjusted capitalization of the global equity market, at 7%, is the same as Japan, which has been considered a distinct market from Asia-Pacific for decades.¹
- From 2009 to 2017, China's average annual GDP growth rate was 8.1%, compared to Japan's at 0.73%.³

China GDP Growth Has Consistently Outpaced Japan³



GDP in 2017³



1. Data from MSCI as of 12/31/2018, retrieved 3/31/2019.
 2. Data from stockmarketclock.com as of 3/31/2019.
 3. Data from The World Bank as of 12/31/2017, last updated 3/21/2019, retrieved on 3/31/2019.



Inclusion efforts spanning the past 16 years have made China's equity market available to outside investors

- In 2002, the Chinese government launched the Qualified Foreign Institutional Investor (QFII) Quota Program, which allowed institutional investors who could demonstrate a limited capacity to repatriate earnings to purchase stocks listed on Mainland exchanges.¹
- From 2014 to 2016 the Stock Connect program was launched which allowed foreign investors to purchase Mainland listed stocks through accounts in Hong Kong without obtaining approval from the Chinese government.¹
- On September 3, 2018, MSCI completed the first of including Mainland listed A-shares in their Global Standard Indexes.¹
- 90.6% of Chinese stocks are listed in Hong Kong, Shenzhen (Mainland), or Shanghai (Mainland) exchanges, while 8.8% are listed in New York using American Depositary Receipts (ADRs).¹

Share Type	Weight in Overall China Equity Market	Description
A	45.57%	Listed on the Shanghai and Shenzhen Exchanges in RMB
B	0.24%	Listed on the Shanghai and Shenzhen Exchanges in USD and HKD
Listed on Mainland Exchanges	45.8%	
P Chip	17.1%	Listed on the Hong Kong Stock Exchange and incorporated in Cayman, Bermuda, BVI; privately managed
H	18.7%	Listed on the HK Stock Exchange
Red Chip	9.0%	Listed on the Hong Kong Stock Exchange, incorporated outside of Mainland China; controlled by PRC
Listed on Hong Kong Exchange	44.8%	
ADR	8.8%	Listed on overseas exchanges including the United States and Singapore
Non-ADR	0.6%	Listed on overseas exchanges but not considered an ADR
Listed on Overseas Exchanges	9.4%	

1. Data from MSCI as of 12/31/18, retrieved 3/31/2019.

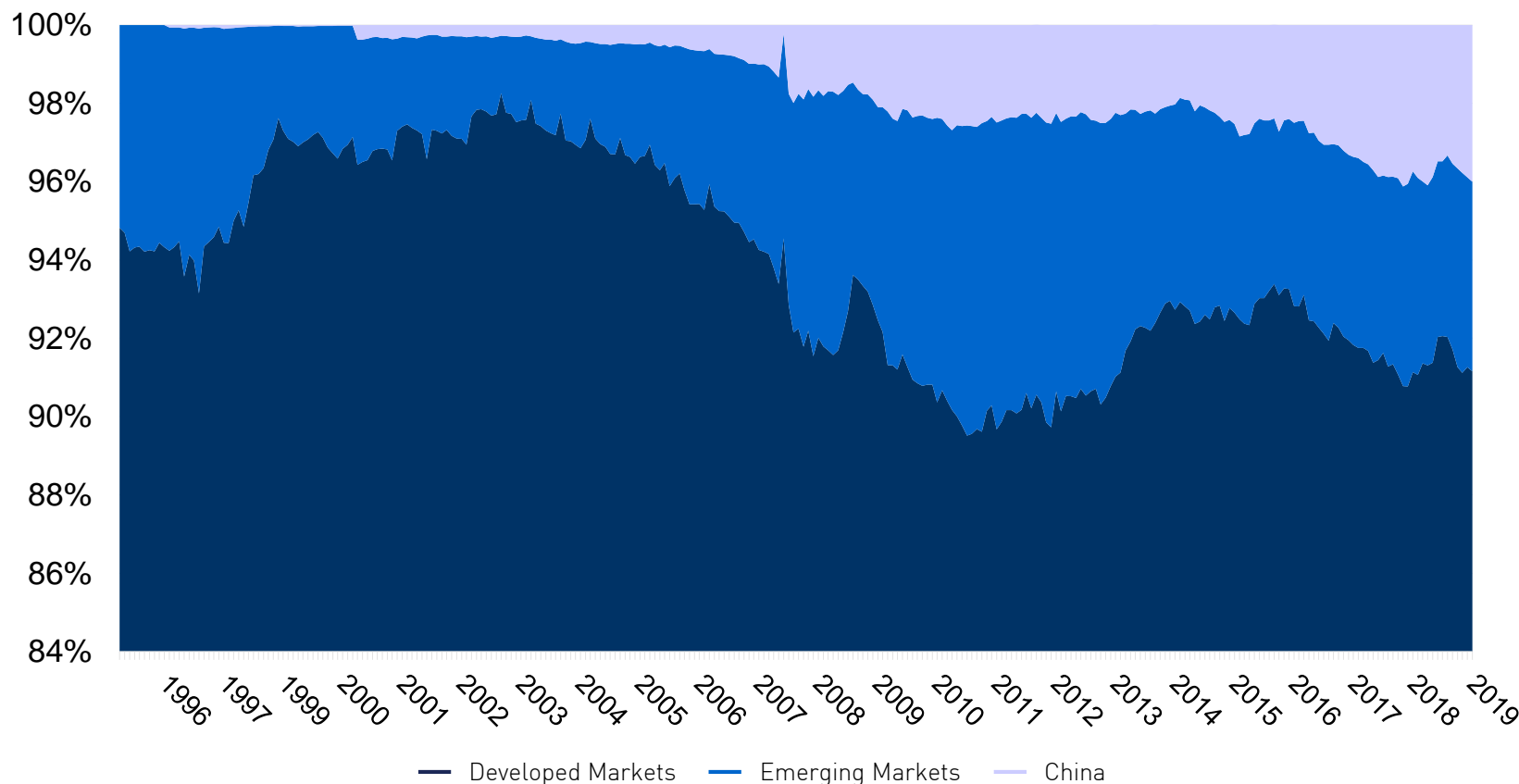
Data from MSCI as of 12/31/18, retrieved 3/31/2019.



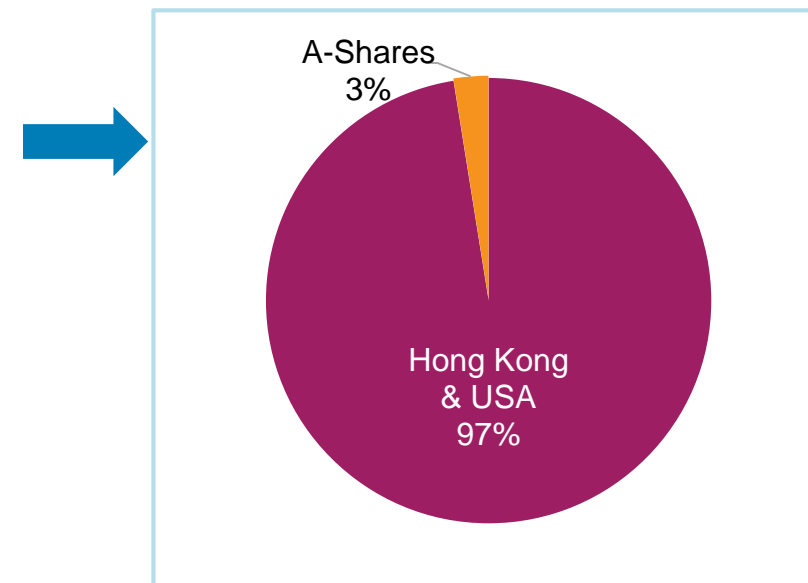
Emerging Market Evolution

- China's weighting in the MSCI All Country World Index (ACWI) has grown since 2000.
- Until May of 2018, the definition of China below did not include A-shares and was limited to offshore listings in Hong Kong and New York.

Historical Developed and Emerging Market Allocations within the MSCI ACWI Index



MSCI China Index as of 3/31/2019



The unique characteristics of China's equity market performance demonstrate its capacity to have a distinct portfolio impact and provide diversification benefits

- Over the past 18 years, China was the best performer in 4 years and the worst performer in 4.
- By contrast, the U.S. was the best performer in 3 years and the worst in 4 years.

Ranked Annual Performance of Equity Asset Classes

RANK	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 Rank
1st	-0.90	-5.63	53.57	27.89	35.24	104.98	110.86	-29.21	82.35	23.75	1.36	22.06	31.79	23.29	9.57	15.02	41.18	-5.04	United States
2nd	-1.38	-5.97	48.31	22.34	25.52	33.72	35.70	-37.57	71.07	22.28	-11.06	19.21	27.16	12.69	0.69	10.89	36.91	-10.30	Pacific ex-Japan
3rd	-12.39	-10.28	46.50	20.88	19.15	31.29	33.70	-46.42	68.40	17.89	-13.62	19.12	25.89	6.84	-2.84	7.47	31.86	-12.43	Emerging Markets ex-China
4th	-19.90	-14.59	38.54	15.86	9.42	27.66	13.86	-50.61	35.83	15.44	-14.33	17.24	25.23	1.50	-3.05	2.66	31.25	-12.88	Japan
5th	-23.90	-18.38	35.91	10.14	9.15	14.67	5.44	-53.94	26.25	14.77	-17.92	15.33	3.93	-4.02	-9.64	2.38	25.51	-14.86	Europe
6th	-29.40	-23.09	28.41	-5.58	5.14	6.24	-4.23	-54.15	11.61	3.88	-18.44	8.85	1.11	-4.62	-14.46	-0.40	23.99	-19.06	Frontier
7th								-55.25	6.25	-0.31	-18.73	8.18	-4.02	-6.18	-16.89	-7.87	21.19	-23.27	China

China
 Emerging Markets ex-China
 Japan
 Pacific ex-Japan
 Europe
 United States
 Frontier

Index returns are for illustrative purposes only and do not represent actual Fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

China's historical pattern of returns exhibits low correlations to other regions.

- Average correlations between China's equity market and other major equity markets, including other emerging markets, have remained low over the past 18 years, maintaining correlation coefficients generally lower than 0.6.
- Correlations remain low in bull market and bear market environments.

Return, Risk, and Correlation (2001-2018)

Asset Class	Annualized Return	Annualized Volatility	China	United States	Europe	Japan	Pacific ex-Japan	EM ex-China
China	6.2%	20.1%	1.00					
United States	5.7%	14.5%	0.59	1.00				
Europe	2.7%	15.0%	0.51	0.84	1.00			
Japan	2.3%	17.8%	0.48	0.61	0.65	1.00		
Pacific ex-Japan	9.4%	19.5%	0.74	0.79	0.70	0.57	1.00	
Emerging Markets ex-China	8.4%	21.7%	0.70	0.77	0.71	0.55	0.91	1.00

Return, Risk, and Correlation (2009-2018)

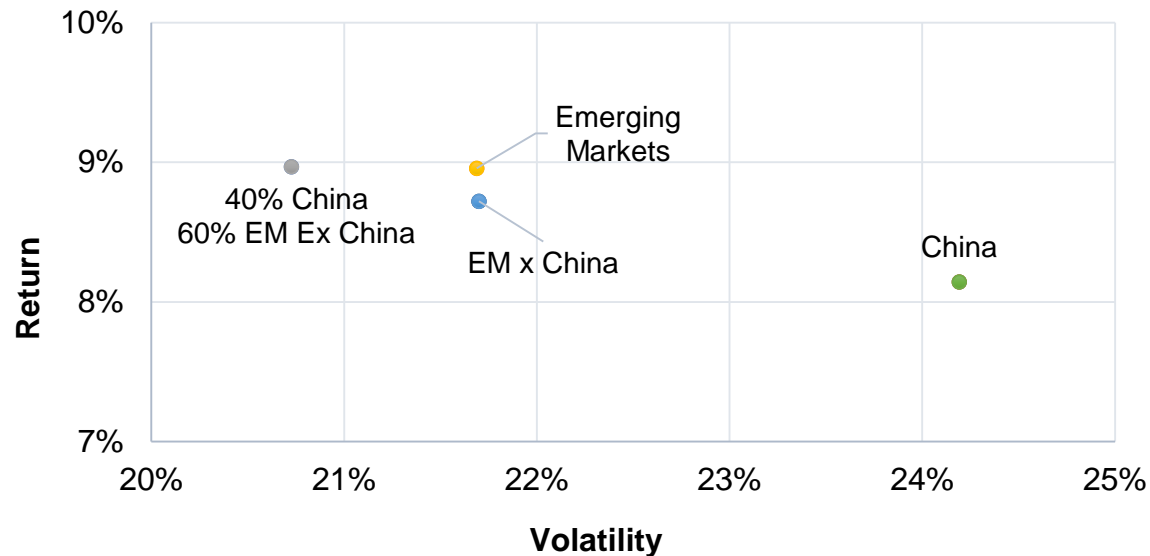
Asset Class	Annualized Return	Annualized Volatility	China	United States	Europe	Japan	Pacific ex-Japan	EM ex-China
China	5.4%	21.8%	1.00					
United States	13.2%	13.6%	0.57	1.00				
Europe	8.9%	13.3%	0.47	0.78	1.00			
Japan	7.6%	17.6%	0.42	0.61	0.65	1.00		
Pacific ex-Japan	11.1%	19.2%	0.71	0.80	0.67	0.48	1.00	
Emerging Markets ex-China	5.0%	17.4%	0.69	0.75	0.65	0.43	0.90	1.00
Frontier Markets	4.8%	12.8%	0.48	0.62	0.54	0.45	0.65	0.68

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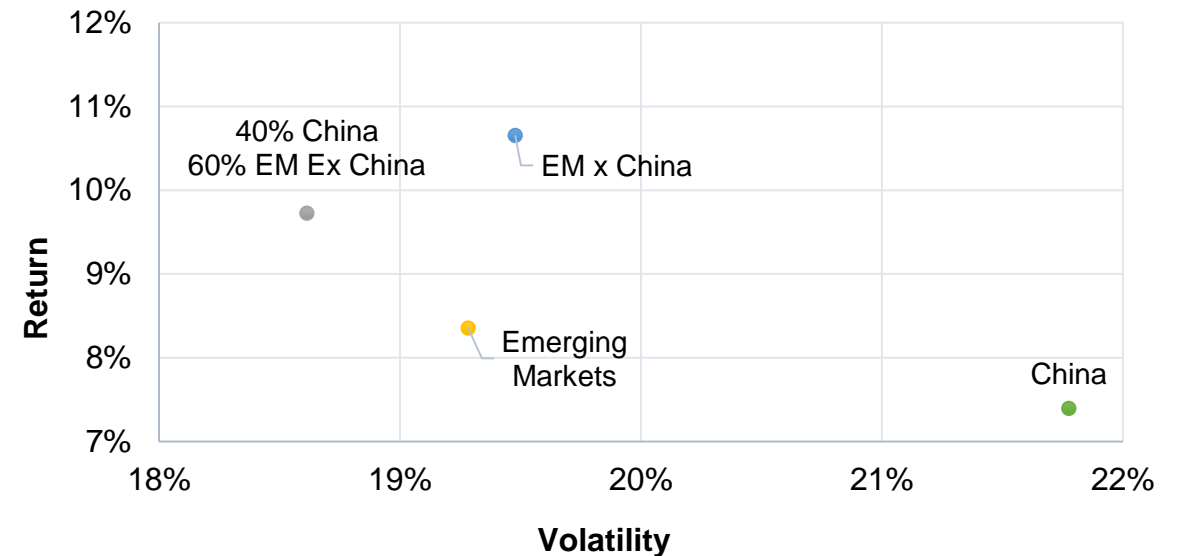
There are distinct benefits of treating China as its own asset class from a return and risk standpoint

- China's equity market is more volatile than Emerging Markets broadly, but has provided superior annualized returns over the past 16 years.
- We solved for a China weighting in an emerging markets portfolio that maximizes return per unit of risk and arrived at an allocation of 40% for the full 18-year period. This hypothetical portfolio would have seen less volatility (risk) and superior returns compared to an allocation of 100% emerging markets.
- China can be beneficial to strategic asset allocation in bull market and bear market environments.

Return and Volatility from 2001-2018



Return and Volatility from 2009-2018



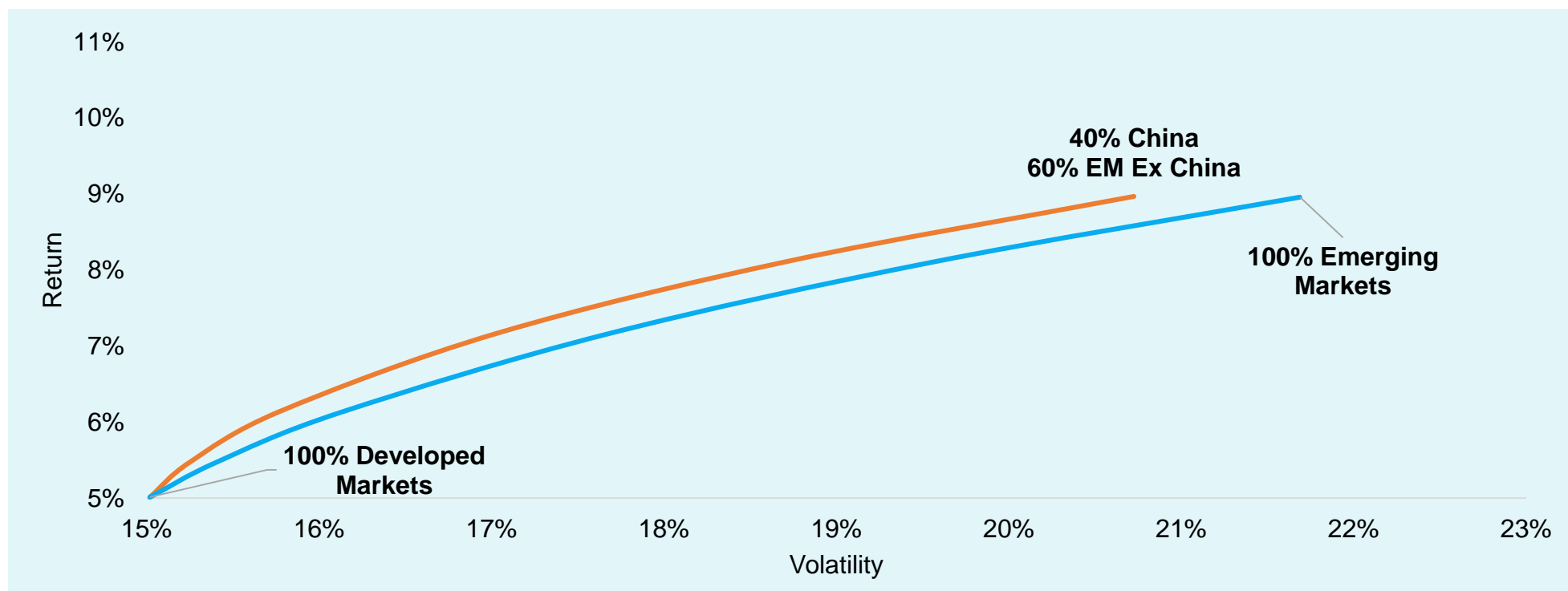
Information is hypothetical, and is provided for illustrative purposes only and not indicative of any particular investment

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By treating China as its own asset class, we believe that more efficient portfolios can be developed

Strategic allocation to China provides portfolios with less risk and comparable returns for every combination of developed and emerging markets exposure

**Blended Developed/Emerging Market Portfolios
Return and Volatility from 2001 - 2018**



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The Index Matters.

MSCI is a trusted index provider for the largest global investment managers



>\$14.8 trillion
in equity assets are
estimated to be
benchmarked to
MSCI indexes¹



99 of top 100
global investment
managers are
MSCI clients²



1040+
ETFs are based on
MSCI indexes, more than
any other index provider³



94%
of US pension fund
assets invested in
global equities are
benchmarked to MSCI⁴

¹ As of June 30, 2018, as reported on September 30, 2018 by eVestment, Morningstar and Bloomberg, retrieved 12/31/2018.

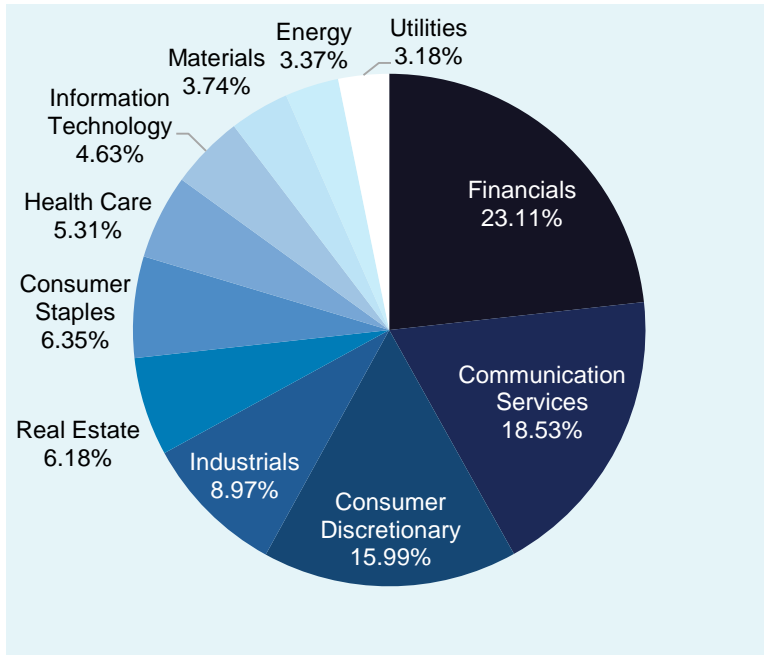
² Based on latest P&I AUM data and MSCI clients as of March 2018, retrieved 12/31/2018

³ As of September 2018, retrieved 12/31/2018; defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross-listings, are counted.

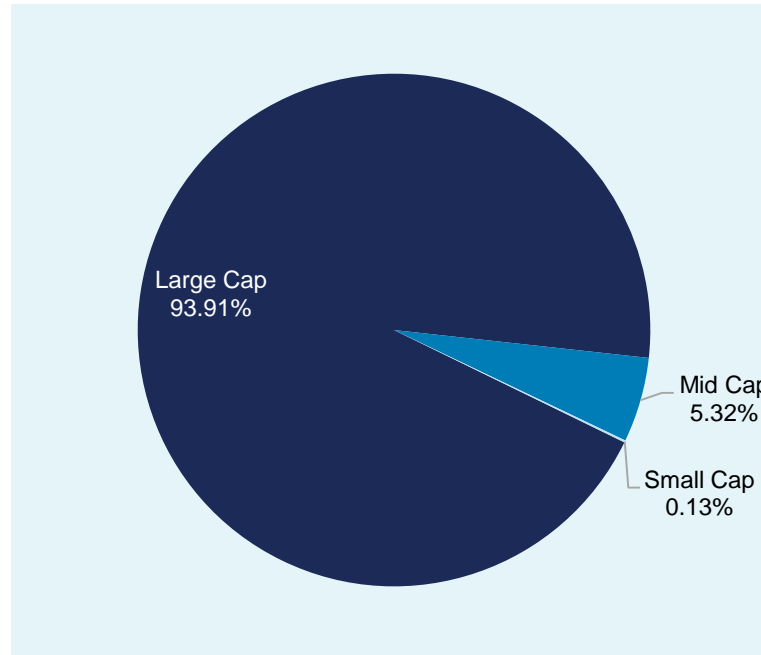
⁴ As of Dec 2016, according to Intersec LLC, retrieved 12/31/2018.

The holdings in the KraneShares MSCI All China Index ETF (ticker: KALL) are diverse in sector and listing location and are mostly large cap companies

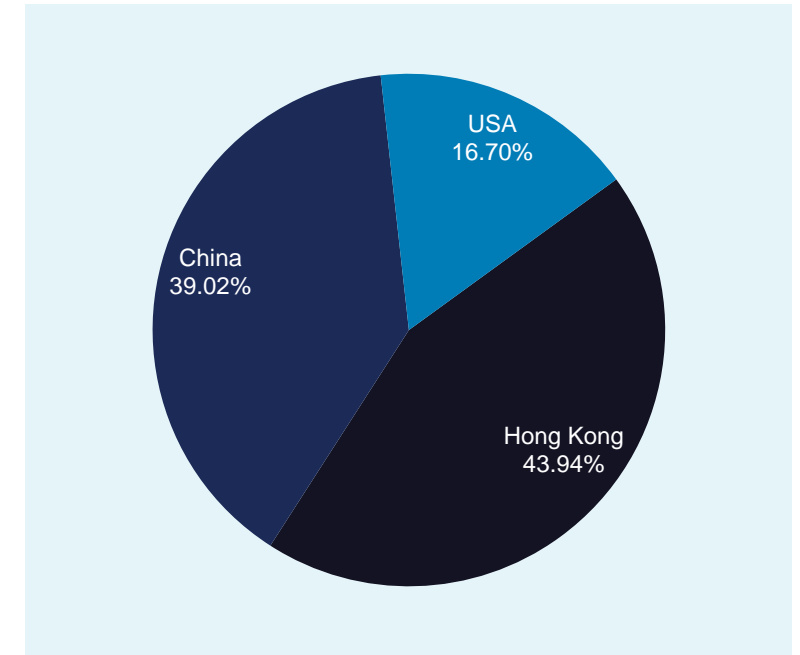
Sector Breakdown



Market Cap Breakdown



Breakdown by Listing Location



Data from Bloomberg as of 3/31/2019.
Fund holdings are subject to change.

KraneShares MSCI All China Index ETF (NYSE: KALL)

Investment Strategy:

KALL seeks to provide investment results that, before fees and expenses, track the price performance of the MSCI China All Shares Index. The index seeks to track the equity market performance of companies based in China and listed in mainland China, Hong Kong, and the United States. Companies available for inclusion must be headquartered in China and meet the market capitalization minimums required by the MSCI Global Investable Market Indexes Methodology.

KALL Performance History as of 3/31/2019

Key Fund Information

Ticker	KALL
Cusip	500767801
Index Name	MSCI China All Shares Index
Index Ticker	MXCNAL
Primary Exchange	NYSE
Total Annual Fund Operating Expense (Gross)	0.90%
Total Annual Fund Operating Expense (Net)	0.49%*
Inception Date	02/12/2015
Distribution Frequency	Annual
Number of Index Constituents (ex cash)	293

Top Ten Fund Holdings		%
Excluding cash. As of 3/31/2019 The fund's holdings are subject to change.		
TENCENT HOLDINGS LTD		9.70
ALIBABA GROUP HOLDING-SP ADR		9.34
CHINA CONSTRUCTION BANK-H		2.72
KWEICHOW MOUTAI CO LTD-A		2.01
BAIDU INC - SPON ADR		1.82
CHINA MOBILE LTD		1.76
PING AN INSURANCE GROUP CO-H		1.41
IND & COMM BK OF CHINA-H		1.40
PING AN INSURANCE GROUP CO-A		1.09
BANK OF CHINA LTD-H		1.05

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception 2/12/2015	1 Yr	3 Yr	Since Inception 02/12/2015
Fund NAV	22.50%	8.84%	14.46%	-3.52%	9.01%	3.32%
Closing Price	23.14%	9.24%	15.82%	-3.84%	9.10%	3.62%
Index	22.29%	8.88%	18.35%	-3.13%	9.63%	4.16%

*The adviser has contractually agreed to waive fees until April 16, 2020.

Hybrid index performance (noted as "Index" above) reflects the performance of the FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index through July 31, 2018 and the MSCI China All Shares Index thereafter

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.

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.

Definitions:

MSCI All China Investable Market Index (IMI): captures large, mid and small cap representation across all China securities that are listed in China and Hong Kong, the US and in Singapore. The index includes: A-Shares, H shares, B shares, Red chips and P chips as well as China securities that are listed on the NYSE Euronext (New York), NASDAQ, New York AMEX and Singapore exchanges.

MSCI ACWI Index: captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries.

The MSCI ACWI GDP Weighted Index: This index is based on the flagship MSCI ACWI Index, its parent index, and includes large and mid cap stocks across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. The index uses a different weighting scheme than its cap weighted parent index, however. The weight of each country in the index is derived from its economic size (using GDP data) rather than the size of its equity market. Over time, GDP data tends to have more stability than equity market prices.

MSCI China Index: The index captures large and mid-cap representation across offshore listings of Chinese companies in the form of H shares, B shares, Red chips, P chips, and foreign listings such as ADRs. With 447 constituents, the index covers about 85% of this China equity universe. Currently, the index also includes Large Cap A shares, represented at 2.5% of their free float adjusted market capitalization.

FTSE Emerging incl China Overseas non-R/QFII GDP Weighted Index: is a gross domestic product ("GDP") weighted index 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.

RETURN, RISK & CORRELATION	INDEX	INDEX DEFINITION
Developed Markets	MSCI WORLD INDEX	MSCI World Index: The MSCI World Index captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,644 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
	Inception Date: Mar 31, 1986	
Emerging Markets	MSCI EMERGING MARKETS INDEX	MSCI Emerging Markets Index: MSCI Emerging Markets Index captures large and mid cap representation across 23 Emerging Markets (EM) countries. With 834 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
	Inception Date: Jan 01, 2001	
China	MSCI CHINA ALL SHARES INDEX	<p>MSCI China All Shares Index: MSCI China All Shares Index captures large and mid-cap representation across China A shares, B shares, H shares, Red chips, P chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. It is based on the concept of the integrated MSCI China equity universe with China A-shares included.</p> <p>MSCI China A Onshore Index: The MSCI China A Onshore Index captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges. Inception date: May 10, 2005.</p> <p>MSCI China Index: The MSCI China Index captures large and mid cap representation across China H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 153 constituents, the index covers about 85% of this China equity universe. Inception date: Oct 31, 1995.</p> <p>Shanghai Composite Index: is a stock market index of all stocks that are traded at the Shanghai Stock Exchange.</p>
	<p>Inception Date: Jun 26, 2014</p> <p>From June 25, 2014 through May 10, 2005, 42.1577% MSCI CHINA ONSHORE Index + 57.8423% MSCI CHINA Index was used to calculate return.</p> <p>From May 9, 2005 through January 1st, 2001, 42.1577% Shanghai Composite Index + 57.8423% MSCI CHINA Index was used to calculate return.</p>	
United States	MSCI USA INDEX	MSCI USA Index: The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 622 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.
	Inception Date: Mar 31, 1986.	
Europe	MSCI EUROPE INDEX	MSCI Europe Index: The MSCI Europe Index captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe. With 443 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.
	Inception Date: Mar 31, 1986.	
Japan	MSCI JAPAN INDEX	MSCI Japan Index: the MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 321 constituents, the index covers approximately 85% of the free float- adjusted market capitalization in Japan.
	Inception Date: Mar 31, 1986.	
Pacific ex- Japan	MSCI Pacific EX JAPAN INDEX	MSCI Pacific ex Japan Index: The MSCI Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 148 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
	Inception Date: Aug 31, 1987	
Emerging Markets Excluding China	MSCI EMERGING MARKETS INDEX	MSCI Emerging Markets ex China Index: The MSCI Emerging Markets ex China Index captures large and mid cap representation across 23 of the 24 Emerging Markets (EM) countries* excluding China. With 692 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
	<p>Inception Date Mar 09, 2017.</p> <p>Prior to start date, MSCI Emerging Markets Index minus the returns of securities from China, which were removed at a fixed weight of 13.1%, or the weight of China which minimizes the tracking error between the modeled Emerging Markets Ex-China and the data from the MSCI Emerging Markets Ex-China Index.</p>	
Frontier	MSCI FRONTIER MARKETS INDEX	MSCI Frontier Markets Index: The MSCI Frontier Markets Index captures large and mid cap representation across 29 Frontier Markets (FM) countries. The index includes 109 constituents, covering about 85% of the free float- adjusted market capitalization in each country.
	Inception Date: Dec 18, 2007	

China's Equity (Stock) Market: For the purposes of this presentation, this refers to the superset of investments including the Mainland, Hong Kong, and overseas listed securities found in the MSCI China All Shares Index. Note that others may use a different definition and, as such, the data provided by other sources may not match ours as it may exclude shares listed in certain places.

Important Notes

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.

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 (NAV) when buying and receive less than net asset value 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).

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 decline in value. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume.

Narrowly focused investments typically exhibit higher volatility. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Such changes may have an adverse impact on performance. Technology companies may be subject to severe competition and rapid obsolescence. The KraneShares MSCI All China Index ETF is non-diversified.

The ability of the KraneShares MSCI All China Index ETF to achieve its respective investment objectives is dependent, in part, on the continuous availability of A Shares and the ability to obtain, if necessary, additional A Shares quota. If the Fund is unable to obtain sufficient exposure to limited availability of A Share quota, the Fund could seek exposure to the component securities of the Underlying Index by investment in other types of securities. The fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

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