

## KraneShares Asia Pacific High Income USD Bond ETF\*

### Investment Strategy:

KHYB is an active ETF managed by sub-advisor Nikko Asset Management Americas, Inc. ("Nikko"). KHYB is benchmarked to the JP Morgan Asia Credit Index (JACI) Non-Investment Grade Corporate Index. The fund provides exposure to USD-denominated high yield debt securities issued by companies in Asia.

### Asia High Income Bond Market Features:

- The Asia Bond Market has witnessed steady growth over the last decade. The JP Morgan Asia Credit Index grew from a market capitalization of \$257 billion in 2010 to \$904 billion in December of 2024, an increase of 251%.<sup>1</sup>
- The Asia high yield bond market currently offers higher yields than other global high yield bond markets. As of December 2024, Asia high yield bonds had a yield of 9.7% compared to 7.3% for US high yield bonds.<sup>2</sup>
- The default rate of Asia high-yield corporate bonds has been lower than that of high yield bonds in other emerging market regions in six of the past thirteen years and was lower than the US high yield default rate in both 2019 and 2020.<sup>1</sup>

### KHYB Features:

- Sub-advised by Nikko. Nikko was established in 1959 and is one of Asia's largest asset managers, with over \$200 billion in assets under management. Nikko is a leader in Asia fixed income with 30+ years of experience in the market.<sup>3</sup>
- KHYB portfolio manager Wai Hoong Leong is supported by one of the largest Asia fixed income teams. His team uses top-down macro research and bottom-up credit research to construct the Fund's portfolio.

\*Formerly the KraneShares Asia Pacific High Income Bond ETF prior to August 1, 2024.

1.) Data from JP Morgan as of 12/31/2024.

2.) Data from JP Morgan and St. Louis Federal Reserve as of 12/31/2024. Asia high yield bond market is represented by the JP Morgan Asia Credit Index Non-Investment Grade. US high yield bond market is represented by the ICE BofA US High Yield Index.

3.) Data from Nikko Asset Management as of 12/31/2024.

Key Metrics	Data as of 05/31/2025
12-Month Distribution Rate	10.18%
30-day SEC Yield	7.21%

See page 2 for definitions. 12-Month Distribution Rate includes return of capital.

### KHYB Performance History:

	Cumulative % Data as of month end: 05/31/2025				Average Annualized % Data as of month end: 05/31/2025			
	1 Mo	3 Mo	YTD	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Fund NAV	1.42%	0.99%	2.38%	5.79%	6.63%	5.43%	-0.19%	0.82%
Closing Price	1.47%	0.70%	2.21%	5.70%	6.28%	5.36%	-0.20%	0.80%
JACI Non-Investment Grade Corporate Index	1.22%	0.64%	2.93%	6.43%	8.44%	5.64%	-0.48%	0.90%

**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/khyb](https://kraneshares.com/khyb).**

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 05/30/2025
Primary Exchange	NYSE Arca, Inc.
CUSIP	500767843
ISIN	US5007678437
Total Annual Fund Operating Expense	0.69%
Inception Date	06/26/2018
Distribution Frequency	Monthly
Performance Benchmark	JACI Non-Investment Grade Corporate Index
Management Style	Active
Number of Holdings	81

Top 10 Holdings as of 05/30/2025 Excluding cash. Holdings are subject to change.	%
FUQING INVESTMENT MANAGEMENT LTD MTN 3 1/4 06/23/25	2.50
GLP CHINA HOLDINGS LTD MTN 2.95 03/29/26	2.37
STANDARD CHARTERED PLC 4.3 PERP	2.27
GREENTOWN CHINA HOLDINGS LTD 8.45 02/24/28	2.12
MONG DUONG FINANCE HOLDINGS BV 5 1/8 05/07/29	2.08
PINGAN REAL ESTATE CAPITAL LTD MTN 3.45 07/29/26	2.01
PIRAMAL CAPITAL & HOUSING FINANCE LTD MTN 7.8 01/29/28	1.87
PIRAMAL CAPITAL & HOUSING FINANCE LTD/INDIA MTN 7.8 01/29/28	1.87
PIRAMAL FINANCE LTD MTN 7.8 01/29/28	1.87
YANLORD LAND HK CO LTD 5 1/8 05/20/26	1.83

**Definitions:**

J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Corporate Index: consists of liquid US-dollar denominated debt instruments issued out of Asia ex-Japan. It is based on the composition and established methodology of the J.P. Morgan Asia Credit Index (JACI), which is market capitalization weighted. The index is limited to issuers classified as non-investment grade based on the middle rating between Moody's, Fitch, and S&P.

12-Month Distribution Rate: the distribution yield an investor would have received if they had held the fund over the last twelve months, assuming the most recent NAV. The 12-Month Distribution Rate is calculated by summing any income, capital gains and return of capital distributions over the past twelve months and dividing by the sum of the most recent NAV and any capital gain distributions made over the same period.

30-day SEC Yield: standard yield calculation developed by the U.S. Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. Option Premium is not included in the SEC yield calculation.

**This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money.**

**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 is subject to the legal, regulatory, political and economic instability associated with investing in Asia-Pacific countries including China and Japan which may cause a decline in value. Japan has also experienced natural disasters of varying degrees of severity, which could negatively affect the Fund. Emerging markets involve heightened risk related to the same factors as well as increase volatility and lower trading volume. Fluctuations in currency of foreign countries may have an adverse effect to domestic currency values. The Fund can invest in bonds generally and high yield bonds specifically. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities. The Fund is subject to interest rate risk, which is the chance that bonds will decline in value as interest rates rise. The Fund is subject to liquidity risk, meaning that certain investments may become difficult to purchase or sell at a reasonable time and price. If a transaction for these securities is large, it may not be possible to initiate which may cause the Fund to suffer losses.

The Fund is subject to sovereign and quasi-sovereign debt risk. The governmental authority that controls the repayment of sovereign and quasi-sovereign debt may be unwilling or unable to repay the principal and/or interest when due. KHYB 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.

The KraneShares ETFs and KFA Funds ETFs are distributed by SEI Investments Distribution Company (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456, which is not affiliated with Krane Funds Advisors, LLC, the Investment Adviser for the Funds, or any sub-advisers for the Funds.

[R-SEI-KS]