KFAFunds
A KraneShares Company

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KMLM

KFA Mount Lucas Managed Futures Index Strategy ETF*

Investment Strategy:

KMLM is benchmarked to the KFA MLM Index, which consists of a portfolio of twenty-two liquid futures contracts traded on U.S. and foreign exchanges. The Index includes futures contracts on 11 commodities, 6 currencies, and 5 global bond markets. These three baskets are weighted by their relative historical volatility, and within each basket, the constituent markets are equal dollar weighted.

KMLM Features:

- Access to managed futures through a liquid and low-cost ETF structure[1]
- Managed futures are considered alternative investments and may provide additional diversification and decrease volatility when included within traditional equity/bond portfolios[2]
- A potential hedge on equity, bond, and commodity risk
- Sub-advised by Mount Lucas Management, who in 1988 established the first passive index to measure the returns to risk bearing in futures markets[3]

KMLM Partner:

Mount Lucas Management, the sub-advisor of KMLM, is a Newtown, PA based asset manager founded in 1986. Since its founding, Mount Lucas has provided innovative alternative investment strategies to institutional and high-net-worth investors that enhance and diversify traditional investments. Mount Lucas' investment professionals have extensive experience in the development and use of systematic investment strategies that access alternative risk premia as well as a long history of discretionary macro trading and risk taking.

*Formerly the KFA Mount Lucas Index Strategy ETF

1. Buying and selling shares of the KFA Funds may result in brokerage commissions.
2. Diversification does not ensure a profit or guarantee against a loss.
3. Data from Mount Lucas Management.

Fund Details	Data as of 02/28/2023
Primary Exchange	NYSE
CUSIP	500767652
ISIN	US5007676522
Total Annual Fund Operating Expense	0.92%
Inception Date	12/02/2020
Distribution Frequency	Annual
Index Name	KFA MLM Index
Net Assets	$254,813,982

Managed Futures at a Glance:

- $300 Billion - Assets in managed futures, mostly in private vehicles[4]
- 30% - Portion of CTA industry assets under management (AUM) in managed futures[4]
- 15% - Average return of a managed futures portfolio during the 2008 Global Financial Crisis[5]

4.Data from BarclayHedge as of 3/31/2022. Retrieved 6/30/2022.
5. Data from Altegris as of 8/2011. Data presented is for informational purposes only and is not meant to guide any investment decision. Past performance does not guarantee future results.

Managed Futures Overview:

- **What are managed futures?** Futures markets were created over 150 years ago for a single purpose, to facilitate the transfer of price risk away from producers and consumers. By participating in the futures markets, a managed futures portfolio acts as an important market participant, accepting that price risk and providing liquidity to commercial interests. Futures markets are traded on public exchanges and are based on a standardized futures contracts in equities, bonds, currencies, and commodities.
- **What are the potential benefits of investing in managed futures?** The primary benefit of investing in managed futures is the mitigation of portfolio risk through an uncorrelated asset class. Further, during periods of market stress, managed futures has historically shown greater potential for negative correlations. Institutional investors may employ an active futures manager for a variety of reasons. However, investors of all types may use managed futures to diversify risks in a portfolio that does not already consist of derivatives.
- **Who are active futures managers?** Active futures managers are highly trained individuals who have been designated by the Commodities Futures Trading Commission (CFTC) as commodities trading advisors (CTAs). These individuals trade futures contracts on a wide array of commodities and/or other assets on behalf of clients.

KMLM Performance History:

	Cumulative % Data as of month end: 02/28/2023				**Average Annualized %** Data as of month end: 02/28/2023				**Average Annualized %** Data as of quarter end: 12/31/2022			
	1 Mo	**3 Mo**	**6 Mo**	**Since Inception**	**1 Yr**	**3 Yr**	**5 Yr**	**Since Inception**	**1 Yr**	**3 Yr**	**5 Yr**	**Since Inception**
Fund NAV	1.65%	-0.23%	-6.57%	45.75%	17.47%	–	–	18.28%	30.52%	–	–	20.63%
Closing Price	1.75%	0.35%	-7.45%	45.90%	18.01%	–	–	18.33%	30.37%	–	–	20.58%
Index	1.80%	0.34%	-5.03%	55.58%	22.38%	–	–	21.77%	36.68%	–	–	24.24%

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.kfafunds.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.

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Holdings and Exposures of the KFA Mount Lucas Managed Futures Index Strategy ETF

Commodity Exposures as of 02/28/2023	**Identifier**	**Position**	**% NAV**
LIVE CATTLE FUTR JUN23	LCM3	Long	6.99%
SUGAR #11 (WORLD) MAY23	SBK3	Long	6.79%
WTI CRUDE FUTURE JUN23	CLM3	Short	6.69%
COPPER FUTURE JUL23	HGN3	Long	6.66%
SOYBEAN FUTURE MAY23	S K3	Long	6.65%
NATURAL GAS FUTR JUN23	NGM23	Short	6.58%
WHEAT FUTURE(CBT) MAY23	W K3	Short	6.27%
GASOLINE RBOB FUT JUN23	XBM3	Short	5.27%
CORN FUTURE MAY23	C K3	Long	4.56%
NY HARB ULSD FUT JUN23	HOM3	Short	4.38%
GOLD 100 OZ FUTR JUN23	GCM3	Long	1.53%

Currency Exposures as of 02/28/2023	**Identifier**	**Position**	**% NAV**
C$ CURRENCY FUT MAR23	CDH3	Short	16.01%
EURO FX CURR FUT MAR23	ECH3	Long	14.44%
CHF CURRENCY FUT MAR23	SFH3	Long	14.42%
JPN YEN CURR FUT MAR23	JYH3	Short	12.67%
BP CURRENCY FUT MAR23	BPH3	Short	9.94%
AUDUSD CRNCY FUT MAR23	ADH3	Short	5.21%

Fixed Income Exposures as of 02/28/2023	**Identifier**	**Position**	**% NAV**
US 10YR NOTE (CBT)JUN23	TYM3	Short	24.98%
JPN 10Y BOND(OSE) MAR23	JBH3	Short	24.52%
EURO-BUND FUTURE MAR23	RXH3	Short	24.33%
LONG GILT FUTURE JUN23	G M3	Short	24.21%
CAN 10YR BOND FUT JUN23	CNM3	Short	19.6%

Collateral and Currency Management as of 02/28/2023	**Identifier**	**Position**	**Current Exposure($)**	**% NAV**
Cash	USD	105,567,893	105,567,893	41.43%
B 08/10/23	US912796XY07	40,000,000	39,135,550	15.36%
B 10/05/23	US912796YJ21	40,000,000	38,872,153	15.26%
B 04/27/23	US912796YV58	35,000,000	34,742,382	13.63%
B 06/06/23	US912797FM44	35,000,000	34,557,330	13.56%
EURO	EUR	3,445,608	3,644,411	1.43%
BRITISH STERLING POUND	GBP	2,134,117	2,567,020	1.01%
CANADIAN DOLLAR	CAD	53,146	38,949	0.02%
JAPANESE YEN	JPY	-382,046,016	-2,805,964	-1.1%
			256,319,723	**101%**

Holdings, futures, and collateral are subject to change.

About KFA Funds

Krane Funds Advisors, LLC is the investment manager for KFA Funds and KraneShares ETFs. We believe that investors should have cost-effective and transparent tools for attaining exposure to a wide variety of asset classes. The KFA Funds product suite delivers differentiated, high-conviction investment strategies to global investors. We are passionate about identifying groundbreaking capital market opportunities and developing them into investment vehicles that offer a source of non-traditional diversification to our clients. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).

About Mount Lucas Management

Mount Lucas Management, the sub-advisor of KMLM, is a Newtown, PA based asset manager founded in 1986. Since its founding, Mount Lucas has provided innovative alternative investment strategies to institutional and high-net-worth investors that enhance and diversify traditional investments. Mount Lucas' investment professionals have extensive experience in the development and use of systematic investment strategies that access alternative risk premia as well as a long history of discretionary macro trading and risk taking.

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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.

Risk Disclosures:

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives.

The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's 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 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. Counterparty risk is the risk of loss in the event that the counterparty to an agreement fails to make required payments or otherwise comply with the terms of the derivative.

Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. The use of futures contracts is subject to special risk considerations. The primary risks associated with the use of futures contracts include: (a) an imperfect correlation between the change in market value of the reference asset and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the inability to predict correctly the direction of market prices, interest rates, currency exchange rates and other economic factors; and (e) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a loss.

The Fund invests through a subsidiary, and is indirectly exposed to the risks associated with the Subsidiary's investments. Since the Subsidiary is organized under the law of the Cayman Islands and is not registered with the SEC under the Investment Company Act of 1940, as such the Fund will not receive all of the protections offered to shareholders of registered investment companies. The Fund and the Subsidiary will be considered commodity pools upon commencement of operations, and each will be subject to regulation under the Commodity Exchange Act and CFTC rules. Commodity pools are subject to additional laws, regulations and enforcement policies, which may increase compliance costs and may affect the operations and performance of the Fund and the Subsidiary. Futures and other contracts may have to be liquidated at disadvantageous times or prices to prevent the Fund from exceeding any applicable position limits established by the CFTC. The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and may be affected by changes in overall market movements, volatility of the Index, changes in interest rates, or factors affecting a particular industry or commodity.

The Fund is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. 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. Narrowly focused investments typically exhibit higher volatility. The Fund's assets are expected to be concentrated in a sector, industry, market, or group of concentrations to the extent that the Underlying Index has such concentrations. The securities or futures in that concentration could react similarly to market developments. Thus, the Fund is subject to loss due to adverse occurrences that affect that concentration. KMLM 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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