KraneShares

KWEB

3/31/2020

The China Consumer E-Commerce Opportunity

An Overview of the KraneShares CSI China Internet ETF (Ticker: KWEB)



info@kraneshares.com

Introduction to KraneShares

About KraneShares

Krane Funds Advisors, LLC is the investment manager for KraneShares ETFs. The firm is focused on providing investors with strategies to capture China's importance as an essential element of a well-designed investment portfolio. KraneShares ETFs represent innovative, first to market strategies that have been developed based on the firm and its partners' deep knowledge of investing. These strategies allow investors to stay up to date on global market trends and provide meaningful diversification. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).







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KWEB

KraneShares CSI China Internet ETF

Investment Strategy:

KWEB seeks to measure the performance of the investable universe of publicly traded China-based companies whose primary business or businesses are in the Internet and Internet-related sectors.

KWEB features:

- Access to Chinese internet companies that provide similar services as Google, Facebook, Twitter, eBay, Amazon, etc.
- Exposure to companies benefitting from increasing domestic consumption by China's growing middle class
- Exposure to Chinese internet companies listed in both the United States and Hong Kong

China Internet Sector Highlights:

- Chinese retail web sales totaled US$1.31 trillion[1] in 2018 (compared to US$513.6 billion[2] in the United States).
- China's internet population reached 854 million people, a penetration of only 61.2%[3]. The U.S. internet population reached 294 million people, a penetration rate of 89.5% in June 2019.[4]
- Total Chinese retail sales reached US$5.5 trillion in 2018[1].
- Online shopping accounted for 23.6% of retail purchases in China in 2018[1].

1. National Bureau of Statistics in China, "National Economic Performance Maintained within an Appropriate Range in 2018 with Main Development Goals Achieved" 1/21/2019. Note: Figures converted from Chinese Renminbi to USD as of 12/31/2018.
2. U.S. Department of Commerce, "Quarterly Retail E-commerce Sales 4th Quarter 2018" 3/13/2019.
3. CNNIC, The 44th Statistical Report on the Development of China's Internet, 8/31/2019.
4. Data from Pew Research Center and US Census Bureau as of 6/30/2019. Retrieved 3/31/2020.

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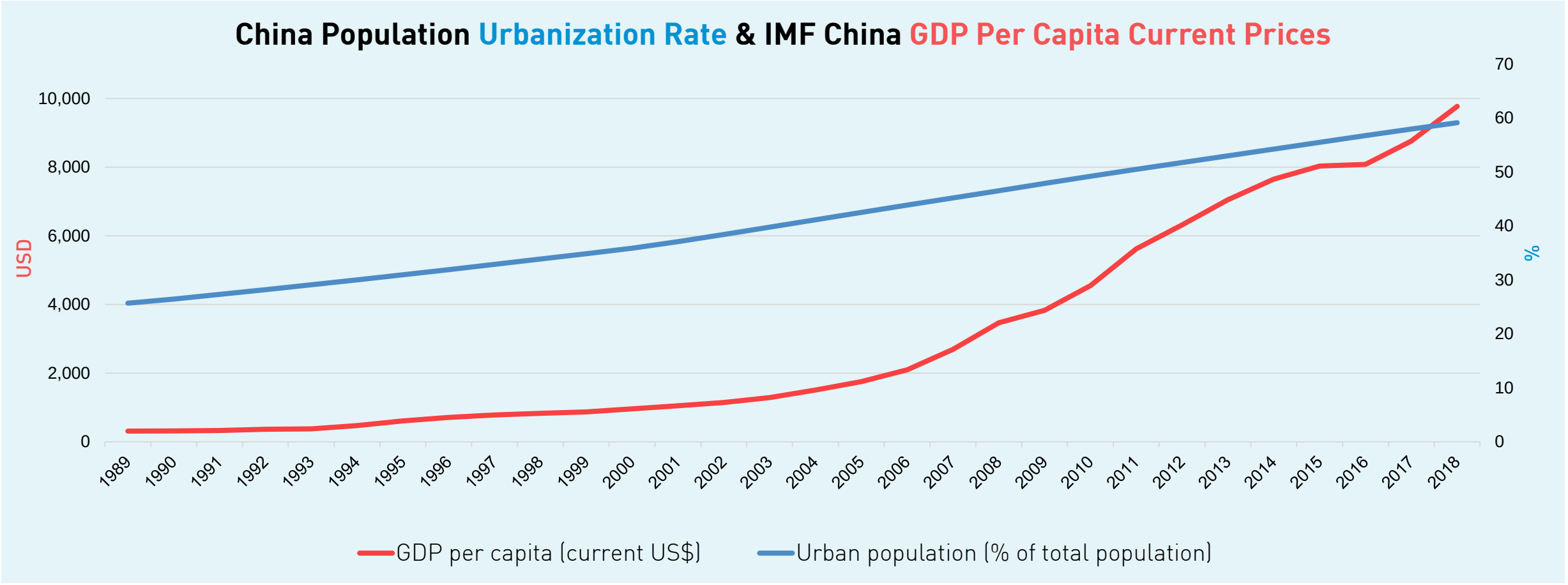
As China's population moves into cities, they gain access to better jobs and wages, which in turn has a positive impact on GDP per capita.



Data from World Bank as of 12/31/2018. Retrieved on 3/31/2020.

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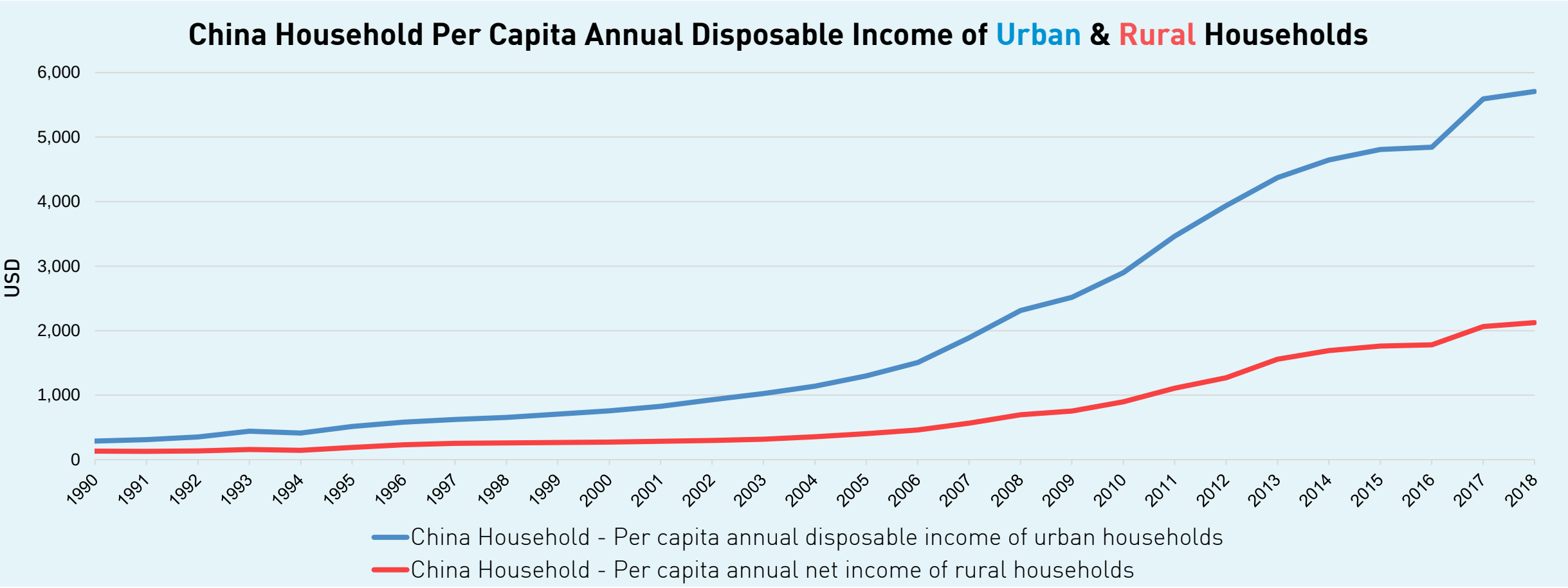
China's urban population has almost three times more disposable income than their rural counterparts.



Data from Bloomberg, as of 12/31/2018. Retrieved on 3/31/2020.

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The China Internet Evolution

- China's E-Commerce market size surpassed the U.S. for the first time in 2014, and China's total retail sales surpassed total retails sales of the U.S. for the first time in 2017.
- 61.2% of China's population has internet access compared to 89.5% in the U.S.
- We believe there is potential for substantial continued growth in the Chinese internet sector.

China / US Internet Statistics	China	US
Total internet population	854mm[1]	294mm[2]
% of population with internet access	61.2%[1]	89.5%[2]
Country's share of world internet users	23.4%[2]	8.1%[2]
E-Commerce market size 2018	$1.3T[3]	$513.6B[4]
Total retail sales 2018	$5.5T[3]	$5.3T[4]
% of online retail sales 2018	23.6%[3]	9.7%[4]
2017-2018 growth online sales	23.9%[3]	14.2%[4]

1.CNNIC, The 44th Statistical Report on the Development of China's Internet, 8/31/2019.

2.Data from Pew Research Center, World Bank, and US Census Bureau as of 6/30/2019. Retrieved 3/31/2020.

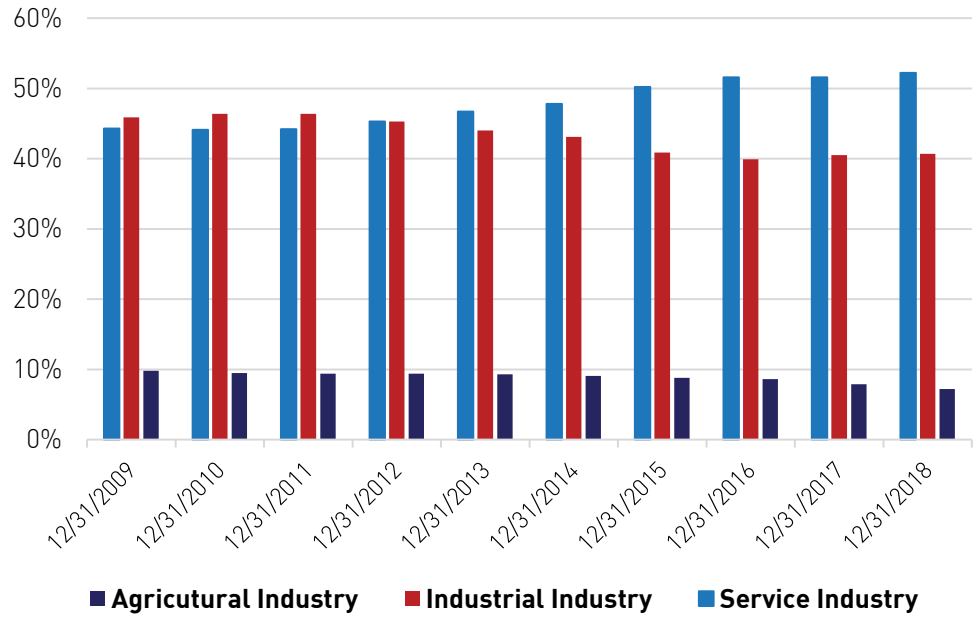
3.National Bureau of Statistics in China, "National Economic Performance Maintained within an Appropriate Range in 2018 with Main Development Goals Achieved" 1/21/2019. Note: Figures converted from Chinese Renminbi to USD as of 12/31/2018.

4.U.S. Department of Commerce, "Quarterly Retail E-commerce Sales 4th Quarter 2018" 3/13/2019.

A Tale of Two Chinas

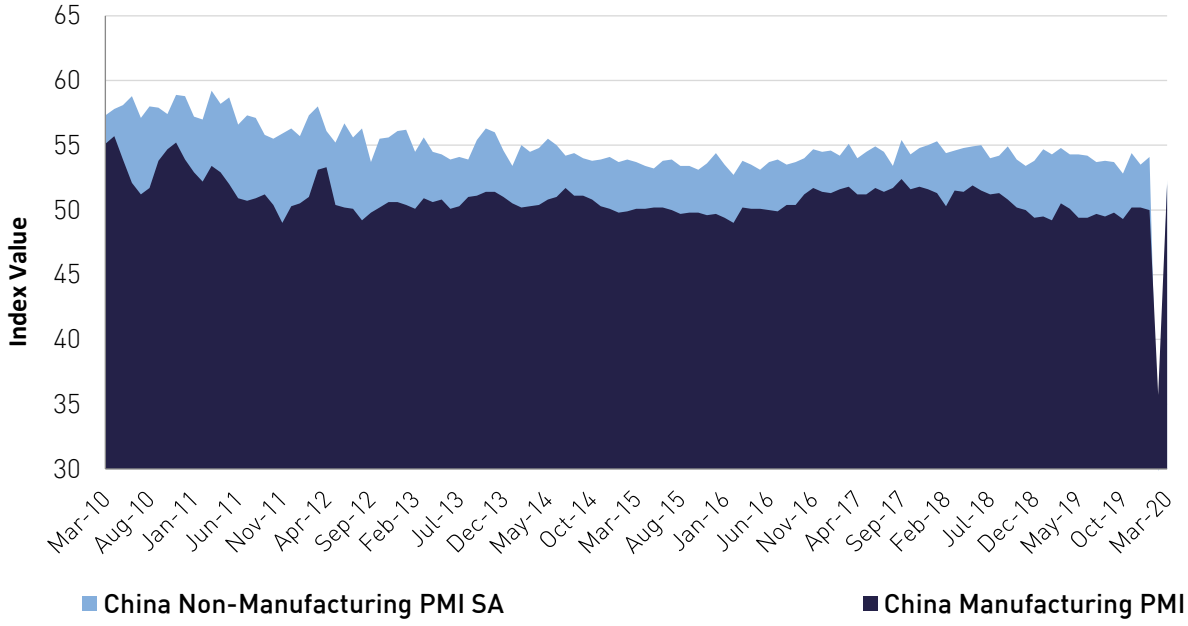
In 2013, the services sector surpassed the industrial sector as the largest contributor to China's GDP for the first time.
While traditional manufacturing is slowing the service sector Purchasing Managers' Index (PMI) indicates healthy growth in domestic consumption.

China GDP Breakdown
(2009 - 2018)



Data from Bloomberg as of 12/31/2018. Retrieved on 3/31/2020.

China Manufacturing PMI vs. Non-manufacturing PMI*
(3/31/2010-3/31/2020)



Data from Bloomberg as of 3/31/2020.

***The Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The PMI is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector when compared to the previous month. A PMI reading under 50 represents a contraction, and a reading at 50 indicates no change. **The Non-Manufacturing Purchasing Managers' Index (PMI)** is a composite index calculated as an indicator of the overall economic condition for the non-manufacturing sector. The index is a composite based on four indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

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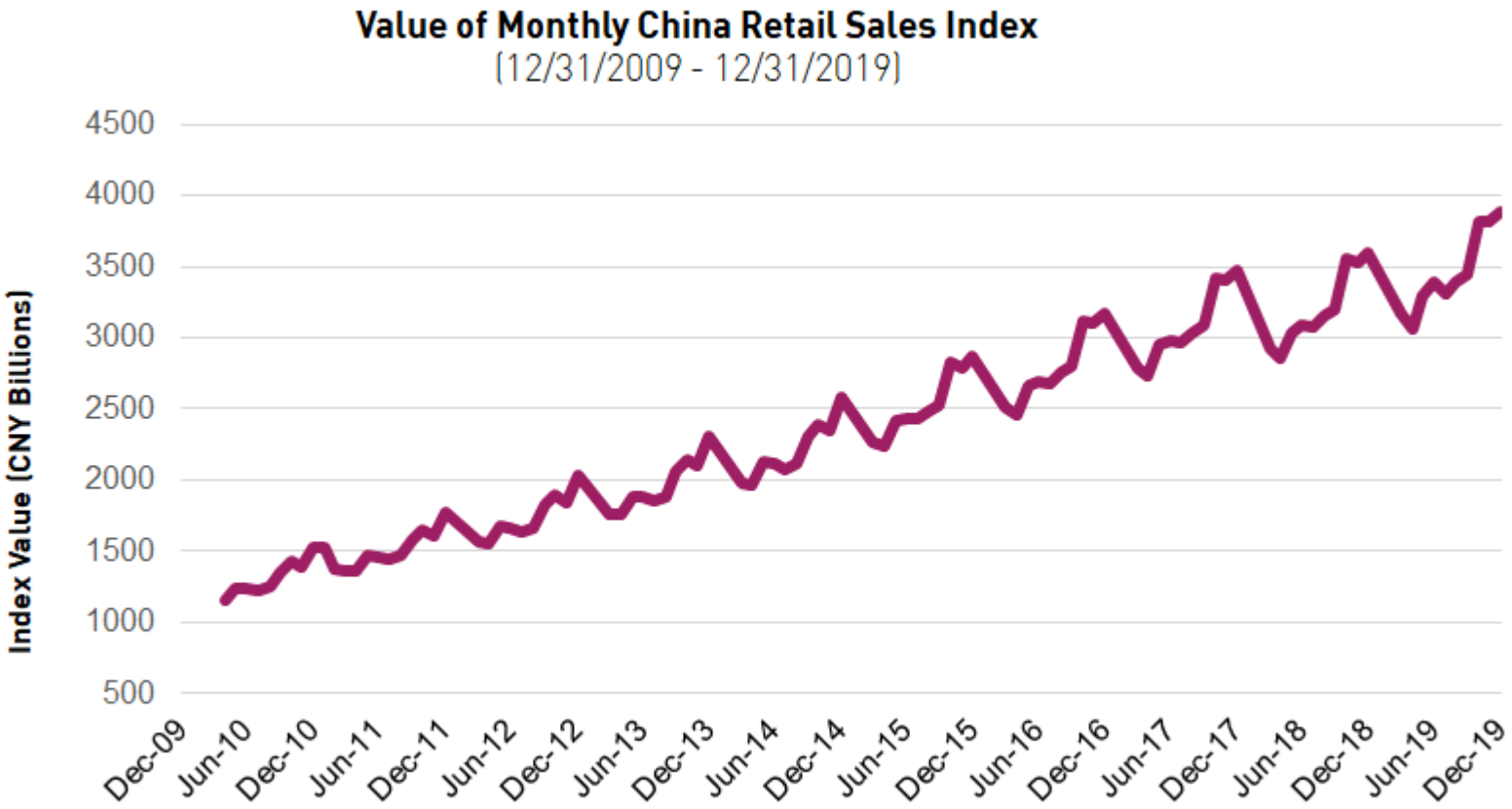
Retail sales have expanded steadily in China.



- Total Chinese retail sales reached **$5.5 trillion** in 2018
- Chinese retail websites sold **$1.3 trillion** worth of goods in 2018, a **23.9%** year-on-year increase.
- Online shopping accounted for **23.6%** of total retail sales in 2018.

Source: National Bureau of Statistics in China, "National Economic Performance Maintained within an Appropriate Range in 2018 with Main Development Goals Achieved" 1/21/2019. Note: Figures converted from Chinese Renminbi to USD as of 12/31/2018.

Chart data from Bloomberg as of 12/31/2019. Retrieved on 3/31/2020.

China Retail Sales Index: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

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The 1 year and 5-year average revenue growth rates for China internet companies are higher than those of many U.S. internet companies.

Top 10 KWEB holdings vs. their U.S. equivalents as of 3/31/2020

Top 10 KWEB Holdings	Primary Business	KWEB Weight	China Internet Companies		Comparable U.S. Business	U.S. Internet Companies	
			1 Year Average Revenue Growth Rate	5 Year Average Revenue Growth Rate		1 Year Average Revenue Growth Rate	5 Year Average Revenue Growth Rate
ALIBABA GROUP HOLDING-SP ADR	E-Commerce	10%	43%	48%	Amazon	20%	26%
TENCENT HOLDINGS LTD	Social Media	9%	21%	37%	Facebook	27%	42%
MEITUAN DIANPING-CLASS B	Online Delivery	8%	51%	72%	GrubHub	31%	39%
BAIDU INC - SPON ADR	Search	7%	6%	18%	Google	18%	20%
JD.COM INC-ADR	E-Commerce	6%	25%	37%	Amazon	20%	26%
TAL EDUCATION GROUP- ADR	Online Education	4%	36%	53%	Chegg	28%	8%
NETEASE INC-ADR	Gaming	4%	2%	46%	Activision Blizzard	-13%	10%
TRIP.COM GROUP LTD	Online Travel Services	4%	16%	39%	Booking.com	3%	12%
PINDUODUO INC-ADR	E-Commerce	4%	-	-	Groupon	-15%	-6%
VIPSHOP HOLDINGS LTD - ADR	E-Commerce	4%	10%	35%	Macy's	-2%	-2%
		Total: 60%	**Average: 23%**	**Average: 43%**		**Average: 12%**	**Average: 18%**

The Fund's holdings are subject to change. Data from Bloomberg as of 3/31/2020.

For the majority of the developing world, smart phones provide the first point of internet access, bypassing traditional computers.

Mobile-cellular telephone subscriptions			
	2000	**2018**	**Growth multiple**
India	3,577,095	1,176,021,869	329x
Russia	3,263,200	229,431,008	70x
China	85,260,000	1,641,147,000	19x
South Africa	8,339,000	88,566,977	11x
Brazil	23,188,171	207,046,810	9x
Argentina	6,487,950	58,598,041	9x
Malaysia	5,121,748	42,413,400	8x
Poland	6,747,000	51,098,747	8x
South Korea	26,816,398	66,355,778	2x

Source: International Telecommunications Union' statistics database as of 12/31/2018. Retrieved on 3/31/2020.
ITU is the United Nations specialized agency for information and communication technologies. Data includes pay-as-you-go and contract renewals

The proliferation of low cost smart phones across emerging markets, like the Mi Max 2 from Xiaomi pictured below, has meant much of the developing population is gaining access to the internet for the first time via smart phones.



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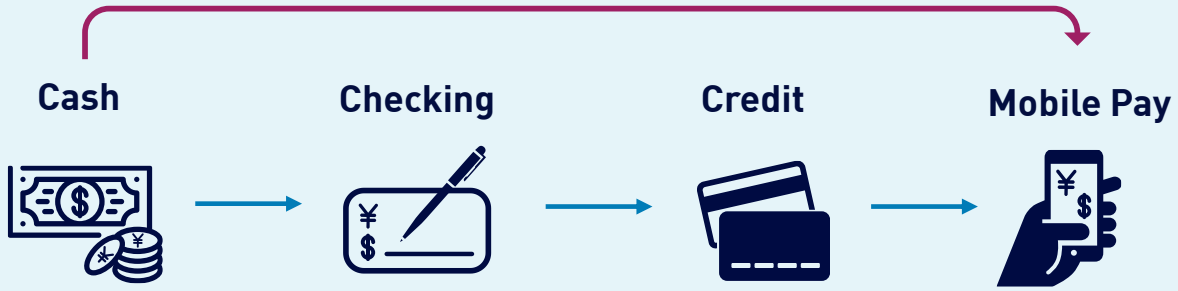
China's rapid adoption of new technologies has produced a "leapfrogging" effect

Payment



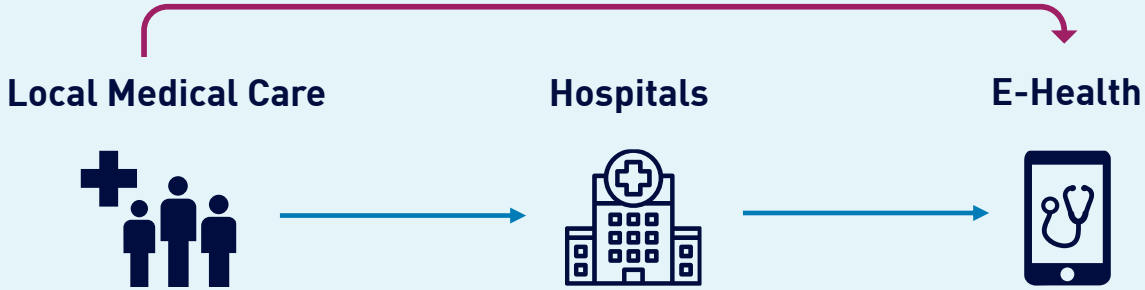
Commerce



Transportation



Healthcare



The Alibaba Ecosystem

China Domestic Marketplaces

1688.com
(B2B Ecommerce Marketplace)

Tmall.com
(B2C Online Retail Platform)

Cainiao
(E-commerce Logistics Platform)

Alimama
(Online Advertising Platform)

Global Marketplaces

AliExpress
(Global B2B Marketplace)

Taobao
(Global C2C E-commerce Website)

Ant Financial
(Mobile and Online Payments Platform)

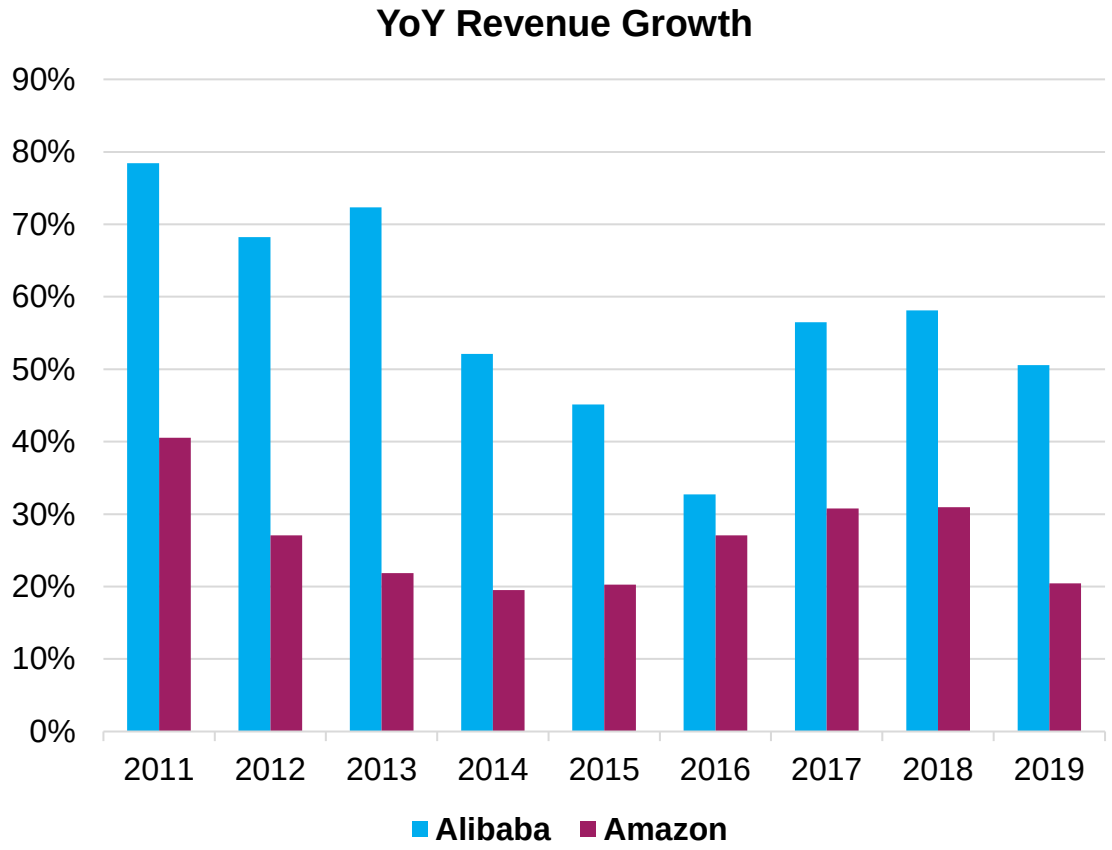
Alibaba Cloud
(Cloud Computing Services Provider to Online Businesses)

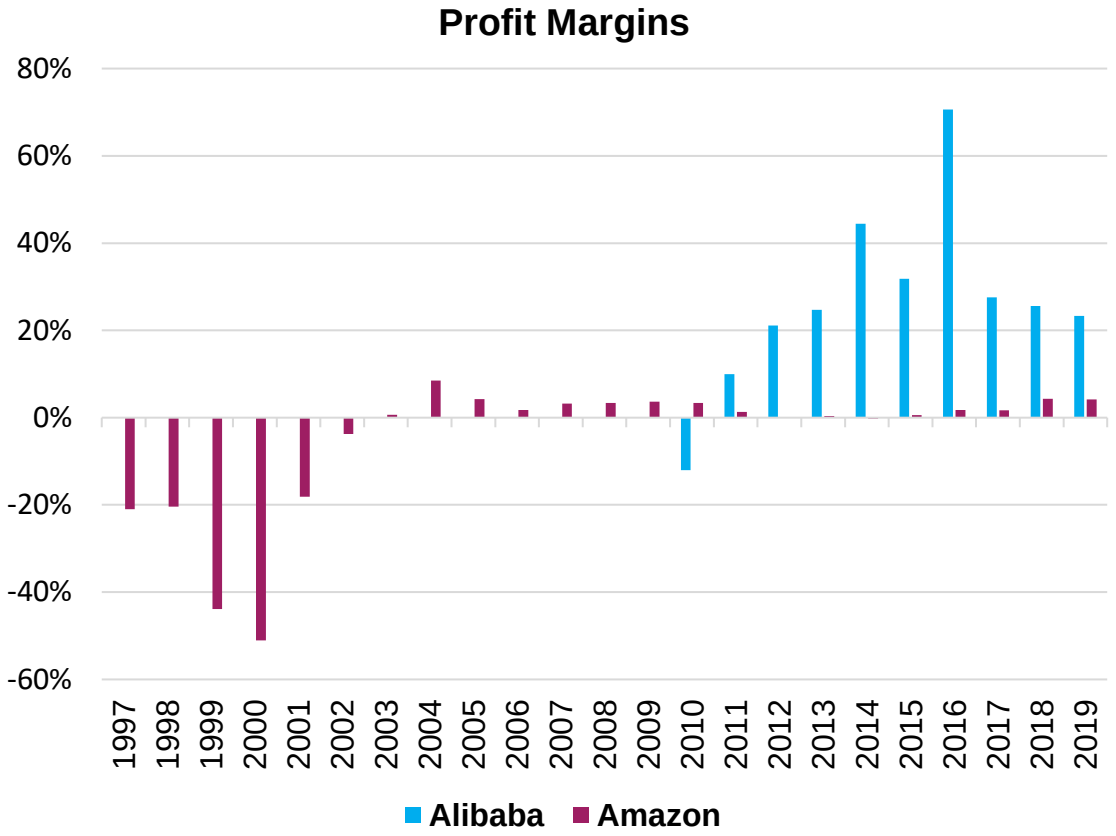
Other Business Ventures



Jack Ma (Alibaba Founder)

Historically, Alibaba has consistently outperformed Amazon in terms of revenue growth and profit margins.



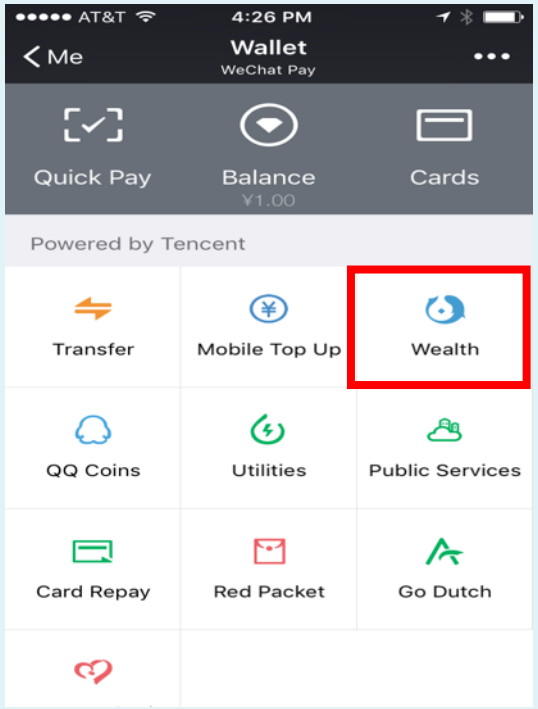


Data from Bloomberg as of 12/31/2019. Retrieved on 3/31/2020.

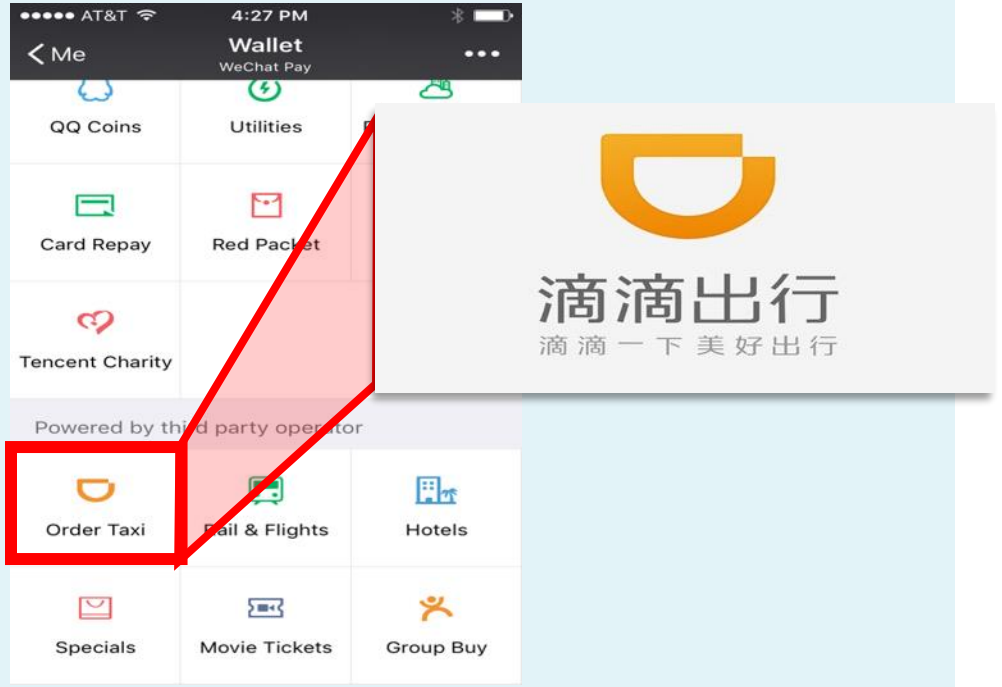
Past performance does not guarantee future results.

Apps like Tencent's WeChat integrate an ecosystem of services including messaging, social media, mobile payments, wealth management, & taxi hailing.

WeChat users can invest in mutual funds through the same app they use for social media.



In 2016, the US taxi hailing service Uber sold its Chinese business to local competitor Didi (logo below). Unlike Uber, which relies on a stand alone app, Didi integrates into the most popular Chinese social media platforms.



The proliferation of E-Commerce in China also benefits Chinese logistics and delivery companies.

Over 60 billion packages were delivered in China in 2019, an increase of 20% from the previous year[1].

JD.com warehouse employees prepare same-day delivery



Unlike competitor Alibaba, JD.com owns its own logistics network and has a fleet of delivery vehicles around China



[1]www.xinhua.net, "China's express delivery sector handles over 60 bln parcels in 2019", 12/16/2019. Retrieved 3/31/2020.

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China is Rapidly Becoming A Global Internet Services Leader.

2013

Top 10 Global Internet Companies By Market Cap[1]	
Alphabet	$374.4B
Amazon	$182.5B
Facebook	$138.8B
Tencent	$118.7B
Ebay	$71.0B
Baidu	$62.3B
Naspers Ltd	$43.4B
Yahoo	$41.0B
Twitter	$36.1B
Salesforce	$33.3B
Total	**$1.10T**

2020

Top 10 Global Internet Companies By Market Cap[2]	
Amazon	$1.0 T
Alphabet	$830.7 B
Alibaba	$525.8 B
Facebook	$496.8 B
Tencent	$474.5 B
Netflix	$162.8 B
Paypal	$123.2 B
Naspers	$61.9 B
NetEase	$41.6 B
Baidu	$33.6 B
Total	**$3.75T**

Potential Future IPOs

Top 10 Private Companies[3]	
Toutiao (Bytedance)	$75.0B
Didi Chuxing	$56.0B
Stripe	$35.3B
SpaceX	$35.3B
Airbnb	$18.0B
Kuaishou	$18.0B
One97 Communications	$16.0B
Epic Games	$15.0B
DJI Innovations	$15.0B
Grab	$14.3B
Total	**$297.9B**

1. Data from Bloomberg as of 12/31/2013. Retrieved on 3/31/2020.
2. Data from Bloomberg as of 4/8/2020. Retrieved on 4/8/2020.
3. Data from CB Insights as of April 2020. Retrieved on 4/8/2020.

KraneShares CSI China Internet ETF (NYSE: KWEB)

Investment Strategy:

KWEB (the Fund) tracks the CSI Overseas China Internet Index (the Index) and invests in China based companies whose primary business or businesses are focused on internet and internet-related technology. These companies are publicly traded on either the Hong Kong Stock Exchange, NASDAQ Stock Market, or New York Stock Exchange.

Key Fund Information

Ticker	KWEB
Index Name	CSI Overseas China Internet Index
Primary Exchange	NYSE
Total Annual Fund Operating Expense	0.76%
Inception Date	7/31/2013
Distribution Frequency	Annually

Top Ten Holdings as of 3/31/2020 The Fund's Holdings Are Subject to Change.	**% of Fund**
TENCENT HOLDINGS LTD	10.04
ALIBABA GROUP HOLDING-SP ADR	9.96
MEITUAN DIANPING-CLASS B	7.75
JD.COM INC-ADR	7.53
BAIDU INC - SPON ADR	6.23
TAL EDUCATION GROUP- ADR	4.87
VIPSHOP HOLDINGS LTD - ADR	4.53
NETEASE INC-ADR	4.42
PINDUODUO INC-ADR	3.94
IQIYI INC-ADR	3.19

KWEB Performance History as of 3/31/2020

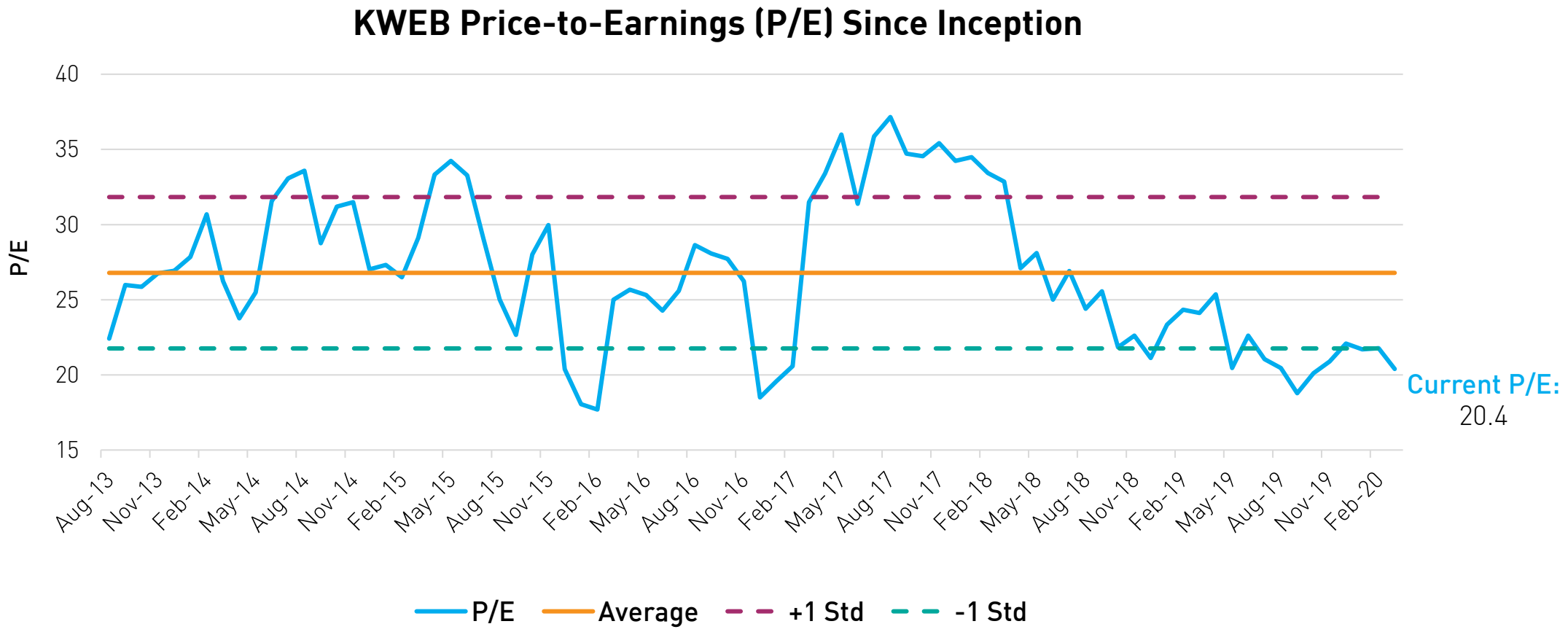
	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception 7/31/2013	1 Yr	3 Yr	5 Yr	Since Inception 7/31/2013
Fund NAV	-7.13%	9.19%	92.77%	-3.85%	3.66%	6.87%	10.35%
Closing Price	-7.13%	9.53%	92.87%	-3.83%	3.58%	6.86%	10.35%
Index	-7.04%	9.29%	93.28%	-3.84%	3.95%	7.17%	10.39%

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.

KWEB's current valuation is well below its historic average.

- Price-to-earnings ratio (P/E ratio) is a valuation metric that measures a security's current share price relative to its per-share earnings.
- KWEB's current P/E ratio of 20.4 is more than 1 Standard Deviation (Std) below its historic average, meaning KWEB is inexpensive relative to its average.

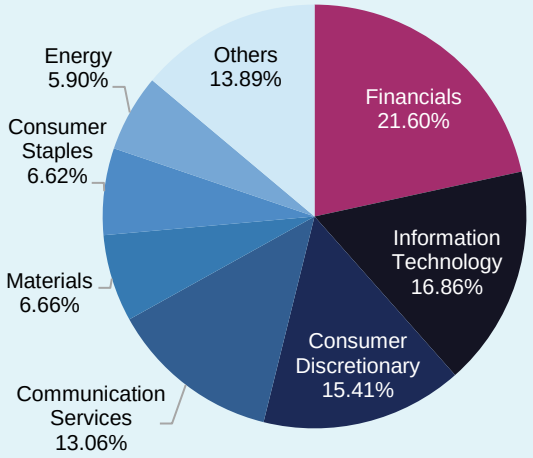


Data from FactSet as of 3/31/2020. Retrieved on 3/31/2020.
Standard deviation is a statistic that measures the dispersion of a dataset relative to its average.

Adding a strategic China Internet allocation to EM portfolios can increase exposure to growth sectors.

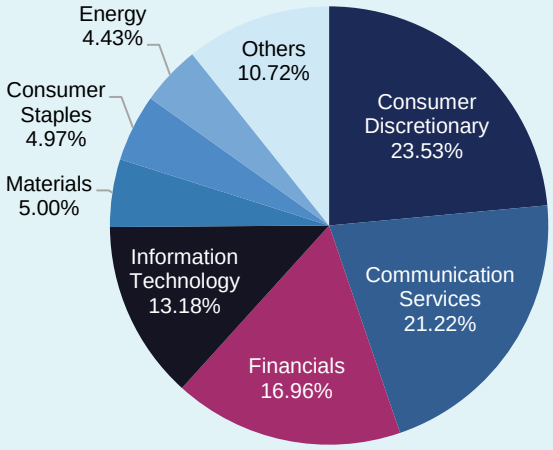
- Broad-based EM indexes often have greater weights to sectors such as financials and commodities and less exposure to growth sectors.[2]
- Investors may consider adding a strategic China Internet allocation to their current EM portfolio to achieve the sector exposure that matches their specific growth appetite.

MSCI EM 100%



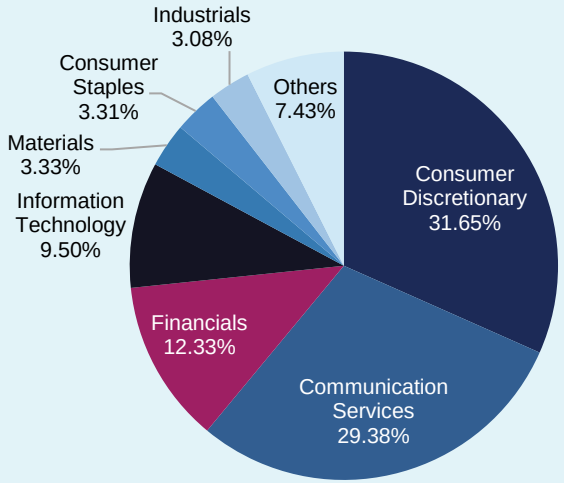
% Weight of Growth Sectors[2]
53.82%

China Internet[1] 25% MSCI EM 75%



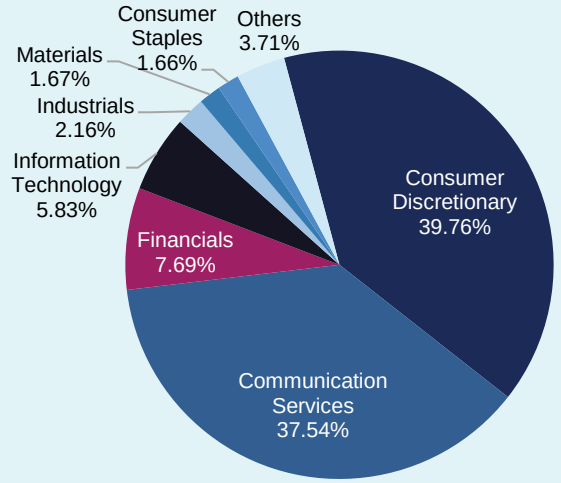
% Weight of Growth Sectors[2]
64.61%

China Internet[1] 50% MSCI EM 50%



% Weight of Growth Sectors[2]
75.39%

China Internet[1] 75% MSCI EM 25%



% Weight of Growth Sectors[2]
86.18%

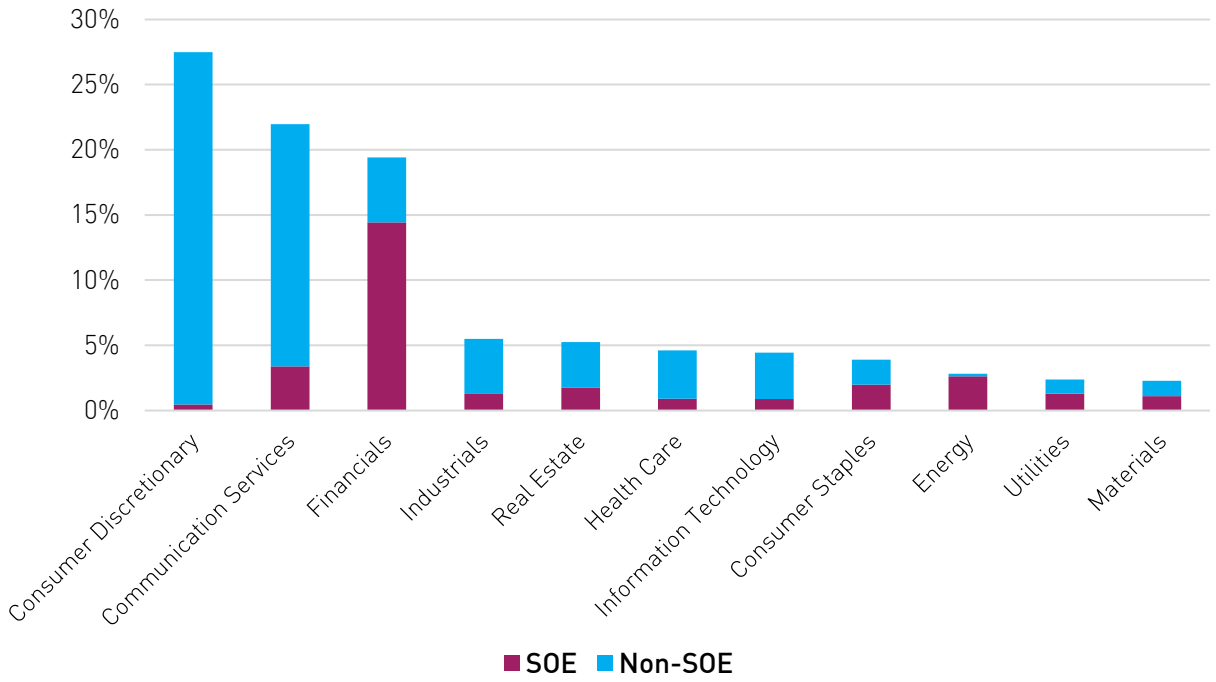
Information is hypothetical, and is provided for illustrative purposes only and not indicative of any particular investment.
Data from Bloomberg as of 3/31/2020.

1. China Internet – CSI Overseas China Internet Index. See page 26 for index definitions.
2. Growth sectors defined as the top 5 sectors by weight of the MSCI ACWI Growth Index as of 3/31/2020: Information Technology, Consumer Discretionary, Industrials, Health Care, and Communication Services

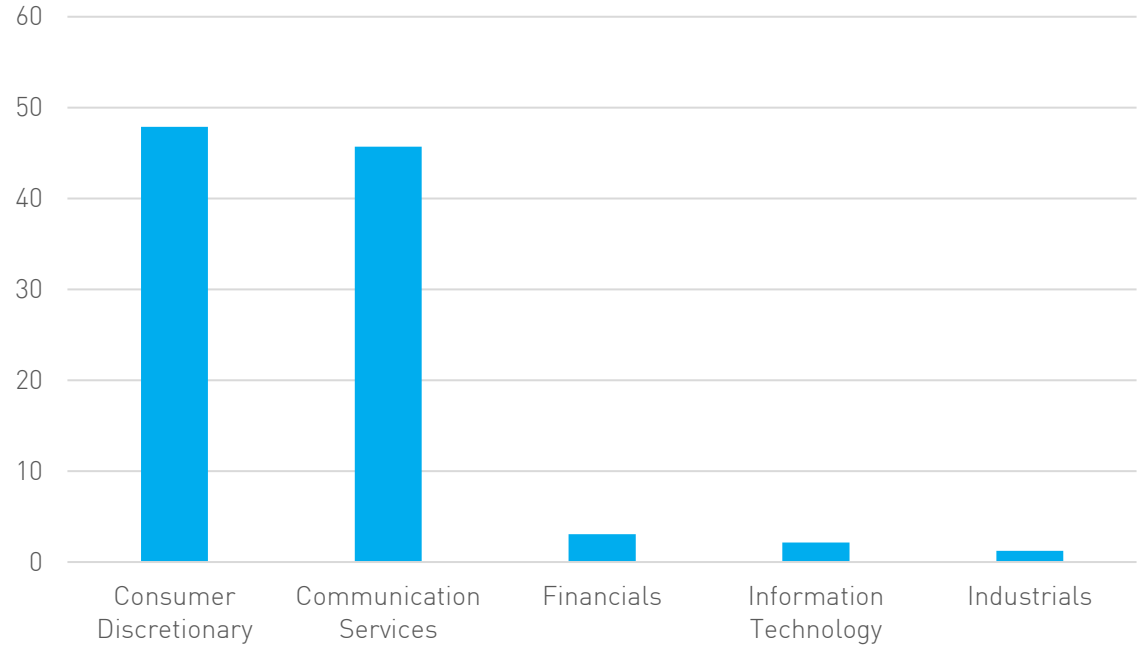
Traditional China indexes have greater exposure to State-Owned Enterprises.

- State-Owned Enterprises are defined by MSCI as companies whose largest shareholder is a government entity or whose government ownership is over 20%.[1]
- The MSCI China Index has high exposure to SOEs which constitute 30.11% of the weight of the Index.[1]
- Sectors such as financials and energy have the highest concentration of State-Owned Enterprises.
- The CSI Overseas China Internet Index has no exposure to SOEs.

MSCI China Index Sector Breakdown of SOEs and Non-SOEs[1]



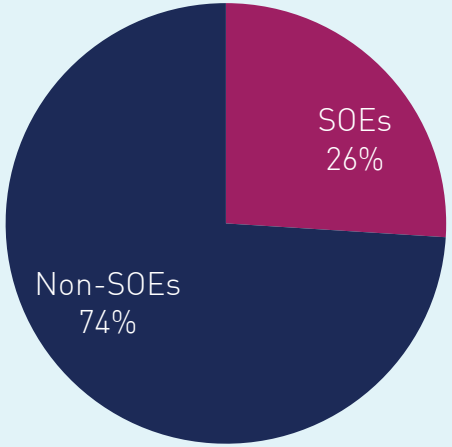
CSI Overseas China Internet Index Sector Breakdown[2]



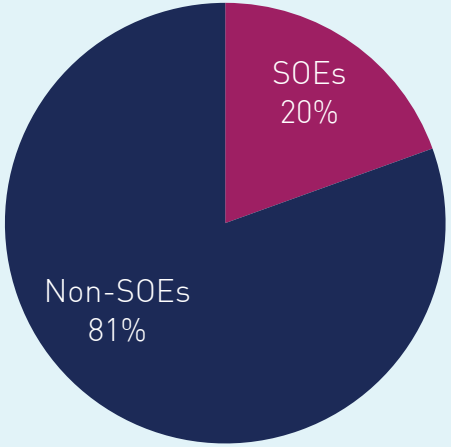
1.Data from MSCI and Bloomberg as of 3/31/2020. See page 26 for index definitions.
2.Data from CSI as of 3/31/2020.

A strategic China Internet allocation can reduce exposure to State-Owned Enterprises.

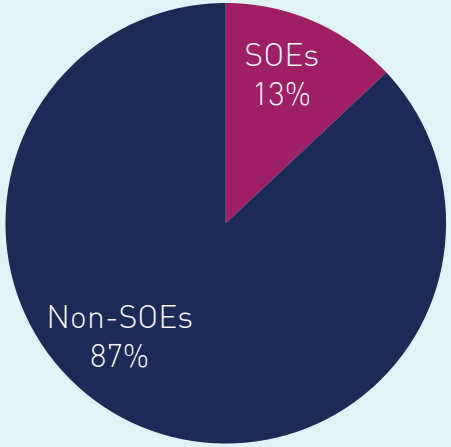
100% MSCI EM



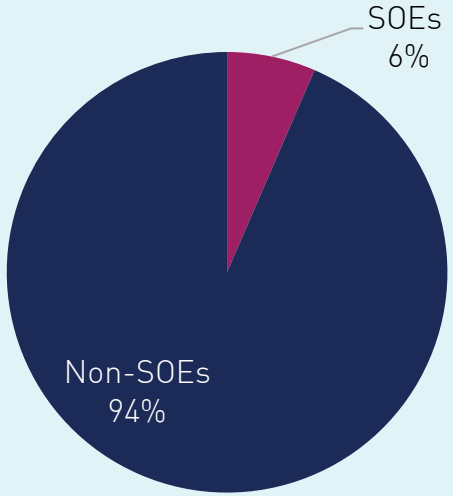
75% MSCI EM / 25% China Internet[1]



50% MSCI EM / 50% China Internet[1]



25% MSCI EM / 75% China Internet[1]



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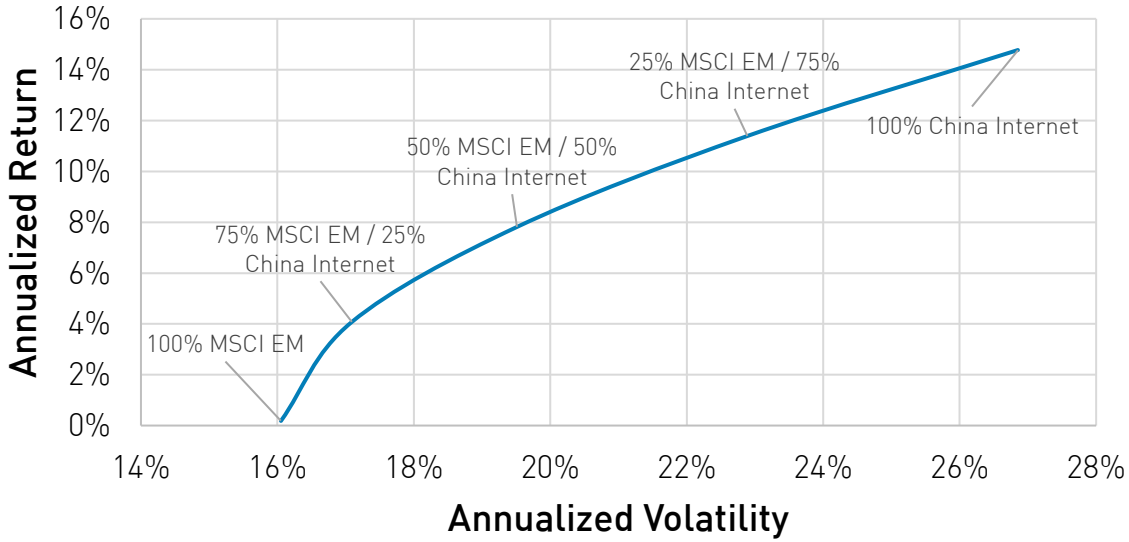
Data from Callan and CSI as of 3/31/2020.

1. Data from CSI as of 3/31/2020. State-Owned Enterprises as defined by MSCI are companies whose largest shareholder is a government entity or whose government ownership is over 20%. China Internet – CSI Overseas China Internet Index. See page 26 for index definitions.

Investors can adjust their strategic China Internet allocation within EM to match their specific risk-reward profile.

- China Internet is more volatile than EM broadly, but has provided superior annualized returns and improved Sharpe ratios since the inception of the CSI Overseas China Internet Index.

Blended China Internet/ MSCI EM Index Hypothetical Portfolios
Return and Volatility 2012-2020 (Since Inception)



Return and Volatility 2011-2020 (Since Inception)					
	100% MSCI EM	75% MSCI EM / 25% China Internet	50% MSCI EM / 50% China Internet	25% MSCI EM / 75% China Internet	100% China Internet
Annualized Return	0.19%	4.08%	7.82%	11.39%	14.78%
Annualized Volatility	16.1%	17.1%	19.5%	22.9%	26.9%
Sharpe Ratio	(0.03)	0.20	0.36	0.47	0.52

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

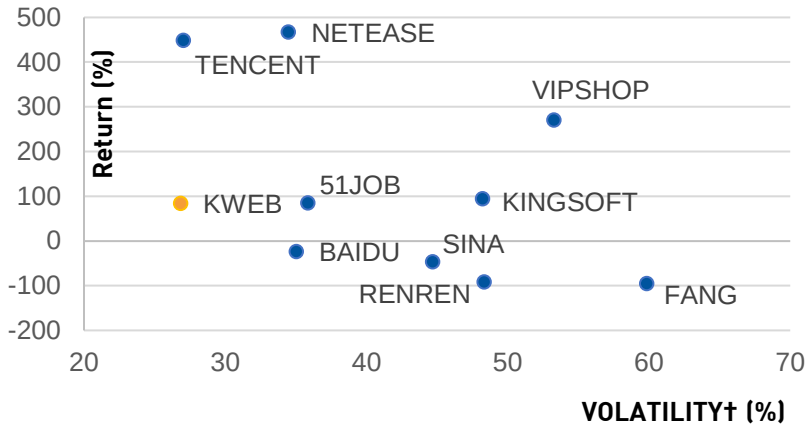
Data from Bloomberg as of 3/31/2020. See page 26 for index definitions.
Sharpe Ratio - used to help investors understand the return of an investment compared to its risk. Generally, the greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.

KraneShares

KWEB's investment strategy provides a basket approach to China Internet sector which is aimed at potentially reducing volatility compared to individually held China Internet stocks.

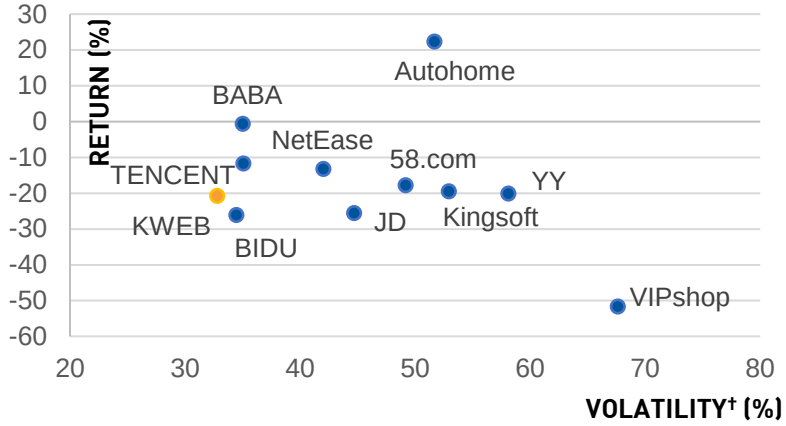
Historical Return / Volatility of KWEB & Its Top Holdings Since KWEB Inception (7/31/2013) & The Past 2 Years

Since Inception (7/31/2013 - 3/31/2020)



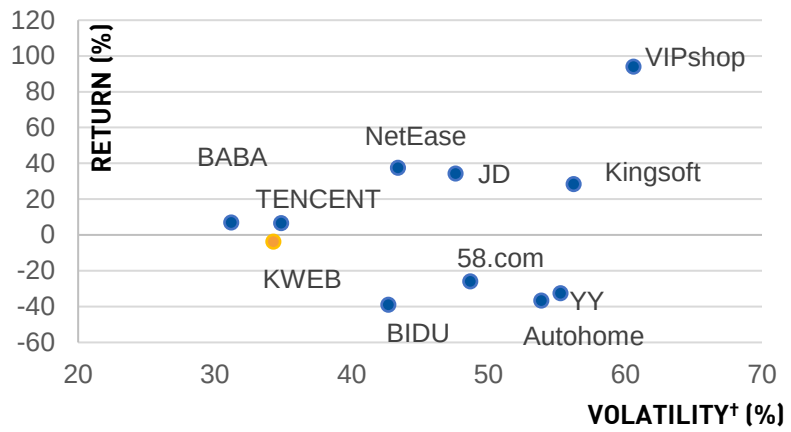
Top Ten Holdings as of 7/31/2013	**Ticker**	**%**
BAIDU INC - SPON ADR	BIDU	10.37
TENCENT HOLDINGS LTD	700 HK	9.62
CTRIP.COM INTERNATIONAL-ADR	CTRP	6.77
NETEASE INC-ADR	NTES	6.61
SINA CORP	SINA	4.83
VIPSHOP HOLDINGS LTD - ADR	VIPS	4.80
FANG HOLDINGS LTD - ADR	SFUN	4.28
KINGSOFT CORP LTD	3888 HK	3.97
RENREN INC-ADR	RENN	3.53
51JOB INC-ADR	JOBS	3.41

3/31/2018 - 3/31/2019



Top Ten Holdings as of 3/31/2018	**Ticker**	**%**
TENCENT HOLDINGS LTD	700 HK	9.88
ALIBABA GROUP HOLDING-SP ADR	BABA US	8.81
VIPSHOP HOLDINGS LTD - ADR	VIPS US	6.93
BAIDU INC - SPON ADR	BIDU US	6.87
JD.COM INC-ADR	JD US	5.63
MOMO INC-SPON ADR	MOMO US	5.17
AUTOHOME INC-ADR	ATHM US	4.89
NETEASE INC-ADR	NTES US	4.81
WEIBO CORP-SPON ADR	WB US	4.20
58.COM INC-ADR	WUBA US	4.07

3/31/2019 - 3/31/2020



Top Ten Holdings as of 3/31/2019	**Ticker**	**%**
ALIBABA GROUP HOLDING-SP ADR	BABA US	9.57
TENCENT HOLDINGS LTD	700 HK	9.54
MEITUAN DIANPING-CLASS B	3690 HK	6.53
BAIDU INC - SPON ADR	BIDU US	6.47
CTRIP.COM INTERNATIONAL-ADR	CTRP US	5.23
NETEASE INC-ADR	NTES US	4.84
JD.COM INC-ADR	JD US	4.77
TENCENT MUSIC ENTERTAINM-ADR	TME US	4.68
TAL EDUCATION GROUP- ADR	TAL US	4.21
IQIYI INC-ADR	IQ US	4.06

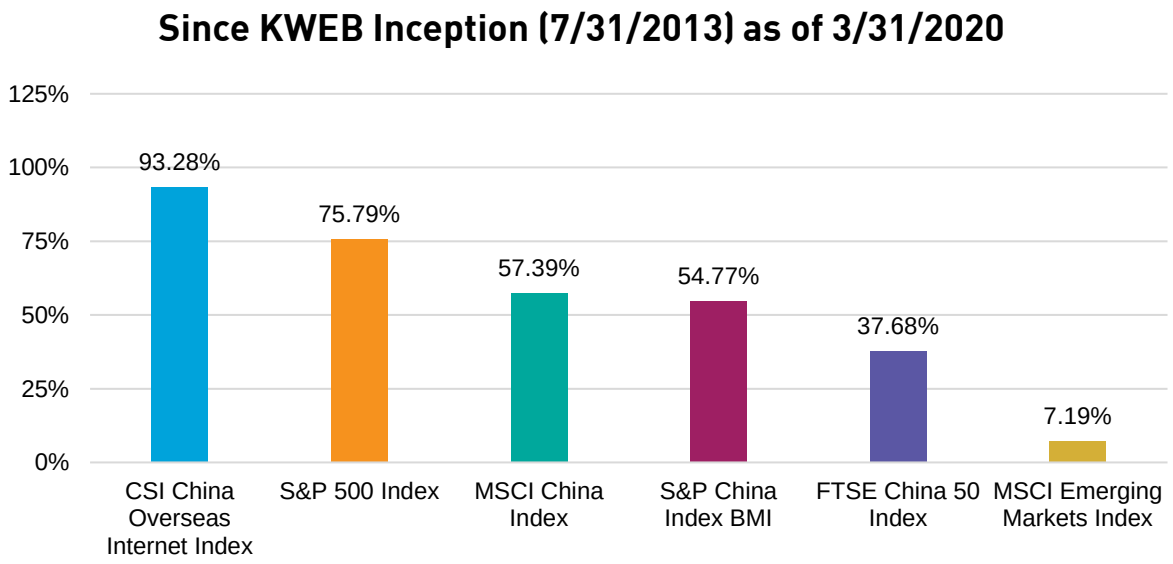
Data from Bloomberg as of 3/31/2020.

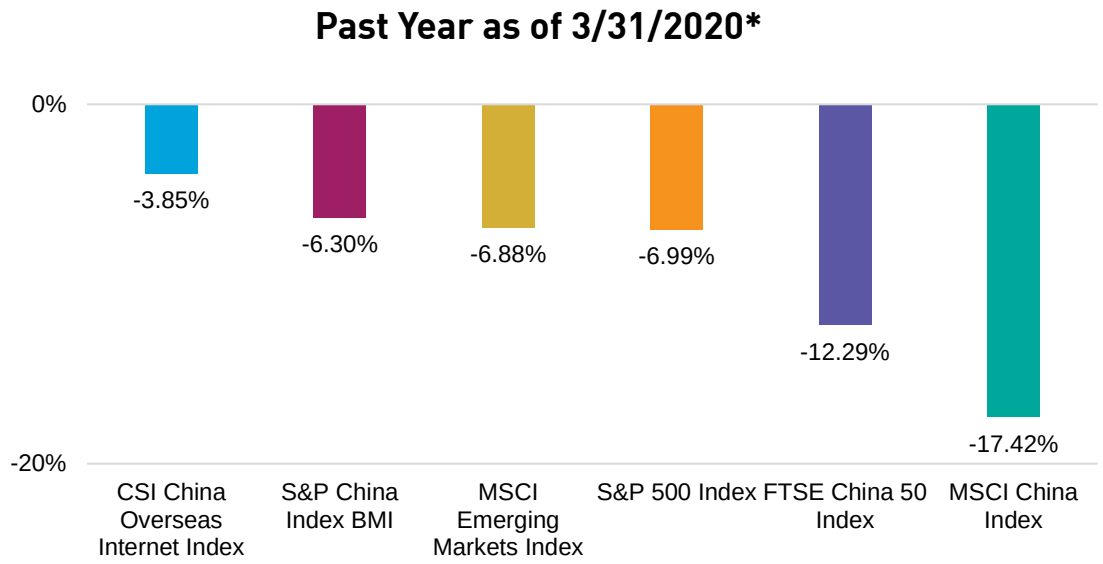
†Volatility: is the degree of variation of a trading price series over time as measured by the standard deviation of returns. Standard deviation: is a quantity calculated to indicate the extent of deviation for a group as a whole. A low standard deviation indicates that the data points tend to be close to the mean (also called the expected value) of the set, while a high standard deviation indicates that the data points are spread out over a wider range of values.

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 call +(1)855 8KRANE8 or visit our website at www.kraneshares.com/kweb/.

China Internet performance compared to the U.S., Emerging Markets, & Other China Indexes





Total return gross dividend tax data from Bloomberg as of 3/31/2020. See page 17 for standard performance.

***Cumulative return is the aggregate amount that an investment has gained or lost over time.**

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

See page 26 for index definitions.

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.

The S&P 500 and MSCI Emerging Markets Indexes were chosen to represent the U.S. and broader emerging markets respectively because they are considered to be the industry standard bearers for representing these markets.The S&P China BMI, MSCI China and FTSE China 50 indexes were chosen because they are popular measures of the broad Chinese market and are helpful for illustrating how the Chinese technology sector performs relative to the Chinese markets as a whole.

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. Variable-interest entities (VIEs) do not give investors ownership in the operating company as stock does. The enforceability of the VIE structure is not guaranteed by Chinese law. 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. The fund is non-diversified.

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.

The KraneShares ETFs are distributed by SEI Investments Distribution Company (SIDCO), which is not affiliated with Krane Funds Advisors, LLC, the Investment Adviser for the Fund.

Important Notes (continued)

The S&P 500 Index: is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. **The 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. **FTSE China 50 Index:** is a real-time tradable index comprising 50 of the largest and most liquid Chinese stocks (H Shares, Red Chips and P Chips) listed and trading on the Stock Exchange of Hong Kong (SEHK). **MSCI China Index:** The MSCI China Index captures large and mid cap representation across China H shares, B shares, Red chips and P chips. With 157 constituents, the index covers about 84% of this China equity universe. **S&P China BMI Index:** is a comprehensive benchmark that defines and measures the investable universe of publicly traded companies domiciled in China, but are legally available to foreign investors.

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.

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Forward-looking statements (including Krane's opinions, expectations, beliefs, plans, objectives, assumptions, or projections regarding future events or future results) contained in this presentation are based on a variety of estimates and assumptions by Krane. These statements generally are identified by words such as "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," "should," "likely," and similar expressions. These also include statements about the future, including what "will" happen, which reflect Krane's current beliefs. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive, and financial risks that are outside of Krane's control. The inclusion of forward-looking statements herein should not be regarded as an indication that Krane considers forward-looking statements to be a reliable prediction of future events and forward-looking statements should not be relied upon as such. Neither Krane nor any of its representatives has made or makes any representation to any person regarding forward-looking statements and neither of them intends to update or otherwise revise such forward-looking statements to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such forward-looking statements are later shown to be in error. Any investment strategies discussed herein are as of the date of the writing of this presentation and may be changed, modified, or exited at any time without notice.

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