

Quadratic Interest Rate Volatility and Inflation Hedge ETF

Ticker: IVOL

Principal Listing Exchange: NYSE Arca

Annual Shareholder Report: March 31, 2026



This annual shareholder report contains important information about the Quadratic Interest Rate Volatility and Inflation Hedge 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/ivol/>. You can also request this information by contacting us at 1-833-IVOL-ETF (1-833-486-5383). **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 Interest Rate Volatility and Inflation Hedge ETF | \$102 | 1.00% |

How did the Fund perform in the last year?

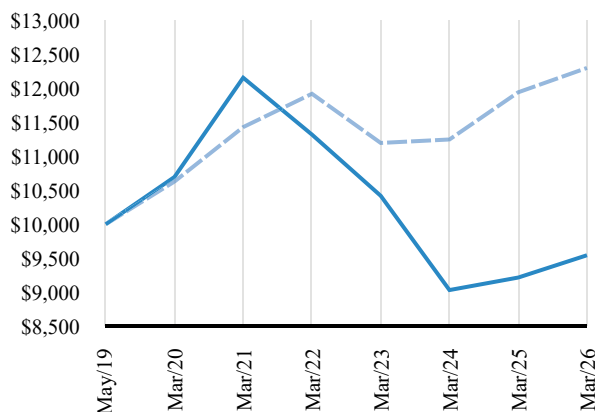
IVOL is a fixed income ETF that seeks to hedge relative interest rate movements, whether these movements arise from falling short-term interest rates or rising long-term interest rates, and to benefit from market stress when fixed income volatility increases, while providing the potential for enhanced inflation-protected income.

The Fund outperformed the Bloomberg U.S. Treasury U.S. TIPS Index during the period because of the options held by the Fund. The options held by the Fund during the period were long the difference between the 2-year and 10-year yield on a U.S. Treasury bond, which increased, leading the Fund to outperform a portfolio of inflation-protected securities.

How did the Fund perform since inception?

Total Return Based on \$10,000 Investment

- Quadratic Interest Rate Volatility and Inflation Hedge ETF - \$9,545
- - - Bloomberg U.S. Treasury Inflation-Linked Bond Index (USD) (TR)* - \$12,299



Average Annual Total Returns as of March 31, 2026

| <u>Fund/Index Name</u> | <u>Annualized</u> | | |
|---|-------------------|----------------|------------------------|
| | <u>1 Year</u> | <u>5 Years</u> | <u>Since Inception</u> |
| Quadratic Interest Rate Volatility and Inflation Hedge ETF | 3.56% | -4.72% | -0.67% |
| Bloomberg U.S. Treasury Inflation-Linked Bond Index (USD) (TR)* | 3.00% | 1.48% | 3.05% |

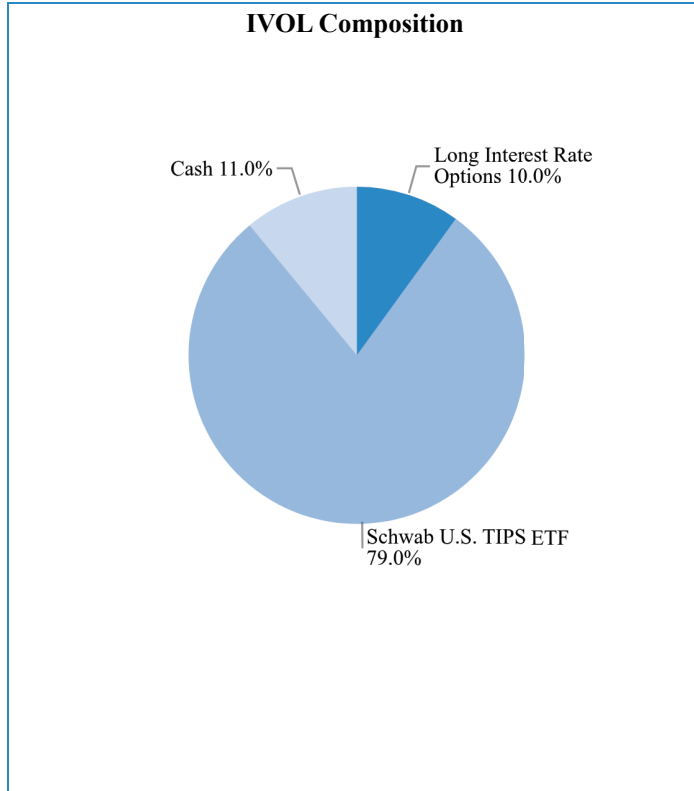
The line graph represents historical performance of a hypothetical investment of \$10,000 in the Fund since its inception on May 13, 2019. Returns shown are total returns, which assume the reinvestment of dividends and capital gains. The table and graph presented above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. **Past performance is not indicative of future performance.** Call 1-833-IVOL-ETF (1-833-486-5383) or visit <https://kfafunds.com/ivol/> for current month-end performance.

* Total Return (TR) - Reflects no deductions for fees, expenses or taxes.

Key Fund Statistics as of March 31, 2026

| Total Net Assets | Number of Holdings | Total Advisory Fees Paid | Portfolio Turnover Rate |
|------------------|--------------------|--------------------------|-------------------------|
| \$477,679,987 | 11 | \$4,175,599 | 0% |

What did the Fund invest in?



Top Ten Holdings

| <u>Holding Name</u> | <u>Percentage of Total Net Assets</u> |
|---|---------------------------------------|
| Schwab U.S. TIPS ETF | 79.0% |
| Purchased Option - CMS 10Y - 2Y, 0.20%, 04/14/27 ⁽¹⁾ | 1.7% |
| Purchased Option - CMS 10Y - 2Y, 0.55%, 05/17/28 ⁽¹⁾ | 1.6% |
| Purchased Option - CMS 10Y - 2Y, 0.50%, 09/15/27 ⁽¹⁾ | 1.4% |
| Purchased Option - CMS 10Y - 2Y, 0.38%, 10/18/29 ⁽¹⁾ | 1.4% |
| Purchased Option - CMS 10Y - 2Y, 0.85%, 09/15/28 ⁽¹⁾ | 1.1% |
| Purchased Option - CMS 10Y - 2Y, 0.28%, 12/09/26 ⁽¹⁾ | 1.1% |
| Purchased Option - CMS 10Y - 2Y, 0.70%, 06/15/27 ⁽¹⁾ | 0.9% |
| Purchased Option - CMS 10Y - 2Y, 0.43%, 11/13/26 ⁽¹⁾ | 0.5% |
| Purchased Option - CMS 10Y - 2Y, 0.48%, 08/13/26 ⁽¹⁾ | 0.2% |

⁽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/ivol/#documents> or upon request at 1-855-857-2638.

Effective April 1, 2026, the Adviser contractually agreed to waive its management fee equal to 0.04% of the Fund’s average annual net assets. The waiver will remain in effect through August 1, 2028, unless terminated earlier by the Fund’s Board of Trustees.

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/ivol/>.

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 1-833-IVOL-ETF (1-833-486-5383) or your financial intermediary.



KraneShares Trust
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