

KraneShares Global Carbon Strategy ETF

Investment Strategy:

The KraneShares Global Carbon Strategy ETF (KRBN) is benchmarked to the S&P Global Carbon Credit Index, which offers broad coverage of cap-and-trade carbon allowances by tracking the most traded carbon credit futures contracts. The index introduces a new measure for hedging risk and going long the price of carbon while supporting responsible investing.

Distinct from the project-based carbon offset market, compliance cap-and-trade is a government mandated & regulated, transparent, liquid market valued at nearly a trillion in 2023.¹ Cap-and-trade programs, also known as Emissions Trading Systems (ETS), are a market-based approach to regulating a region's emissions, with mandatory participation for specified industries. Supply is managed by government agencies and adjusted primarily through an annually declining cap.

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

KRBN Features

- Structurally designed for long-term price appreciation due to the markets' increasing supply scarcity⁵, with low correlation to other major asset classes.
- Provides potential impact by supporting price discovery and liquidity in carbon markets.
- Counterbalance portfolio's emissions exposure and energy transition/climate risk.

*Formerly the KraneShares Global Carbon ETF.

**Diversification does not ensure a profit or guarantee against a loss.

Global Carbon Allowance Market Highlights

- In 2023, the four largest global carbon futures markets tracked by S&P Global Carbon Credit Index, had an annual trading volume of \$754.1 billion.²
- Cap and trade supports fuel switching and capital directed toward innovation in renewable technology.³
- Cap-and-trade has a proven track record, where it effectively solved the acid rain crisis of the '80s, with similar market principles now applied on a more global scale to the CO2 market.
- KRBN is the first, largest, and most liquid publicly listed carbon allowance ETF in the world.⁴

1. Reuters, "Global carbon markets value hit record \$909 bln last year," Feb 7, 2023.

2. Data from Bloomberg as of 12/31/2023.

3. International Swaps and Derivatives Association, Role of Derivatives in Carbon Markets," Sep. 2021.

4. Data from Bloomberg as of 6/30/2024.

5. European Commission, "What is the EU ETS?" retrieved 6/25/2024.

KRBN Performance History:

	Cumulative % Data as of month end: 12/31/2025				Average Annualized % Data as of month end: 12/31/2025			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	4.15%	10.87%	23.10%	157.63%	23.10%	4.22%	16.16%	19.05%
Closing Price	5.42%	11.34%	23.08%	157.39%	23.08%	4.73%	15.89%	19.03%
Underlying Index	4.51%	11.24%	25.68%	174.40%	25.68%	6.21%	17.83%	20.44%

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 quarter end, please visit kraneshares.com/etf/krbn.

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

Fund Details	Data as of 12/31/2025
Primary Exchange	NYSE Arca, Inc.
CUSIP	500767678
ISIN	US5007676787
Total Annual Fund Operating Expense	0.90%
Inception Date	07/29/2020
Distribution Frequency	Quarterly
Underlying Index	S&P Global Carbon Credit Index
Net Assets	\$183,448,901

Holdings and Exposures of the KraneShares Global Carbon Strategy ETF

Carbon Allowance Exposures as of 12/31/2025	Identifier	Position	Current Exposure(\$)	% NAV
European Union Allowance (EUA) 2026 Note	US36255HES31	810	83,154,861	45.64%
California Carbon Allowance (CCA) Vintage 2026 Future	KBCZ26 Comdty	1,400	46,060,000	25.28%
European Union Allowance (EUA) 2026 Future	MOZ26 Comdty	246	25,242,548	13.86%
UK Allowance (UKA) 2026 Future	UKEZ6 Comdty	110	9,923,332	5.45%
Washington Carbon Allowance (WCA) Vintage 2026 Future	WKDZ26 Comdty	128	9,856,000	5.41%
Regional Greenhouse Gas Initiative (RGGI) Vintage 2026 Future	RGYZ26 Comdty	311	8,191,740	4.5%
			182,428,482	100%

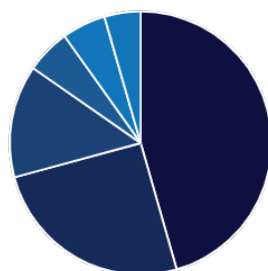
Collateral and Currency Management as of 12/31/2025	Identifier	Position	Current Notional(\$)	% NAV
KraneShares Sustainable Ultra Short Duration Index ETF	500767355	3,633,600	91,039,848	49.97%
European Union Allowance (EUA) 2026 Note	US36255HES31	41,677,000	41,410,267	22.73%
State Street Institutional U.S. Government Money Market Fund	GVMXX	26,349,944	26,349,943	14.46%
EURO	EUR	16,568,021	19,458,367	10.68%
BRITISH STERLING POUND	GBP	7,527,783	10,125,200	5.56%
USD Cash & Equivalents**	USD	-6,193,510	-6,193,510	-3.4%
			182,190,116	100%

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

**Includes USD cash deposits & cash in margin accounts (\$-6,193,510)

Carbon Allowance Exposures Breakdown

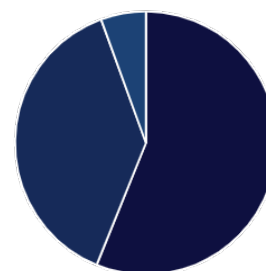
Data as of 12/31/2025



- EUA 2026 Note: 45.64%
- CCA 2026 Future: 25.28%
- EUA 2026 Future: 13.86%
- UKA 2026 Future: 5.45%
- WCA 2026 Future: 5.41%
- RGGI 2026 Future: 4.50%

Currency Exposure Breakdown

Data as of 12/31/2025



- EUR: 56.14%
- USD: 38.30%
- GBP: 5.56%

About KraneShares

Krane Funds Advisors, LLC is the investment manager for KraneShares ETFs. KraneShares offers innovative investment solutions tailored to three key pillars: China, Climate, and Alternatives. Our team is determined to provide industry-leading, differentiated, and high-conviction investment strategies that offer access to key market trends. Our mission is to empower investors with the knowledge and tools necessary to capture the importance of these themes as an essential element of a well-designed investment portfolio.

About Climate Finance Partners

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.

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 kraneshares.com/etf/krbn. 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.

The Fund relies on the existence of cap and trade regimes. 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 the way the Fund operates, increase Fund costs and/or change the competitive landscape. New technologies may arise that may diminish or eliminate the need for cap and trade markets. Ultimately, the cost of emissions credits is determined by the cost of actually reducing emissions levels. If the price of credits becomes too high, it will be more economical for companies to develop or invest in green technologies, thereby suppressing the demand for credits. 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. 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. KRBN 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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