

KFA Dynamic Fixed Income ETF (ticker: KDFI)

Investment Strategy

KDFI is benchmarked to the FTSE US High-Yield/Treasury Rotation Index, which takes a tactical approach to investing in High-Yield Credit and US Treasuries. The index is designed to provide a benchmark for investors looking to capture risk-managed exposure to High-Yield Credit and US Treasuries.

The FTSE US High-Yield/Treasury Rotation Index rotates between the following three underlying indexes:

- FTSE US Treasury 1-5 Years Index
- FTSE US Treasury 7-10 Years Index
- FTSE US High-Yield Market BB/B-Rated Capped Custom Index

During quarterly reviews, the cumulative quarterly return of these three indexes is compared, and the index with the highest return across that period receives the full allocation for the coming quarter.

KDFI is sub-advised by SkyRock Investment Management.

About Dynamic Fixed Income:

- Over the long-run, we believe credit spreads are a reliable indicator for fixed income investors.
- Dynamic fixed income strategies attempt to offer equity-like returns with the potentially lower drawdown offered by fixed income.
- The risk management and tactical features of a dynamic fixed income strategy could replace and improve bond positions within traditional client portfolios.

KDFI Performance History as of 12/31/2019

	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception 12/9/2019	1 Yr	3 Yr	5 Yr	Since Inception 12/9/2019
Fund NAV	—	—	-0.40%	—	—	—	—
Closing Price	—	—	-0.36%	—	—	—	—
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 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.kfafunds.com.

KDFI can invest in bonds generally and high-yield bonds specifically. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. 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).

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.

Fund Details	Data as of 12/31/2019
Exchange	NYSE
Management Fee	0.46%
Listing Date	12/9/2019
Index Name	FTSE US High-Yield/Treasury Rotation Index
Ticker	KDFI
Base Currency	USD
AUM	\$8,714,519
Average Weighted Maturity	8.88 years
Duration	5.55 years
30-day SEC Yield	0.00%
Unsubsidized 30-day SEC Yield	0.00%

KDFI Features

- Systematic exposure to High-Yield bonds or Treasuries.
- Smart-beta* strategy that provides the potential for yield and return enhancement.
- Disciplined risk management process based on credit spreads

*Smart beta is an investment style where a manager follows an index designed to take advantage of perceived systematic biases or inefficiencies in the market.

About KFA Funds:

- The ETF industry has grown exponentially over the past decade, reaching over \$5 trillion globally¹ as of April 2019.
- KFA Funds is the premier platform for developing and delivering differentiated, high-conviction investment strategies to global investors.
- KFA Funds strives to provide innovative, first-to-market strategies that are developed based on our strong partnerships and our deep knowledge of investing.

About SkyRock Investment Management:

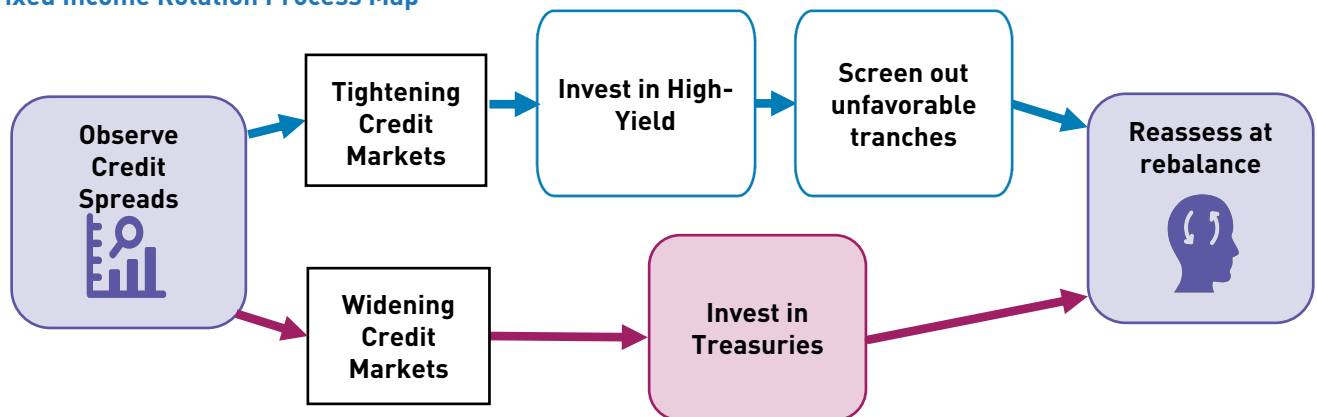
- SkyRock Investment Management ("SkyRock") is an independent boutique investment management firm based in Raleigh, NC.
- SkyRock and its management team have a proven track record of providing expertise in fixed income investing to institutional clients. With its extensive experience and an investment process based upon bottom-up fundamental research, SkyRock aims to optimize the portfolio composition of KDFI to capture risk-managed exposure to High-Yield Credit and US Treasuries.

Top Holdings as of 12/31/2019 The Fund's Holdings Are Subject to Change.	%
T 1 5/8 08/15/29	11.71
T 2 1/4 08/15/27	12.26
T 2 3/4 02/15/28	12.66
T 2 3/8 05/15/27	12.24
T 2 3/8 05/15/29	12.27
T 2 7/8 05/15/28	12.59
T 2 7/8 08/15/28	13.00
T 3 1/8 11/15/28	12.86

Excluding cash.

1. Data from ETFGI as of 5/17/2019. Retrieved 12/31/2019

Dynamic Fixed Income Rotation Process Map



FTSE US Treasury 1-5 Years Index is designed to track the performance of US dollar-denominated bonds issued in the US investment-grade bond market. FTSE US Treasury 7-10 Years Index is designed to track the performance of US dollar-denominated bonds issued in the US investment-grade bond market. FTSE US High-Yield Market BB/B Rated Capped Custom Index is a US Dollar-denominated index which measures the performance of high-yield debt issued by corporations domiciled in the US or Canada. Recognized as a broad measure of the North American high-yield market, the index covers cash-pay, deferred interest securities, and debt issued under Rule 144A in unregistered form.

Average Weighted Maturity: A calculation of the weighted average of the maturities of fixed income instruments held in a portfolio.

Duration: a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

30-day SEC Yield (Subsidized/Unsubsidized): standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. Unsubsidized yield does not adjust for any fee waivers and/or expense reimbursements in effect.

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.kfafunds.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 Fund can invest in bonds generally and high-yield bonds specifically. Bonds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities. The Fund is subject to liquidity risk, meaning that certain investments may become difficult to purchase or sell at a reasonable time and price. If a transaction for these securities is large, it may not be possible to initiate which may cause the Fund to suffer losses. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Funds' gains or losses.

.The Fund 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.

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