Sevens Report Alpha Webinar:

How Can We Get Long Carbon – with Panelist Luke Oliver Managing Director and Head of Strategy at KraneShares

Thursday, October 28th, 2021

Tom Essaye, President Sevens Report Research

金瑞基金 KraneShares CLIFI CLIMATE FINANCE PARTNERS

KRBN

KEUA

KCCA

An Investment Approach to Climate Change:

An Overview of KraneShares Global Carbon Market Investment Solutions

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Overview

About KraneShares and Partners for the first global carbon ETF (KRBN)

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 stay current on global market trends and aim to provide meaningful diversification. Krane Funds Advisors, LLC, is a signatory of the United Nations-supported Principles for Responsible Investing (UN PRI). The firm is majority owned by China International Capital Corporation (CICC).

About Climate Finance Partners

KRBN is sub-advised by Climate Finance Partners (CLIFI). CLIFI delivers innovative climate finance solutions and investment products to address capital needs for emerging environmental challenges. CLIFI is led by a team of investment professionals with deep experience in the fields of traditional investment and environmental finance.

About IHS Markit

KRBN's index was created by IHS Markit, global index provider and three-time winner of Index Product Creator & Developer of the Year. IHS Markit brings together the deepest intelligence across the widest set of capital-intensive industries and markets, including leading positions in energy and green finance.

Secretary of State John Kerry, with his two-year-old granddaughter on his lap, signs the Paris Agreement on Climate Change on April 22, 2016 at the United Nations headquarters in New York.

Positive Environmental Impact

"One of the most powerful ways to reduce emissions… is to move toward carbon pricing that puts basic, free-market economics to work."

– Secretary of State, John Kerry

"I'm a Republican. I believe that the greenhouse effect is real, that CO_2 emissions generated by man is creating our greenhouse gas effect that traps heat, and the planet is warming. A price on carbon—that's the way to go in my view."

– Senator Lindsey Graham

"My position is unchanging and unequivocal: international carbon markets— that put a price on carbon— are absolutely crucial if we're to have any chance of stabilizing global temperature rise and avoid runaway climate change."

– UN Climate Change Executive Secretary, Patricia Espinosa

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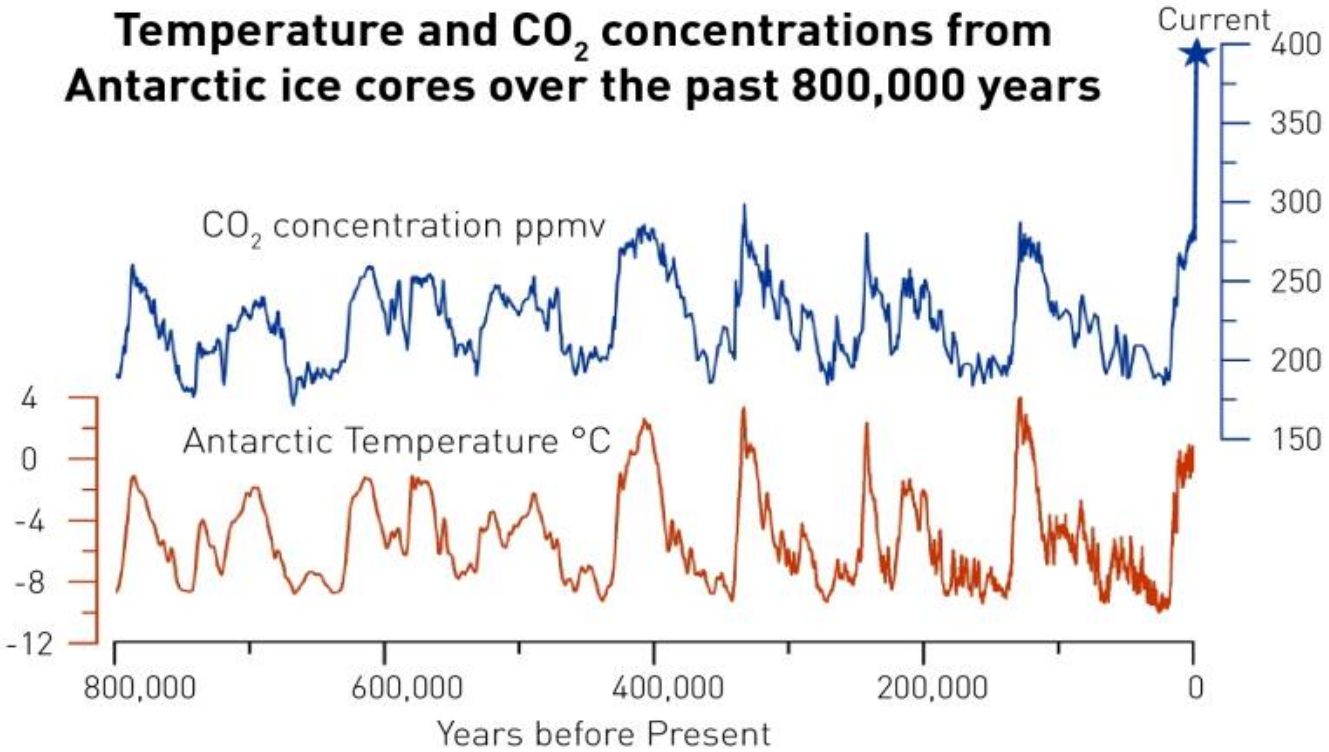
Positive Environmental Impact

A climate change crisis? A key indicator is signaling a million-year anomaly...

Scientists are confident that humans are the primary cause of climate change:

- According to the Fourth National Climate Assessment, the US government's official report on the impact of climate change:
  - Many independent lines of evidence support the finding that human activities are the dominant cause of recent (since 1950) climate change.
  - Atmospheric carbon dioxide (CO_2) levels have increased from approximately 270 parts per million by volume (ppmv) during preindustrial times to the current 408 ppmv observed in levels that exceed any observed over the past 800,000 years.
  - A 40% increase in atmospheric CO_2 levels since the Industrial Revolution is due mainly to human activities (primarily the combustion of fossil fuels).

Temperature and CO_2 concentrations from Antarctic ice cores over the past 800,000 years



Using Antarctic ice cores scientists can measure past concentrations of gases in the atmosphere. Antarctic ice cores contain distinct layers from snowfall accumulated over thousands of years. Using the air captured in the layers, scientists measure historic atmospheric concentrations.

Source: U.S. Global Change Research Program, Fourth National Climate Assessment, 2018

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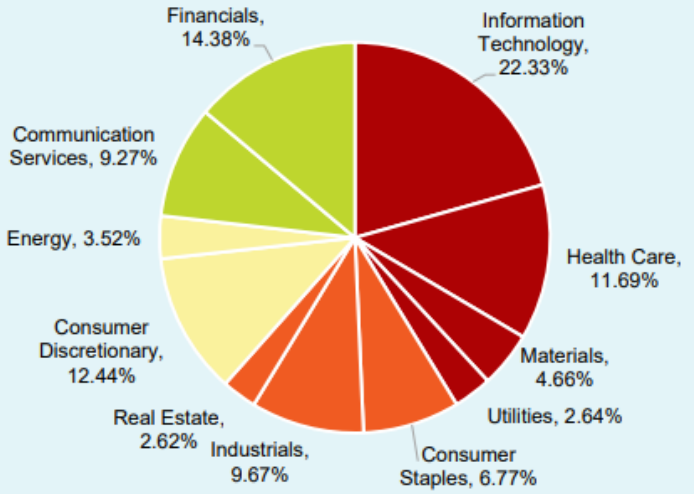
Positive Environmental Impact

Many sectors may be exposed to climate change risk

Extreme weather including heat wave, drought, wildfire, heavy rainfall, flooding, storms, and storm surge, may adversely affect:

- **Information Technology:** Tech sector relies on complex value chains that can be interrupted by extreme weather events. They also often produce expensive and water sensitive products using costly machinery and can incur costs and damages from extreme events on site.[2]
- **Health Care:** More frequent and/or more intense extreme weather events are expected to adversely affect population health. These events can exacerbate underlying medical conditions, increase stress, and lead to adverse mental health effects. Furthermore, extreme weather can disrupt critical public health, healthcare, and related systems in ways that can adversely affect health long after the event.[1]
- **Energy & Utilities:** Power plants rely on a steady supply of water for cooling, and operations are projected to be threatened when water availability decreases or water temperatures increase. Reduced water availability also affects the production and refining of petroleum, natural gas, and biofuels.[1]
- **Real Estate:** Although storms, floods, and erosion have always been hazards, with rising sea levels extreme weather events now threaten approximately $1 trillion in national wealth held in coastal real estate and the continued viability of coastal communities that depend on coastal water, land, and other resources for economic health and cultural integrity.[1]

Exposure to Climate Change Risk* by Sector[2]



Source: MSCI All Country World Index by sector as of Sep 2021 and Four Twenty Seven

1. Fourth National Climate Assessment Report
2. Four Twenty Seven, Scenario Analysis for Physical Equity Markets, June 18, 2019. Retrieved 9/30/2021.

* Based off Market and Supply Chain, and Operations Risk scores of MSCI ACWI industry groups from Four Twenty Seven. Industry group data aggregated to GICS sector.

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Access to Carbon Market

How emissions trading systems work to reduce carbon emissions

- Economists generally believe if there is an appropriate price of carbon emissions, the free market may optimally adjust to provide the best mix of goods and services while accounting for environmental damage caused by pollution from carbon emissions.[1]

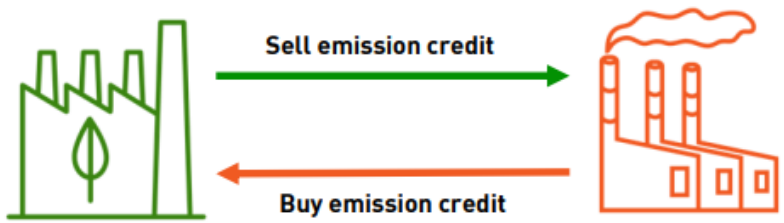
Mechanics of Emissions Trading Systems (ETS)

- A carbon Emissions Trading Systems (ETS), also referred to as Cap and Trade, is a market for trading carbon allowances which are regulated by governmental organizations such as the European Union Emissions Trading System (EUA), the California Cap and Trade (CCA) and the Regional Greenhouse Gas Initiative (RGGI). The price of carbon is driven by emissions limits and the number of carbon allowances within circulation. A regulated entity must comply with emissions limits within its jurisdiction by buying carbon allowances. Emissions Trading Systems (ETS) create a price for the negative impact of carbon emissions while incentivizing investment into cleaner technology.

Characteristics of Top 3 Emissions Trading Systems

Regional Bodies	European Union ETS	California Cap and Trade	Regional Greenhouse Gas Initiative (RGGI)
Logo			RGGI
# of Entities[1]	11,000+	450	165
Exchanges*	ICE		
Entity examples	Power plants, industrial plants and refineries, transportation and agricultural businesses. Sector coverage continues to expand as these exchanges mature.		

How Emissions Trading Systems Work



Business A

Business A exceeds emissions limits. They need to buy additional carbon allowances.

Business B

Business B invests in emission reduction technology and can sell excess credits.

1. Robert Engle, A Financial Approach to Climate Change Risk, March 2019 *See page 30 for definitions.

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Access to Carbon Market

The global carbon allowance market

- Globally, Emissions Trading Systems and carbon taxes cover ~20% of greenhouse gas emissions, with nearly 40% of global GDP produced in locations with a carbon price.[1]
- In 2019 the top 3 emissions trading systems grew 41% and in 2020 they grew 65% by trading volume.[2]
- In the next five years more markets are expected to come online.[1]

European Commission

California Climate Investments – Cap and Trade Dollars at Work

RGGI

ICE

Most liquid markets in North America – California, Quebec, and US Northeast (US RGGI) – have ambitious emission reductions goals.

European Union Emissions Trading System (EUA) is the most traded carbon market in the world, covering 2 billion tons CO_2 and a futures market value of $45 billion.

In 2021, China launched its carbon allowance market, expected to be the largest in the world, projected to cover ~3.3 billion CO_2.[3]

1. World Bank State of Carbon Markets, June 2019
2. Data from IHS Markit as of 12/31/2020
3. Environmental Defense Fund, "China's National ETS Open for Business", Jan 5, 2021; World Bank State of Carbon Markets, June 2019

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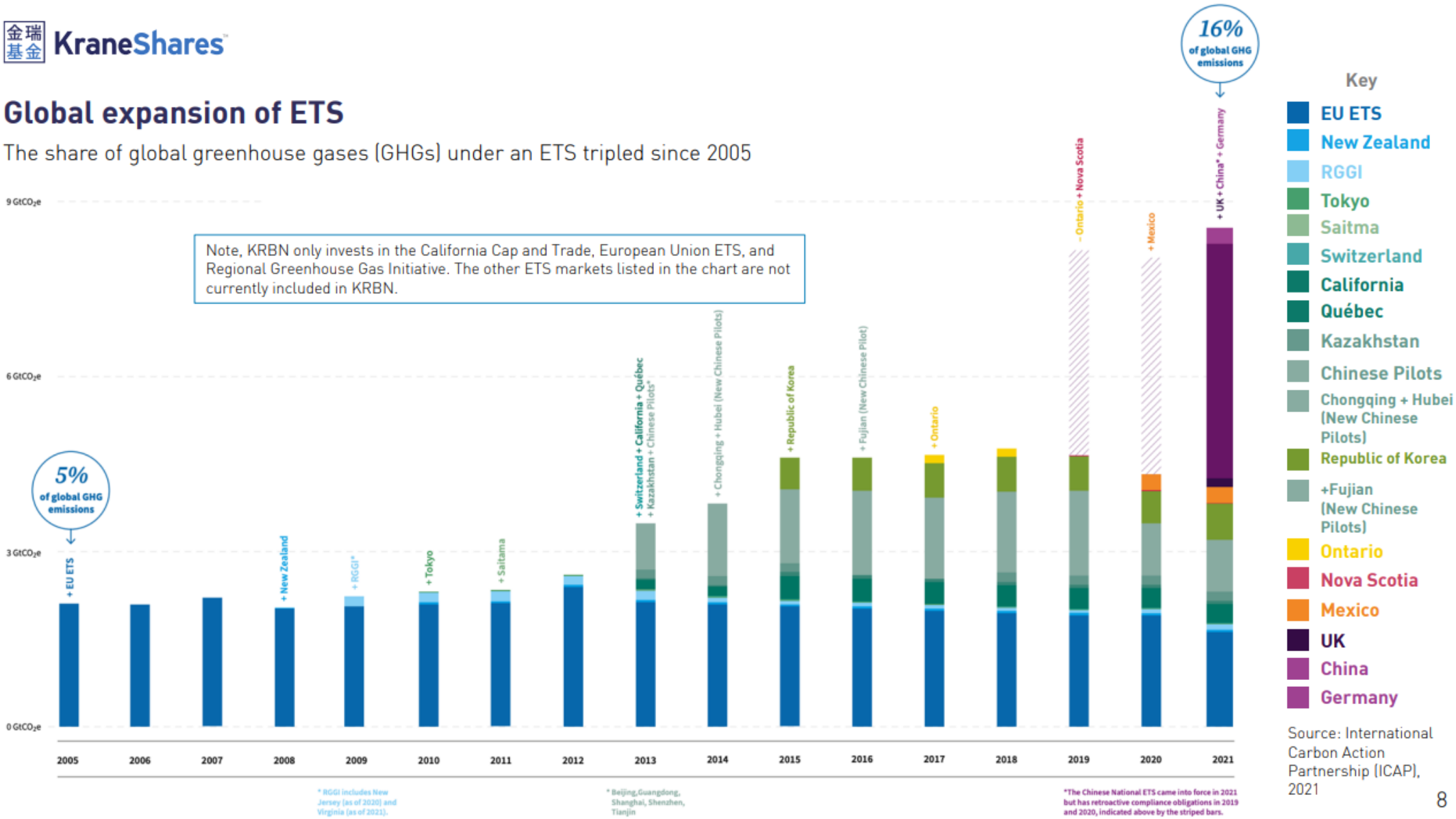
Global expansion of ETS

The share of global greenhouse gases (GHGs) under an ETS tripled since 2005



Source: International Carbon Action Partnership (ICAP), 2021

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Access to Carbon Market

Policy Drivers in the EU ETS

Fit for 55: Proposal on how the European Union will reach its legally binding target to cut emissions to 55% below 1990 levels by 2030

- A package of 13 proposal to expand and revise the EU ETS
  - The EU ETS successfully brought down emissions from power generation and energy-intensive industries by 42.8% over the past 16 years.
  - Fit for 55 lowers the overall emission cap even further and increase its annual rate of reduction
  - Inclusion of new sectors including shipping
  - Reduces the number of permits in circulation each year at a faster rate than currently
  - Revision of the rules for aviation emissions and alignment with CORSIA
  - Establishes a separate ETS for fuel distribution for road transport and buildings
  - Ultimate goal is climate neutrality by 2050

European Commission President Ursula von der Leyen, Vice-President Frans Timmermans and EU Commissioners Kadri Simson, Paolo Gentiloni, Adina-Ioana Valean, Virginijus Sinkevicius and Janusz Wojciechowski present the EU's new climate policy proposals in Brussels, Belgium, July 14, 2021.

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Access to Carbon Market

Where are carbon prices going?

	Source	Logo	Price	Calculation
Current Price	IHS Markit	IHS Markit	$ 40.52 / ton CO_2[1]	Price is calculated based on weighted carbon price of three largest, most-liquid segment of the tradable carbon credit futures markets.

	Source	Logo	Price	Calculation
Forecasted Prices	UN-convened Net Zero Asset Owner Alliance	UN environment programme finance initiative	$147 / ton CO_2[2]	Price determined by a central estimate to facilitate net zero emissions by 2050.
	Bloomberg New Energy Finance	Bloomberg NEW ENERGY FINANCE	100 EU / ton CO_2[3]	Price modeled based on cost to implement industrial decarbonization in EU ETS by 2030.
	The Biden Administration		$125 / ton CO_2[4]	The sum of all climate damages caused by an additional ton of CO_2 emitted right now, in today's dollars.
	Bank of England		$100/ ton CO_2[5]	Price modeled based on cost to implement industrial decarbonization in UK ETS by 2030.

1. Data from IHS Markit as of 9/30/2021
2. IHS Markit, "UN-affiliated Net-Zero Asset Owner Alliance calls for global carbon price", Jul 7, 2021.
3. Bloomberg, "Carbon to Hit 100 Euros Sooner Than You Think", Jun 7, 2021.
4. Bloomberg, "A Tale of Two Carbon Prices to Shape Biden's Climate Policy", Feb 19, 2021.
5. Bloomberg, "Bank of England says prepare for carbon prices to triple to 100", Jan. 14, 2021.

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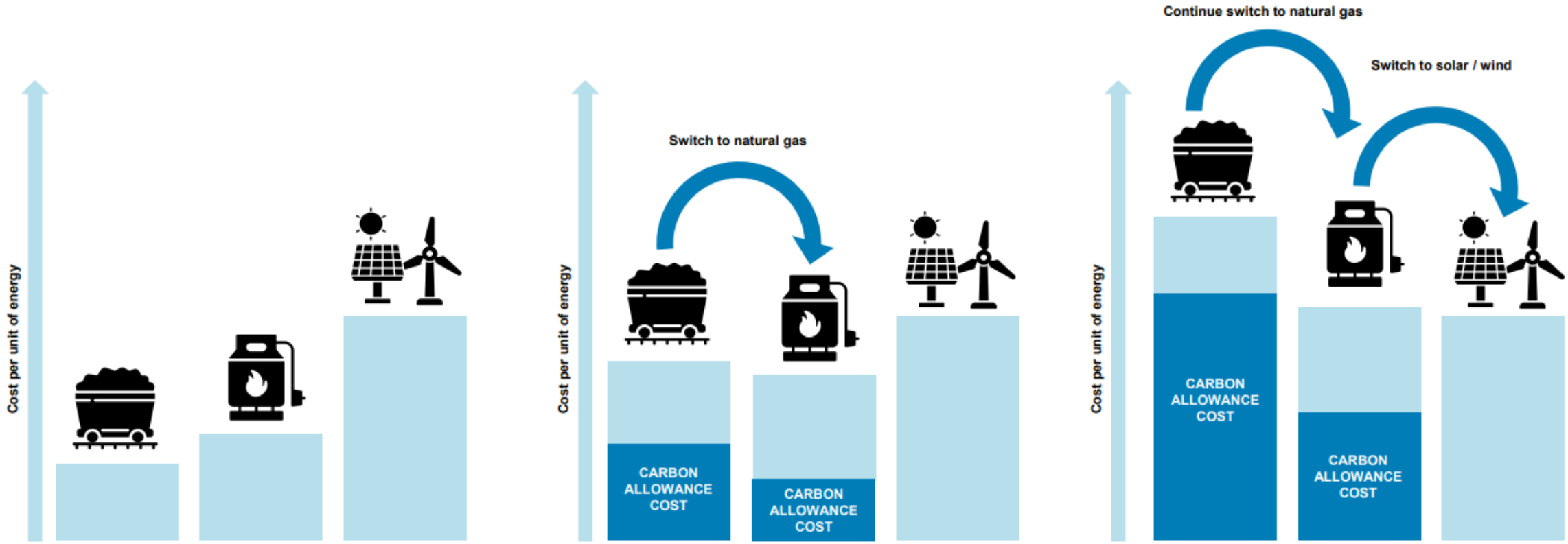
Access to Carbon Market

Illustration of how carbon allowances can reduce emissions



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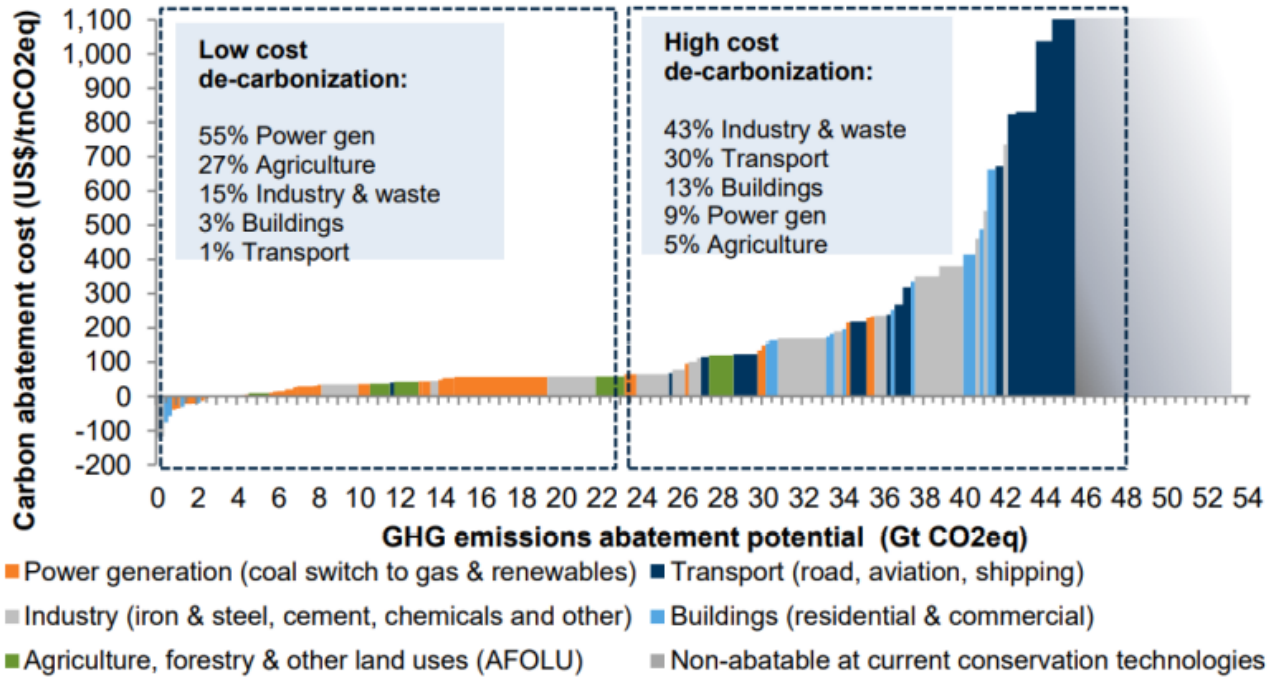
Access to Carbon Market

Marginal abatement cost curve (MACC)

- Low end: Fuel switching and power generation and renewable technologies already developed at scale
- Middle end: Improved agricultural land and crop management practices, buildings' energy efficiency and energy and material efficiency in industry
- High end: Heavy industry de-carbonization and transportation.



Source: Goldman Carbonomics as of 6/23/2021

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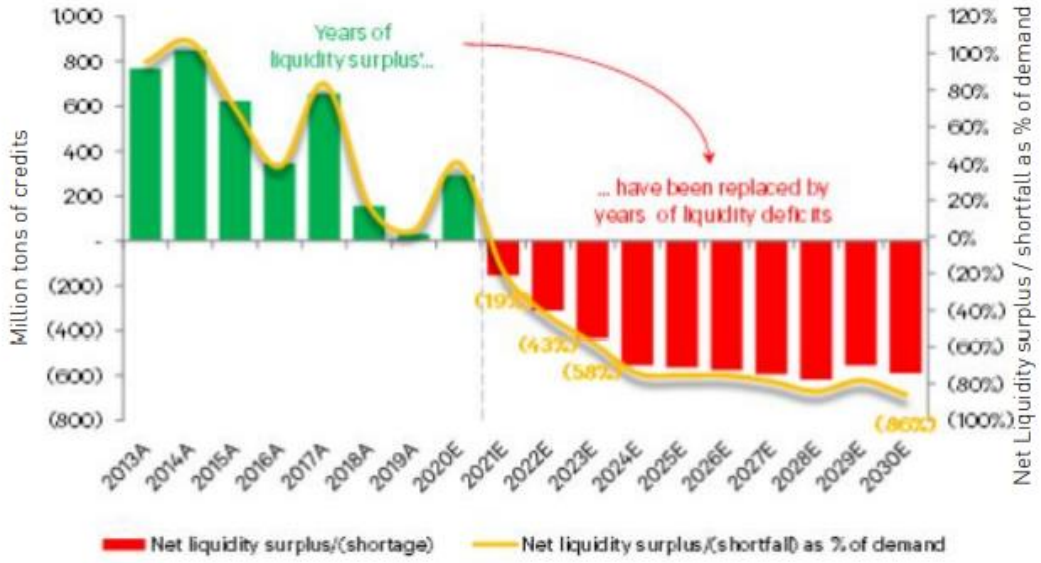
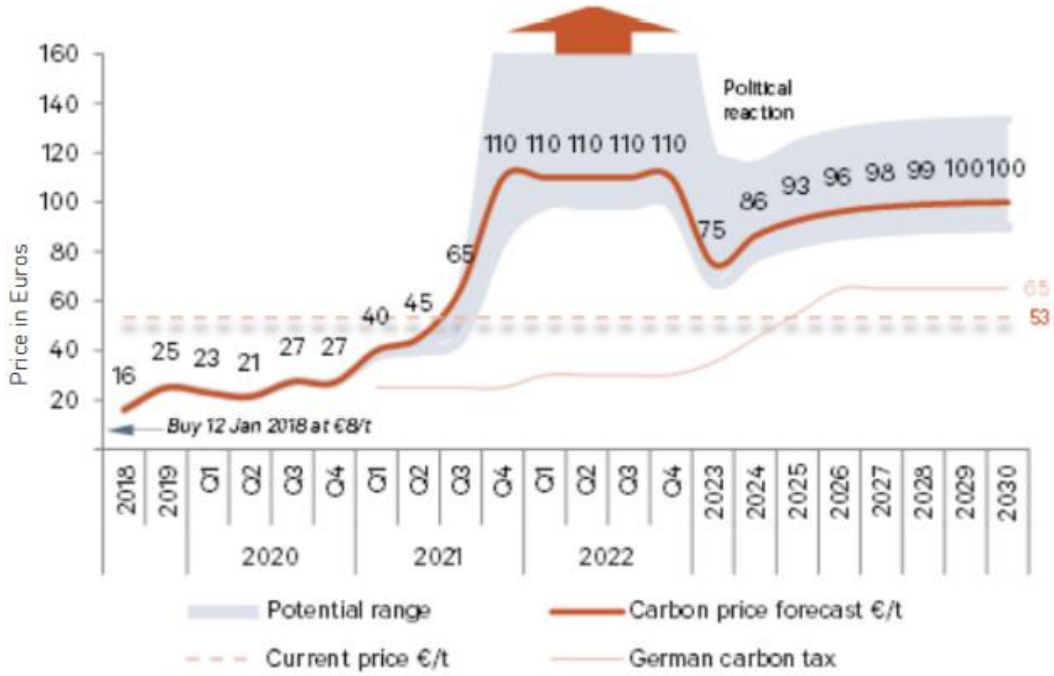
Access to Carbon Market

Shifting supply dynamics of EUAs





Lawson Steele, "Raising Carbon Price Tgt By 40%" Joint Head of Carbon & Utilities Research at Berenberg August 5, 2021

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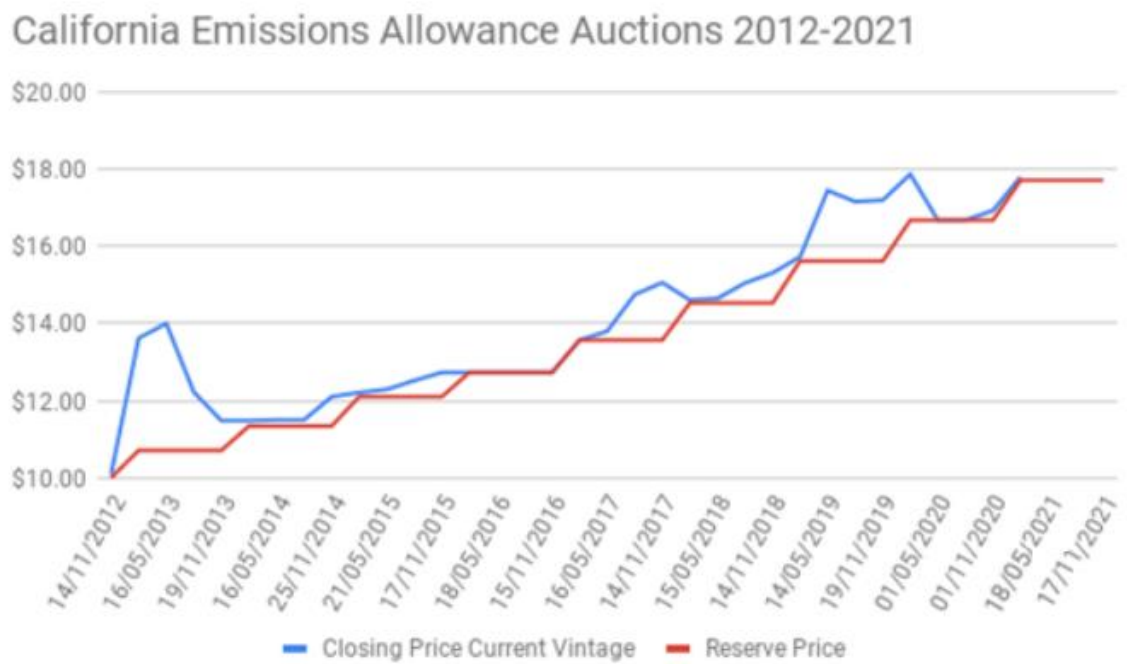
Access to Carbon Market

CCA supports carbon pricing through annual price increases and supply cap restrictions

- The program plans to reduce carbon levels to 60% of 1990 levels by 2030 and achieve carbon neutrality by 2045. The cap will reduce 4% per year to achieve this objective.
- Further, the program has a floor price that rises 5% plus inflation adjustment each year.[1]



Source: IHS Markit as of 2/31/2021.

1. California Air Resources Board, 2017.

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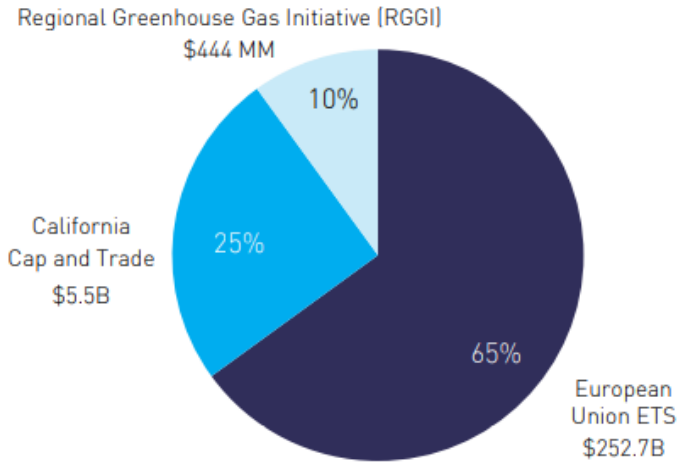
Diversification & Portfolio Impact

Why carbon allowance futures? Liquidity and market size

- As of December 2020, the three largest global carbon futures markets tracked by IHS Markit's Global Carbon Index, had an annual trading volume of of $257.94 billion.[1]
- In 2019 the top 3 emissions trading systems grew 41% and in 2020 they grew 65% by trading volume.[1]
- Transactions in the carbon allowance market are typically reserved for regulated entities within an Emissions Trading System.
- Carbon allowance futures can be freely traded on exchange with attractive market size and liquidity characteristics.

IHS Markit's Global Carbon Index Weighting[1,2]



Top 3 Carbon allowance futures markets annual trading volume and market growth by annual trading volume[1]*

July 31, 2014 – December 31, 2020

Year	EUA volume (billions)	CA volume (billions)	RGGI volume (billions)	Total volume	EUA YoY growth	CA YoY growth	RGGI YoY growth	Total growth
2020	252.7	5.5	0.44	**257.94**	68.71%	35.19%	13.52%	**65.5%**
2019	149.8	5.6	0.4	**155.8**	39.40%	120.38%	34.95%	**41.23%**
2018	107.5	2.5	0.3	**110.3**	348.83%	66.55%	134.80%	**330.97%**
2017	23.9	1.5	0.1	**25.6**	2.20%	36.62%	78.23%	**3.99%**
2016	23.4	1.1	0.1	**24.6**	-27.80%	3.13%	n/a	**-26.57%**
2015	32.5	1.1	-	**33.5**	-26.25%	267.38%	n/a	**-24.31%**
2014	44	0.3	-	**44.3**	n/a	n/a	n/a	**-**

1. Data from IHS Markit as of 12/31/2020
2. Weightings as of annual rebalance on 11/30/2020

*See end of presentation for definitions

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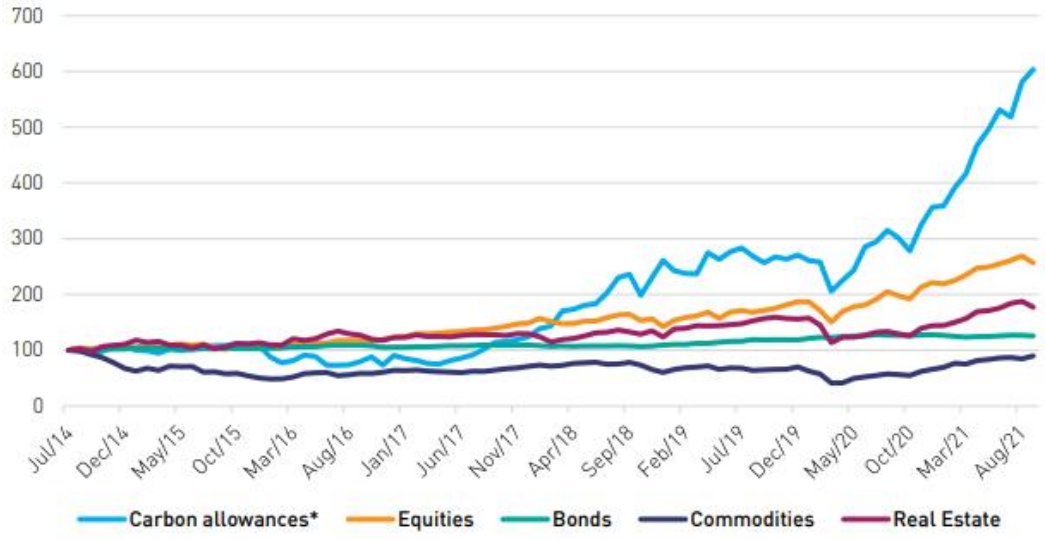
Diversification & Portfolio Impact

The top 3 largest carbon allowance markets (weighted by volume) have exhibited strong performance

- Tightening emissions regulation may provide a positive catalyst for the performance of the global carbon allowance market.
- In April 2019, *The Financial Times* reported that European carbon allowances within the European Union Emissions Trading System were the world's top-performing commodity over the past two years.[1]
- In September 2020, China pledged to have CO_2 emissions peak before 2030 and achieve carbon neutrality before 2060. China's recently launched carbon trading system is projected be the largest carbon allowance market in the world, which may provide an additional catalyst for the performance of the global carbon allowance market.

Top 3 carbon allowance markets (weighted by volume) versus major asset classes[1]

Aug 31, 2014 – Sep 30, 2021



1. Data from Bloomberg and IHS Markit as of 9/30/2021
*See end of presentation for definitions

Top 3 carbon allowance markets (weighted by volume) versus major asset classes[1]

Aug 31, 2014 – Sep 30, 2021

Comparable	Carbon allowances	Equities	Bonds	Commodities	Real Estate
Annualized Return (%)	28.52%	14.05%	3.24%	-1.50%	8.31%
Annualized Volatility* (%)	29.57%	14.18%	3.13%	23.81%	16.78%
Sharpe Ratio*	0.98	0.94	0.79	0.03	0.51

Carbon allowances: See page 25 for material differences between asset types and end of presentation for definitions; Equities: S&P 500 ; Bonds: The Agg; Commodities: The S&P GSCI ; Real Estate: MSCI US REIT Index.
Index returns are for illustrative purposes only and do not represent actual Fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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Diversification & Portfolio Impact

Carbon allowance futures exhibit low correlation to other asset classes

- Can provide potential portfolio diversification* due to the global carbon futures markets' historically low correlation to other asset classes.[2]**
- KRBN may be appropriate for investors who are concerned about the increase in cost of carbon emissions on their portfolios. As the cost of carbon emissions rises, KRBN typically benefits, while companies with heavy footprints typically suffer.[3]

Top 3 carbon allowance markets (weighted by volume) correlation' to other asset classes[1]

July 31, 2014 to Septmeber 30, 2021

Correlation	Carbon allowances*	US Equities	Bonds	Commodities	Real Estate	Gold	Oil	Clean Energy Equities
Carbon allowances*	1	0.372	0.014	0.373	0.261	-0.103	0.347	0.120
US Equities	0.372	1	0.012	0.536	0.674	0.017	0.386	0.004
Bonds	0.014	0.012	1	-0.175	0.386	0.520	-0.172	-0.044
Commodities	0.373	0.536	-0.175	1	0.294	0.010	0.896	0.118
Real Estate	0.261	0.674	0.386	0.294	1	0.076	0.232	0.032
Gold	-0.103	0.017	0.520	0.010	0.076	1	-0.086	-0.057
Oil	0.347	0.386	-0.172	0.896	0.232	-0.086	1	0.113
Clean Energy Equities	0.120	0.004	-0.044	0.118	0.032	-0.057	0.113	1

- **US Equities:** S&P 500*
- **Bonds:** Bloomberg Barclays US Aggregate Bond Index ("The Agg")*
- **Commodities:** The S&P GSCI *
- **Real Estate:** MSCI US REIT Index*
- **Gold:** LBMA Gold Price PM Benchmark*
- **Oil**: S&P GSCI Crude Oil Index*
- **Clean Energy Equities:** S&P Global Clean Energy Index

*Diversification does not ensure a profit or guarantee against a loss.
1.Data from Bloomberg as of 9/30/2021, on a monthly basis.
2.World Bank State and Trends of Carbon Pricing 2019. **See end of presentation for definitions.
3. Financial Times, April 17, 2019 "Niche asset nears mainstream as investors warm to EU carbon market"

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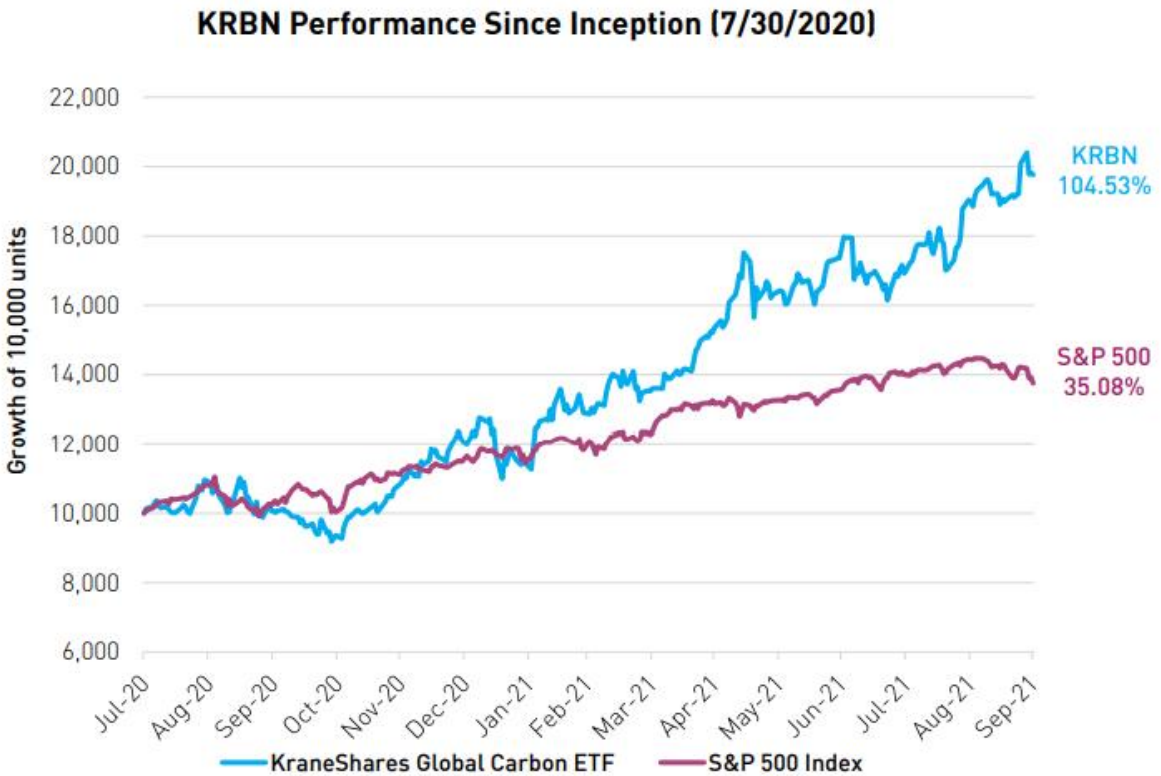
Does it translate when looking at the ETFs?



Data from Bloomberg as of 9/30/2021. See end of presentation for definitions.

KRBN Performance

	Cumulative % Data as of month end: 09/30/2021				Avg Annualized % Data as of quarter end: 09/30/2021	
	1 Mo	3 Mo	6 Mo	Since Inception	1 Yr	Since Inception
Fund NAV	**3.34%**	11.82%	43.99%	104.40%	101.48%	84.04%
Closing Price	**3.14%**	11.08%	43.22%	105.45%	97.07%	84.84%
Index	**2.85%**	11.66%	43.62%	102.97%	99.69%	82.88%

Inception date: 7/30/2020. 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.kraneshares.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.

High short-term performance for the fund is unusual, and investors should not expect such performance to be continued over the long term.

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Access to Carbon Market

KRBN

KraneShares Global Carbon ETF

Investment Strategy

The KraneShares Global Carbon ETF (the "Fund") seeks to provide a total return that, before fees and expenses, exceeds that of the IHS Markit Global Carbon Index (the "Index") over a complete market cycle. KRBN is benchmarked to IHS Markit's Global Carbon Index, which offers broad coverage of cap-and-trade carbon allowances by tracking the most traded carbon credit futures contracts. According to IHS Markit, the index introduces a new measure for hedging risk and going long the price of carbon while supporting responsible investing.[1]

Currently the index covers the major European and North American cap-and-trade programs: European Union Allowances (EUA), California Carbon Allowances (CCA) and the Regional Greenhouse Gas Initiative (RGGI).

KEUA

KraneShares European Carbon Allowance ETF

Investment Strategy

The KraneShares European Carbon Allowance ETF (KEUA) provides targeted exposure to the European Union Allowances (EUA) cap-and-trade carbon allowance program. KEUA is benchmarked to the IHS Markit Carbon EUA Index, which tracks the most traded EUA futures contracts. As a part of the KraneShares suite of carbon ETFs, KEUA provides a new vehicle for participating in the price of carbon and hedging risk while supporting responsible investing and ESG goals.

KCCA

KraneShares California Carbon Allowance ETF

Investment Strategy

The KraneShares California Carbon Allowance ETF (KCCA) provides targeted exposure to the California Carbon Allowances (CCA) cap-and-trade carbon allowance program. KCCA is benchmarked to the IHS Markit Carbon CCA Index, which tracks the most traded CCA futures contracts. As a part of the KraneShares suite of carbon ETFs, KCCA provides a new vehicle for participating in the price of carbon and hedging risk while supporting responsible investing and ESG goals.

1.) "A Global Price for Carbon Emissions" IHS Markit April 2020

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Diversification & Portfolio Impact

KraneShares Global Carbon ETF

Investment Strategy:

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KRBN Partner:

Climate Finance Partners serves as the sub-adviser of the Fund. Climate Finance Partners delivers innovative climate finance solutions and investment products to address capital needs for emerging environmental challenges. CLIFI is led by a team of investment professionals with deep experience in the fields of traditional investment and environmental finance.

Fund Details	Data as of 9/30/2021
Primary Exchange	NYSE
CUSIP	500767678
ISIN	US5007676787
Total Annual Fund Operating Expense	0.78%
Inception Date	7/30/2020
Distribution Frequency	Annual
Index Name	IHS Markit Global Carbon Index
Net Assets	$923,997,644

KRBN Performance History as of 9/30/2021:

	Cumulative %			Average Annualized %			
	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	11.82%	43.99%	104.40%	101.48%	–	–	84.04%
Closing Price	11.08%	43.22%	105.45%	97.07%	–	–	84.84%
Index	11.66%	43.62%	102.97%	99.69%	–	–	82.88%

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.kraneshares.com.

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1. "A Global Price for Carbon Emissions" IHS Markit April 2020

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Diversification & Portfolio Impact

Holdings and Exposures of the KraneShares Global Carbon ETF

Carbon Allowance Futures as of 9/30/2021	**Identifier**	**Position**	**Exposure($)**	**% NAV**
European Union Allowance (EUA) 2021 Future	MOZ21 Comdty	8533	610,885,369	66.11%
California Carbon Allowance (CCA) Vintage 2021 Future	ZCAZ21 Comdty	5523	151,385,430	16.38%
Regional Greenhouse Gas Initiative (RGGI) Vintage 2021 Future	ZRDZ21 Comdty	6629	73,581,900	7.96%
European Union Allowance (EUA) 2022 Future	MOZ22 Comdty	709	51,103,259	5.53%
California Carbon Allowance (CCA) Vintage 2022 Future	CTIZ22 Comdty	1315	37,556,400	4.06%
			924,512,358	**100%**

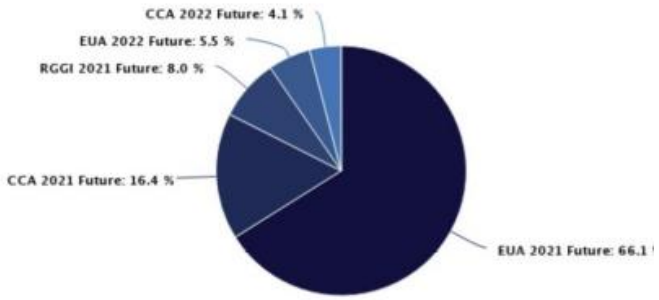
Collateral and Currency Management as of 9/30/2021	**Identifier**	**Position**	**Exposure($)**	**% NAV**
USD Cash & Equivalents**	USD	756,280,977	756,280,977	81.85%
Euro FX Futures	ECU1 Curncy	523	75,835,000	8.21%
EURO	EUR	46,720,329	54,146,524	5.86%
SCHWAB SHORT-TER	SCHO	694,950	35,574,491	3.85%
			921,836,992	**104%**

Holdings, carbon allowance futures, and collateral are subject to change.

**Includes USD cash deposits & cash in margin accounts ($832,115,977), and implied short USD exposure from Euro FX futures

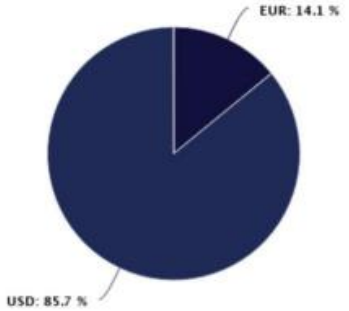
Carbon Allowance Futures Breakdown

Data as of 9/30/2021



Currency Exposure Breakdown

Data as of 9/30/2021



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Where does KRBN fit into portfolios?

As an alternative investment

As a non-correlated commodity

As an ESG investment

Equity and fixed income hedge

How to Buy KRBN ETF

Ask your financial advisor about KRBN to find out if it may fit in your portfolio

Buy KRBN shares on the NYSE Exchange or with your brokerage firm

	NAV-Based Creates	Market Orders	
Investor	**Large Institutions**	**RIA's**	**Individuals**
Execution	Authorized Participants	Individual Brokerage Account	
Liquidity	Function of the value of the underlying asset that backs the ETF	Function of the value of ETF shares traded	
Shares	Flexible supply - shares can be "created" or "redeemed" to offset changes in demand	Trading the ETF shares that currently exist	

KraneShares Leadership

Jonathan Krane, CEO and Founder
Jonathan Krane is the founder and Chief Executive Officer of Krane Funds Advisors, the investment advisor of KraneShares ETFs. KraneShares suite of China-focused exchange traded funds provide investors with solutions to capture China's importance as an essential element of a well-designed investment portfolio.

Jonathan Shelon, Chief Operating Officer
Jonathan is the Chief Operating Officer at KraneShares. Prior to KraneShares, he was the Chief Investment Officer of the Specialized Strategies Team at J.P. Morgan, overseeing $40 billion in AUM and a Portfolio Manager at Fidelity Investments where he was responsible for $150 billion in assets for over five million shareholders in Fidelity's target date strategies, the Freedom Funds.

Odette Gafner, Head of Compliance
Odette Gafner is Head of Compliance at KFA and joined the firm March in 2019 to oversee the compliance program for the Funds and to serve as the Chief Compliance Officer (CCO) to Krane Fund Advisors. Odette has over 12 years of experience implementing policies and establishing best practice across the asset management industry.

James Maund, Head of Capital Markets
James Maund joined KraneShares as head of Capital Markets in January 2020. James has more than 15 years of experience in ETF trading and capital markets. Prior to joining KraneShares, James was a vice president in the Institutional ETF Group / ETF Capital Markets Group at State Street Global Advisors. Prior to State Street, James was an ETF trader at Goldman Sachs & Co.

Guy Ferrara, Managing Director
Guy has spent the last 20 years in the asset management industry. Prior to KraneShares, Guy worked for UBS in client education, portfolio construction, and asset retention. Over the course of his 20-year career his mission has always been improving real financial outcomes for client's and the financial advisors who serve them.

Luke Oliver, Managing Director and Head of Strategy
Luke Oliver is a Managing Director and Head of Strategy at KraneShares. He has extensive experience as a leader within the ETF and investment industry, having built businesses, diverse teams, and bringing innovative product solutions to market. Prior to joining KraneShares Luke ran the US ETF business at DWS (formally Deutsche Asset Management) managing over $20bn in assets.

KraneShares CLIFI CLIMATE FINANCE PARTNERS

Climate Finance Partners Leadership & Advisory Board

Eron Bloomgarden, Partner at CLIFI
Eron Bloomgarden is an expert in environmental finance, green infrastructure, and impact investing. He is an Adjunct Professor at Columbia University's Earth Institute and adviser to governments and corporations on issues of environmental finance.

Richmond Mayo-Smith, Partner at CLIFI
Richmond Mayo-Smith is a private investor who focuses on sustainable investments and emerging markets. He serves on the board of the NYU Stern School of Business and the NYU Stern Center for Sustainable Business.

Climate Finance Partners Advisory Board

Robert Engle, Chairman
Robert Engle is a Nobel Prize winning economist and expert in the field of volatility measurement within financial markets. He is a thought-leader in Climate Change Risk and Sustainable Investing and a professor at the NYU Stern School of Business.

Tensie Whelan, Board Member
Tensie Whelan is the Director of NYU Stern School of Business's Center for Sustainable Business, where she brings her 25 years of experience working on local, national, and international environmental and sustainability issues to engage businesses in proactive and innovative mainstreaming of sustainability.

Ambassador David Thorne, Board Member
David Thorne served as United States Ambassador to Italy from 2009-2013 and as the senior advisor to the Secretary of State during the Obama administration. Ambassador Thorne is co-founder of Adviser Investments, one of the nation's most highly regarded firms specializing in Vanguard and Fidelity mutual funds and exchange-traded funds.

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Why are we emitting excessive amounts of greenhouse gas (GHGs) and CO_2?

Greenhouse gases and carbon emissions are negative externalities:

- Negative externalities are the cost incurred by a third party as an unintended outcome of an economic transaction.
- Without regulation around GHG's and carbon emissions, there is no incentive to decrease pollution despite the negative impact on society.
- In global warming, the environment is the "third party" and the "economic transaction" is industry at large, releasing unlimited emissions without incurring any cost for degrading the environment.

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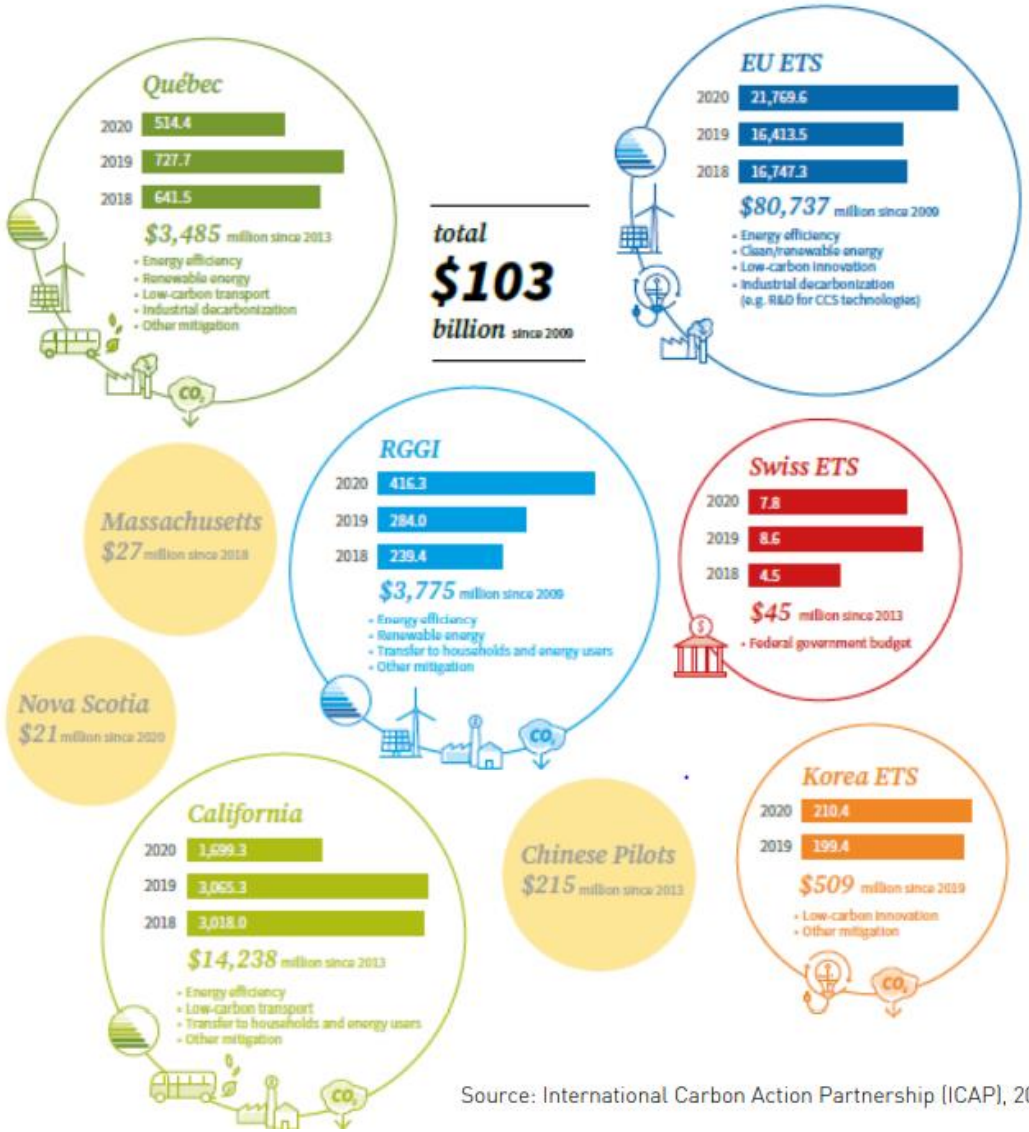
Auction Revenue

Emissions trading as an additional source of government revenue



Note. KRBN only invests in the California Cap and Trade, European Union ETS, and Regional Greenhouse Gas Initiative. The other ETS markets listed in the chart are not currently included in KRBN.

Source: International Carbon Action Partnership (ICAP), 2021

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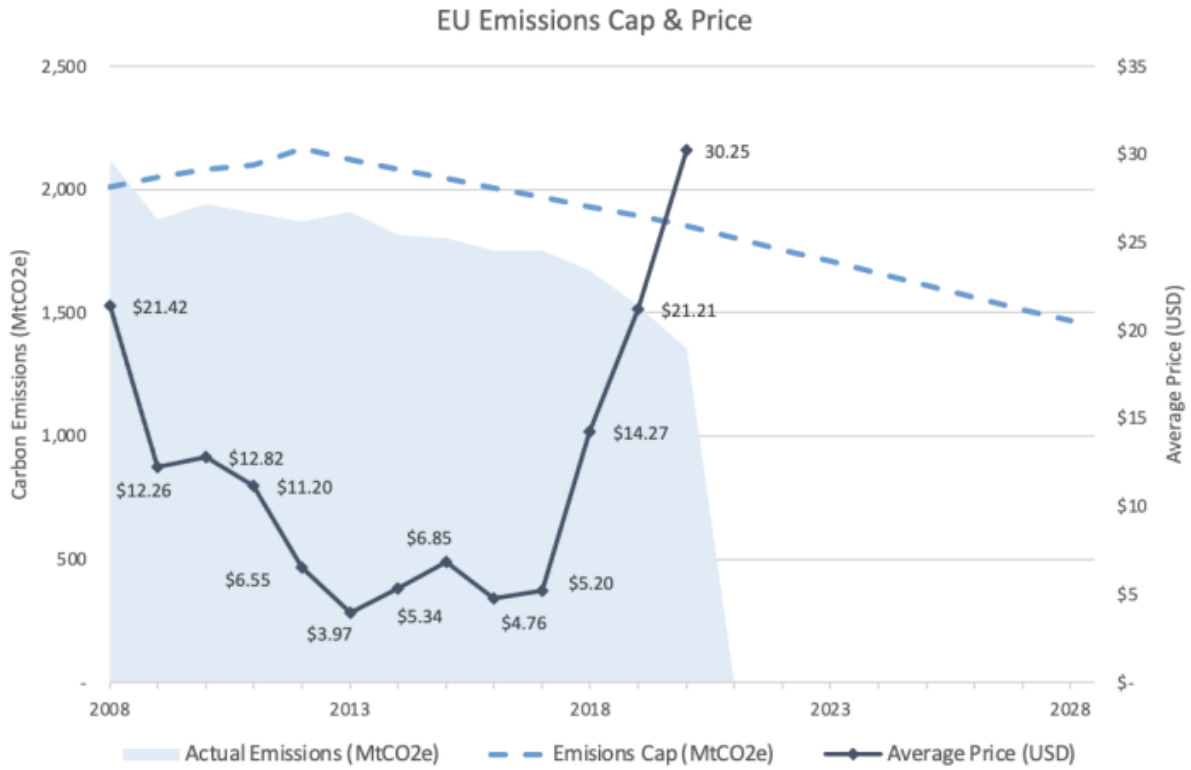
Carbon Market Overview: European Union Emissions Trading System (EUA)

- Emission reduction targets should continue to have a significant impact on prices across components of the carbon index
- Should regulations progressively become tighter, upward pricing pressure should occur from lower emissions limits and the carbon allowance price floor getting higher



Source: IHS Markit, actual emissions as of 2021, average price as of 2020. *See page 20 for definitions.

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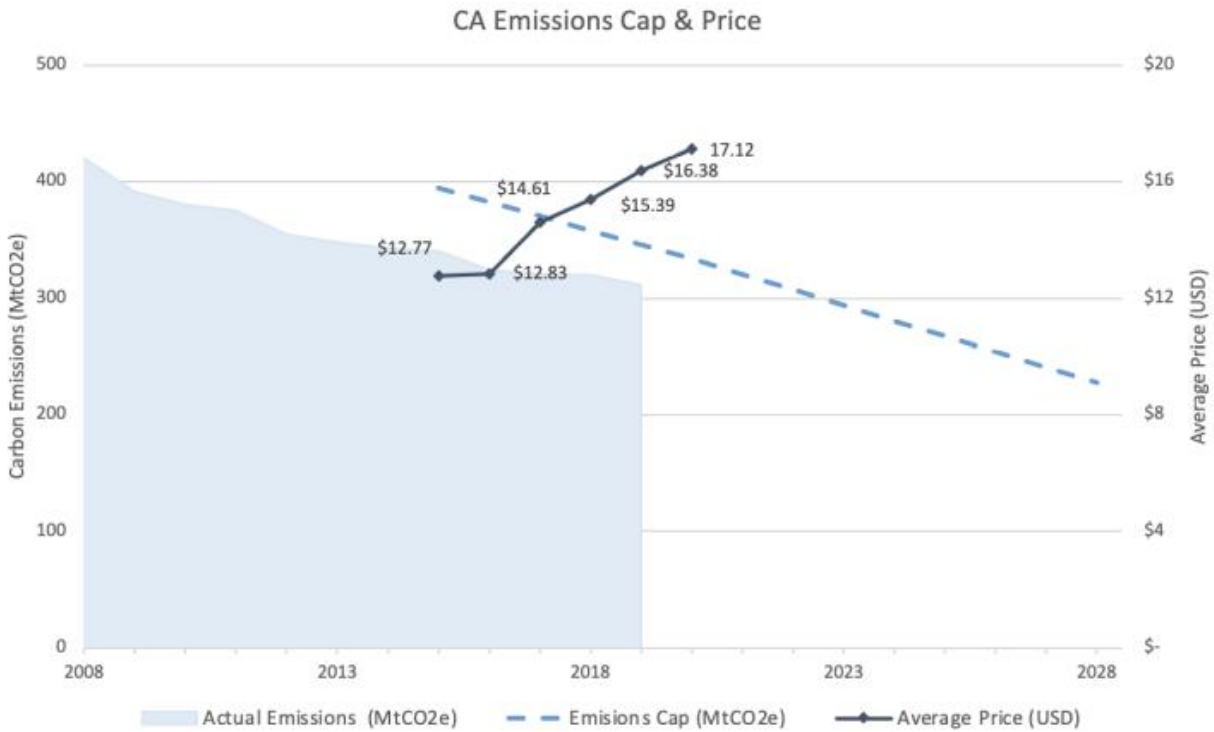
Carbon Market Overview: California Cap and Trade (CCA)

- A notable feature of the CCA market has been the considerable lack of downward volatility in price exhibited by its allowances over time.
- Liquidity has increased dramatically in the early months of 2019 as market makers and hedge funds have moved into the market, signaling increasing interest in carbon as an asset class.



Source: IHS Markit, actual emissions as of 2019, average price as of 2020. *See page 20 for definitions.

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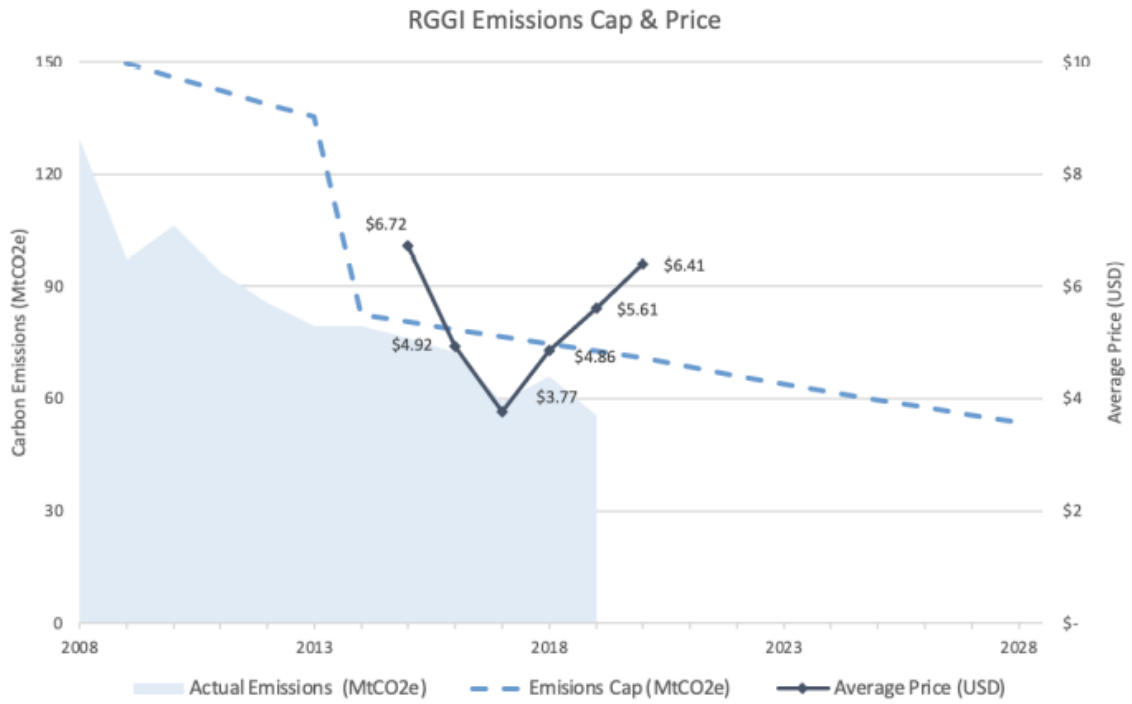
Carbon Market Overview: Regional Greenhouse Gas Initiative (RGGI)

- Structural changes to the RGGI market, including the entrance of new states in the Northeast and a reduction in a surplus of outstanding allowances, have supported a strong uptick in the price of RGGI allowances since mid-2017.



Source: IHS Markit, actual emissions as of 2019, average price as of 2020. *See page 20 for definitions.

KRBN risks

Potential Type of Risk	KRBN Potential Risks
Loss of principal	There are risks involved with investing, including possible loss of principal. There is no guarantee the Fund will achieve its investment objectives.
Futures Market / Cap and Trade	The Fund invests in futures tied to cap and trade markets. There is no assurance that cap and trade regimes will continue to exist. Regulatory changes may affect cap and trade with adverse impacts on the Fund. Funds may underperform other similar funds that do not consider conscious company / ESG guidelines when making investment decisions.
International	The Fund invests internationally. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuations in currency values from differences in generally accepted accounting principles or from social, economic or political instability in other nations.
Derivatives / Fixed Income	The Fund invests in derivatives and fixed income instruments. The primary risk of derivative instruments is that changes in the market value of securities held by the Fund and of the derivative instruments relating to those securities may not be proportionate. Derivatives are also subject to illiquidity and counterparty risk. Fixed Income securities are subject to interest rate risk and will decline in value as interest rates rise.
Subsidiary	The Fund invests through a subsidiary. The subsidiary is organized in the Cayman Islands, and is not registered with the SEC under the Investment Company Act of 1940, The Fund will not receive all the protections offered shareholders of registered investment companies.
Clearing broker	The Fund's investment in exchange-traded futures contracts may expose the Fund to risks of a clearing broker. This broker maintains assets in a bulk segregated account. Fund assets deposited with this broker to serve as margin may be used to satisfy the broker's own obligations. In event of default, the Fund could experience lengthy delays in recovering some or all its assets or may not see any recovery.
Not Diversified	The Fund is not diversified.

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Major asset classes material differences from carbon allowances

Investment	Material Differences
Carbon Allowance Futures Contracts	Carbon futures contracts are deliverable contracts where each Clearing Member with a position open at cessation of trading for a contract month is obliged to make or take delivery of Carbon Emission Allowances to or from the regional regulatory body in accordance with the ICE Futures Regulations. Specific risks are discussed on slide 17.
Equities	The risks of investing in equity include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable. Alternatively a company may fail. If this happens, you may be at the end of a long list of creditors and therefore risk not get the value of your investment back.
Bonds	Bonds are subject to interest rate risk and will decline in value as interest rates rise. Other risks include, but are not limited to reinvestment, inflation, credit/default, ratings downgrades, and liquidity risks.
Commodities	Investments in commodities are subject to higher volatility than more traditional investments. Commodity price risk is the possibility that commodity price changes will cause financial losses for the buyers or producers of a commodity.
Real Estate (REITs)	In addition to the normal risks associated with investing, REIT investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

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Index Definitions
S&P 500: Standard & Poor's Index is a capitalization-weighted index of 500 stocks.
Bloomberg Barclays US Aggregate Bond Index ("The Agg"): A broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Inception date: January 1, 1986
The S&P GSCI: A composite index of commodities that measures the performance of the commodity market. Inception date: May 7, 2007
MSCI US REIT Index (daily price return USD): A free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). Inception date: June 20, 2005
MSCI All Country World Index (Gross USD): The MSCI All Country World Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. Inception date: May 31, 1990
LBMA Gold Price PM: The global benchmark price for unallocated gold delivered, IBA operates electronic auctions for spot, unallocated loco London gold.
Oil: S&P GSCI Crude Oil Index: Provides a publicly available benchmark for investment performance in the crude oil market. Inception date: May 1, 1991
S&P Global Clean Energy Index: Designed to measure the performance of 30 companies from around the world that are involved in clean energy-related businesses. Inception Date: February 22, 2007

Other Definitions.
Intercontinental Exchange (ICE): The Intercontinental Exchange is an American company that owns exchanges for financial and commodity markets and operates 12 regulated exchanges and marketplaces.
Sharpe ratio: Used to help investors understand the return of an investment compared to its risk. Generally, the greater the value of the Sharpe ratio, the more attractive the risk-adjusted return.
Standard deviation: the standard deviation is a measure of the amount of variation or dispersion of a set of values.
Carbon allowances: Top 3 carbon allowance markets by constituent trade volume. IHS Markit's Global Carbon Index is used since the index start date July 25, 2019. From 11/30/2016 to prior to the index start date, 60% and 5% were respectively assigned to EUA futures prices (current year and next year December vintages) using Intercontinental Exchange daily published settlement prices, 20% and 5% were respectively assigned to CCA futures (current year and next year December vintages) using IHS Markit OPIS's daily Carbon Market Report published prices, and 10% was assigned to RGGI (current year December vintage) using IHS Markit OPIS's daily Carbon Market Report published prices. Prior to 11/30/2016, 60% and 5% respectively were assigned to EUA futures prices (current year and next year December vintages) using Intercontinental Exchange daily published settlement prices and 35% was respectively assigned to CCA futures (current year December vintage) using IHS Markit OPIS's daily Carbon Market Report published prices. For the two ranges developed prior to the index start date, Intercontinental Exchange and IHS Markit OPIS's Daily Carbon Market Report publish daily pricing for each contract vintage for all relevant days when the futures trade.
Market Stability Reserve: The Market Stability Reserve (MSR) holds allowances out of the auction when excess volumes are available on the market and reinjects them when there is low circulation. There is no predetermined price floor or ceiling however this mechanism, creates stability in the market and improves resilience to future spikes in supply/demand.

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.

Risk Disclosures:

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated objectives. There is no assurance that cap and trade regimes will continue to exist, or that they will prove to be an effective method of reduction in GHG emissions. Changes in U.S. law and related regulations may impact how the way a Fund operates, increase Funds' cost and/or change the competitive landscape. Funds may underperform other similar funds that do not consider conscious company/ESG guidelines when making investment decisions.

The Funds invest 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 Funds will not receive all of the protections offered to shareholders of registered investment companies.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 Funds and their 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 Funds and their Subsidiary. Futures and other contracts may have to be liquidated at disadvantageous times or prices to prevent the Funds from exceeding any applicable position limits established by the CFTC. Additionally, the Funds' investments are subject to liquidity risk, which exists when an investment is or becomes difficult to purchase or sell at a reasonable time and price.

Investments in non-U.S. instruments may involve risk of loss due to foreign currency fluctuations and political or economic instability. The Funds' assets are expected to be concentrated in an industry or group of industries to the extent that the Index concentrates in a particular industry or group of industries. The Funds are non-diversified. Diversification does not ensure a profit or guarantee against a loss.

Fund 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.

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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