

KraneShares Bosera MSCI China A Share ETF

Investment Strategy

KBA is benchmarked to the MSCI China A Index which captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges (A-shares). Over the coming years, MSCI will complete the incremental inclusion of China A-shares into their Global Standard Indexes, including the MSCI Emerging Markets Index, which may potentially benefit the securities KBA holds today. The MSCI China A Index is designed for global investors accessing the A-share market using the Stock Connect framework and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

MSCI China A-Share Inclusion Overview:

- China A-Shares are vastly underrepresented in global indexes. While the United States has a weight of 55.83% in the MSCI All Country World Index, China only has a weight of 3.66%¹.
- MSCI is incrementally realigning China's overall weight in their Global Standard Indexes through the inclusion process, and by the end of 2019, MSCI's definition of China will include 264 large-cap and 172 mid-cap A-Share securities, including 30 securities from the ChiNext board².
- Upon completion, China A-Shares are predicted to account for over 17% of the MSCI Emerging Market (EM) Index³.

With \$1.8 trillion tracking the MSCI EM Index alone⁴, the MSCI inclusion could trigger significant institutional flows from both passive and active managers into the A-Share securities that KBA holds today.

Fund Details	As of 9/30/2019	
Primary Exchange	NYSE	
Cusip	500767405	
Total Annual Fund Operating Expense	Gross: 0.80%	Net: 0.60%*
Inception Date	3/4/2014	
Distribution Frequency	Annually	
Index Name	MSCI China A Index	
Index Ticker	Bloomberg: NU718708	
Number of Holdings (ex Cash)	443	
Underlying Exchanges	Shanghai and Shenzhen	

MSCI China A Index:

- The Index captures large and mid-cap equities listed on the Shanghai and Shenzhen stock exchanges and reflects the full 2019 inclusion of China A-Shares in the MSCI Emerging Markets Index.
- On March 11, 2019, the Hong Kong Stock Exchange announced a license agreement with MSCI to introduce futures contracts on the MSCI China A Index⁵.
- There are a total of 443 holdings¹ giving investors diverse exposure to A-Shares.

1. Data from MSCI as of 9/30/2019.
2. MSCI, "MSCI Will Increase the Weight of China A Shares in MSCI Indexes", 2/28/2019.
3. MSCI, "China and the future of equity allocations", June 2019.
4. As of 6/30/2018, as reported on 9/30/2018 by eVestment, Morningstar and Bloomberg, retrieved 9/30/2019.
5. HKEx, MSCI China A Index Futures, 3/11/2019.

KBA Performance History as of 9/30/2019

	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception 3/4/2014	1 Yr	3 Yr	5 Yr	Since Inception 3/4/2014
Fund NAV	-2.88%	-5.87%	41.30%	8.18%	3.72%	4.16%	6.40%
Closing Price	-3.39%	-6.09%	41.19%	7.35%	3.19%	4.00%	6.39%
Index	-2.46%	-5.38%	50.10%	9.03%	2.56%	5.43%	7.55%

†The Hybrid KBA Index [noted as "Index" above in the chart] consists of the MSCI China A Index from the inception of the Fund through October 23, 2014, the MSCI China A International Index from October 23, 2014 through December 26, 2017, the MSCI China A Inclusion Index from December 26, 2017 to May 29, 2019, and the MSCI China A Index going forward.

*Fee waivers are contractual and in effect until 10/4/19.

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.

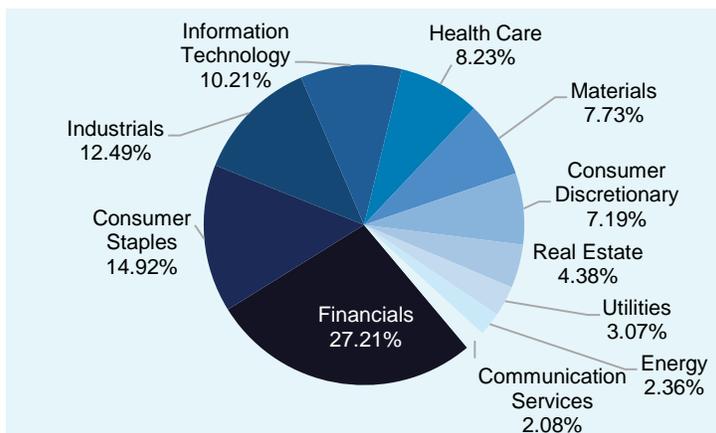
ETF shares are not redeemable with the issuing fund other than in large Creation Unit aggregations. Instead, investors must buy or sell ETF Shares in the secondary market with the assistance of a stockbroker. In doing so, the investor may incur brokerage commissions and may pay more than net asset value (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).

The Index reflects the reinvestment of any cash distributions after deduction of any withholding tax using the maximum rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses (except for withholding taxes described above). Indexes are unmanaged and one cannot invest directly in an index.

Sector Breakdown

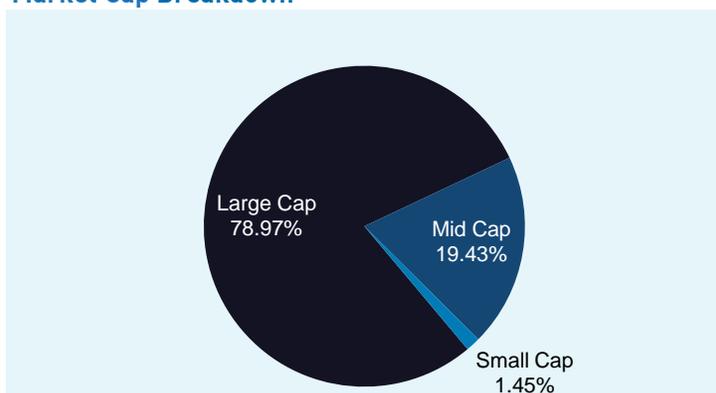
Source: Bloomberg as of 9/30/2019



Excluding cash. Due to rounding, the percentage might not add up to 100%.

Market Cap Breakdown

Source: Bloomberg as of 9/30/2019



Excluding cash. Due to rounding, the percentage might not add up to 100%.

Valuation Metrics (Data from Bloomberg as of 9/30/2019)

Price-to-Earnings ³	13.33
Price-to-Cash flow ⁴	7.81
Price-to-Sales ⁵	1.01
Price-to-Book ⁶	1.60

Top Ten Holdings as of 9/30/2019 (Excluding cash) The Fund's Holdings Are Subject to Change.

	%
KWEICHOW MOUTAI CO LTD-A	5.62
PING AN INSURA-A	3.67
CHINA MERCHANTS BANK-A	2.79
WULIANGYE YIBIN CO LTD-A	1.96
CHINA YANGTZE-A	1.56
INDUSTRIAL BANK CO LTD -A	1.42
JIANGSU HENGRU-A	1.39
SHANG PUDONG-A	1.35
HANGZHOU HIKVI-A	1.17
IND & COMM BK OF CHINA-A	1.16

MSCI Overview:

- Over \$14.8 trillion in equity assets are benchmarked to MSCI indexes globally¹
- 99 of the top 100 global investment managers are MSCI clients²
- MSCI is the de-facto standard of emerging markets investing for institutional investors
- The Index utilizes the MSCI Global Investable Market Indices Methodology (GIMI), which offers a close alignment with international equity markets in terms of size, industry, style, and segmentation

1. As of 9/30/2018, as reported on 9/30/2018 by eVestment, Morningstar and Bloomberg, retrieved 9/30/2019.
2. As of March 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, retrieved 9/30/2019.
3. Price-to-earnings: A valuation method used to compare a company's current share price to its per-share earnings
4. Price-to-cash flow: The ratio of a stock's price to its cash flow per share
5. Price-to-sales: A valuation ratio that compares a company's stock price to its revenues
6. Price-to-book value: a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share

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.

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.

The ability of the KraneShares Boserá MSCI China A ETF to achieve its investment objective is dependent 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 due to the limited availability of A Share quota, the Fund could seek exposure to the component securities of the Underlying Index by investing 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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