

KraneShares Trust
Quadratic Deflation ETF



Ticker: **BNDD**

Principal Listing Exchange: **NYSE Arca**

Annual Shareholder Report: **March 31, 2026**

This annual shareholder report contains important information about the Quadratic Deflation ETF (the "Fund") for the period from April 1, 2025 to March 31, 2026. You can find additional information about the Fund at <https://kfafunds.com/bnnd/>. You can also request this information by contacting us at 1-888-BNDD-007 (1-888-263-3007). **This annual shareholder report describes changes to the Fund that occurred during the reporting period.**

What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

<u>Fund Name</u>	<u>Costs of a \$10,000 investment</u>	<u>Costs paid as a percentage of a \$10,000 investment</u>
Quadratic Deflation ETF	\$98	1.00%

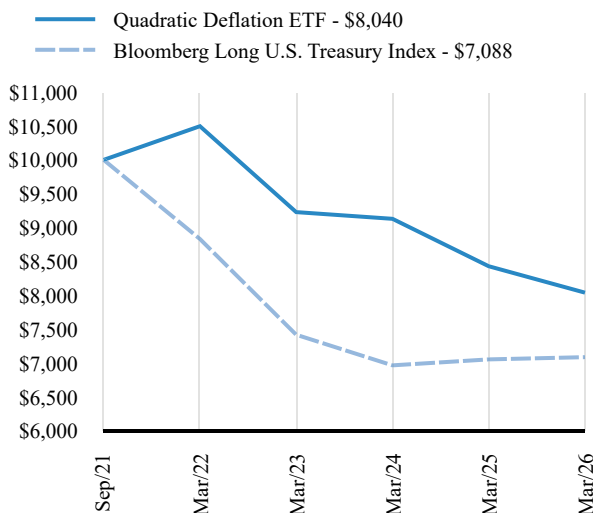
How did the Fund perform in the last year?

BNDD is a fixed income ETF that seeks to benefit from lower growth, deflation, lower or negative long-term interest rates, and/or a reduction in the spread between shorter and longer term interest rates by investing in U.S. Treasuries and options.

The Fund underperformed the Bloomberg U.S. Long Treasury Index during the period because of the options held by the Fund. The options held by the Fund during the period were short the difference between the 2-year and 30-year yield on a U.S. Treasury bond, which increased, leading the Fund to underperform a portfolio of U.S. Treasuries.

How did the Fund perform since inception?

Total Return Based on \$10,000 Investment



Average Annual Total Returns as of March 31, 2026

<u>Fund/Index Name</u>	<u>1 Year</u>	<u>Annualized Since Inception</u>
Quadratic Deflation ETF	-4.62%	-4.70%
Bloomberg Long U.S. Treasury Index	0.47%	-7.32%

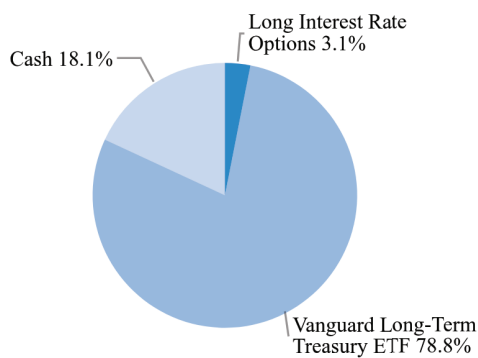
The line graph represents historical performance of a hypothetical investment of \$10,000 in the Fund since its inception on September 20, 2021. Returns shown are total returns, which assume the reinvestment of dividends and capital gains. The table and graph presented above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. **Past performance is not indicative of future performance.** Call 1-888-BNDD-007 (1-888-263-3007) or visit <https://kfafunds.com/bnnd/> for current month-end performance.

Key Fund Statistics as of March 31, 2026

Total Net Assets	Number of Holdings	Total Advisory Fees Paid	Portfolio Turnover Rate
\$7,440,356	3	\$83,962	0%

What did the Fund invest in?

BNDD Composition



Top Holdings

<u>Holding Name</u>	<u>Percentage of Total Net Assets</u>
Vanguard Long-Term Treasury ETF	78.7%
Purchased Option - CMS 30Y – 2Y, 0.60%, 04/21/27 ⁽¹⁾	1.7%
Purchased Option - CMS 30Y – 2Y, 0.80%, 10/14/26 ⁽¹⁾	1.5%

⁽¹⁾ At market value.

Material Fund Changes

This is a summary of certain changes to the Fund since April 1, 2025. For more complete information, you may review the Fund’s prospectus, which is available at <https://kfafunds.com/etf/bnnd/#documents> or upon request at 1-855-857-2638.

Krane Funds Advisors, LLC (“Krane” or the “Adviser”), the investment adviser to the Fund, entered into an agreement whereby its officers and employees, among others, through KFA Two Holdings, LLC, will acquire a majority interest in the Adviser from China International Capital Corporation (USA) Holdings Inc., a wholly-owned, indirect subsidiary of China International Capital Corporation Limited (the “Transaction”). Consummation of the Transaction could, under the Investment Company Act of 1940, result in the automatic termination of the Fund’s existing advisory agreement and, as a result of the termination of the advisory agreement, the sub-advisory agreement. In anticipation of the Transaction, the Board approved new advisory and sub-advisory agreements on terms identical to the existing agreements (other than effective and termination dates), subject to shareholder approval. To ensure continuity of management pending such shareholder approval, the Board also approved interim advisory and sub-advisory agreements, each with terms substantially identical to the current agreements, to remain in effect for up to 150 days while shareholder approval is sought.

Changes in and Disagreements with Accountants

There were no changes in or disagreements with accountants during the reporting period.

Additional Information

For additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information, visit <https://kfafunds.com/bnnd/>.

Householding

You may have consented to receive one copy of a shareholder report at your address if you and one or more individuals in your home have multiple accounts at the same address. This practice is commonly called “householding” and is intended to reduce expenses. If you wish to change your householding status or receive individual copies of your shareholder report, please contact us at 1-888-BNDD-007 (1-888-236-3007) or your financial intermediary.



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