

Capturing China's Brightest Science & Technology STARs

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KraneShares™

KSTR

3/02/2021

Capturing China's Brightest Science & Technology STARs

Overview of the KraneShares SSE STAR Market 50 Index ETF (Ticker: KSTR)



STAR 科创板 MARKET

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Introduction to KraneShares

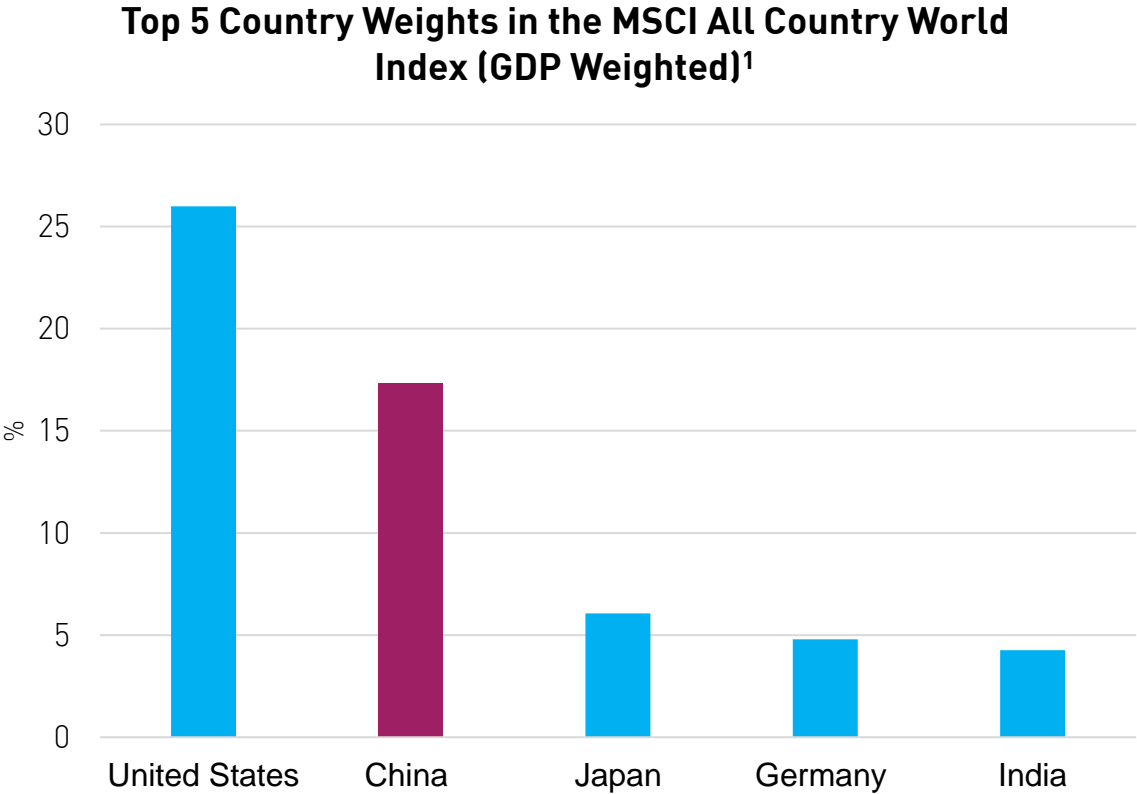
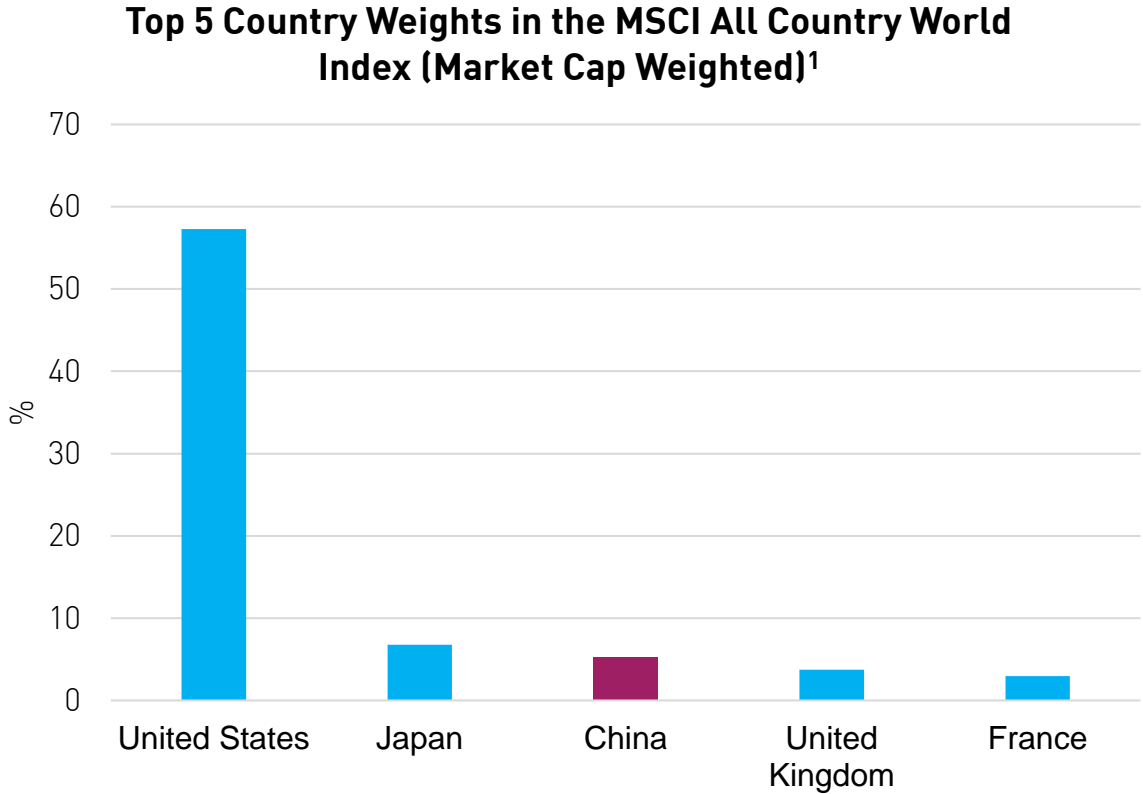
About KraneShares

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 stay current on global market trends and aim to provide meaningful diversification. Krane Funds Advisors, LLC is majority owned by China International Capital Corporation (CICC).



The China A-Share market is too big to ignore

Even though China is the world's second largest economy and stock market, China A-Shares are still underrepresented in global capital markets.



1. Data from MSCI as of 12/31/2020. See page 21 for index definitions

Characteristics of Chinese listing venues

Market	No. of Listed Companies	3M Average Daily Volume (\$mm)	Free-float Market Cap (\$mm)	Freely accessible to foreign investors* (%)
Mainland China	5,111	27,609	4,437,535	80%
Shanghai (Main)	2,032	33,079	2,175,991	80%
Shanghai (STAR Market)	229	19,938	105,792	12%
Shenzhen	2,850	29,811	2,155,752	80%
Offshore China	1,324	45,385	4,750,018	100%
US	427	72,400	1,908,353	100%
Hong Kong	897	18,370	2,841,665	100%
Total	12,870	246,592	18,375,106	—

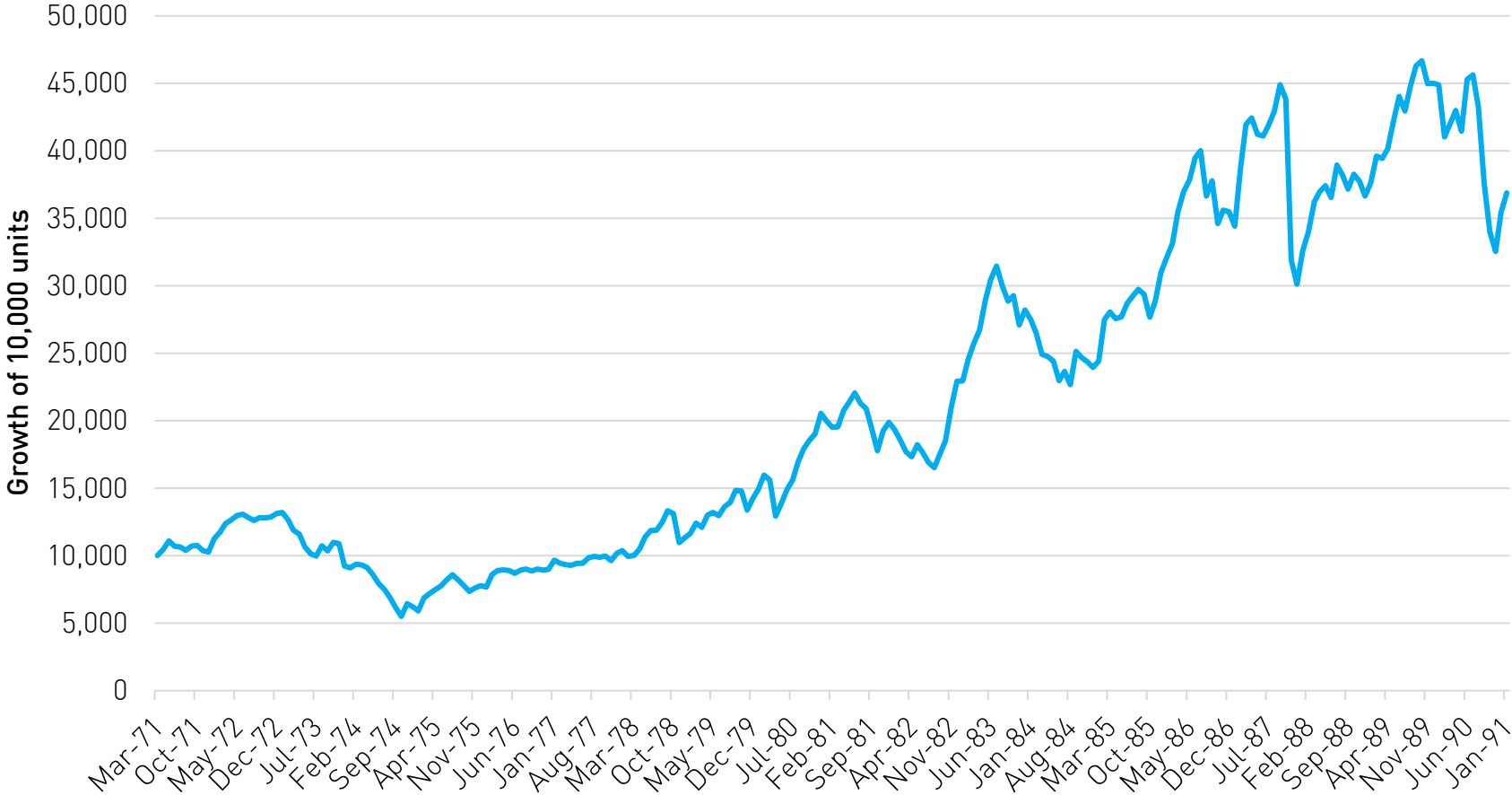
Data from Bloomberg as of 2/23/2021. See pages 21 for index definitions.

*For mainland China A-shares the percentage of securities by market cap included in Northbound Hong Kong Stock Connect Program

Data not available for all securities.

The STAR Market has been called the ‘Nasdaq of China’, and may follow a similar growth trajectory

Nasdaq Composite Index’s First 20 Years Performance History



In 1971 Nasdaq had a market cap of \$140 billion, while the NYSE had a market cap of \$1 trillion

Today Nasdaq has a market cap of \$19 trillion and the NYSE has a market cap of \$26 trillion







Today STAR looks like Nasdaq in 1971, with a market cap of \$100 billion, while the SSE* has a market cap of \$2.2 trillion.

Data from Bloomberg, retrieved 2/24/2021. See slide 21 for index definitions. Market cap figures are approximations. Index returns are for illustrative purposes only and do not represent actual fund performance. Indexes are unmanaged and one cannot invest directly in an index. Index returns do not reflect fees or other costs associated with investing. Past performance does not guarantee future results. *SSE: Shanghai Stock Exchange (SSE) Composite Index

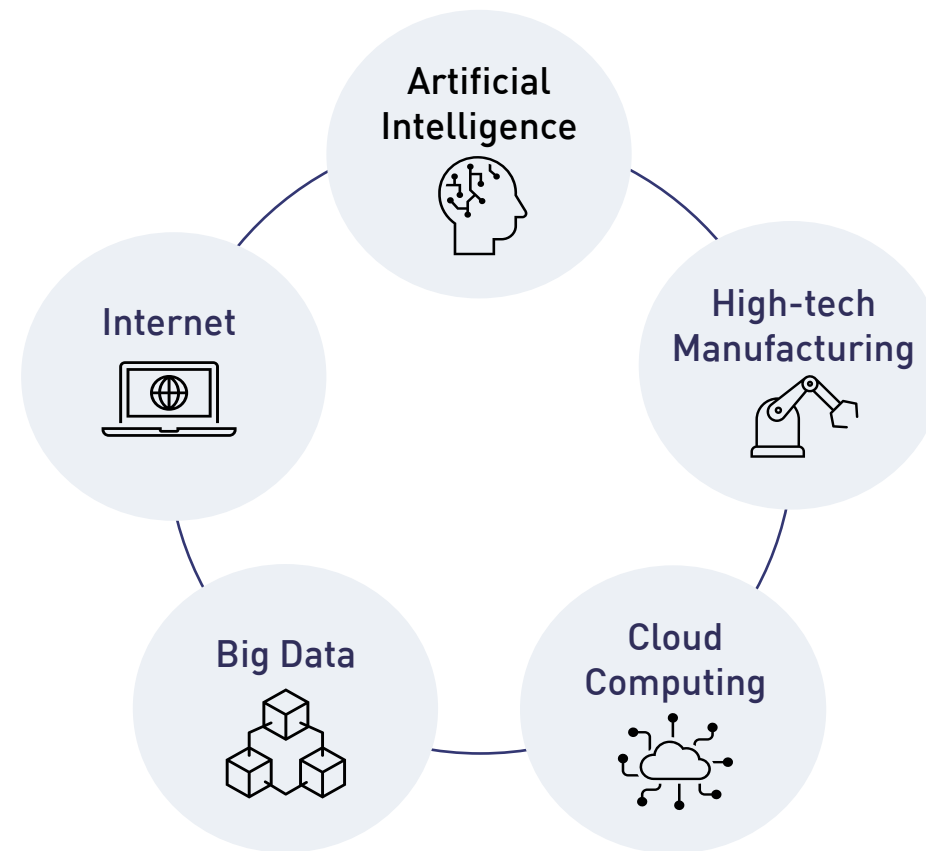
The STAR Market primarily supports high-tech infrastructure and strategic emerging industries

Companies included in the STAR Market seek to integrate several key themes within their core business.

Emerging Industries

 <p>New Generation IT</p>	 <p>High-end Equipment</p>	 <p>New Materials</p>
 <p>New Energy</p>	 <p>Energy Conservation & Environmental Protection</p>	 <p>Biomedicine</p>

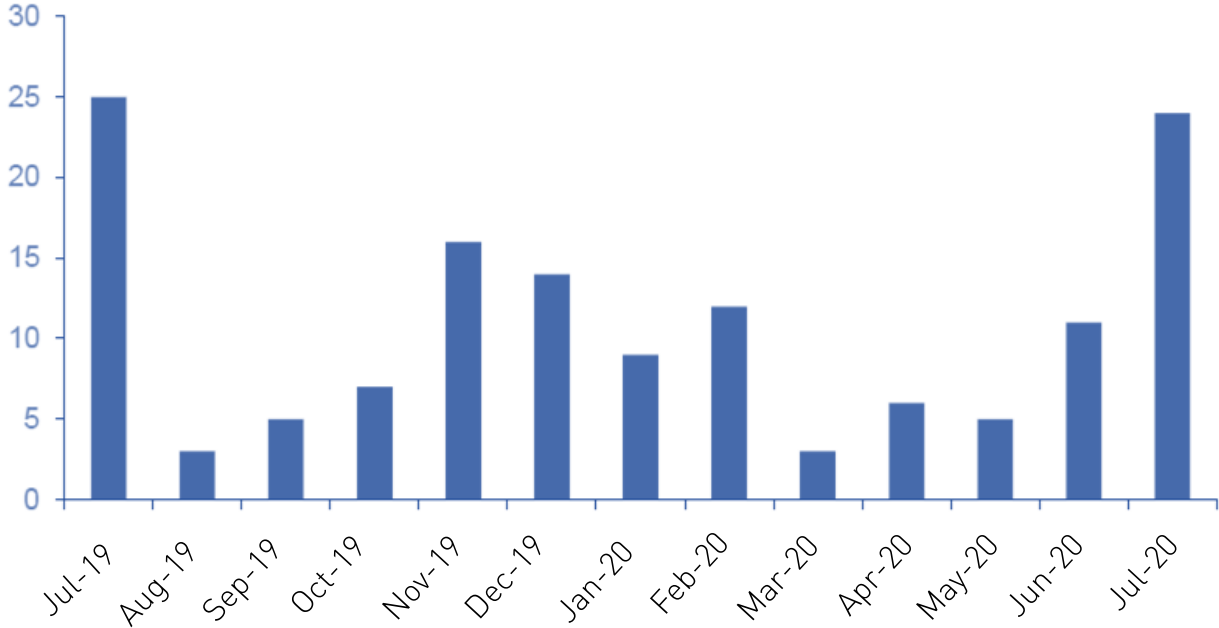
Key Themes



The STAR Market has been a top location for new listings

- The STAR Market has quickly gained recognition as one of the world’s top IPO venues. ¹ Listings on the STAR Market accounted for 47% of capital raised across China’s Mainland A-Share market in 2020.³
- COVID-19 contributed to a slowdown in global IPO activity, with April/May experiencing a 48% decrease in IPO volume.²
- In light of recent US legislation concerning the potential delisting of US-listed Chinese stocks, we believe some Chinese companies might develop a stronger preference to listing on domestic markets.

STAR Market IPO Count Since Launch



Source: Wind, CITIC Securities Research as of July 31, 2020

1. Bloomberg, “China’s Star Board Among World’s Top Three IPO Venues”, August 3, 2020.
 2. EY, “COVID-19 pandemic slows global IPO activity YTD 2020”, June 29, 2020.
 3. The Asset, “A bumper IPO year despite Covid-19”, December 14, 2020.

The STAR Market’s unique listing rules and notable success since launching have quickly made the exchange an attractive option for China’s leading science and technology unicorns

STAR Market Key Developments



President Xi Jinping introduced the concept of the STAR Market to create a new funding source for China’s rising science and technology companies.¹



In just over a year, the STAR Market facilitated 200 companies to raise **\$44 billion**.²



Jun.13, 2019: China launched the SSE STAR Market as a new science and technology board. Trading of the first 25 companies started on July 22.¹



STAR Market listings accounted for **47%** of capital raised across China’s Mainland A-Share market in 2020.³



The SSE STAR 50 Index methodology is designed to fast-track eligibility for China’s largest unicorns.



For the first time, Mainland investors have access to some of China’s leading, high quality tech companies.

1. SCMP, “Shanghai Stock Exchange to debut Nasdaq-style market for tech stocks on July 22, three weeks ahead of schedule”, July 5, 2019.
 2. CNBC, “China’s experimental stock board gains 200th IPO just over a year after launching”, December 6, 2020.
 3. The Asset, “A bumper IPO year despite Covid-19”, December 14, 2020.

The STAR Market offers more inclusive standards compared to other markets in China

Historically, early-stage Chinese startups were forced to list abroad due to stringent listing requirements at home. The STAR market allows such companies to list on a local exchange.

Mainland Chinese Exchange Offering and Listing Comparison		
	Shanghai / Shenzhen	STAR Market
Targeted companies	Large mature companies	Growing science and technology innovation companies
Finance & Accounting	Net assets, cash flow, revenue, and net income requirements	Emphasize market value and revenue instead of net income requirements
	Profit In the last 3 fiscal years , the company has made continuous profits and accumulated net profits in excess of 30 million CNY. Or, the accumulated total operating revenue exceeds 300 million CNY.	Do not have to be profitable or have accumulated deficits to list. Based on the estimated market value, revenue, net income, R&D investment, cash flow and other factors
	Cash Flow The cumulative net cash flow from operating activities in the last three fiscal years exceeds 50 million CNY.	
	Net Assets Intangible assets account for no more than 20% of net assets at the end of the latest period. There is no undistributed deficit at the end of the latest period.	
		Must meet 1 of the 5 differentiated listing standards.

By meeting one of the five differentiated listing standards, applicants are eligible for listing on the STAR Market

The 5 Core Listing Standards of the STAR Market

- Unlike other Mainland Chinese boards, companies do not have to be profitable to list.
- This set of standards mirrors that of its US peer, the NASDAQ Global Market.
- Delisting criteria are primarily based on these standards.

	1	2	3	4	5
Listing Standard	Profitability	R&D	Operating Cash Flow	Revenue	Special
Market Valuation	CNY 1 billion	CNY 1.5 billion	CNY 2 billion	CNY 3 billion	CNY 4 billion
Operating Revenue (in the last Yr.)	CNY100 million	CNY 200 million	CNY 300 million	CNY 300 million	Companies need to secure approval from state dept. and meet requirements such as huge market potential & technical advantage
Requirement for Standard	Net Profit CNY 50 million	R&D Expense to Operating Income 15% on average in the past 3 years	Operating Cash Flow CNY 100 million		

The STAR Market may become the preferred listing venue for China’s unicorn startups

- A unicorn company, or unicorn startup, is a private company with a valuation over \$1 billion.¹
- Currently, three of the world’s five largest unicorns are Chinese companies.¹
- China has 227 unicorns to-date, just slightly behind the U.S. with 233.¹
- For Chinese companies looking to go public, the STAR Market may be a preferred location because of its accelerated IPO approval process as well as the many potential advantages offered by domestic listings.

Top 10 Global Unicorn Ranking ¹				
Rank	Company	Market Val. (\$B)	Industry	Headquarters
1	ByteDance	140	Social Media	China
2	Ant Group	108	FinTech	China
3	SpaceX	74	Aerospace	USA
4	Didi Chuxing	62	Ride Sharing	China
5	Stripe	36	FinTech	USA
6	UiPath	35	Artificial intelligence	USA
7	Roblox	30	Internet Software	USA
8	Databricks	28	Data Mgmt. & Analytics	USA
9	Rivian	28	Electric Vehicle	USA
10	Nubank	25	Fintech	Brazil

1. Data from Hurun Research Institute, Bloomberg Intelligence and CB Insights, retrieved 2/19/2021.

STAR 50 Index methodology is designed to expedite eligibility for China's largest unicorns

Eligibility Timeline for STAR 50 Index Inclusion:

IPO debuts on the STAR Market



Eligible for inclusion after...

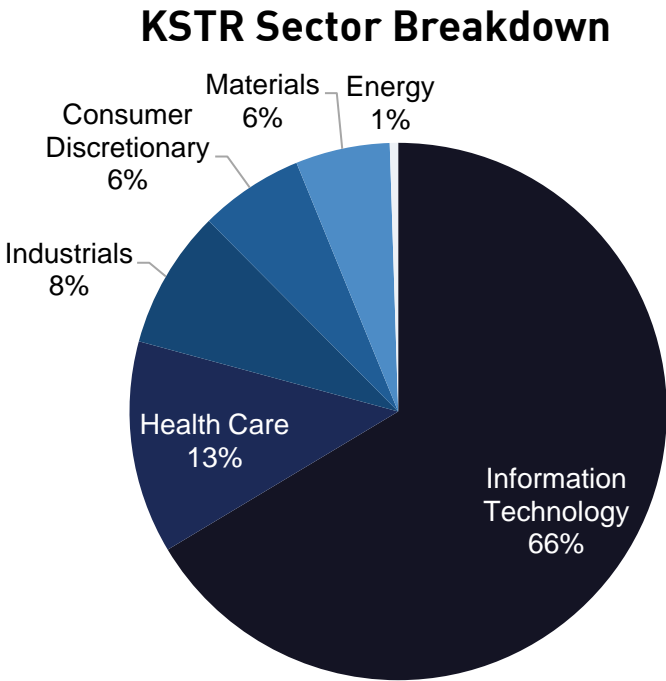
1 Month
for securities among **top 3** by average daily market value since initial listing

3 Months
for securities among **top 5** by average daily market value since initial listing

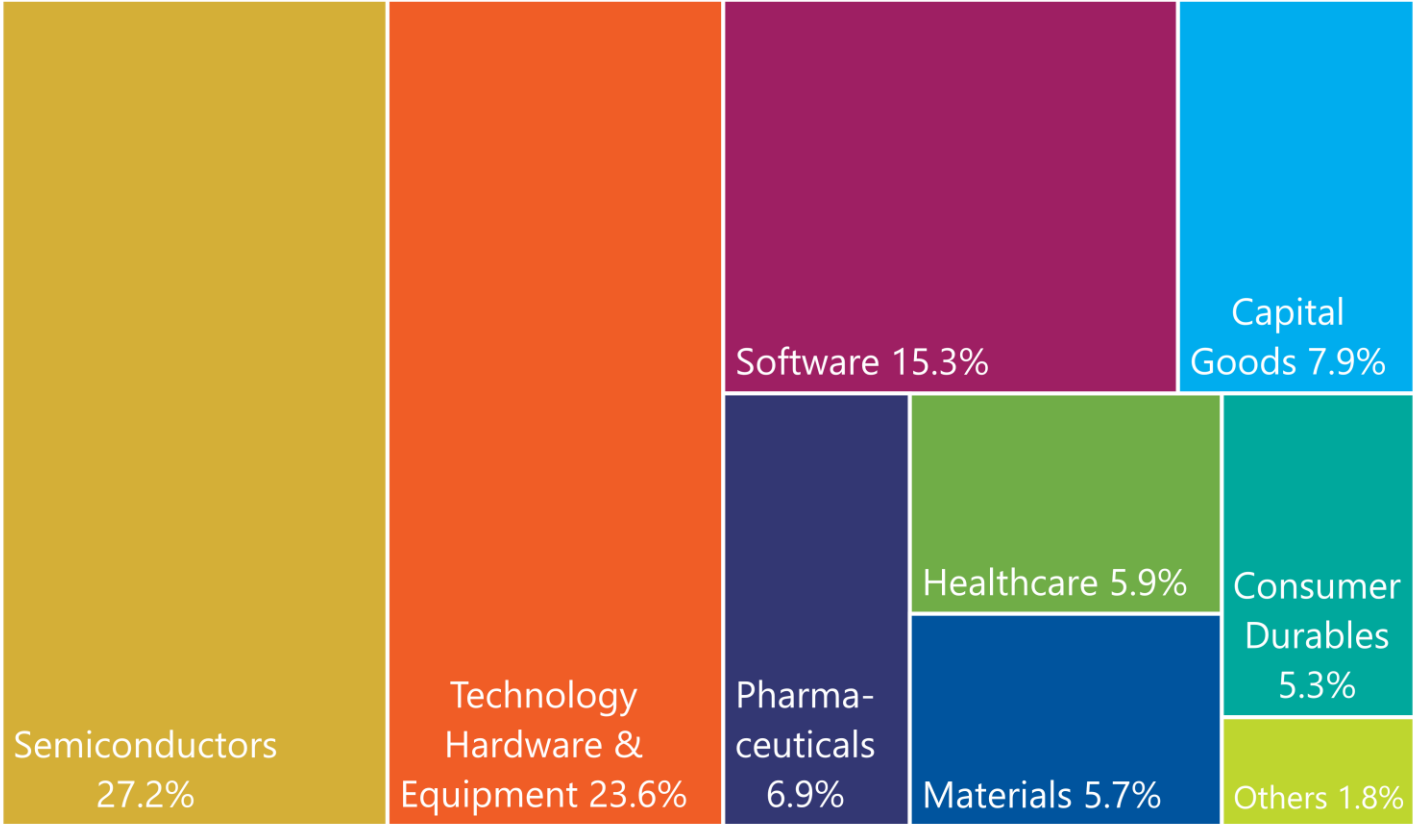
6-12 Months for remaining securities that are not among top ranking for average daily market value.

The Index prioritizes the largest IPOs for expedited inclusion

KSTR’s holdings consist primarily of “new economy” sectors, with a combined weight of over 80% in information technology and healthcare



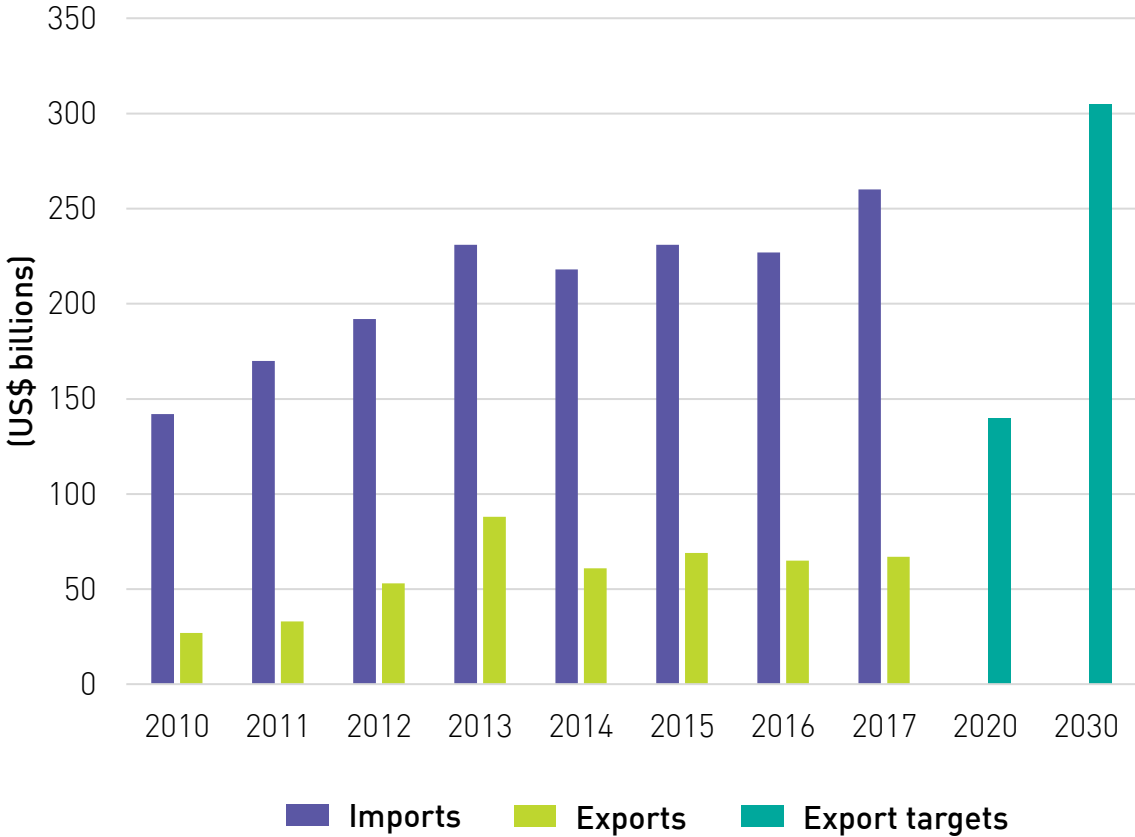
KSTR Industries



Chinese government policies aim to make China more self-sufficient in chip manufacturing

- China established a new national semiconductor fund worth \$28.9 billion in 2019, aimed at closing the technology gap with the US.¹
- As stated in the “Made in China 2025” initiative, China aims to produce 70% of the semiconductors used domestically by 2025 and have complete import substitution by 2030.²
- The Chinese government has instated policies to further promote the semiconductor industry, such as providing tax exemptions for the next 10 years.²

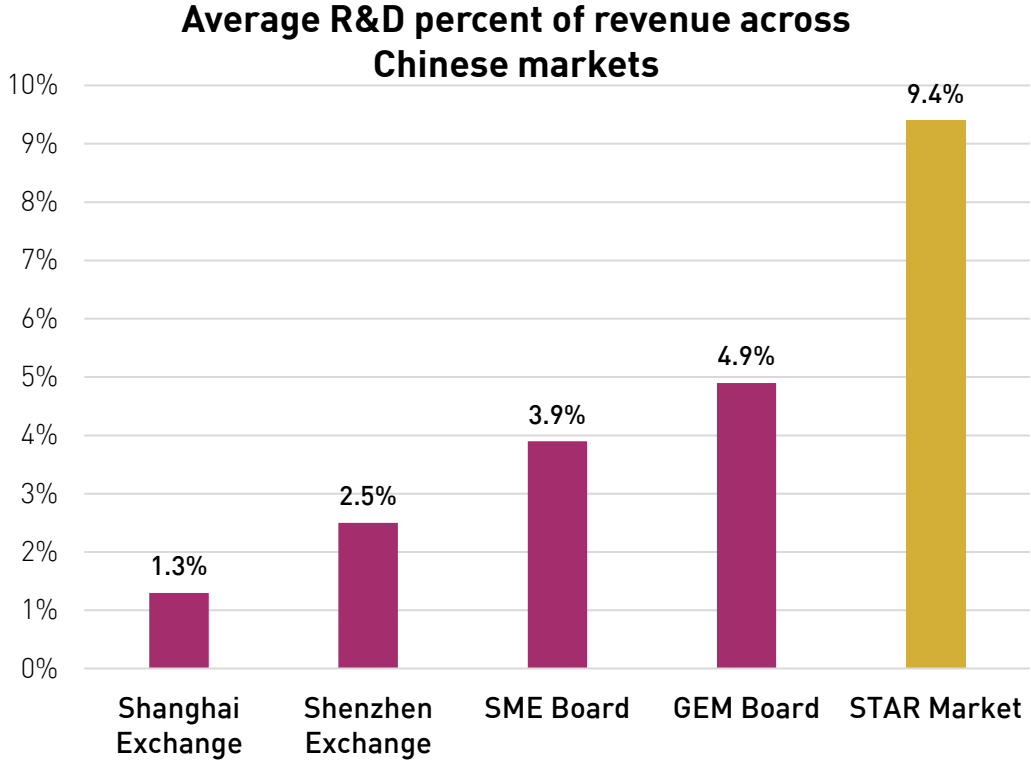
China's semiconductor annual trade²



1. WSJ, “China Sets Up New \$29 Billion Semiconductor Fund”, Oct. 25, 2019.
 2. Source: SCMP, “Made in China 2025: How Beijing is boosting its semiconductor industry”, September 25, 2018. Data from China Semiconductor Industry Association.

Substantial R&D investment shows STAR Market companies' commitment to innovation and development

- R&D investment for the 50 constituent companies included in the STAR 50 Index at the time of launch was, on average, 13% of operating income, compared to 5.6% for its peers on the main board.^{1,2}
- In 2019, companies on the STAR Market were granted more than 2,500 patents, 1,100 of which were invention patents.³
- Additionally, 13 companies have won China's National Science and Technology Progress Award.²



Source: ICBC, retrieved 2/23/2021. See slide 21 for term definitions.

1. Shanghai Stock Exchange, "Q&A on Launching SSE STAR Market 50 Constituent Index", June 19, 2020.
 2. SCMP, "Xi Jinping's trillion-yuan baby, the Star Market, is poised for the next spurt of growth", July 25, 2020.
 3. Xinhua, "Economic Watch: China's STAR board promotes innovative, inclusive market", June 6, 2020.












KSTR's top 10 holdings have shown high R&D investment and strong revenue growth

Top 10 KSTR Holdings	Weight %	Primary Business	KSTR Companies		U.S. Comparable Business
			1 Year Average Revenue Growth Rate	R&D Expenditure % of Sales	
Montage Technology	9.5%	Semiconductors	-1%	15%	Intel
Beijing Kingsoft Office Software	9.2%	Software	40%	38%	Microsoft
Shenzhen Transsion Holding	7.9%	Technology Hardware, Storage	12%	3%	Apple
Raytron Technology Co Ltd	6.1%	Electronic Equipment	78%	16%	TE Connectivity
Beijing Roborock Technology	5.8%	Household Durables	38%	5%	Irobot Corp.
China Resources Microelectronics	5.3%	Semiconductors	-8%	8%	Texas Instruments
Amlogic Shanghai Inc	4.0%	Semiconductors	0%	20%	Qualcomm
National Silicon Industry	3.7%	Semiconductors	48%	6%	Micron
China Railway Signal & Communication	3.6%	Electronic Equipment	4%	4%	Wabtec
Ningbo Ronbay	3.5%	Batteries	38%	4%	General Electric
	Total: 58.6%		Average: 25%	Average: 12%	

Data from Bloomberg as of 1/31/2021. Fund holdings subject to change.

On November 12, 2020, Executive Order 13959 ("Executive Order") was issued, prohibiting transactions by U.S. persons in certain Chinese issuers' securities ("Subject Securities"), beginning on January 11, 2021. KSTR will fully comply with the Executive Order. While the underlying index for KSTR (the SSE Science and Technology Innovation Board 50 Index) includes Subject Securities, the KSTR portfolio has been optimized and will not include any Subject Securities.

Companies within KSTR help advance China's national strategy development goals

National New Infrastructure Development Initiative Goals ¹			
Theme	Goals	Example KSTR Holdings	
5G	Ensure nationwide 5G coverage by 2025, with plans to have 5 million 5G base stations across the country by 2025		
		KSTR weight: 4.0%	KSTR weight: 1.3%
Artificial Intelligence	Establish 20 AI innovative trial zones nationwide by 2023		
		KSTR weight: 9.6%	KSTR weight: 0.6%
Big Data Centers	Construct a range of data centers (including big data centers, super data centers and edge-computing data centers) by 2025		
		KSTR weight: 1.4%	KSTR weight: 0.5%
Industrial Internet	Build 3-5 world class industrial Internet of Things (IoT) platforms by 2025 to improve digital connectivity for at least a million enterprises		
		KSTR weight: 3.7%	KSTR weight: 1.6%
Intercity High-speed Rails & Rail Transportation	Extended the railway network by more than 4,000 km in 2020, with 2,000 km designated for high-speed rails		
		KSTR weight: 3.6%	
Electric Vehicle Charging & Batteries	Build an additional 12,000 electric vehicle charging stations in 2020 and have over 36,000 in total by 2025		
		KSTR weight: 0.8%	KSTR weight: 3.5%

1. Nikkei Asian Review, CCID Think Tank, China Briefing, retrieved 12/31/2020. Fund holding weights as of 1/31/2021.

The STAR 50 Index companies exhibit low correlation to other global markets

Index Correlation to the STAR 50 Index

	MSCI ACWI	MSCI EAFE	MSCI EM	MSCI USA	MSCI China	MSCI Frontier	Nasdaq Composite	STAR 50
MSCI ACWI	1	0.90	0.90	0.97	0.69	0.62	0.87	0.24
MSCI EAFE	0.90	1	0.83	0.78	0.51	0.52	0.60	0.08
MSCI EM	0.90	0.83	1	0.83	0.80	0.45	0.73	0.40
MSCI USA	0.91	0.78	0.83	1	0.69	0.64	0.95	0.27
MSCI China	0.69	0.51	0.80	0.69	1	0.29	0.71	0.47
MSCI Frontier	0.62	0.52	0.45	0.64	0.29	1	0.57	0.04
Nasdaq Composite	0.87	0.60	0.73	0.95	0.71	0.57	1	0.32
STAR 50	0.24	0.08	0.40	0.27	0.45	0.04	0.32	1

- MSCI ACWI Index (ACWI) - All Country World Index
- MSCI EAFE Index (EAFE) - Europe, Australasia and Far East
- MSCI Emerging Markets Index (EM) - Emerging Markets
- MSCI USA Index (USA) - United States of America

- MSCI China Index (China) - Chinese companies listed in Hong Kong & USA
- MSCI Frontier Markets Index (Frontier) - Frontier Markets
- NASDAQ Composite Index
- STAR 50 Index - companies listed on Shanghai's STAR Market

Source: Table from Bloomberg, weekly correlation from July 23, 2020 to December 31, 2020. See slide 21 for index definitions.



**KraneShares SSE STAR
Market 50 Index ETF**

Investment Strategy:

KSTR seeks to track the performance of the Shanghai Stock Exchange (SSE) Science and Technology Innovation Board 50 Index (STAR 50 Index). The Index is comprised of the 50 largest companies listed on the SSE Science and Technology Innovation Board (STAR Market) as determined by market capitalization and liquidity.

STAR Market Highlights:

- Facilitates the fast-tracking of private science and technology companies to an initial public offering (IPO).
- Since its establishment in July 2019, the STAR Market has become one of the largest IPO markets globally¹ and a premier listing venue for prominent Chinese unicorns (privately held startup companies valued at over \$1 billion).
- Recent increases in fund-raising activity on Chinese exchanges can largely be attributed to the STAR Market, which accounted for 47% of capital raised across China's Mainland A-Share market in 2020.²
- Potential inclusion in the SSE Composite Index and Shanghai-Hong Kong Stock Connect could result in greater flows for STAR Market securities.

KSTR Features:

- Exposure to companies poised to be China's future leaders across industries that could represent the growth engine of China for decades to come.
- Innovation-driven science and technology companies in China that offer a potential source of uncorrelated, long-term growth.
- Includes companies from industries such as new-generation information technology, biomedicine, new energy, and environmental protection.

1. YiCai Global, "China's Year-Old Star Market Outshines the Venerable Nasdaq", July 23, 2020.

2. The Asset, "A bumper IPO year despite Covid-19", December 14, 2020

KraneShares SSE STAR Market 50 Index ETF (Ticker: KSTR)

KSTR seeks to track the performance of the Shanghai Stock Exchange (SSE) Science and Technology Innovation Board 50 Index. The Index is comprised of the 50 largest companies listed on the SSE Science and Technology Innovation Board (STAR Market) as determined by market capitalization and liquidity.

Fund Details	As of 1/31/2021
Primary Exchange	NYSE Arca
CUSIP	500767694
ISIN	US5007676944
Total Annual Fund Operating Expense	0.89%
Inception Date	1/27/2021
Distribution Frequency	Annual
Index Name	SSE Science and Technology Innovation Board 50 Index
Number of Holdings (ex Cash)	50

Top Ten Holdings as of 1/31/2021 excluding cash. The Fund's Holdings are Subject to Change.	Ticker	%
MONTAGE TECHNO-A	688008	9.52
BEIJING KINGSO-A	688111	9.21
SHENZHEN TRANS-A	688036	7.94
RAYTRON TECHNO-A	688002	6.08
BEIJING ROBORO-A	688169	5.82
CHINA RESOURCE-A	688396	5.28
AMLOGIC SHANGHAI INC-A	688099	3.97
NATIONAL SILIC-A	688126	3.71
CHINA RAILWAY -A	688009	3.59
NINGBO RONBAY -A	688005	3.52

KSTR Performance History as of 1/31/2021

	Cumulative %				Average Annualized %		
	1 Mo	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	Since Inception
Fund NAV	—	—	—	-2.72%	—	—	—
Closing Price	—	—	—	-2.56%	—	—	—
Index	3.33%	5.79%	1.53%	-3.60%	—	—	—

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.

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.

Index Definitions:

Shanghai Stock Exchange (SSE) Science and Technology Innovation Board 50 Index (STAR 50 Index): is comprised of the 50 largest securities listed on SSE Science and Technology Innovation Board (STAR Market) as determined by highest market capitalization and liquidity. Constituents are weighted by a float-adjusted market capitalization with a 10% weight limit for a single constituent, and the top five constituents total weighting cannot be more than 40%. The index is adjusted and rebalanced quarterly and the adjustment will be effective end of next trading day.

MSCI China A (Net Return USD) Index: captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges. The index covers only those securities that are accessible through "Stock Connect". The index is designed for international investors and is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).

MSCI China USD Net Index: captures large and mid cap representation across China H shares, B shares, Red chips and P chips.

MSCI EAFE USD Gross Index: is an equity index which captures large and mid cap representation across Developed Markets countries around the world, excluding the US and Canada.

MSCI Emerging Markets USD Net Index: captures large and mid cap representation across 23 Emerging Markets (EM) countries.

MSCI USA USD Net Index: The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market.

MSCI Frontier Markets (FM) USD Gross Index: captures large and mid cap representation across 29 Frontier Markets countries. The index was launched on December 18, 2017.

MSCI ACWI Market Cap Weighted USD Net Index: captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries.

MSCI ACWI GDP Weighted USD Net Index: captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries, weighted by GDP.

MSCI China All Shares 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.

CSI Overseas China Internet Index: The CSI Overseas China Internet Index selects overseas listed Chinese Internet companies as the index constituents; the index is weighted by free float market cap. The index can measure the overall performance of overseas listed Chinese Internet companies. The Index is within the scope of the IOSCO Assurance Report as at 30 September 2018. The index was launched on September 20, 2011.

Shanghai Stock Exchange (SSE) Composite Index is composed of all eligible stocks and CDRs listed on Shanghai Stock Exchange. This index is designed to reflect to overall market performance of companies listed on Shanghai Stock Exchange.

Shenzhen Stock Exchange Composite Index is an actual market-cap weighted index (no free float factor) that tracks the stock performance of all the A-share and B-share listed on Shenzhen Stock Exchange. The index was developed on April 3, 1991 with a base price of 100. Index trade volume on Q is scaled down by a factor of 1000. This is a total return Index.

Hang Seng China Enterprises Index: serves as a benchmark that reflects the overall performance of Mainland securities listed in Hong Kong.

Nasdaq Composite Index: The Nasdaq Composite Index measures all Nasdaq domestic and international based common type stocks listed on The Nasdaq Stock Market. The index was launched on February 1, 1971.

Terms:

ChiNext Board: subsidiary of the Shenzhen Stock Exchange, designed for growing innovative companies. The first batch of companies began trading on October 30, 2009.

SME Board: subsidiary of the Shenzhen Stock Exchange, designed for small and medium sized enterprises. The first batch of companies began trading in May 2005.

Main Board: refers to the Shanghai and Shenzhen Stock Exchanges, designed for larger, more mature companies.

GEM Board: short for the Growth Enterprise Market, a subsidiary of the Hong Kong Stock Exchange (HKSE) for growth companies that do not meet the profitability and/ or track record requirements of the HKSE. The first batch of companies began trading in 1999.

Slide 8 Citations:

Timeline dates up to Feb. 17, 2020 sourced from STAR Market and shine.cn, "Nearly one year on, city's technology board is a star", June 10, 2020. The remaining citations are sourced from the following:

1. Data from Bloomberg
2. Caixin Global, "China to Launch SSE STAR 50 Index to Track New Nasdaq-Style Board", July 20, 2020.
3. Lenovo, "Lenovo Proposed Issuance and Admission of CDRs on Shanghai Stock Exchange STAR Market", January 12, 2021.

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. 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 may be subject to higher volatility. The Fund's assets are expected to be concentrated in an industry or group of industries to the extent that the Underlying Index concentrates in a particular industry or group of industries. The securities of companies in an industry or group of industries could react similarly to market developments. Thus, the Fund is subject to loss due to adverse occurrences that affect one industry or group of industries or sector. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. The Fund is non-diversified.

The ability of the fund to achieve its 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 a 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 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.

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. NAVs are calculated using prices as of 4:00 PM Eastern Time.

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