KraneShares

KGHG

Investing in the Low-Carbon Leaders of the Future:

An Overview of KraneShares Global Carbon Transformation ETF (Ticker: KGHG)

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KGHG

KraneShares Global Carbon Transformation ETF

Investment Strategy:

KGHG is an actively managed ETF that aims to capture the low-carbon leaders of the future. The fund includes companies in traditionally high emitting industries proactively focused on carbon transformation. Companies in high-impact industries with a stated commitment and demonstrated action towards decarbonization may see superior growth compared to their peers and their own histories. These companies may also benefit from improved Environment, Social, Governance (ESG) scoring and a revaluation.

Decarbonization Highlights:

- Global energy demand will grow 50% by 2050[1] and 80% of the world's energy use is still fossil fuels.[2] If we continue on this track scientists predict we could see extreme weather events that could make large portions of the earth uninhabitable.
- Decarbonization is becoming increasingly important as pressure for companies to address climate change intensifies.
- Three core drivers of decarbonization include: a trend to greater policy reforms around regulating emissions; pressure from investors, including increasing inflows into ESG and impact investments; falling renewable-related technology costs from accelerating innovation and the flywheel effect of adoption.
- Sectors with high emissions will face substantial impact on demand, production cost, and cost of capital from investor pressure and the price of CO_2 emissions rising.
- Green capital expenditure is an emerging multi-decade, secular theme that is crucial in facilitating the decarbonization transition across industries. This significant increase in infrastructure spending will create an investment opportunity.

KGHG Features:

- Provides access to the emerging decarbonization leaders disrupting their industries and the companies enabling them
- Can provide potential portfolio diversification*, as climate-focused investments may act as a differentiated and non-correlated source of return that are not driven by the economic cycle
- A liquid global thematic ESG strategy, diversified* by sector, geography, and market cap
- Active management allows for dynamic exposure in an evolving investible universe
- Tax efficiency – portfolio rebalancing does not incur tax impact from capital gains in actively managed portfolio

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

1. US Energy Information Administration, 2021.
2. Environmental and Energy Study Institute, 2021.

New York Times, Aug. 8, 2019

Climate Change Threatens the World's Food Supply, United Nations Warns

Science, Jul. 23, 2021

Europe's deadly floods leave scientists stunned

The Washington Post, Aug. 14, 2020

Record Arctic blazes may herald new 'fire regime' decades sooner than anticipated

CBS News, Aug. 11, 2021

Dixie Fire becomes largest single wildfire in California history

World News, Aug. 8, 2021

Wildfires Rage Through Greece As Thousands Are Evacuated

Floodlist, Aug. 9, 2021

China – 80,000 Evacuate Floods in Sichuan

The Guardian, Mar. 15, 2021

Climate crisis: recent European droughts 'worst in 2,000 years'

Mongabay, Jun. 3, 2021

The Brazilian Amazon is burning, again

New York Times, Oct. 21, 2021

Where's the Water? Drought Threatens California's Lifeline

CNNBC, Mar. 10, 2022

Siberian wildfires now bigger than all other fires in world combined

VOX, Mar. 11, 2021

Why every state is vulnerable to a Texas-style power crisis

Science, Jul. 29, 2021

Zhengzhou subway flooding a warning

Climate Change will Be the Defining Theme of this Decade

As individual awareness grows and people are impacted personally, they become more aware.

The pace and magnitude of these events, occurring in multiple places around the globe, suggests that governments and policymakers will continue to feel pressure to advance and support mitigation measures.

Amidst the threat, there is tremendous opportunity

The Status Quo is Unsustainable – Carbon Transformation is Necessary

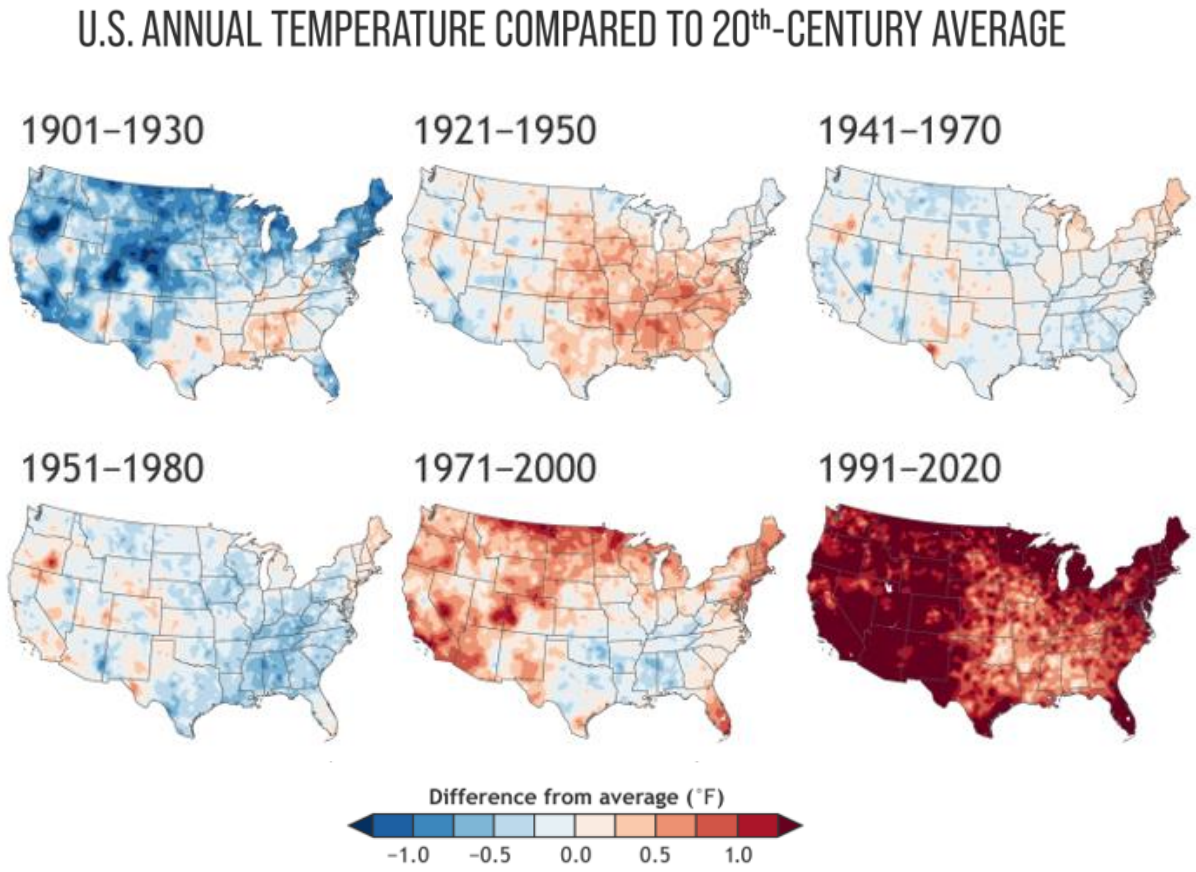
- **The way we generate and use energy today is at odds with our need for climate stability**
- Global energy demand will grow 50% by 2050[1] and currently 80% of the world's energy use is fossil fuels[2]
- Reaching net zero emissions requires a fundamental transformation of the global economy – and implies essentially the rebuilding of substantial portions of our energy and land use infrastructure in the next 30 years
- The capital spending needed to achieve this is estimated to average $9.2 trillion annually from 2021 to 2050, 60% more than we currently spend on infrastructure[3]

Policy Response Will Disrupt Multiple Industries, Creating Winners and Losers

- **As impact grows, awareness increases, and this drives engagement, pressure and action**
- Sectors with high-emission products or operations face increasing pressure: they represent 20% of global GDP[3]
- More stringent emission standards are likely. Meeting all existing commitments is insufficient to hold global warming below 1.5° C[3]

Climate is a Differentiated and Non-Correlated Source of Return

- **There is a substantial opportunity – decarbonization-related capital investment is an emerging multi-decade secular growth theme**
- Understanding its impact and implications is an investment imperative and is highly relevant to all investors
- As awareness and pressure grow, climate leaders will be revalued



Source: Climate.gov, Climate change and the 1991-2020 U.S. Climate Normals, Oct 2, 2021

1. US Energy Information Administration, "EIA projects nearly 50% increase in world energy use by 2050, led by growth in renewables" 10/7/2021.
2. Environmental and Energy Study Institute, "Fossil Fuels" 7/22/2021
3. McKinsey & Company, "The net-zero transition", January 2022

Three Areas of Scientific Consensus on Climate

Earth's Climate is Getting Hotter

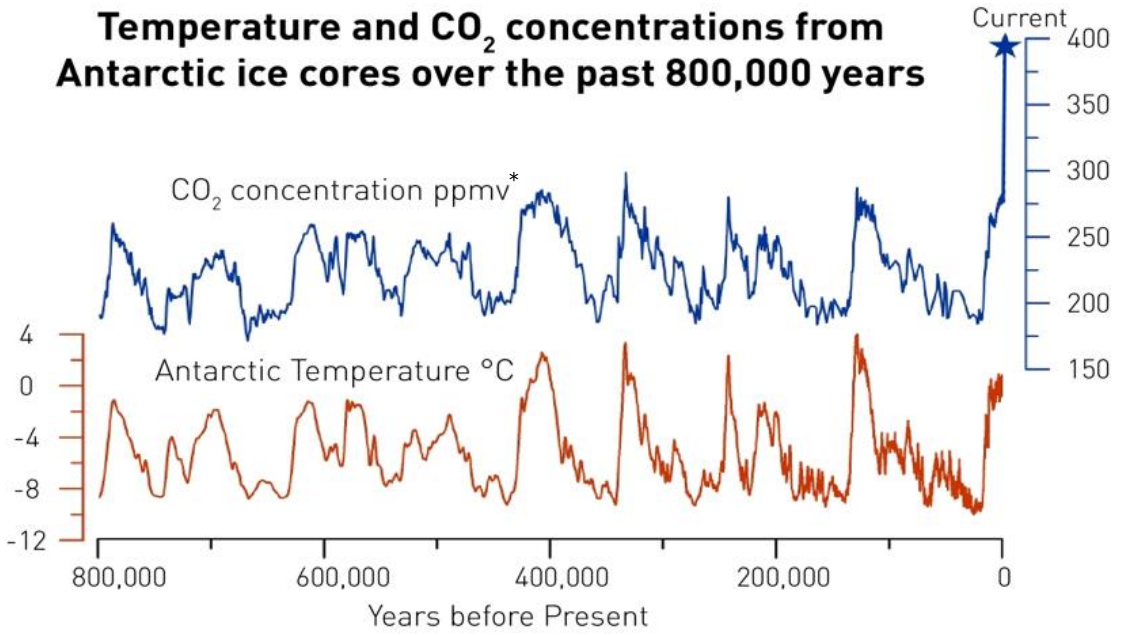
- The ten warmest years since 1880 have all occurred since 2005[1]
- July 2021 was earth's hottest ever month, with a combined land-ocean surface temperature 1.67° F above the 20th century average[2]
- Oceans absorb 90% of the extra energy (heat). Water expands as it gets warmer, leading to rising ocean levels

And More Extreme

- "Climate related disasters" increased 83% in 2000-2019 over the prior 20-year period[4]

Human Actions Contribute

- 70% of extreme weather events are exacerbated by human behavior[5]
- 97% of scientific research confirms the occurrence of anthropogenic global warming (caused by human activity)[6]



Using Antarctic ice cores scientists can measure past concentrations of gases in the atmosphere. Antarctic ice cores contain distinct layers from snowfall accumulated over thousands of years. Using the air captured in the layers, scientists measure historic atmospheric concentrations. Melting polar ice can also allow methane release into the atmosphere, creating a negative feedback loop. Methane is more than 25x as potent as CO_2 at trapping heat in the atmosphere.[7]

Source: U.S. Global Change Research Program. Fourth National Climate Assessment, 2018
*ppmv = parts per million volume

1. NASA Global Climate Change: Vital Signs of the Planet
2. National Oceanic and Atmospheric Administration. August 13, 2021
3. IUCN, Issues Brief, "Ocean warming", retrieved 3/1/2022.
4. Climate Center, "UN: Climate-related disasters increase more than 80% over last four decades", Oct 13 , 2020.
5. Carbon Brief, "Mapped: How climate change affects extreme weather around the world", Feb 25, 2021.
6. J. Cook et al, "Consensus on consensus: a synthesis of consensus estimates on human-caused global warming." Environmental Research Letters Vol 11. No. 4, April13, 2016
7. United States Environmental Protection Agency. Global Methane Initiative. Retrieved on March 1, 2022

Policy - More Countries are Getting On Board

Governments see decarbonization as having the potential for a triple win. It meets climate policy commitments by driving greenhouse gas (GHG) reduction; it contributes to strategic energy security (both certainty of access and price stability); and promotes economic development, creating new industries for growth

In many instances, the countries leading the decarbonization charge also have strong strategic and economic motives:

	Japan	Imports 94% of its primary energy[1]
	European Union	58% of total energy needs met by imports[2]
	Germany	Oil is Germany's most important primary energy source. In 2020, 98% was imported, with Russia the largest supplier[3]
	Italy	73% of total energy needs met by imports[2]
	Korea	Imports almost 93.5% of its energy and natural resources consumption. 73.5% of its oil comes from the Middle East[4]
	Australia	World's largest metallurgical coal exporter and second largest thermal coal exporter[5]
	China	China is the world's largest crude oil importer. In 2019 coal supplied 58% of China's total energy consumption[6]

Bloomberg Green

Saudi Arabia's Bold Plan to Rule the $700 Billion Hydrogen Market

The kingdom is building a $5 billion plant to make green fuel for export and lessen the country's dependence on petrodollars.

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ENGINEERING IDEAS INTO REALITY
ENGINEERS AUSTRALIA

Is hydrogen Australia's next big export opportunity?

1. The Federation of Electric Power Companies of Japan. Retrieved March 2, 2022
2. 2020 data. Eurostat Data Browser. Retrieved March 2, 2022
3. Clean Energy Wire. March 2, 2022
4. Ministry of Foreign Affairs, Republic of Korea. Retrieved March 2, 2022
5. Australian Government. Dept of Industry, Science, Energy & Resources. "Resources and Energy Quarterly, March 2021"
6. EIA, "Country Analysis Executive Summary: China", Sept 20, 2020. Retrieved March 2, 2022

Policy – The Status Quo is Becoming Less Profitable

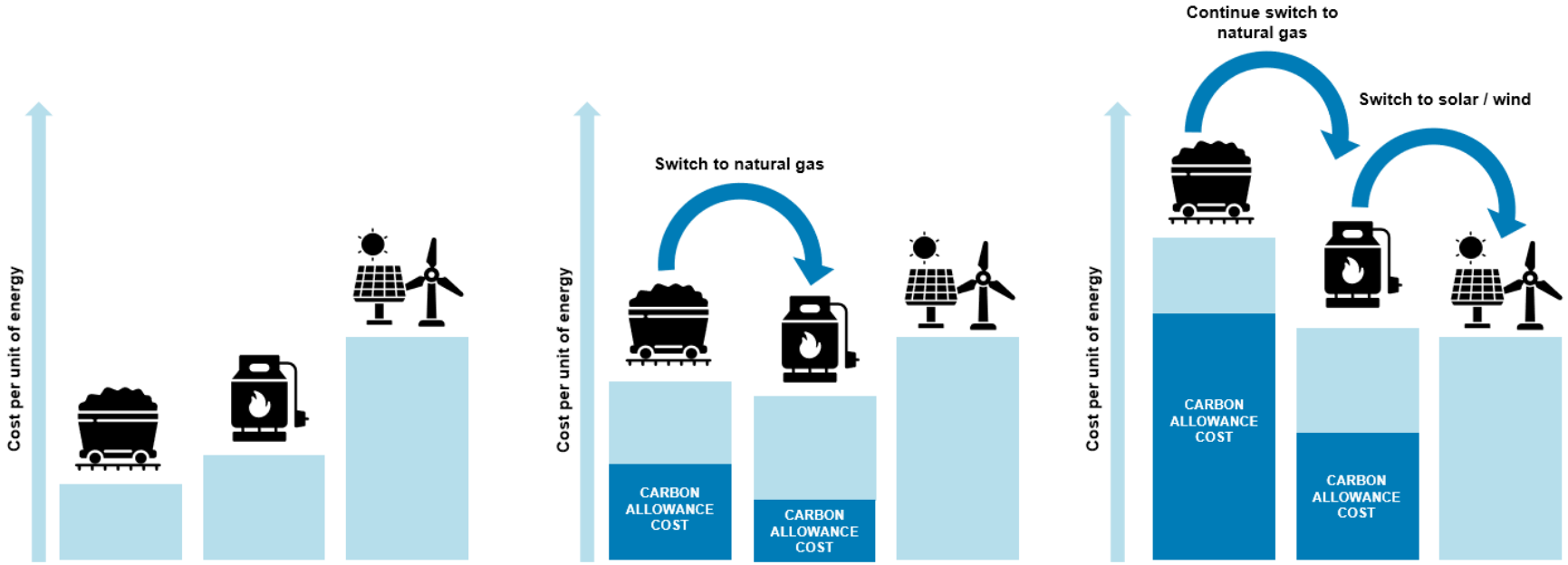
- Net zero commitments cover one fifth of the world's largest corporations and 68% of global GDP, compared to 16% in 2019.[1] These commitments use a combination of quotas and allowances
- Carbon allowances exist in countries and across industries. Their prices are a real-time indicator of the cost of continuing to emit CO_2
- As the cost of allowances increases, the relative economics of alternatives shift, influencing investment behavior
- Analysts have consistently underestimated both the tightening of EU climate targets and the growing investor interest in allowances as an asset class

An Illustration of How Carbon Allowances can Reduce Emissions

In the absence of taxes, coal might typically be the cheapest source of energy for power generation

As taxes are applied based on carbon emissions, coal carries a heavier tax load than lower CO_2 emitting natural gas, making it a more expensive energy source after carbon taxes are included

As natural gas also creates CO_2 emissions, once its carbon tax load is included, solar and wind become the lowest net cost of power generation



1. World Resources Institute. Retrieved March 2, 2022

Technology – While the Alternative is Becoming Cheaper

The cost of change is falling and the rate of change is accelerating

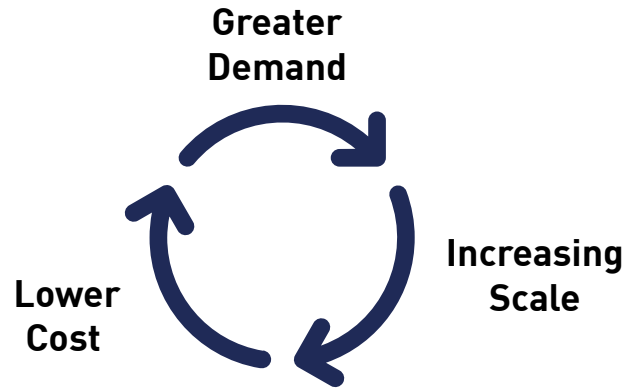
- As new industries scale, costs fall rapidly. Solar generating costs have fallen 90% in ten years.[1]
- The pace of technology adoption accelerates with a **flywheel effect** – where increasing scale drives down cost and incents greater adoption. Initial demand may require subsidies, but market-based scale economies quickly appear.
- More than 80% of all new electricity capacity added in 2020 was renewable, of which solar and wind accounted for 91% of the total.[1]

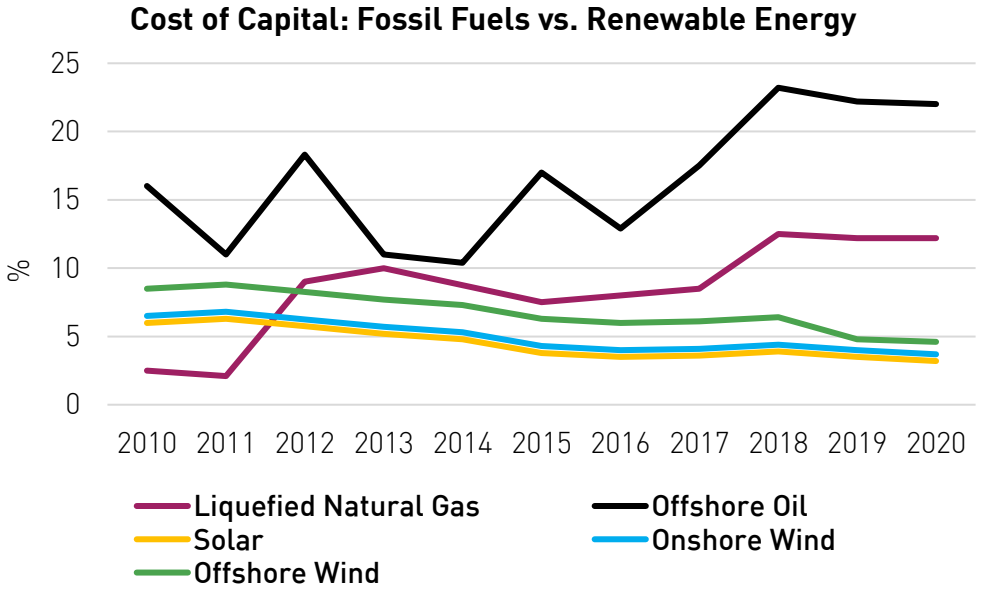
Increasing capital mobility and information speed drive adoption

- As information speed and capital flows have accelerated, change can come more quickly.

The cost of capital is increasingly advantageous

- Green-oriented investment capital has also continued to fall in cost versus that available to legacy energy, providing a further advantage to adoption.





Source: Goldman Sachs, as of 12/31/2019. Note: figures for 2020 are estimates.

1. International Renewable Energy Agency. April 5, 2021

Capital - Money Flows Are Driving Change in Corporate Behavior

Major Asset Owners

Private Equity

Mainstream Investors

Major Asset Owners – Increasingly Active and Exclusionary

- The world's largest insurance and pension funds see both risk and opportunity in climate change and have organized into advocacy groups to advance pro-sustainability agendas, backing activists and excluding emitters from portfolios.
- In a new age of climate activism, a small activist fund waged a proxy battle to secure three seats on ExxonMobil's board while holding only 0.02% of the shares.[1] The fund argued that Exxon has "no credible plan to protect value in an energy transition" and had failed to adjust its strategy to enhance long-term value.[1] Some of the company's largest shareholders joined in supporting the initiative.
- For corporates, resisting pressure to address climate change is increasingly looking like a costly position to take.

Private Equity – Experienced Change Agents

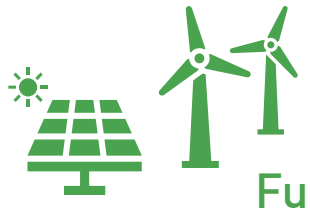
- See the opportunity to raise capital, participate and assist in driving outcomes
- Brookfield ($7B Global Transition Fund)[2] and TPG ($5.4B Rise Climate Fund)[3] are among new sponsors in the past year.

Mainstream Investors – ESG assets may hit a third of global total by 2025

- Sustainable fund flows in 2020 were more than double those in 2019 and 10x any prior year.[4] ESG assets account for half of Europe's total but are only a third of the US.
- Advancing decarbonization objectives is ESG favorable.

1. Financial Times. April 25, 2021
2. Brookfield. July 27, 2021
3. TPG: the Rise Fund. July 27, 2021
4. Morningstar, "A Broken Record, Funds for US sustainable funds again reach new heights", Jan 28, 2021.

As technology costs fall and avoided costs rise, the break-even lines cross and green-tech adoption accelerates



Full cycle cost of technology implementation

Rate of change accelerates at intersection

Full cycle cost of fossil fuel-based energy resources

Rising Avoided Costs

Falling Money Flows

Cost rises with greater regulation, rising price of CO_2, and a rising cost of capital as investor base shrinks

Falling Technology Costs

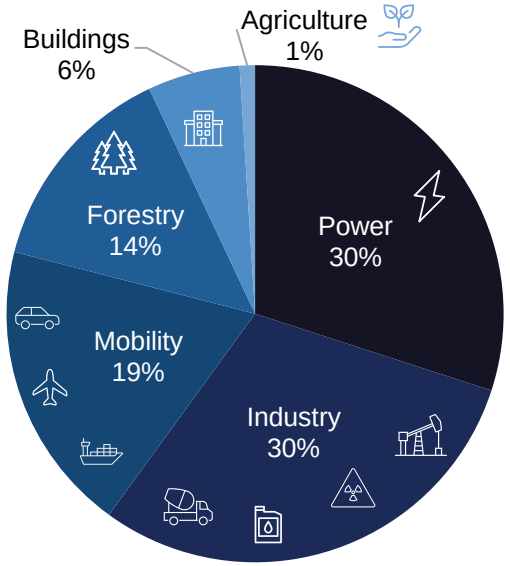
Increasing Money Flows

Cost falls as technology advances, scale increases, and capital flows increase. Cost of capital falls as valuation increases

Which Sectors Are Affected?

- The power and industrial sectors collectively account for 60% of CO_2 emissions[1]
- Sectors with high emissions will face substantial impact on demand, production cost, and cost of capital
- Operational improvement will only go so far. Substantial innovation and new technology adoption will be required
- Addressing this challenge will require a combination of energy efficiency storage, alternative fuels/materials and carbon capture
- In simple terms, we have to transition from a world that runs on fossil fuels to one that runs on electricity, and that electricity will be generated from non-fossil sources
- Necessary investment throughout the electrification value chain will provide multi-year growth visibility for key players

Share of CO_2 emissions per energy and land-use system (2019)



Subsectors' share of CO_2 emissions

Industry	
Steel	26%
Cement	20%
Oil & Gas	15%
Chemicals	12%
Coal	6%
Other	20%

Power	
Electricity	97%
Heat	3%

Mobility	
Road	75%
Aviation	13%
Maritime	11%
Rail	1%
Other	<1%

Forestry	
Forestry	100%

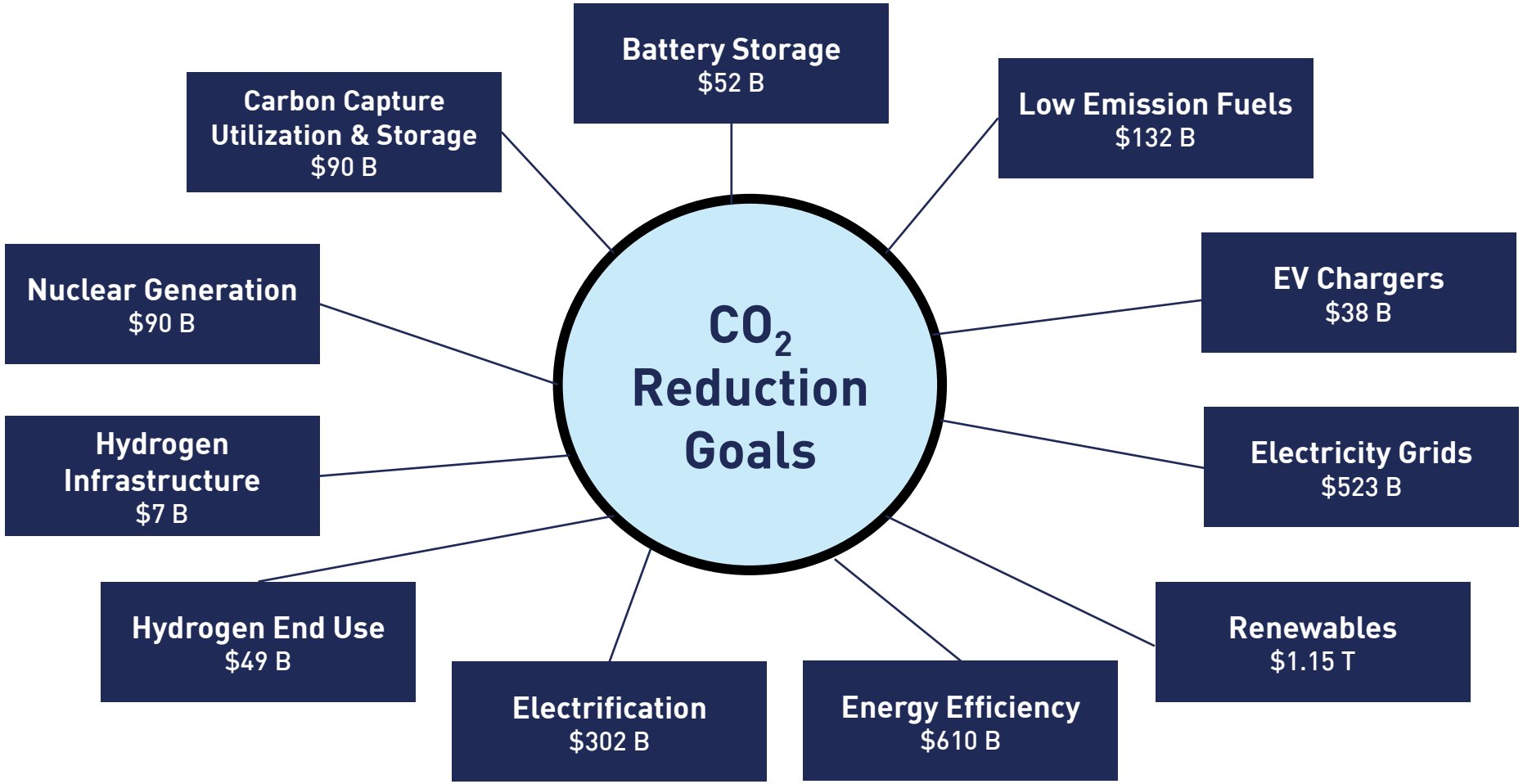
Building	
Residential	70%
Commerc-ial	30%

Agriculture	
Farming	96%
Fishing	4%

1. McKinsey & Co., The Net Zero Transition", Jan 2022

Where will the capital investment be required?

Critical areas of focus and annual investment needed throughout the 2020s to reach net zero goals



Source: Goldman Sachs," Green Capex, Making Infrastructure Happen", October 11, 2021

KGHG Investment Thesis

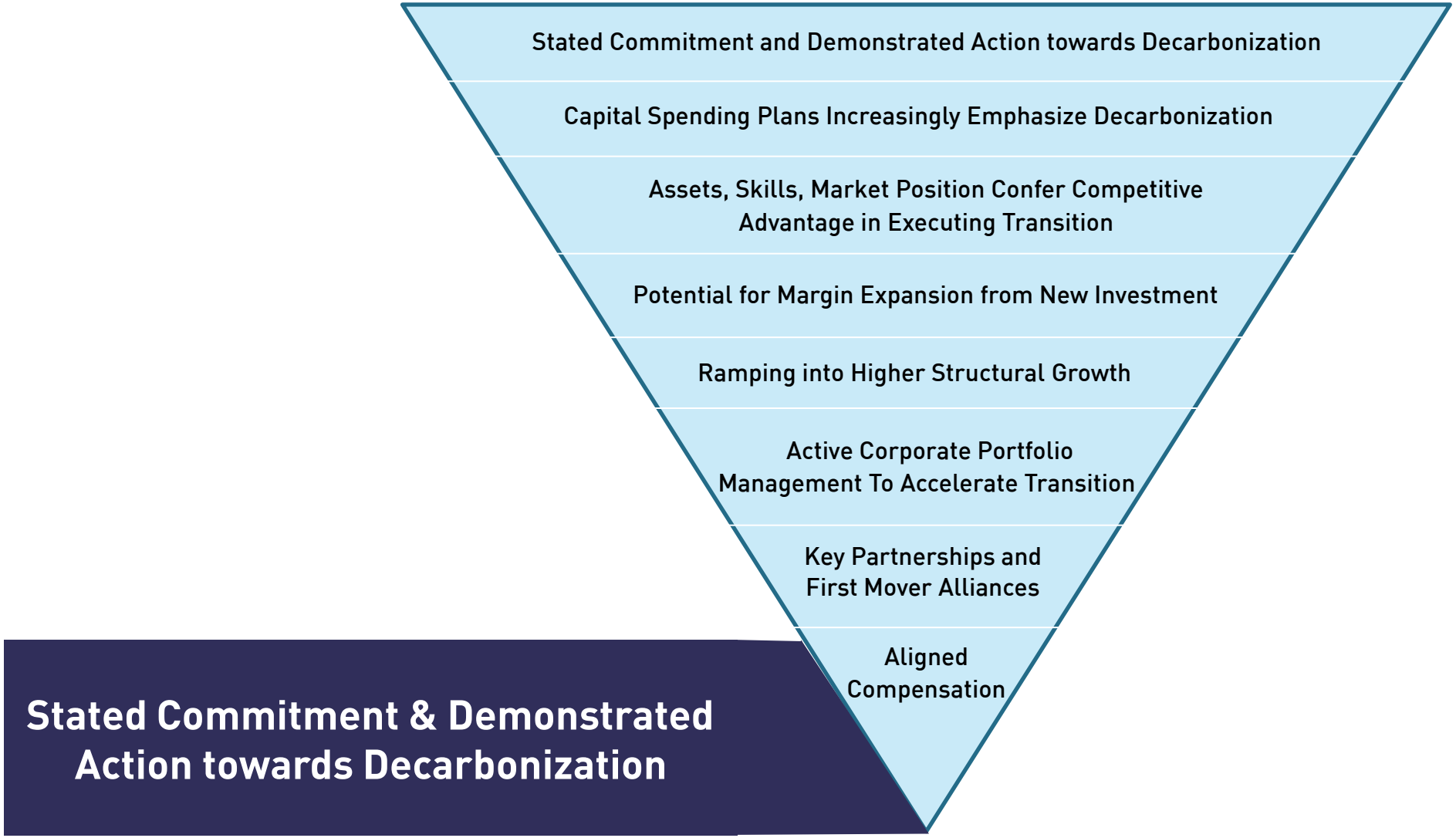
Decarbonization leaders will outgrow the economy, their own industries and their own histories

- We believe the carbon transformation opportunity arising from net zero provides multiple investible industries that will both grow faster than historically and from which new leaders will emerge.
- We believe the low carbon leaders of the future will re-rate on both improving financial and ESG metrics as they deliver superior growth and are perceived differently than today
- Invest in the 'problem', in those companies where there is commitment to change and lead, and in their value chains
- Scaling technology may also provide for expanding margins

Portfolio will focus on companies that are actively working on value creation through decarbonization strategies

- Managing decarbonization risk in their own operations and industries
- Investing in new business areas presented by net zero
- Producing goods and services that are part of the decarbonization value chain

Criteria Sought Among Investee Companies



KGHG Investment Thesis

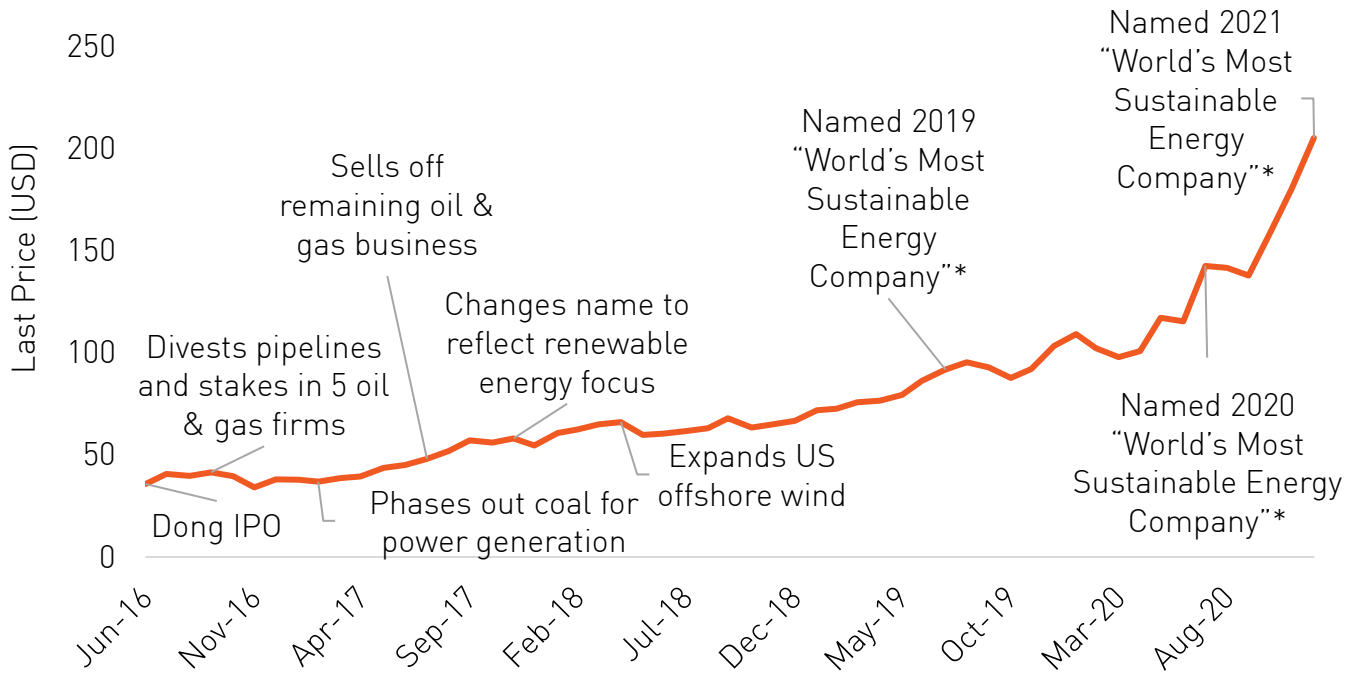
What a Winning Transformation Strategy Looks Like

Ørsted A/S, formerly DONG Energy (Danish Oil and Natural Gas), invests heavily in renewables, divests its fossil businesses to accelerate its transition, changes its name, and the company is re-rated as it is repositioned and perceived differently by investors.

Over the course of its transition since 2015, its return on invested capital and operating margins improved, and the company's valuation on a price to sales and price to earnings basis expanded significantly

Ørsted

Historical Price



Data from Bloomberg (6/30/2016-12/31/2020), retrieved 3/1/2022. This information should not be considered as a recommendation to purchase or sell any security. Past performance is not a guarantee of future results.

*Ranked by Corporate Knight's 2022 Global 100 index

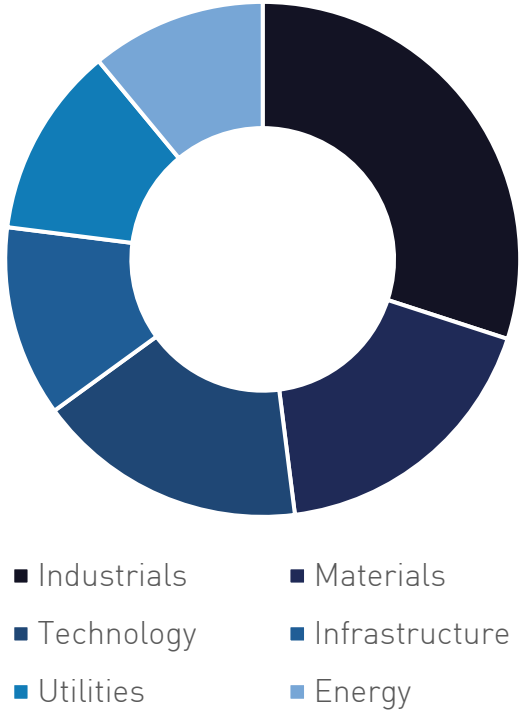
Portfolio Construction

Diversified*, with concentration built around investment conviction

- Global equity portfolio
- Liquid global thematic strategy – not benchmark-like
- The strategy will diversify by style, geography, market cap: balanced between stability, pro-cyclicality and growth
- Consideration given to factor risk
- Active management allows for best exposure in an evolving investible universe
- +/- 40 names. Portfolio is constructed with a goal that seeks to produce a dividend yield that is expected to exceed management fee
- Non-correlated, idiosyncratic return – drivers are different than for most investments

Geography Breakdown

Sector Breakdown



Market Cap Breakdown

Data from Bloomberg as of 3/14/2022.

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

Security Examples

Reliance Industries Limited

- India's biggest company by revenues and market cap. Substantial local market power
- Potential for superior returns vs historical hydrocarbon activities[1]
- India's installed renewable capacity will quadruple over the next decade to 400 GW[1]
- Subsidy and market protection for local players. Will export once built at scale
- Reliance aspires to own the entire green energy supply chain

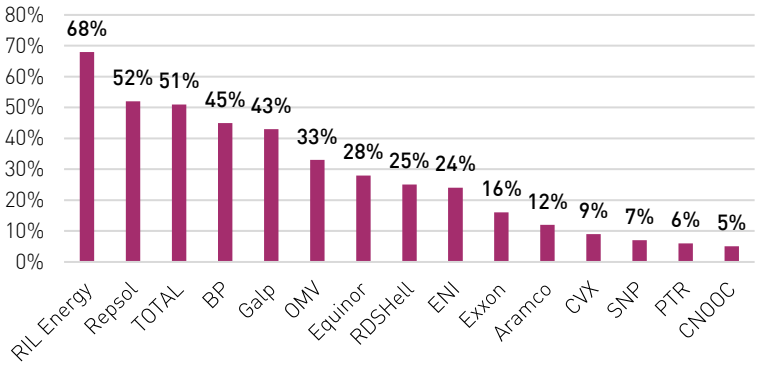
RWE

- Europe's 'Fit for 55' plan sets specific decarbonization goals and drives electrification. Phasing out ICE* by 2035. Powering 1 EV = powering 1 household
- Euro power demand +50% by 2030
- German utility RWE plans to invest €30 B to triple net capacity by 2030, will divest coal and grow core EBITDA at a 10% compound annual growth rate (CAGR)
- Trades at a substantial discount to pure play renewable developers. Activist pushing to divest coal faster

1. Goldman Sachs, India Clean Energy. February 1, 2022.
*ICE: internal combustion engine, powered by gasoline and diesel

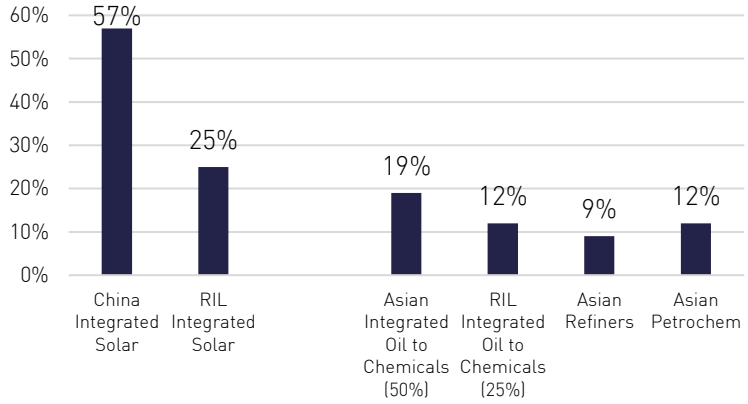
See end of presentation for definitions. This information should not be considered as a recommendation to purchase or sell any security. Past performance is not a guarantee of future results.

RIL New Energy CapEx amongst highest vs other global energy companies vs total energy CapEx
Green Petrochemicals CapEx share over medium term



Source: Company Data, Data compiled by Goldman Sachs Investment Research

Returns for New Energy business projected be higher vs traditional hydrocarbon†
CROCI, %

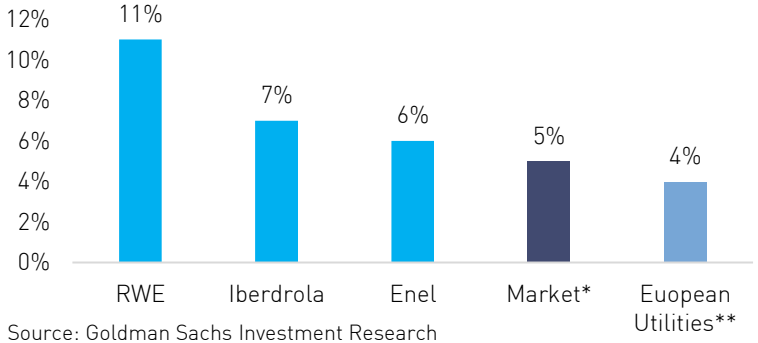


Source: Company Data, Data compiled by Goldman Sachs Investment Research
†Note: China Integrated Solar: Longi 2019-23E; Asian Integrated O2C: Hengli 2016-19; Asian Refiners: S-Oil 2015-19; Asian Petrochem: Lotte Chem 2015-19.

CapEx/EBITDA is accelerating, which explains the acceleration in organic earnings
CapEx/EBITDA (clean, 2015-25 estimate)

Source: Company Data, Data compiled by Goldman Sachs Investment Research
Note: RWE EBITDA in 2018 normalized

RWE, IBE, and Enel projected to outgrow the sector and the market
2022-2027 EPS growth (%)



Source: Goldman Sachs Investment Research
*Market growth estimates from Goldman Sachs Strategists; **Excludes Centrica, National Grid, Acciona, Suez and Veolia on which are Not Rated, EDF and turbine manufactures; accounts for 2022E-25E CAGR for ContourGlobal, EDF, Engie, Fortum, Pennon, Severn Trent and United Utilities.

KraneShares Global Carbon Transformation ETF (Ticker: KGHG)

Investment Strategy:

KGHG is an actively managed ETF that aims to capture the low-carbon leaders of the future. KGHG focuses on companies in traditionally high emissions industries that are on the cusp of the transition away from fossil fuels to renewable technology. Companies in high impact industries that have a stated commitment and demonstrated action towards decarbonization may see superior growth potential compared to their peers as well as potentially benefit from a reevaluation and improved ESG score.

Fund Details	Data as of 3/16/2022
Primary Exchange	NYSE
CUSIP	500767520
ISIN	US5007675201
Net Assets	$0
Total Annual Fund Operating Expense	0.89%
Inception Date	3/16/2022
Distribution Frequency	Annual

KGHG Performance History as of 3/16/2022:

	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	–	–	–	–	–	–	–
Closing Price	–	–	–	–	–	–	–
Index*	–	–	–	–	–	–	–

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 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.

*MSCI World Index, Bloomberg ticker MXWO INDEX. See page 20 for the Index definition.

About the Fund Advisor

KraneShares is uniquely positioned to add value

- $13B under management including $2.3B in climate assets[1]
- Innovative climate suite, with unique policy insights
- China research expertise provides important competitive context on decarbonization

The Portfolio Manager: Roger Mortimer

Roger Mortimer joined Krane Funds Advisors in 2022 to manage the KraneShares Global Carbon Transformation ETF. He brings more than 20 years experience managing public equities and has followed climate-related themes for a similar period. He was previously a Senior Vice President of CI Global Investments, a portfolio manager at Capital Group Companies, and a Global Partner at Amvescap Plc. He has been five star rated by Morningstar in three categories, two of them global and has invested extensively in the sectors and industries that are the focus of the fund. He has BA (Economics) and MBA degrees from the University of Western Ontario.

1. Data from KraneShares as of 2/28/2022.

Term/ Index Definitions:

MSCI World (Net Return USD) Index: captures large and mid cap representation across 23 Developed Markets (DM) countries*. With 1,539 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Carbon allowances: Top 3 carbon allowance markets by constituent trade volume. IHS Markit's Global Carbon Index is used since the index start date July 25, 2019. From 11/30/2016 to prior to the index start date, 60% and 5% were respectively assigned to EUA futures prices (current year and next year December vintages) using Intercontinental Exchange daily published settlement prices, 20% and 5% were respectively assigned to CCA futures (current year and next year December vintages) using IHS Markit OPIS's daily Carbon Market Report published prices, and 10% was assigned to RGGI (current year December vintage) using IHS Markit OPIS's daily Carbon Market Report published prices. Prior to 11/30/2016, 60% and 5% respectively were assigned to EUA futures prices (current year and next year December vintages) using Intercontinental Exchange daily published settlement prices and 35% was respectively assigned to CCA futures (current year December vintage) using IHS Markit OPIS's daily Carbon Market Report published prices. For the two ranges developed prior to the index start date, Intercontinental Exchange and IHS Markit OPIS's Daily Carbon Market Report publish daily pricing for each contract vintage for all relevant days when the futures trade.
CapEx: short for capital expenditures, are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.
EBITDA: stands for earnings before interest, taxes, depreciation, and amortization, is a metric used when evaluating a company's overall financial performance and is used as a proxy for the company's cash flow.
EPS: short for earnings per share, is a company's net profit divided by the number of common shares outstanding and can be used as an indication of the company's profitability.
CROCI: Cash return on capital invested (CROCI) is a formula used in valuations, comparing a company's cash return to its equity.
CAGR: compound annual growth rate, the rate of return required for an investment to grow from its beginning balance to its ending balance.

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.

Risk Disclosures:

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives. Indices are unmanaged and do not include the effect of fees. One cannot invest directly in an index.

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The Fund is actively-managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for the Fund. The Fund may incur high portfolio turnover rates, which may increase the Fund's brokerage commission costs and negatively impact the Fund's performance.

The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Funds' 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 the political, social or economic instability associated with investing internationally which may cause a decline in value. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values.

The Fund is subject to the risk that governments globally could abandon or diminish their greenhouse gas (GHG) reduction initiatives, which may have the effect of reducing the corporate incentives to adopt clean and low-emission energy technologies and processes, resulting in less activity in this area and potentially adversely affecting the Fund.

The Fund's assets are expected to be concentrated in an industry or group of industries to the extent that the Fund concentrates in a particular industry or group of industries. The securities of companies in an industry or group of industries could react similarly to market developments. Thus, the Fund is subject to loss due to adverse occurrences that affect one industry or group of industries or sector. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. KGHG 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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