

Emerging Market Healthcare: Opportunities From Some Of The Fastest Growing Major Global Healthcare Markets¹

An Overview of the KraneShares Emerging
Market Healthcare Index ETF (Ticker: KMED)
and the KraneShares MSCI All China Health
Care Index ETF (Ticker: KURE)

1. Major healthcare markets defined as top five global markets by the World Health Organization. Data from the World Health Organization as of 12/31/2017, last updated on 4/7/2020.



Introduction to KraneShares

About KraneShares

Krane Funds Advisors, LLC is the investment manager for KraneShares ETFs. Our suite of China focused ETFs provides investors with solutions to capture China's importance as an essential element of a well-designed investment portfolio. We strive to provide innovative, first to market strategies that have been developed based on our strong partnerships and our deep knowledge of investing. We help investors current on global market trends and aim to provide meaningful diversification. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).



KMED

KraneShares
Emerging Market
Healthcare Index ETF

Investment Strategy:

KMED seeks to provide investment results that, before fees and expenses, track the performance of the Solactive Emerging Markets Healthcare Index. The index seeks to track the equity market performance of companies engaged in the health care sector in various emerging markets. The issuers include small-cap, mid-cap, and large-cap companies involved in hospital management, healthcare management, pharmaceutical manufacturing, and biotechnology, among other sub-industries.

Emerging Market Healthcare Sector Highlights:

- By 2040, emerging market countries on average are projected to increase healthcare spending as a percent of GDP by 24.4% compared to just 9.8% in developed markets over the same time period¹.
- In emerging markets, rapid urbanization and rising income are fueling growth in the demand for healthcare services and treatments.
- Cases of non-communicable diseases (NCDs) such as diabetes and cancer are rising steadily in emerging market countries, driving demand for healthcare services.
- Emerging markets governments are enacting policies such as India's "National Health Protection Mission" and China's "Healthy China 2030 Plan" to meet the growing demand for healthcare.

KMED Features:

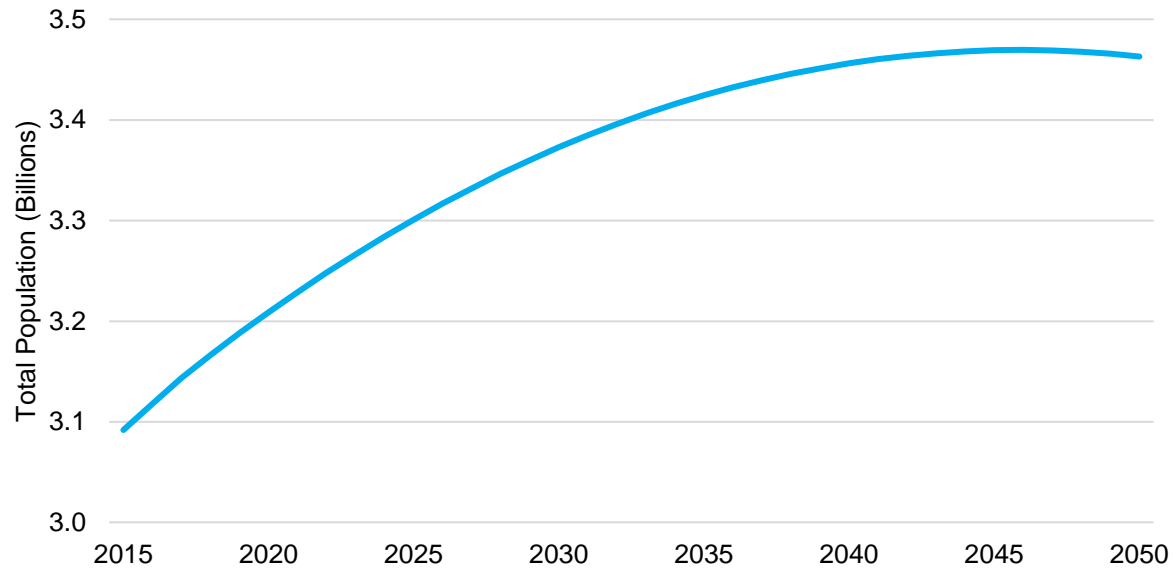
- Exposure to the Emerging Market (EM) healthcare industry with a low correlation to US healthcare equities. Specifically: pharmaceuticals, biotechnology, healthcare administration services, and medical equipment.
- Access to emerging market innovators in healthcare and pharmaceutical research.
- Exposure to companies that benefit from EM demographic shifts.

1. Dieleman, Joseph L et al., "Future and potential spending on health 2015–40: development assistance for health, and government, prepaid private, and out-of-pocket health spending in 184 countries", The Lancet , Volume 389 , Issue 10083 , 2005 – 2030. Retrieved 3/31/2020.

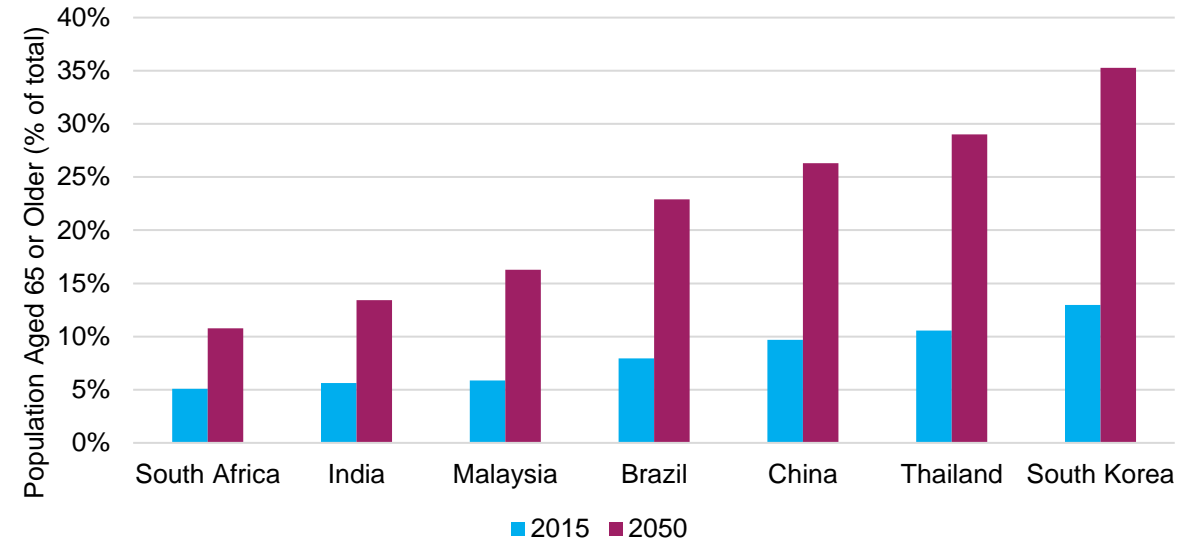
The populations of emerging market countries are growing and aging

- The UN predicts that, by 2050, world population will exceed 9.7 billion people¹ with emerging market countries accounting for over one third of total population and having over 588 million people aged 65 or more¹.
- By 2030, China will have 100 million people aged 65 or older, bigger than Germany's total population². This would cause an increasing demand for domestic healthcare services as life expectancy continues to rise.

**Projected Total Population Size for Emerging Market Countries
2015-2050²**



**Projected Change in 65+ Population in EM Countries from
2015-2050¹**



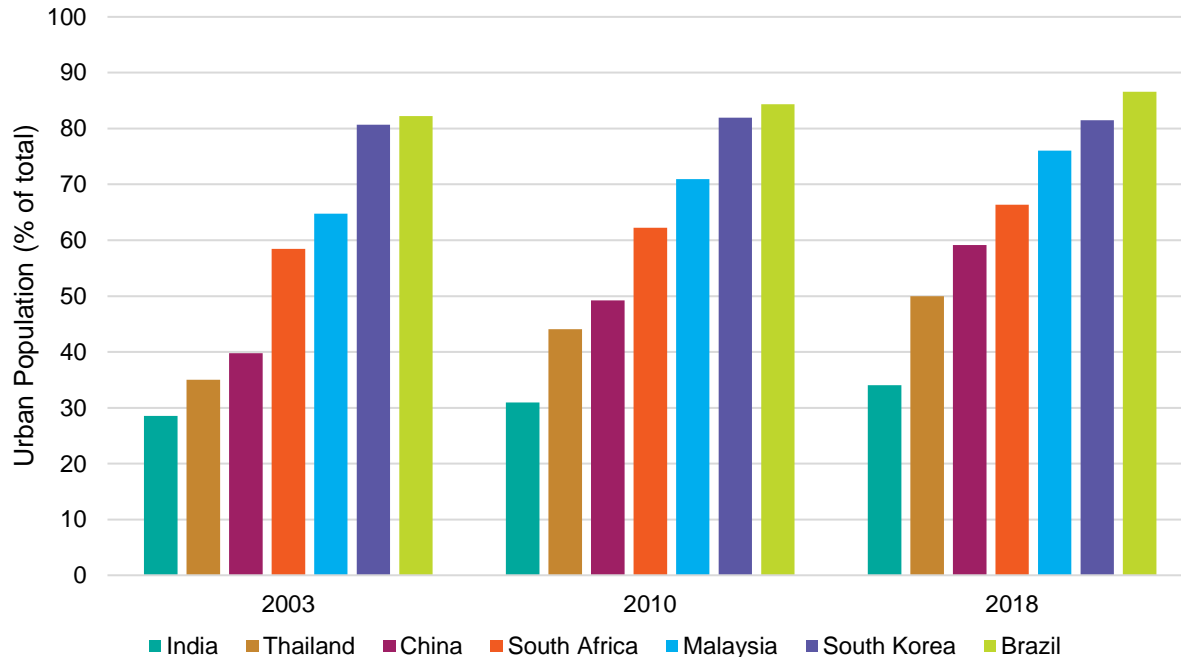
1. United Nations, "World Population Prospects: The 2017 revision". Retrieved 3/31/2020.

2. McKinsey, "Investors are plowing billions of dollars into China's rapidly growing healthcare market." April 2018. Retrieved 3/31/2020.

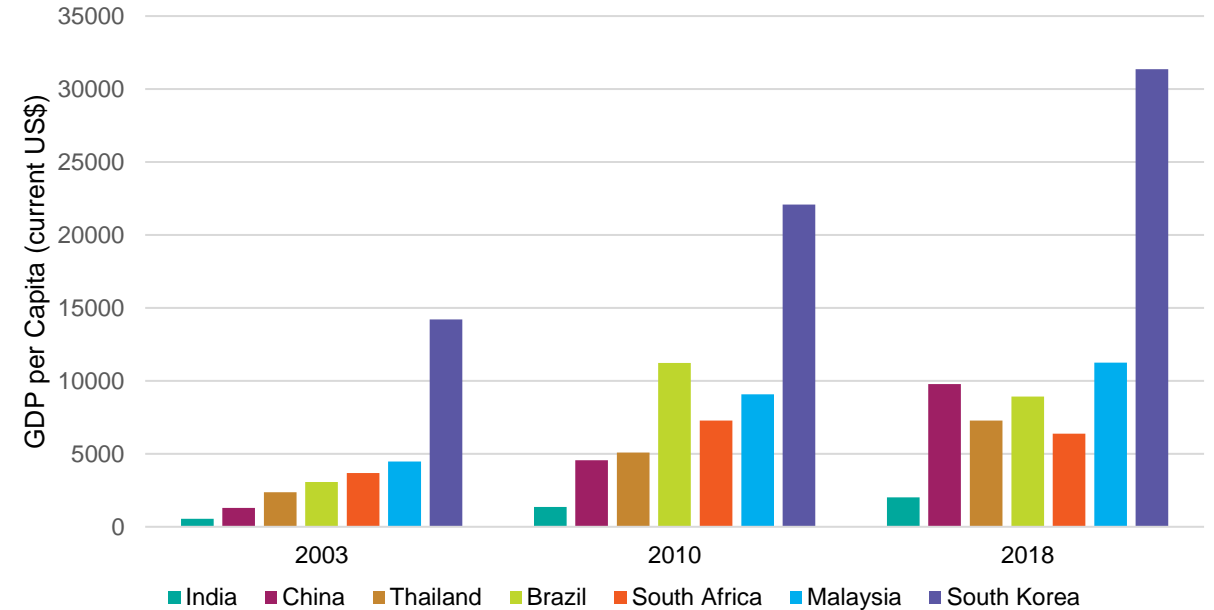
Rapid urbanization and rising income look to increase consumption in emerging markets

- In EM countries, the total population living in urban areas has increased by over 337 million people in just 10 years¹
- Asian countries like China, Thailand and Malaysia are experiencing particularly rapid urbanization rates¹
- Urbanization in emerging markets has been accompanied by a sharp rise in average GDP per capita which more than doubled from 2004 to 2017¹
- The McKinsey Global Institute estimates that 91% of global consumption will come from cities between 2015 and 2030, and the global distribution of consumption wealth is tilting towards emerging markets. Consumers living in emerging market cities are predicted to contribute 56% (or \$14.1 trillion) to global consumption growth, compared to 35% (or \$8.8 trillion) for consumers in developed market cities from 2015-2030².

**Urban Population in Emerging Market Countries
2003-2018¹**



**GDP per Capita in Emerging Market Countries
2003-2018¹**

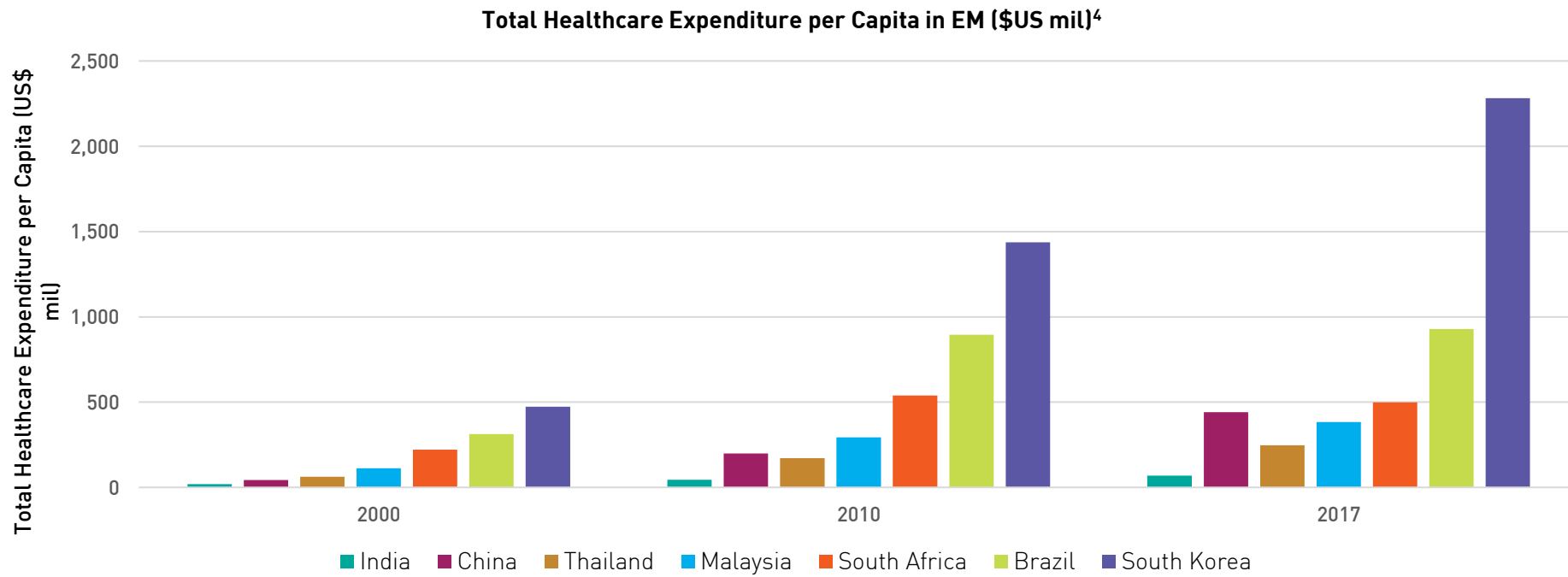


1. World Bank Data. Retrieved 3/31/2020.

2. McKinsey Global Institute, "Urban World: The Global Consumers to Watch," 2016. Retrieved 3/31/2020.

Health care spending is on the rise in other emerging market economies

- Urbanization is placing many in emerging market countries within reach of modern healthcare services, and aging populations are fueling growth in the demand for healthcare services and treatments¹.
- Moreover, due to urbanization and resulting lifestyle changes, diagnoses of non-communicable diseases (NCDs) such as diabetes and cancer are rising steadily in emerging market countries, presenting a growth opportunity for innovators in the healthcare space¹.
- Global health care spending is projected to increase at an annual rate of 5% from 2019-2023², up 2.7% from 2014-2018. Recent estimates suggest that global expenditures on healthcare could rise from US \$8 trillion in 2018 to over \$18 trillion in 2040⁴.



1. UBS, "Longer Term Investments: Emerging Market Healthcare" 3/28/2017.

2. Deloitte, "2020 Global Health Care Outlook: Laying a foundation for the future", Retrieved 3/31/2020.

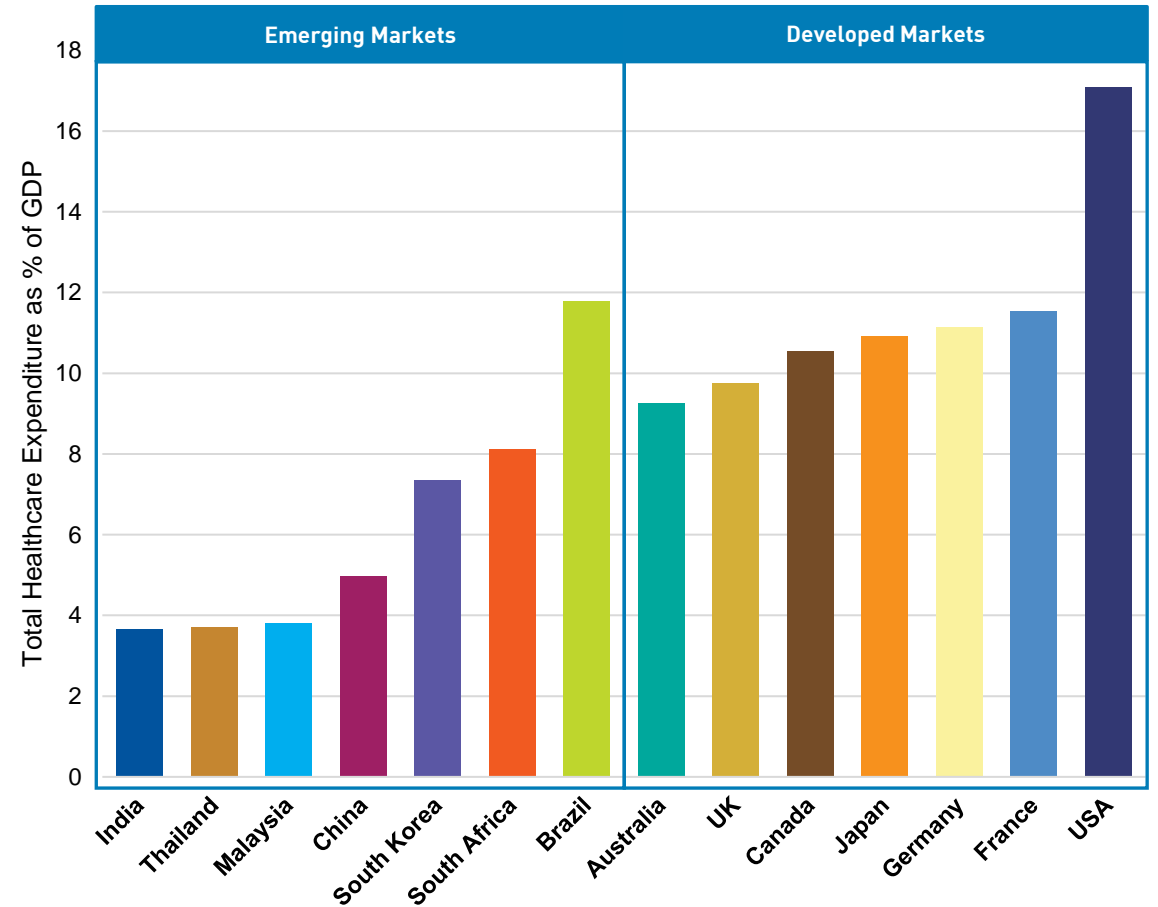
3. Dieleman, Joseph L et al., "Future and potential spending on health 2015-40: development assistance for health, and government, prepaid private, and out-of-pocket health spending in 184 countries", The Lancet, Volume 389, Issue 10083, 2005 - 2030

4. World Health Organization, Global Health Expenditure Database as of 12/31/2017, retrieved 3/31/2020

As healthcare spending in emerging markets has risen, EM governments are launching new policies to drive healthcare reform

- Historically, average EM healthcare spending per capita has been about 5% that of the United States¹
- In 2016, total healthcare spending in EM was 8% of GDP on average as opposed to higher rates in developed markets such as 11% in Germany or 17% in the United States²
- However, many emerging markets governments are enacting policies to promote both public and private financing to meet the growing demand for healthcare.
- The Chinese government recently expanded the National Reimbursement Drug List (NRDL) to provide reimbursement coverage for higher-priced treatments and aims to review and update its list of eligible treatments every two years.³
- In India, the “National Health Protection Mission,” a new government sponsored insurance plan for all Indian citizens, is estimated to add \$1.7 billion in public healthcare spending with the goal of reducing out of pocket costs⁴.

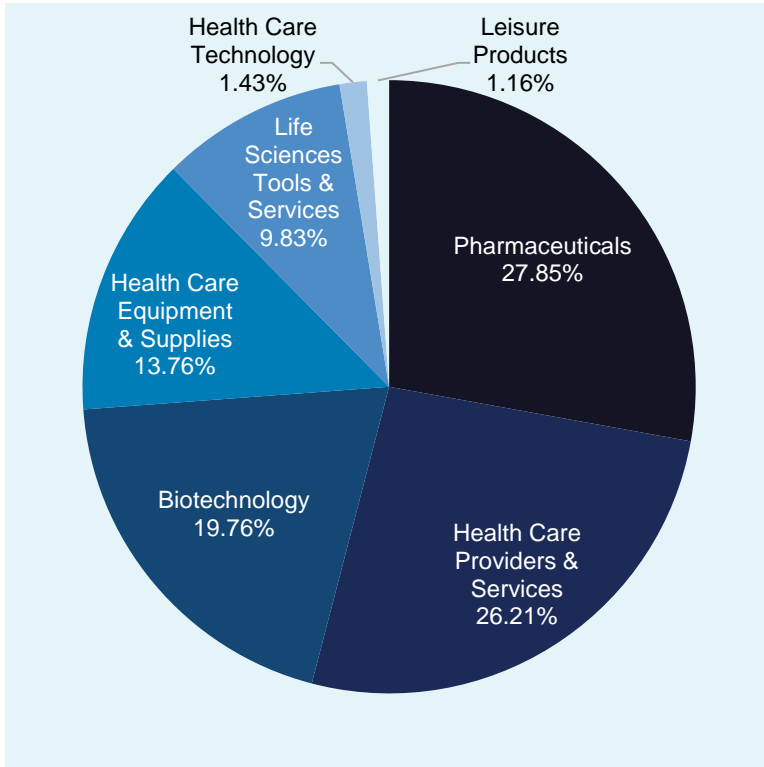
EM vs DM Total Healthcare Expenditure as % of GDP in 2017²



1. UBS, “Longer Term Investments: Emerging Market Healthcare” 3/28/17
2. World Health Organization, Global Health Expenditure Database as of 12/31/2017, last updated on 4/23/2019, retrieved on 3/31/2020
3. Goldman Sachs Equity Research “China Biotech Primer” 6/15/2018
4. BBC “Indian Healthcare: Will the World’s Largest Public Scheme Work?” 2/4/2018

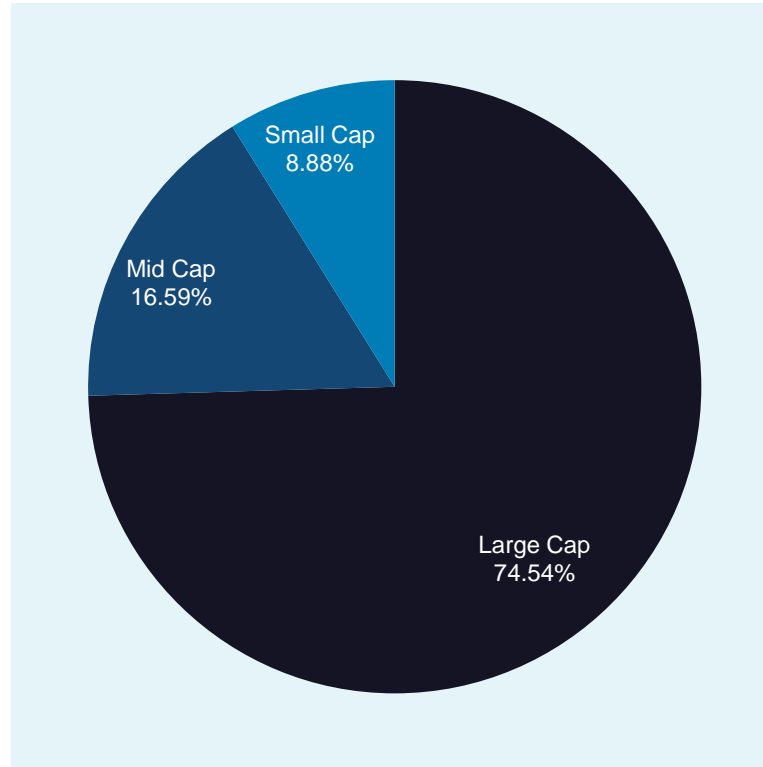
The KraneShares Emerging Market Healthcare Index ETF (Ticker: KMED) provides exposure to small, mid and large cap equities from a diverse array of subsectors and countries

Subsector Breakdown



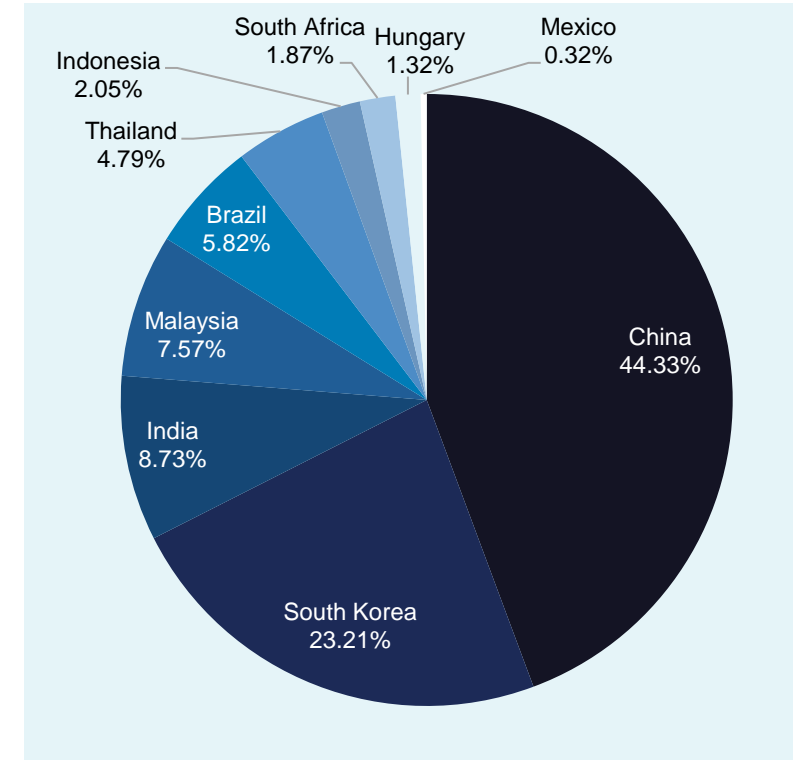
Data from Bloomberg as of 3/31/2020. Excluding cash.

Market Cap Breakdown








Data from Bloomberg as of 3/31/2020. Excluding cash.

Country Breakdown













Data from Bloomberg as of 3/31/2020. Excluding cash.

Country by Country Healthcare Market Subsector Snapshot

Healthcare Market Subsectors		KMED country-level breakdown (in order of country holding weight within KMED)							
		1. China	2. South Korea	3. India	4. Malaysia	5. Brazil	6. Thailand	7. Indonesia	8. Others*
	Pharmaceuticals Companies engaged in the research, development or production of over-the-counter and prescribed medicines or drugs.	33.01%	15.34%	66.28%	–	–	–	65.69%	72.08%
	Biotechnology Companies primarily engaged in the research, development, manufacturing and/or marketing of products based on genetic analysis and genetic engineering. Excludes companies manufacturing products using biotechnology but without a health care application.	31.09%	66.18%	18.46%	–	–	–	–	–
	Medical Equipment Companies that manufacture instruments that are used in the prevention, diagnosis or treatment of illness or disease or rehabilitation following disease or injury.	23.10%	–	–	46.50%	–	–	–	–
	Healthcare Administration Services Owners and operators of health care facilities, including hospitals, nursing homes, rehabilitation centers, medical examination clinics and providers of healthcare insurance plans and policies and healthcare distributors.	9.57%	18.48%	15.25%	53.50%	100.00%	100.00%	34.31%	27.92%
	Healthcare IT Companies that create and develop technologies used to store, share, and analyze health information.	3.23%	–	–	–	–	–	–	–
Total		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Others include South Africa, Hungary & Mexico. Data from Bloomberg as of 3/31/2020.

The top 10 holdings in the KraneShares Emerging Market Healthcare Index ETF (Ticker: KMED) have seen attractive revenue growth over the past five years

Top 10 Fund Holdings* (As of 3/31/2020)	Company Logo	Ticker	Fund Weight	1 Year Average Revenue Growth Rate	5 Year Average Revenue Growth Rate
SHENZHEN MINDRAY BIO-MEDIC-A		300760 CH	6.38%	15.32%	84.67%
CELLTRION INC		068270 KS	6.00%	-1.44%	188.12%
SAMSUNG BIOLOGICS CO LTD		207940 KS	5.66%	14.43%	14.43%
JIANGSU HENGRUI MEDICINE C-A		600276 CH	4.60%	10.37%	15.45%
CELLTRION HEALTHCARE CO LTD		091990 KS	4.29%	21.83%	14.61%
IHH HEALTHCARE BHD		IHH MK	4.05%	23.09%	20.21%
SUN PHARMACEUTICAL INDUS		SUNP IN	3.60%	32.69%	25.48%
AIER EYE HOSPITAL GROUP CO-A		300015 CH	2.62%	35.40%	35.40%
HANSOH PHARMACEUTICAL GROUP		3692 HK	2.61%	5.82%	8.40%
WUXI BIOLOGICS CAYMAN INC		2269 HK	2.49%	25.79%	32.84%
			42.30%	Average: 18.33%	Average: 43.96%

Data from Bloomberg as of 3/31/2020.

*Top Holdings excluding holdings with less than a 1-year performance history

KraneShares Emerging Market Healthcare Index ETF (Ticker: KMED)

KMED seeks to provide investment results that, before fees and expenses, track the performance of the Solactive Emerging Markets Healthcare Index. The index seeks to track the equity market performance of companies engaged in the health care sector in various emerging markets. The issuers include small-cap, mid-cap, and large-cap companies. The issuers are involved in hospital management, healthcare management, pharmaceutical manufacturing, and biotechnology, among other sub-industries.

KMED Performance History as of 3/31/2020

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	-7.54%	4.30%	-15.17%	-5.25%	-	-9.84%
Closing Price	-6.63%	4.30%	-15.17%	-5.08%	-	-9.84%
Index	-7.37%	4.83%	-14.33%	-4.02%	-	-9.28%

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

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market price returns are based upon the midpoint of the bid/ask spread at the close of the exchange and does not represent the returns an investor would receive if shares were traded at other times. Brokerage commissions will reduce returns. NAVs are calculated using prices as of 4:00 PM Eastern Time.

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.

Fund Details	As of 3/31/2020
Primary Exchange	NYSE
Cusip	500767819
Total Annual Fund Operating Expense	0.79%
Inception Date	8/29/18
Distribution Frequency	Annual
Index Name	Solactive Emerging Markets Healthcare Index
Index Ticker	SOLKMED
Number of Holdings (ex Cash)	74

Top Ten Fund Holdings as of 3/31/2020 excluding cash. Fund holdings are subject to change.	Ticker	%
SHENZHEN MINDRAY BIO-MEDIC-A	300760 CH	6.38
CELLTRION INC	068270 KS	6.00
SAMSUNG BIOLOGICS CO LTD	207940 KS	5.66
JIANGSU HENGRUI MEDICINE C-A	600276 CH	4.60
CELLTRION HEALTHCARE CO LTD	091990 KS	4.29
IHH HEALTHCARE BHD	IHH MK	4.05
SUN PHARMACEUTICAL INDUS	SUNP IN	3.60
AIER EYE HOSPITAL GROUP CO-A	300015 CH	2.62
HANSOH PHARMACEUTICAL GROUP	3692 HK	2.61
WUXI BIOLOGICS CAYMAN INC	2269 HK	2.49

 KURE

KraneShares MSCI
All China Health
Care Index ETF

Investment Strategy:

KURE seeks to measure the performance of MSCI China All Shares Health Care 10/40 Index. The Index is a free float adjusted market capitalization weighted index designed to track the equity market performance of Chinese companies engaged in the health care sector. The securities in the Index include all types of publicly issued shares of Chinese issuers, which are listed in Mainland China, Hong Kong and the United States. Issuers eligible for inclusion must be classified under the Global Industry Classification Standard (GICS) as engaged in the healthcare sector. The issuers included in the Underlying Index may include small-cap, mid-cap and large-cap companies.

China Health Care Sector Highlights:

- China is one of the fastest growing major healthcare markets in the world with a ten-year compound annual growth rate of 13%, compared to just 3% in the United States and 2% in Japan¹.
- China is the second largest healthcare market globally with total healthcare expenditures reaching \$630 billion in 2017¹, a number projected to reach \$1.1 trillion by 2020².
- There is still opportunity for considerable growth in China's healthcare market with per capita health spending at just \$441, compared to an average of over \$5,400 for the world's top eight healthcare markets³.
- China's aging population, rising incomes and increasing urbanization may provide a sustained catalyst for growth in China's healthcare sector.

KURE features:

- Exposure to Chinese companies listed in the Mainland, Hong Kong and United States that are involved in the healthcare industry. Specifically: patent and generic pharmaceuticals, hospital administration, biotechnology, medical equipment production, healthcare IT, and traditional Chinese medicine.
- Exposure to companies that benefit from China's growing middle class and aging population.
- Access to leading Chinese pharmaceutical companies which have been recipients of favorable policy and market conditions for research and development and the invention of new medicines and devices.

1. Major healthcare markets defined as top five global markets by the World Health Organization. Data from the World Health Organization, last updated on 4/7/2020.
2. International Trade Association, "2016 Top Markets Report Pharmaceuticals, 2016", retrieved 3/31/2020.
3. Data from the World Health Organization, last updated on 4/7/2020.

COVID-19 pandemic may cause a surge in global demand for China healthcare companies.

- 18% of revenue from holdings within KraneShares MSCI All China Healthcare ETF is derived from abroad.¹
- Several key China healthcare companies within KURE derive significant revenue from abroad.
- Today, Chinese pharmaceutical manufacturers have captured 97% of the U.S. market for antibiotics and 90% of the market for vitamin C.²

China Healthcare Company Highlights



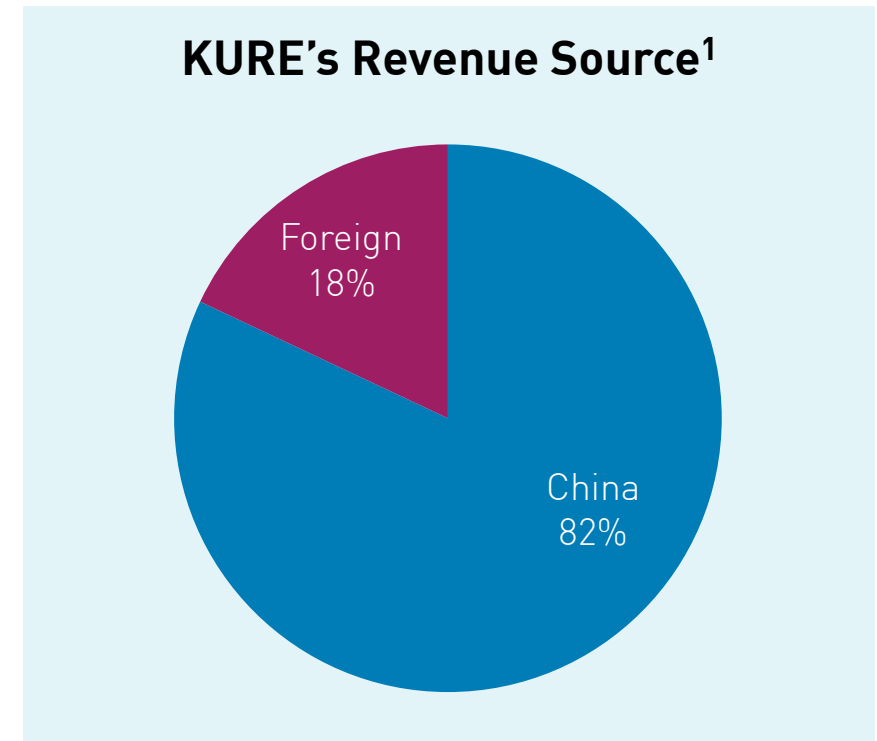
Mindray is a leading ventilator manufacturing, producing 3,000 ventilators a month³. The company quickly expanded its global reach due to COVID-19 shortages, entering the US market last month after obtaining FDA authorization.



Jiangsu Yuyue recently received FDA authorization to sell its ventilators to the US on April 1st.⁴ The company is also major supplier of forehead thermometers and nebulizers.



WuXi AppTec and WuXi Biologics are both contract research organizations (CROs), which offer pharmaceutical and biotech R&D and manufacturing services for both domestic and foreign companies.

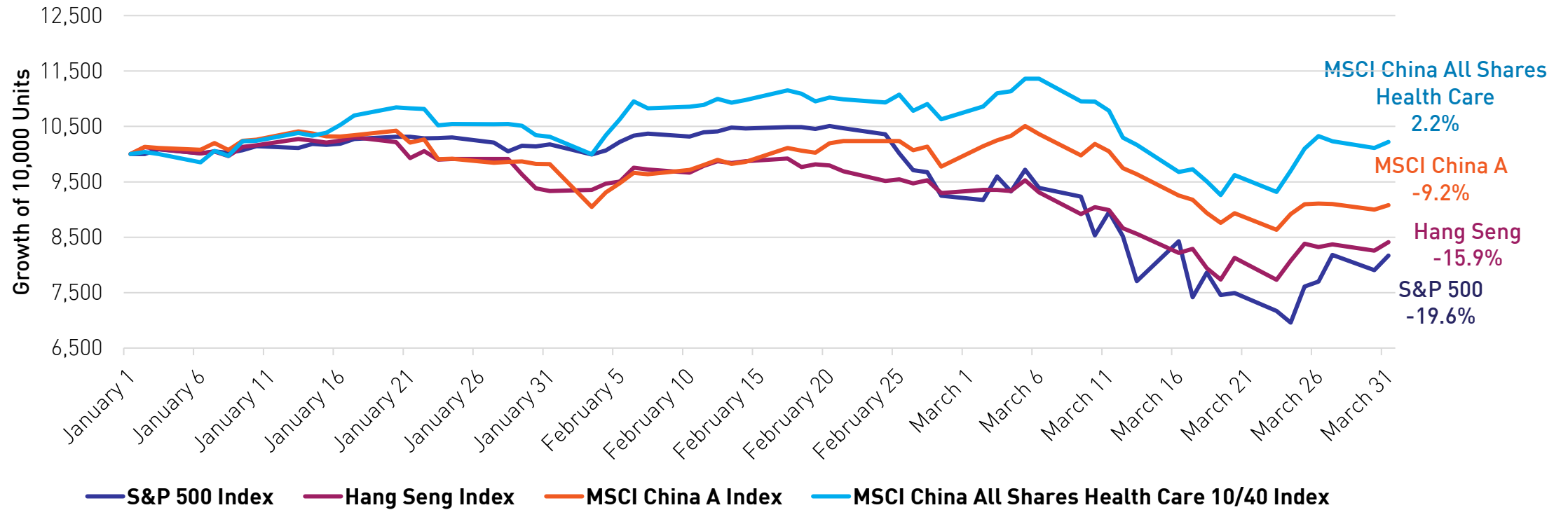


1. Data from MSCI, as of 3/31/2020.
 2. Council on Foreign Relations, "The Coronavirus Outbreak Could Disrupt the U.S. Drug Supply", 3/5/2020.
 3. Bloomberg, "World Ventilator Demand Now 10 Times What's Available, Says Maker", 3/25/2020.
 4. Reuters, "Jiangsu Yuyue Medical Equipment's Unit Obtains Emergency Use Authorization From U.S. FDA For Ventilator Product", 4/1/2020.

China Policy Response Effect

- The PBOC’s strong monetary policy stabilized markets preventing a freezing of fixed income markets like here in the US
- China’s proactive fiscal response offset economic weakness during quarantine

Performance of Major Stock Indexes Q1 2020

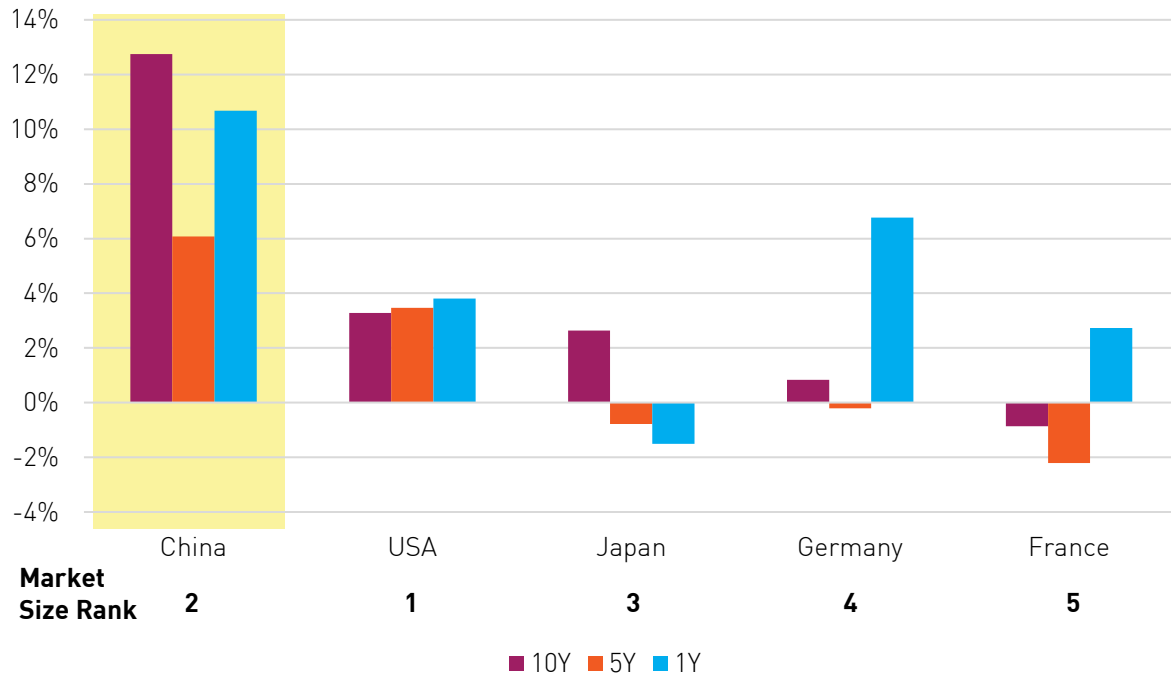


Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

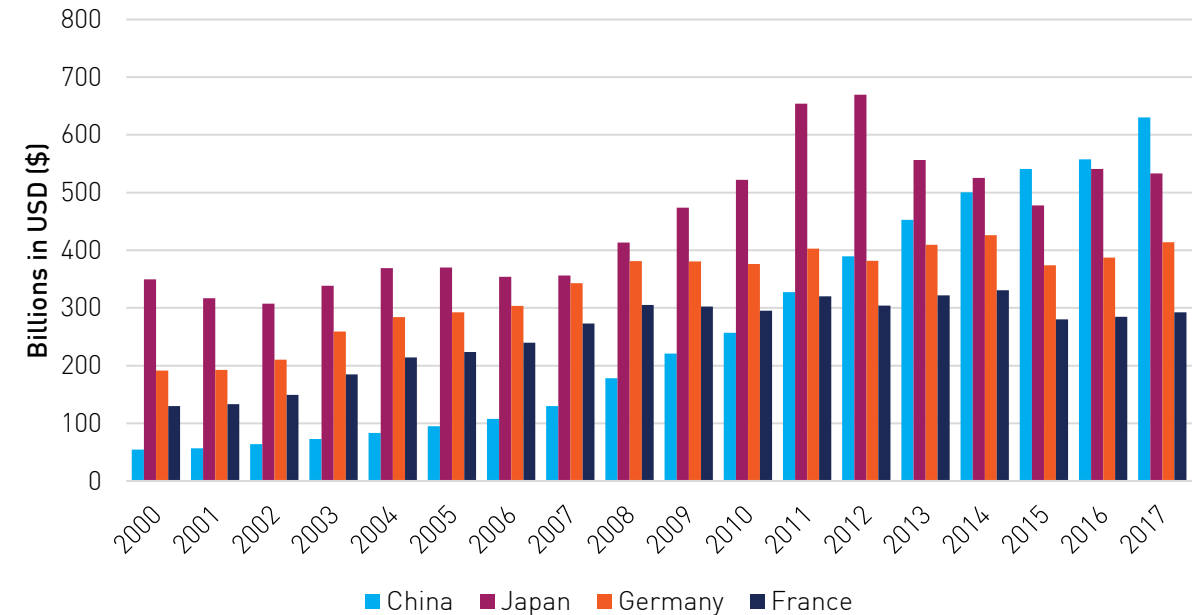
China's healthcare sector is growing rapidly.

- China is one of the fastest growing major healthcare markets in the world with a ten-year compound annual growth rate of 13%, compared to just 3% in the United States and 2% in Japan¹.
- China is the second largest healthcare market globally with total healthcare expenditure reaching \$630 billion in 2017¹, a number projected to reach \$1.1 trillion by 2020².

Growth Rate of the Top 5 Largest Healthcare Markets¹



Total Healthcare Expenditures of the Top 4 Largest Healthcare Markets (Excluding U.S.)¹

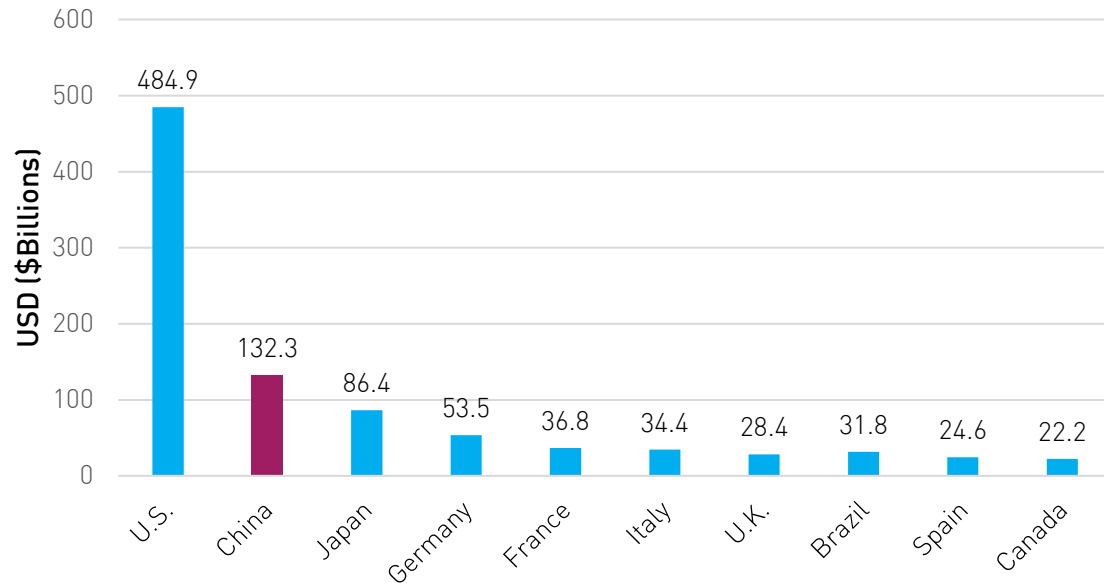


1. Major healthcare markets defined as top five global markets by the World Health Organization. Data from the World Health Organization, last updated on 4/7/2020.
 2. ITA, 2016 Top Markets Report Pharmaceuticals, 2017. Retrieved on 3/31/2020.

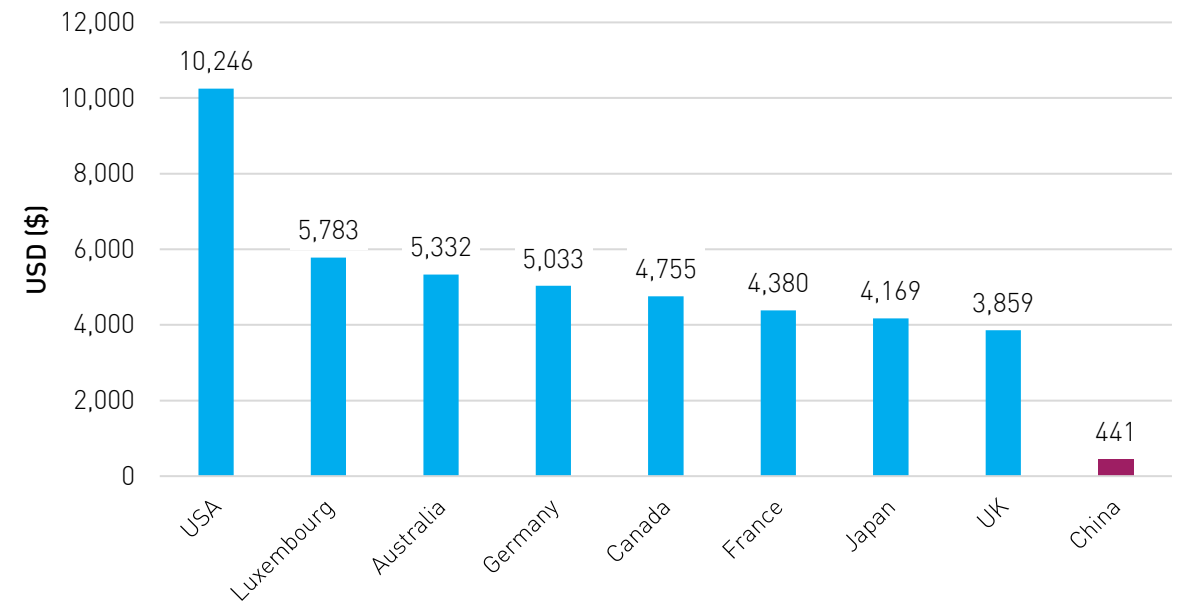
China has continued to break historical pharmaceutical sales records despite having significantly lower healthcare per capita expenditures compared to other major economies.

- China’s pharmaceutical sales reached \$137 billion in 2018¹. This number is projected to grow to \$175 billion by 2022¹, according to healthcare information company, IQVIA.
- Per capita health spending remains low at \$441, as compared to an average of over \$5,400 in the world’s top eight healthcare markets in terms of per capita expenditure².
- In 2011, China adopted Universal Healthcare with 95% of China’s population gaining access to healthcare services³.

Global Top 10 Pharmaceutical Spending in 2018⁴



Per capita healthcare expenditure of major countries in 2017²

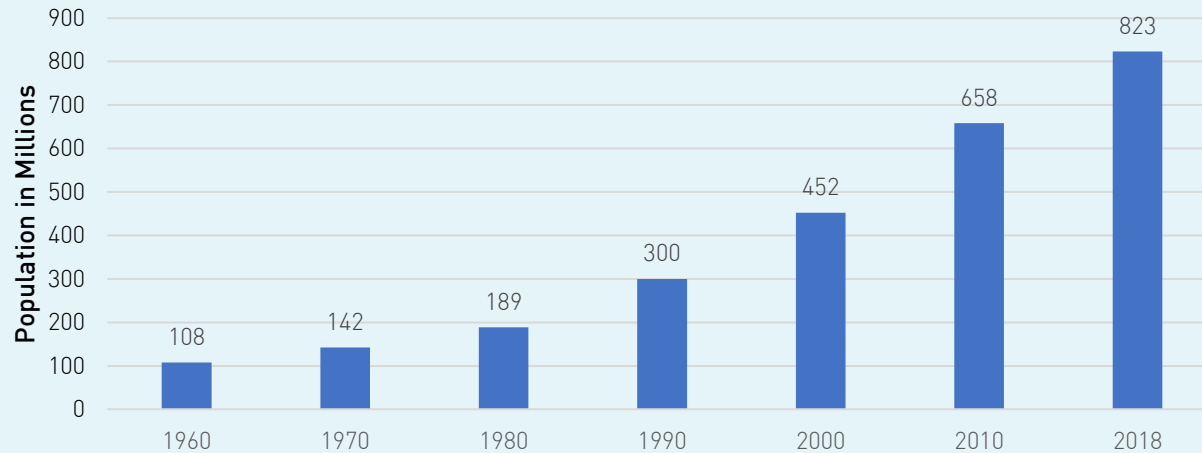


1. China Daily. “Fast growth in China’s pharmaceutical market to benefit foreign firms.” 9/29/2019. Retrieved on 3/31/2020.
2. Major healthcare markets defined as top five global markets by the World Health Organization. Data from the World Health Organization, last updated on 4/7/2020.
3. Sun et al., “Chinese healthcare system and clinical epidemiology”, NIH, 3/16/2017.
4. IMS Market Prognosis, 2018. Retrieved on 3/31/2020.

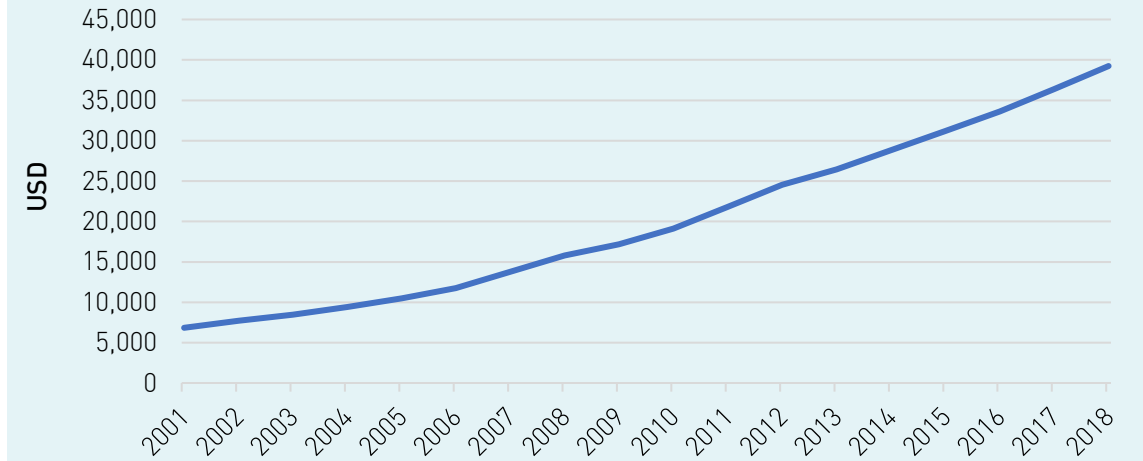
As China's population moves to cities and wages increase, healthcare is becoming a greater focus.

- As average household income and urbanization rates have risen, Chinese citizens have greater access to healthcare knowledge and have a greater ability to pay for medical-related costs.
- However, rising incomes and urbanization have given rise to China's current obesity problem as more citizens adopt western eating habits.
- Today, about 5% of Chinese adults (approximately 69 million people) are obese overall and in some cities the obesity rate is up to 20%.¹
- Additionally, instances of cancer in China are rising, with 4.3 million new cancer cases in 2018 alone².
- In 2016, the government responded to growing healthcare concerns by launching the "Healthy China 2030 Plan", which is a national initiative that promotes diet, exercise, and access to healthcare services.

China Urban Population³



Per Capita Disposable Income of Urban Households in China⁴

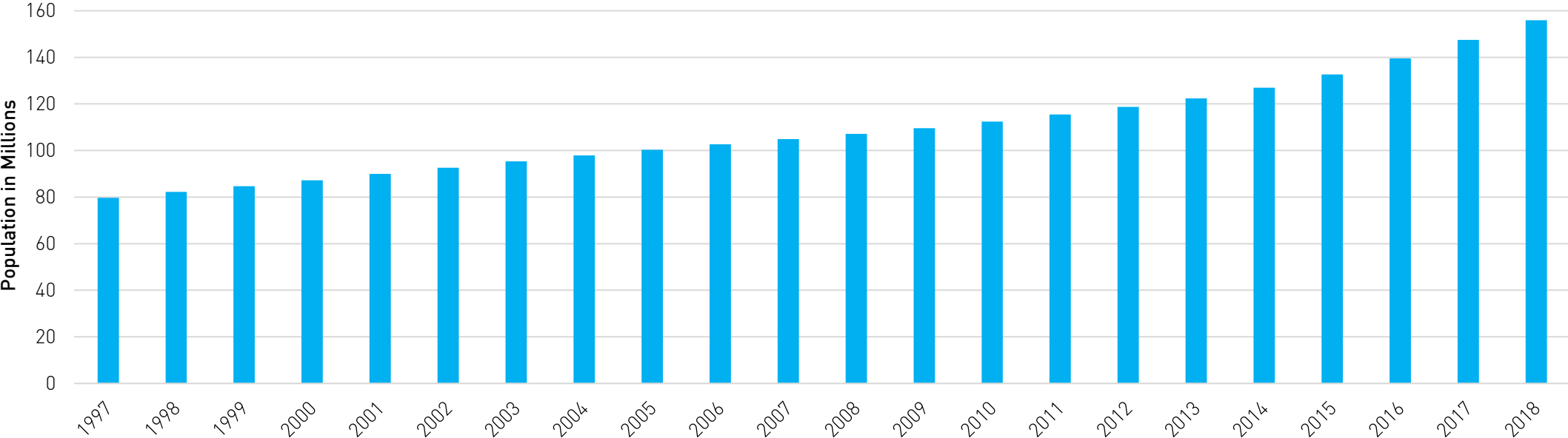


1. WebMD. "One third of global population overweight or obese according to new study," WeMD. June 13, 2017.
 2. World Health Organization's Global Cancer Observatory, "China Population Fact Sheet". Data as of May 2019. Retrieved on 3/31/2020.
 3. Data from the World Bank as of 12/31/2018. Retrieved on 3/31/2020.
 4. Data from Bloomberg as of 12/2018. Retrieved on 3/31/2020.

China's growing aging population is fueling the demand for increased healthcare services.

- China's aging population is expected to increase the burden of chronic disease by 40% by the year 2030¹.
- By 2053, China will have 487 million senior citizens, making up 35% of the total population².
- The number of nursing homes in China is growing at a rate of 20.6% year-on-year to meet public demand, however, there currently is a shortage of medical care supplies for the elderly. For every 1000 senior citizens, there are only 31.6 nursing home beds².

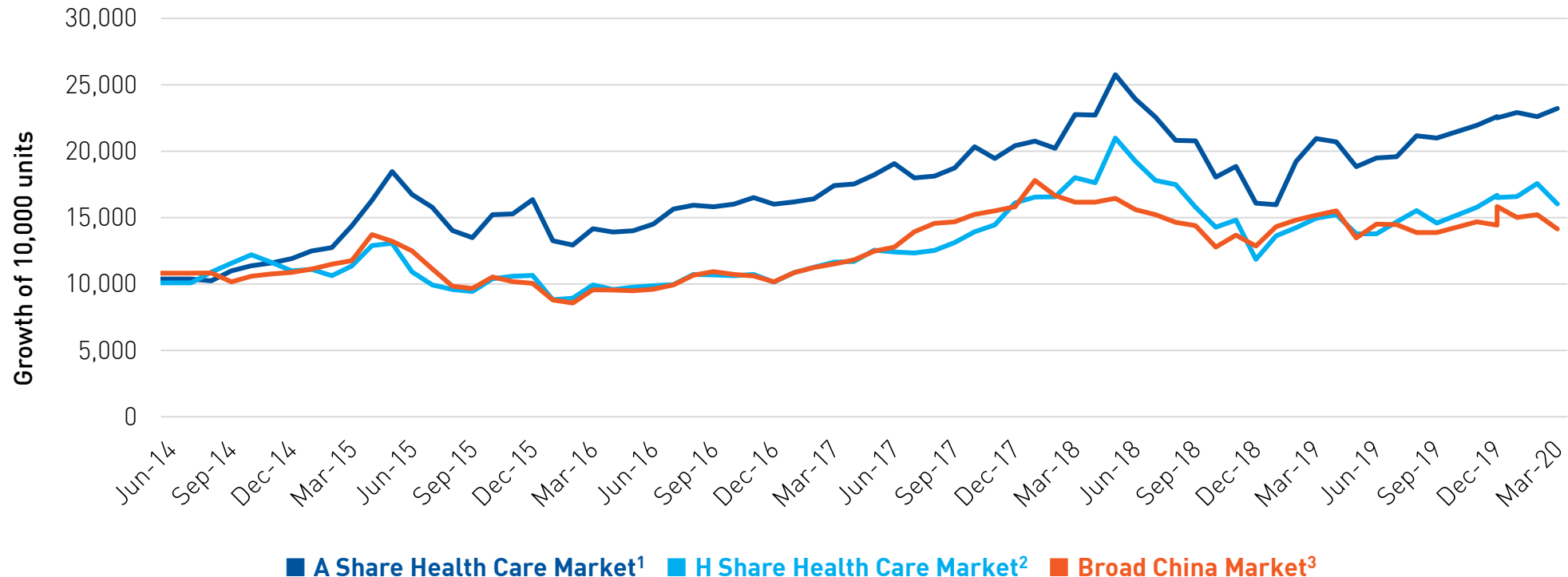
Population Aged Over 65 in China³



1. The World Bank, "Toward a Healthy and Harmonious Life in China: Stemming the Rising Tide of Non-Communicable Diseases", 07/31/2011. Retrieved 3/31/2020.
 2. China-WHO, "Country Cooperation Strategy 2016-2020", 2016. Retrieved on 3/31/2020.
 3. Data from The World Bank as of 12/31/2018. Retrieved on 3/31/2020.

The China healthcare sector in both Mainland (A shares) and Hong Kong (H shares) has outperformed the broader Chinese markets over the past 5 years.

China A & H Share Health Care vs MSCI China Index since 2014 (6/30/2014 - 3/31/2020)



Data from Bloomberg as of 3/31/2020. 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.

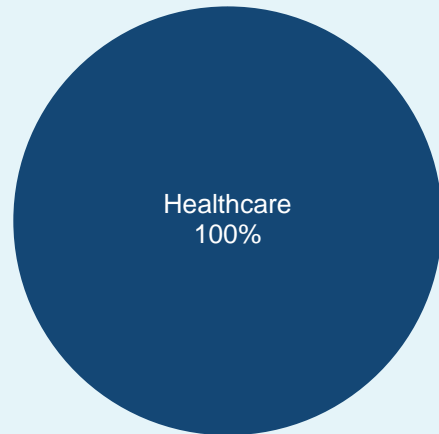
1.) China A Share healthcare sector is represented by CSI 300 Health Care Index
 2.) China H Share healthcare sector is represented by MSCI China Health Care Index
 3.) Broad China Market is represented by MSCI China Index. See Page 23 for Index Definitions.

Example Holdings in the KraneShares MSCI All China Health Care Index ETF (Ticker: KURE)

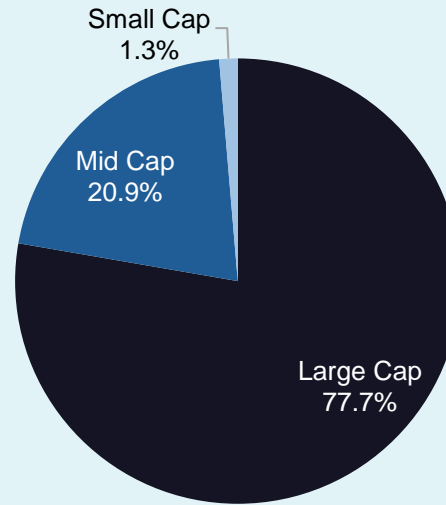
Theme		Example Holding	Holding weight (as of 3/31/2019)	Company logo	Company Description
	Patent and Generic Pharmaceuticals	Jiangsu Hengrui	9.21%		Jiangsu Hengrui develops, manufactures, and markets a variety of medicines and medicine packing materials. The Company specializes in the R&D of new medicines in areas of antineoplastics, endocrine system, cardiovascular, and the immune system.
	Medical Equipment Production	Shenzhen Mindray	6.11%		Mindray is one of the leading global providers of medical devices and solutions in the fields of Patient Monitoring & Life Support, In-Vitro Diagnostics, and Medical Imaging System. Mindray is a leading ventilator manufacturer.
	Hospital Administration	Meinian Onehealth	1.06%		Meinian Onehealth Healthcare Holdings Co., Ltd. provides health examinations, evaluations, consulting services and other medical services in 200+ medical facilities throughout China.
	Biotechnology	WuXi Biologics	5.45%		WuXi Biologics owns WuXi AppTec, a leading global pharmaceutical, biopharmaceutical, and medical device open-access capability and technology platform with global operations. WuXi AppTec provides a portfolio of services throughout the drug R&D process.
	Traditional Chinese Medicine	Tong Ren Tang	0.80%		Tong Ren Tang is a Chinese pharmaceutical company founded in 1669, which is now the largest producer of traditional Chinese medicine. The company is engaged in both manufacture and retail sales and drug store operations throughout China.
	Healthcare IT	Alibaba Healthcare	2.99%		Ali Health provides internet solutions for the healthcare industry to increase cross-regional sharing of existing social medicine resources and efficiencies of medical treatment. AliHealth specializes in medical e-commerce, smart medical treatment and product tracing.

KURE Portfolio Characteristics

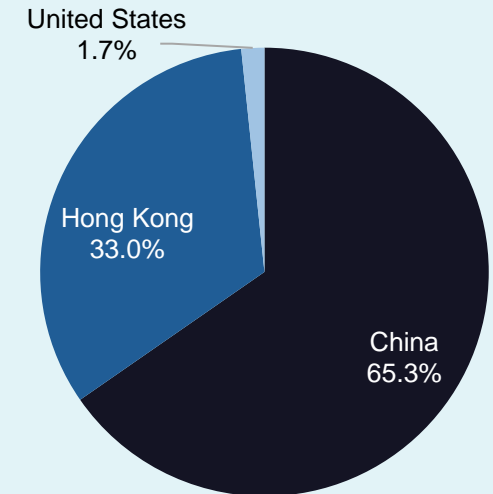
KURE Sector Breakdown



KURE Market Cap Breakdown



KURE Breakdown by Listing Location



KraneShares MSCI All China Health Care Index ETF (Ticker: KURE)

The KraneShares MSCI All China Health Care Index ETF (KURE) seeks to measure the performance of MSCI China All Shares Health Care 10/40 Index. The Index is a free float adjusted market capitalization weighted index designed to track the equity market performance of Chinese companies engaged in the health care sector. The securities in the Index include all types of publicly issued shares of Chinese issuers, which are listed in Mainland China, Hong Kong and United States. Issuers eligible for inclusion must be classified under the Global Industry Classification Standard (GICS) as engaged in the healthcare sector. The issuers included in the Underlying Index may include small-cap, mid-cap and large-cap companies.

KURE Performance History as of 3/31/2020

	Cumulative %			Average Annualized %		
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	2.10%	12.82%	-4.22%	6.95%	-	-1.97%
Closing Price	3.03%	13.26%	-4.26%	7.58%	-	-1.99%
Index	2.20%	13.20%	-3.51%	7.80%	-	-1.64%

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.

*Fee waivers are contractual and in effect until 8/01/2020

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market price returns are based upon the midpoint of the bid/ask spread at the close of the exchange and does not represent the returns an investor would receive if shares were trade at other times. Brokerage commissions will reduce returns. NAVs are calculated using prices as of 4:00 PM Eastern Time.

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.

Fund Details	As of 3/31/2020
Primary Exchange	NYSE
Cusip	500767835
Total Annual Fund Operating Expense (Gross)	0.79%
Total Fund Operating Expense (Net)	0.65%*
Inception Date	1/31/2018
Distribution Frequency	Annually
Index Name	MSCI All China Health Care 10/40 Index
Index Ticker	Bloomberg: M1CXCAH
Number of Holdings (ex Cash)	80

Top Ten Holdings as of 3/31/2020 The Fund's Holdings are Subject to Change.	Ticker	%
JIANGSU HENGRUI MEDICINE C-A	600276 CH	9.21
SHENZHEN MINDRAY BIO-MEDIC-A	300760 CH	6.11
WUXI BIOLOGICS CAYMAN INC	2269 HK	5.45
CSPC PHARMACEUTICAL GROUP LT	1093 HK	5.04
SINO BIOPHARMACEUTICAL	1177 HK	4.75
WUXI APPTec CO LTD-A	603259 CH	3.04
ALIBABA HEALTH INFORMATION T	241 HK	2.99
AIER EYE HOSPITAL GROUP CO-A	300015 CH	2.72
YUNNAN BAIYAO GROUP CO LTD-A	000538 CH	2.51
CHANGCHUN HIGH & NEW TECH-A	000661 CH	2.07

Index Definitions:

MSCI China Index: captures large and mid cap representation across China H shares, B shares, Red chips and P chips. With 143 constituents, the index covers about 84% of this China equity universe.

MSCI China A Health Care Index: captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard.

CSI 300 Health Care Index: consists of all the constituents of CSI 300 Index that are in the health care sector. It aims to reflect the overall performance of the sector.

Hang Seng Index: The index is a free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub indices: Commerce and Industry, Finance, Utilities, and Properties. The index was developed with a base level of 100 as of July 31, 1964.

S&P 500: The S&P 500 Index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 3.4 trillion of this total. The index includes 500 leading companies and covers approximately 80% of available market capitalization. The index was launched on March 4, 1957.

MSCI All China Healthcare 10/40 Index: The index captures large and mid-cap representation across China A - shares, B - shares, H - shares, Red - chips, P - chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. It is based on the concept of the integrated MSCI China equity universe with China A-shares included. All securities in the index are classified in the Health Care sector according to the Global Industry Classification Standard (GICS®). The 10/40 concentration constraints apply investment limits where the weight of each group entity in the index is capped at 10% and the cumulative weight of all group entities with a weight in excess of 5% does not exceed 40% of the Index by weight.

MSCI China A Index: captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges.

Important Notes

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.

Narrowly focused investments typically exhibit higher volatility. Internet companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Such changes may have an adverse impact on performance. Technology companies may be subject to severe competition and rapid obsolescence. The KraneShares MSCI All China Health Care Index ETF is non-diversified.

The ability of the KraneShares MSCI All China Health Care Index ETF to achieve its respective investment objectives is dependent, in part, 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 to limited availability of A Share quota, the Fund could seek exposure to the component securities of the Underlying Index by investment 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.

The KraneShares MSCI All China Health Care Index ETF invests primarily in the health care industry. The profitability of companies in the healthcare sector may be affected by government regulations and government healthcare programs, government reimbursement for medical expenses, increases or decreases in the cost of medical products and services, limited product lines, increased emphasis on the delivery of healthcare through outpatient services and product liability claims. Many healthcare companies are heavily dependent on patent protection, which may be time consuming and costly, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in pricing pressure, including price discounting, and may be thinly capitalized and susceptible to product obsolescence. Many new products in the healthcare sector require significant research and development and may be subject to regulatory approvals, which may be time consuming and costly and with no guarantee that the product will come to market.

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.

The KraneShares ETFs are distributed by SEI Investments Distribution Company (SIDCO), which is not affiliated with Krane Funds Advisors, LLC, the Investment Adviser for the Fund. [R_US_KS_SEI]