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KWEB

KraneShares CSI China Internet ETF

KWEB is a China ETF that tracks the CSI Overseas China Internet Index, which consists of China based companies whose primary business or businesses are focused on internet and internet-related technology. The Index is free float market capitalization weighted and includes securities traded on the Hong Kong Stock Exchange, NASDAQ, or NYSE.

Why KWEB?

- **China Tech Innovators:** Exposure to Chinese internet companies that provide similar services as Google, Meta, X, Amazon, etc.
- **Middle Class Growth:** Holds companies aligned with domestic consumption trends among China's growing middle class.
- **Policy Support:** China's 15th Five-Year Plan (2026–2030) emphasizes "technological self-reliance," which we believe could create long-term growth opportunities for Chinese technology companies.[1]
- **China AI Exposure:** KWEB holds prominent companies in China's Artificial Intelligence (AI) development, including Alibaba, Baidu, and more.

Capturing China's AI Innovation:

- KWEB gives investors exposure to many of the companies leading China's AI race. Alibaba, Baidu, and Tencent each operate a top 10 global AI application by monthly active users as of January 2026.[2]
- China's AI industry is positioned for continued growth. The country aims to expand its core AI industry to over $140 billion by 2030 and boost related sectors to $1.4 trillion across the same period.[5]
- Decades of policy support and technology investment in China have created a strong foundation for further AI advancement. China operates the world's largest electrical grid,[6] accounts for 26% of the world's computing power and is home to 47% of the world's top AI researchers.[5]

China E-Commerce & Internet Growth Potential:

- China has a large middle class population of over 500 million people,[7] which represents a sizable market opportunity for the companies held in KWEB. China's internet population reached 1.13 billion people in 2025. With a penetration rate of only 80% (compared to 93% in the US), there is significant potential for user growth.[8]
- Online shopping accounted for 26% of retail purchases and retail web sales totaled $2.2 trillion in China in 2025 (compared to $1.3 trillion in the United States).[7]
- Data generated from E-Commerce and internet services provides the companies held in KWEB with the proprietary, high-volume datasets necessary to train increasingly complex AI models, which further bolsters Chinese AI development. China's annual data volume grew at a compound annual growth rate (CAGR) of 26% from 2022 to 2026, ranking first in the world.[5]

Fund Details	Data as of 09/30/2026
Primary Exchange	NYSE Arca, Inc.
CUSIP	500767306
ISIN	US5007673065
Total Annual Fund Operating Expense	0.69%
Inception Date	07/31/2013
Distribution Frequency	Annual
Underlying Index	CSI Overseas China Internet Index
Net Assets	$4,504,588,921
Number of Holdings	47

Top 10 Holdings as of 09/30/2026 Excluding cash. Holdings are subject to change.	**Ticker**	**%**
TENCENT HOLDINGS LTD	700	10.33
ALIBABA GROUP HOLDING LTD	9988	8.55
PDD HOLDINGS INC	PDD	8.14
MEITUAN-CLASS B	3690	6.97
NETEASE INC	9999	6.63
LENOVO GROUP LTD	992	6.16
KE HOLDINGS INC-CL A	2423	4.40
JD.COM INC-CLASS A	9618	3.87
TRIP.COM GROUP LTD	9961	3.47
BAIDU INC-CLASS A-HKD	9888	3.19

KWEB Performance History:

	Cumulative % Data as of month end: 09/30/2026				**Average Annualized %** Data as of month end: 09/30/2026			
	1 Mo	**3 Mo**	**YTD**	**Since Inception**	**1 Yr**	**5 Yr**	**10 Yr**	**Since Inception**
Fund NAV	-5.77%	1.27%	-28.05%	26.53%	-38.19%	-8.90%	-2.73%	1.80%
Closing Price	-5.04%	0.16%	-28.02%	25.78%	-38.14%	-9.08%	-2.83%	1.76%
Underlying Index	-5.91%	1.13%	-28.62%	26.55%	-38.59%	-9.15%	-2.70%	1.80%

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/kweb.

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.

Sector Breakdown Data from Bloomberg as of 09/30/2026	%
Consumer Discretionary	35.68
Communication Services	34.41
Information Technology	14.29
Industrials	5.43
Consumer Staples	4.59
Real Estate	4.41
Financials	0.94

Citations:

1. Xinhua, "China's new quality productive forces gather steam to turbocharge future growth", November 1, 2025. Government plans may not be implemented as described, which could impact markets.
2. Statista, "Most popular artificial intelligence (AI) applications worldwide as of January 2026, by monthly active users", January 2026.
3. South China Morning Post, "Alibaba's Qwen family hits 700 million downloads to lead global open-source AI adoption", Jan 13, 2026.
4. Data from KraneShares and Bloomberg as of 12/31/2025.
5. World Economic Forum, "Blueprint to Action: China's Path to AI-Powered Industry Transformation", January 2025. Compound Annual Growth Rate (CAGR): Mean annual growth rate of an investment over a period longer than one year.
6. Wall Street Journal, "China's AI Power Play: Cheap Electricity From World's Biggest Grid", Dec 10, 2025.
7. Data from National Bureau of Statistics of China and the United States Census Bureau as of 12/31/2025.
8. Data from ITU and the China Internet Network Information Center (CNNIC) as of 12/31/2025.

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/kweb. 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.

A-Shares are issued by companies in mainland China and traded on local exchanges. They are available to domestic and certain foreign investors, including QFIs and those participating in Stock Connect Programs like Shanghai-Hong Kong and Shenzhen-Hong Kong. Foreign investments in A-Shares face various regulations and restrictions, including limits on asset repatriation. A-Shares may experience frequent trading halts and illiquidity, which can lead to volatility in the Fund's share price and increased trading halt risks. The Chinese economy is an emerging market, vulnerable to domestic and regional economic and political changes, often showing more volatility than developed markets. Companies face risks from potential government interventions, and the export-driven economy is sensitive to downturns in key trading partners, impacting the Fund. U.S.-China tensions raise concerns over tariffs and trade restrictions, which could harm China's exports and the Fund. China's regulatory standards are less stringent than in the U.S., resulting in limited information about issuers. Tax laws are unclear and subject to change, potentially impacting the Fund and leading to unexpected liabilities for foreign investors. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values.

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 may invest in Initial Public Offerings (IPOs). Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile. In addition, as the Fund increases in size, the impact of IPOs on the Fund's performance will generally decrease. 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. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. KWEB 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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