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KCCA

KraneShares California Carbon ETC Securities

Investment Strategy:

The KraneShares California Carbon ETC (KCCA) is designed to track the level of its reference index, the S&P Carbon Credit CCA Index, providing targeted exposure to California Carbon Allowance (CCA) futures.

Why KCCA?

- **Structural growth opportunity:** Access a fast-growing asset class with regulatory-driven supply constraints that support long-term structural upside potential.
- **Diversification:** Low correlations to major assets, including just 0.1 to US large cap.[1]
- **Inflation resilience:** Potential inflation hedge with a downside floor that rises annually by 5% plus the Consumer Price Index (CPI).
- **Global relevance:** The California carbon allowance market covers ~80% of the state's greenhouse gas (GHG) emissions[2] across the world's fourth-largest economy,[3] with nearly $60 billion in trading volume in 2025,[1] making it the second-largest carbon market by trading volume globally.

What is California's cap-and-invest market?

- Established in 2013 and recently extended through 2045,[4] the programme operates under a declining emissions cap, tightening supply over time while demand is driven by mandatory participation from large emitters that acquire allowances through auctions or secondary markets.
- As government-mandated and regulated programmes, cap-and-invest creates transparent and liquid markets that incentivise companies to pursue the most cost-effective emissions reduction strategies while driving broader industry innovation.
- The programme's annual declining cap aligns with the state's statutory target of reducing emissions by 40% of 1990 levels by 2030 and achieving carbon neutrality by 2045.[4]

1. Data from Bloomberg as of 31/Dec/2025. The performance data quoted represents past performance, and current returns may be higher or lower. Past performance does not guarantee future results.
2. Congressional Research Service. The California Cap-and-Trade Program: Overview and Considerations for Congress. CRS Report R48314, 18/Dec/2024. Library of Congress.
3. Governor Gavin Newsom, "California is now the 4th largest economy in the world," 23/Apr/2025.
4. International Carbon Action Partnership, "California extends cap-and-trade to 2045, renames program "Cap-and-Invest," 29/Sep/2025.

The ETC may use FX hedging (e.g., futures and forwards) to reduce currency risk and support index tracking, though such hedging may not be fully effective and may introduce costs and risks. Diversification does not ensure a profit or guarantee against a loss.

Security Details	Data as of 31/Jul/2026
Primary SEDOL	BVY7605
Primary ISIN	XS3145731611
Inception Date	25/Mar/2026
Total Expense Ratio	0.78%
Use of Income	No Income
Index Name	S&P Carbon Credit CCA Index
Methodology	Physical Replication
Net Assets	$2,803,460
Investment Structure	ETC
Base Currency	USD
UCITS Eligible	Yes

KCCA Performance History:

	Cumulative % Data as of month end: 31/Jul/2026				Average Annualized % Data as of month end: 31/Jul/2026				Cumulative % Data as of quarter end: 30/Jun/2026			
	1 Mo	3 Mo	6 Mo	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception	1 Yr	3 Yr	5 Yr	Since Inception
Security NAV	-0.71%	12.48%	–	12.12%	–	–	–	–	–	–	–	12.92%
Index	-0.85%	12.23%	–	11.73%	–	–	–	–	–	–	–	12.68%

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. Returns are provided in USD. To the extent the base currency of an available share class is not USD, returns may increase or decrease as a result of currency fluctuations. For performance data current to the most recent month end, please visit www.kraneshares.eu.

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. This is a marketing communication. Please refer to the prospectus of the UCITS, and the PRIIP before making any final investment decisions. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

The information provided here is for information purposes only in order to outline the capabilities of the KraneShares ETC Securities Programme. This page, including all information contained herein, is not provided for the purposes of marketing or selling the above ETC or any security. This page, including all information contained herein, is not intended to be used for making investment decisions by either select intermediaries or their underlying clients.

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Holdings and Exposures of the KraneShares California Carbon ETC Securities

Carbon Allowance Futures as of 31/Jul/2026	Identifier	Position	Current Exposure($)	% NAV
California Carbon Allowance (CCA) Vintage 2026 Future	KBCZ26 Comdty	84	2,745,120	97.92%
			2,745,120	**98%**

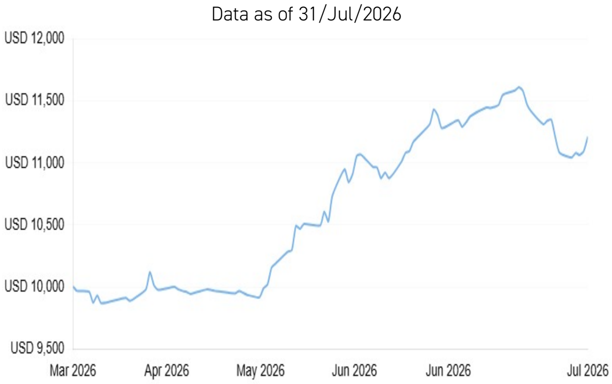
Collateral and Currency Management as of 31/Jul/2026	Identifier	Position	Current Exposure($)	% NAV
USD Cash & Equivalents**	USD	2,803,460	2,803,460	100%
			2,803,460	**100%**

Holdings, carbon allowance futures, and collateral are subject to change.
**Includes USD cash deposits & cash in margin accounts ($2,803,460)

Listings as of 31/Jul/2026	Ticker	Currency	Listing Date	SEDOL	ISIN
London Stock Exchange	KCCA LN	USD	26/Mar/2026	BVY7605	XS3145731611

Growth of USD 10,000

Data as of 31/Jul/2026



The Growth of USD 10,000 chart reflects an initial investment of USD 10,000 in the Funds USD share class on the day prior to the selected time period and assumes reinvestment of dividends and capital gains. For the growth of USD 10,000 chart since inception, the initial investment of USD 10,000 is instead made on the inception date of the Fund.
Fund expenses, including management fees and other expenses were deducted. The growth of a USD 10,000 investment in the fund is hypothetical and for illustration purposes only. Fund performance data used in this chart is based on Fund NAV and represents past performance. Past performance does not guarantee future results.

Important Notes

These materials have been prepared solely for the purpose of facilitating product development discussions with investment platform gatekeepers regarding an ETC Programme established by KraneShares ETC plc (the "Issuer") and arranged by Krane Fund Advisors, LLC (the "ETC Programme"). The ETC Programme will issue Exchange Traded Commodities ("ETCs") linked to opportunities in the Global Carbon Credit Markets. Investors in the ETCs will be advised to consider carefully the relevant ETCs' investment objectives, risk factors, charges and expenses before investing. Important information in relation to the relevant ETCs will be made available on www.kraneshares.eu. Such information will include the Base Prospectus relating to the ETC Programme and the Final Terms relating to each series of ETCs (each a separate "ETC Series"), which investors will be advised to read carefully before investing.

Investors will be advised that investing involves risk, including possible loss of principal. There can be no assurance that any series of ETCs will achieve its stated objectives. Under the ETC Programme, the Issuer may offer multiple different ETC Series. The performance of each ETC Series will be linked to specified reference indices comprised of futures contracts in the Global Carbon Credit Markets. The indices, and corresponding future contracts, are subject to political, social or economic changes which may cause decline in value. The Issuer may invest in derivatives, which are often more volatile than other investments and may magnify gains or losses for investors in the relevant ETC Series. Fluctuations in the currencies of foreign countries may have an adverse effect to domestic currency values. Narrowly focused investments typically exhibit higher volatility. Investors will be advised of these and other relevant risk factors before investing in any ETC Series.

The ETCs are not principal protected and are a high-risk investment. The ETCs are secured, limited recourse obligations of the Issuer. The ETCs issued under the Programme will not be guaranteed by any entity and no person other than the Issuer will be obliged to make payments on the ETCs.

For investors in the EU: The information provided is for information purposes only in order to outline the capabilities of the KraneShares ETC Securities Programme. The information contained herein is not provided for the purposes of marketing or selling the ETC or any security nor is it intended to be used for making investment decisions by either select intermediaries or their underlying clients.

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The views and opinions expressed in this material are those of the author, Krane Funds Advisors, LLC. These opinions have been given in good faith but are subject to change without notice. It is the responsibility of the reader to evaluate the accuracy, completeness and usefulness of any opinions, opportunities or other information provided.

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Krane Funds Advisors, LLC acts as Arranger in relation to the Issuer's ETC Programme as described in a Base Prospectus approved by the Central Bank of Ireland pursuant to the EU Prospectus Regulation (Regulation (EU) 2017/1129) and available on www.kraneshares.eu. In relation to each ETC Series, Waystone Corporate Services (IE) Limited acts as Trustee pursuant to a trust deed and as Security Trustee pursuant to an Irish law security trust deed.

For additional documentation or to view our Summary of Investor Rights, available in English, please visit www.kraneshares.eu.

Carefully consider the ETCs' investment objectives, risk factors, charges and expenses before investing. This and additional information, including historical and the most recent month-end performance, can be found in the relevant offering documents and PRIIPs KID, which may be obtained on our website at www.kraneshares.eu. PRIIPs KID documents are available in the language of any Member State where the ETC is distributed, and the base prospectus is available only in the English language.

The GBP Hedged ETCs are currency hedged. The Issuer may use FDI for the purposes of hedging the foreign exchange risk of this class, including forward foreign exchange contracts, foreign exchange futures and foreign exchange swaps. This hedging seeks to minimise the effect of exchange rate fluctuations between the base currency (USD) and the relevant Series currency. Where the hedge is applied successfully, the performance of the hedged class is likely to move in line with the performance of the Series denominated in the base currency. The use of this hedging may substantially limit holders of the relevant class from benefiting if the class currency decreases in value relative to the base currency. Further details are set out in the "Not an investment in the Futures Contracts and/or Carbon Allowances" risk factor and the "Collateralisation" section of the base prospectus of the Issuer, approved by the Financial Conduct Authority.