

Quadratic Interest Rate Volatility and Inflation Hedge ETF (IVOL)

Q2 2022

About Quadratic Capital Management and Krane Funds Advisors, LLC

Quadratic Capital Management

Quadratic Capital Management is an innovative asset management firm founded in 2013 by Nancy Davis. The firm has utilized its significant expertise in the interest rate volatility and options markets to construct IVOL. Quadratic Capital Management serves as the Investment Sub-Adviser to the IVOL ETF.

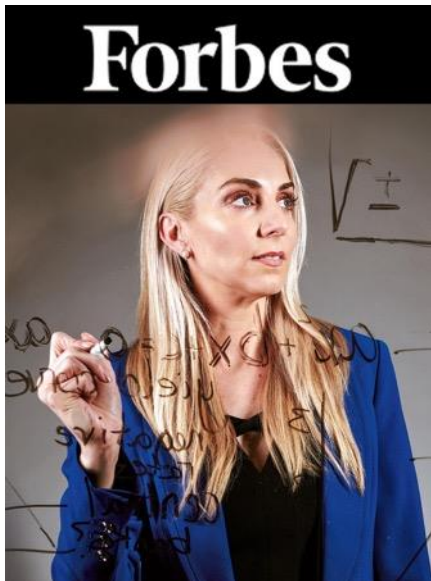
Krane Fund Advisors, LLC

Krane Funds was founded in 2013 by Jonathan Krane and manages approximately \$13 billion. The firm seeks to provide innovative, first to market strategies that have been developed based on the firm and its partners' deep knowledge of investing. Krane Funds is majority owned by China International Capital Corporation (CICC). Krane Funds Advisors serves as the Investment Adviser to the IVOL ETF.



Select IVOL Highlights, Milestones, and Awards

September 2019:
Forbes profiles Nancy
and IVOL strategy



March 2020:
Barron's 100 Most Influential Women
in Finance on inaugural list



April 2020:
IVOL named "Best New US Fixed
Income Fund of 2019" by
ETF.com*



May 2021: IVOL surpasses
\$3 Billion AUM



IVOL: Low Correlations To Common Asset Classes¹

- IVOL may provide potentially attractive diversification during a time when many other holdings may have behaved very similarly.
- It may act as a partial hedge, given how it has had very low correlations with the major indexes shown above.
- Historic data does not guarantee future trends, and it is possible that these correlations may change over time.

| IVOL NAV Correlation To: | DOW | S&P 500 | The Agg* | MSCI EM | HY Credit | Gold | VIX |
|-----------------------------|------|---------|----------|---------|-----------|------|-------|
| Daily Correlation | 0.03 | 0.03 | 0.20 | 0.11 | 0.12 | 0.18 | -0.05 |

Daily correlation from 5/14/19 to 3/31/22. Source: Bloomberg and Quadratic calculations

1. See end of deck for index definitions. Index returns are for illustrative purposes only and do not represent actual Fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. For actual fund performance visit our website www.kfafunds.com.

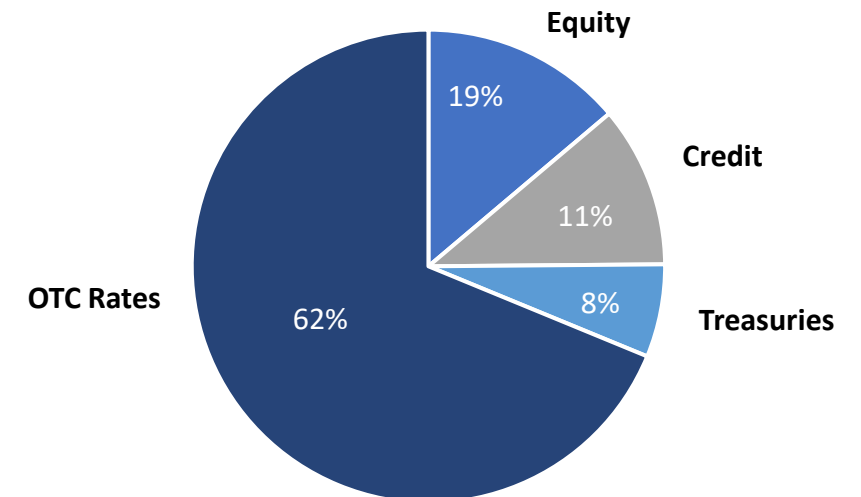
*Bloomberg US Aggregate Bond Index

Access: Exposure to the Rates Markets

- IVOL provides access to OTC rates which is the largest asset class; also provides the potential for differentiated performance from stocks and bonds.
- IVOL's OTC rates options provide exposure to the shape of the yield curve, which is largely a result of inflation expectations. Thus, the options have the potential to increase in value with a normalization of inflation expectations and therefore function similar to options on inflation expectations.

Key features:

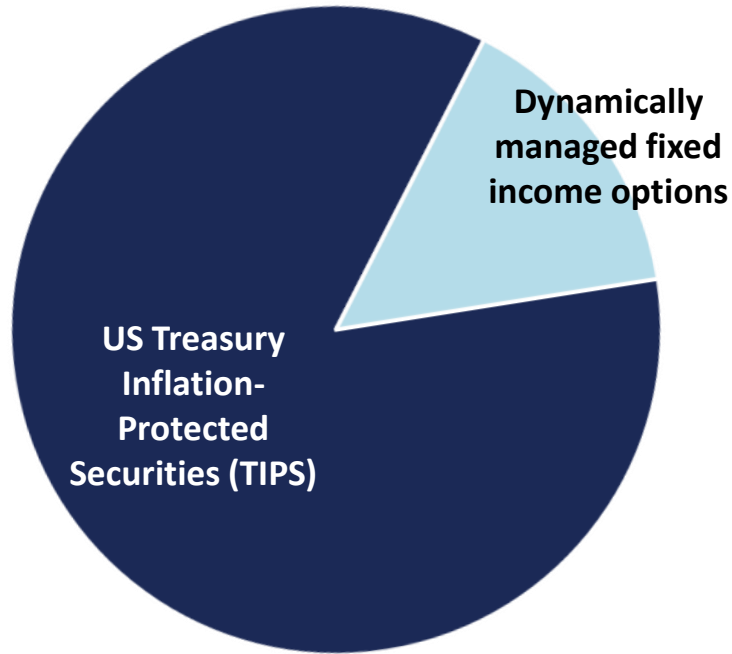
- Potential for enhanced, inflation-protected distributions
- Options are fully funded, so the maximum downside is known and limited to the market value of the options.
- Through its options, **IVOL is long OTC fixed income volatility**, providing potential profit from market stress as volatility increases.
- **Options have the potential to benefit from relative interest rate moves** – whether those moves are lower (or negative) rates in the front end and/or higher rates in the back end – **the options are agnostic to the level of interest rates.**



Source: Nasdaq, SIFMA and BIS. "US OTC Rates" defined as the notional value outstanding in interest rate contracts denominated in USD as of H1 2021.

IVOL Portfolio Composition

- IVOL portfolio is approximately 85% US Treasuries (TIPS)
- Balance of portfolio is dynamically managed fixed income options



TIPS Alone

- **TIPS are long duration;** therefore, they lose in price terms when interest rates move higher.
- Many investors **own short duration bonds** due to concerns about higher interest rates, and do not want duration exposure.
- **CPI is the *only* inflation measure used in TIPS;** roughly 1/3 of CPI is rent. Rent costs may not be relevant for many investors.
- Using **TIPS alone linked to CPI as the only inflation protection** for a portfolio is similar to owning the Dow Jones Index as a sole allocation to equities.

IVOL as Potential Solution

- IVOL seeks to **address the duration exposure in TIPS.** IVOL's options have the potential to profit if long dated interest rates move higher or if the yield curve steepens.
- IVOL → **gives investors another way to potentially profit from inflation** rather than CPI alone.
- IVOL's **options have the potential to increase in value with a normalization of inflation expectations;** therefore function similar to options on inflation expectations outside of CPI.
- IVOL provides a way to **profit from increased volatility or lower policy rates.**

IVOL Portfolio Applications

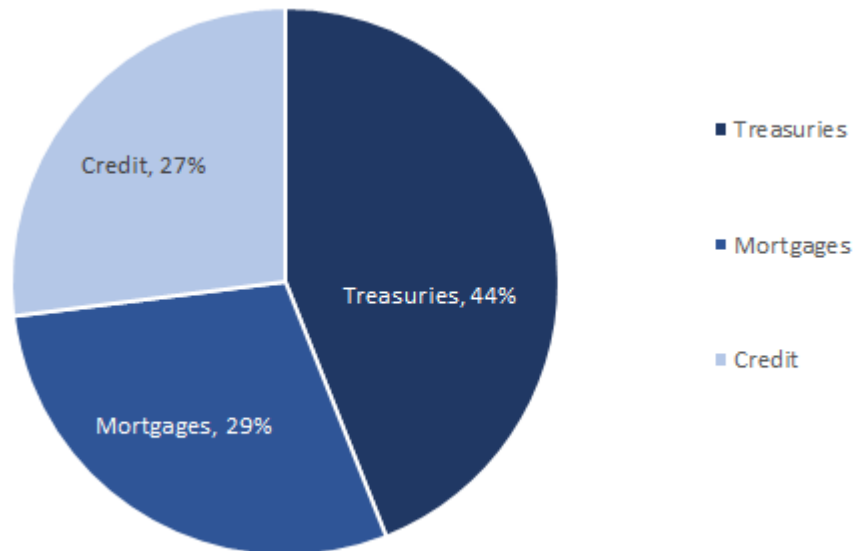
| Investments: | Potential Risks: | How IVOL potentially manages risks: |
|-----------------------------------|---|--|
| Passive Fixed Income | Many investors use products benchmarked to the "Bloomberg Agg", (the Bloomberg Aggregate Bond Index), as a proxy for the fixed income universe. The Bloomberg Agg has no TIPS, 29% of the index is short volatility and 28% has credit spread risk. | IVOL holds TIPS and is long-volatility, which can act as a potential diversifier to a fixed income portfolio centered on the Bloomberg Agg. |
| Real Estate | Higher rates increase the all-in cost of buying a home or other property and can depress demand. | IVOL may help hedge the risk of falling real estate prices brought on by rising long term interest rates. |
| Equities | Min vol / low vol stocks can be seen as "defensive" and used with the goal to generate yield with less equity risk than the broader market. | IVOL owns fixed income volatility and may act as a market hedge since volatility has historically increased during large equity sell-offs. |
| TIPS | TIPS are set using the Consumer Price Index (CPI). About 1/3 of CPI is defined by "shelter," which is mostly rent. | IVOL owns TIPS, but they are enhanced using TIPS options. These options function as options on inflation expectations, since the yield curve is largely a result of inflation expectations. |
| Floating Rate Notes (FRNs) | Frequently used for their potential to profit from higher yields, FRNs have credit risk and almost no sensitivity to interest rates. | IVOL has the potential to appreciate when the interest rate curve steepens and long dated inflation expectations move higher, giving investors a similar benefit to the one they are expecting from their FRN without the credit risk. |
| Short Duration Bonds | Many investors own short duration bond because they are concerned about higher interest rates and do not want the duration risk exposure. | IVOL may help hedge during bond market sell-offs should the yield curve steepen and volatility increase while providing potentially enhanced distributions. |

IVOL Completion Portfolio Application Example: Passive Fixed Income

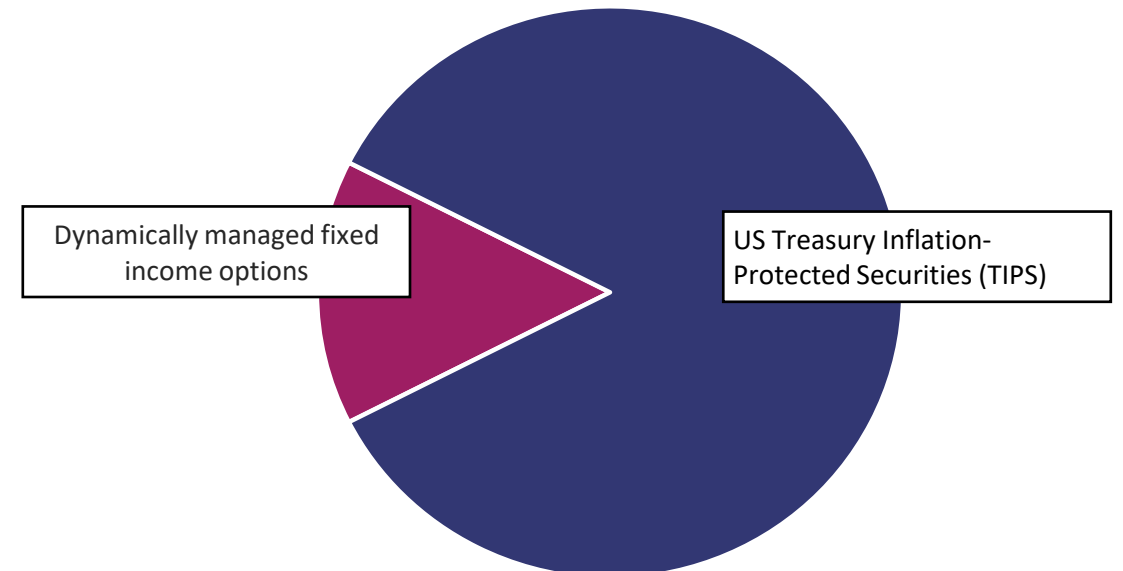
- Many investors utilize products tied to the Bloomberg US Aggregate Bond Index (“the AGG”) for passive fixed income exposure.
- Important issues with the "AGG" investors should keep in mind:
 - Roughly 29% of the AGG's holdings are “short” volatility, while 27% of the AGG is exposed to credit spread risk¹
 - The AGG does not contain any inflation protected bonds (TIPS).
 - As a result, may leave investors exposed in ways they did not anticipate, with gaps in their bond portfolio.

IVOL may serve as a diversifier for such investors

“The AGG” Composition



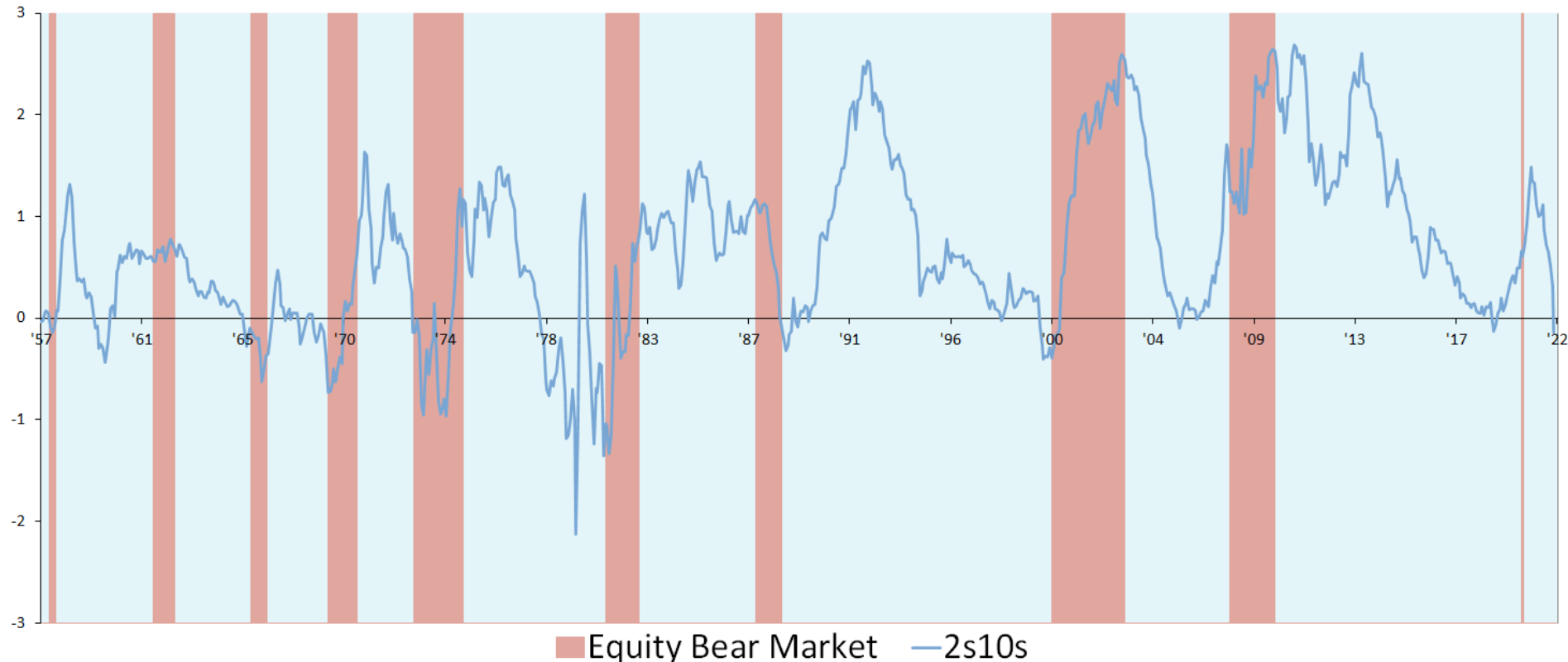
IVOL Composition



IVOL Hedge Portfolio Application Example: IVOL During Periods of “Risk Off” for Equities

- The IVOL portfolio potentially has the ability to benefit from equity market shocks. How can IVOL’s options potentially benefit equity holders? As the chart below shows, equity market sell-offs have historically been associated with a steepening of the yield curve.
- By holding interest rate options that are expected to pay off when the yield curve steepens, IVOL may also help hedge investors against equity market sell-offs.

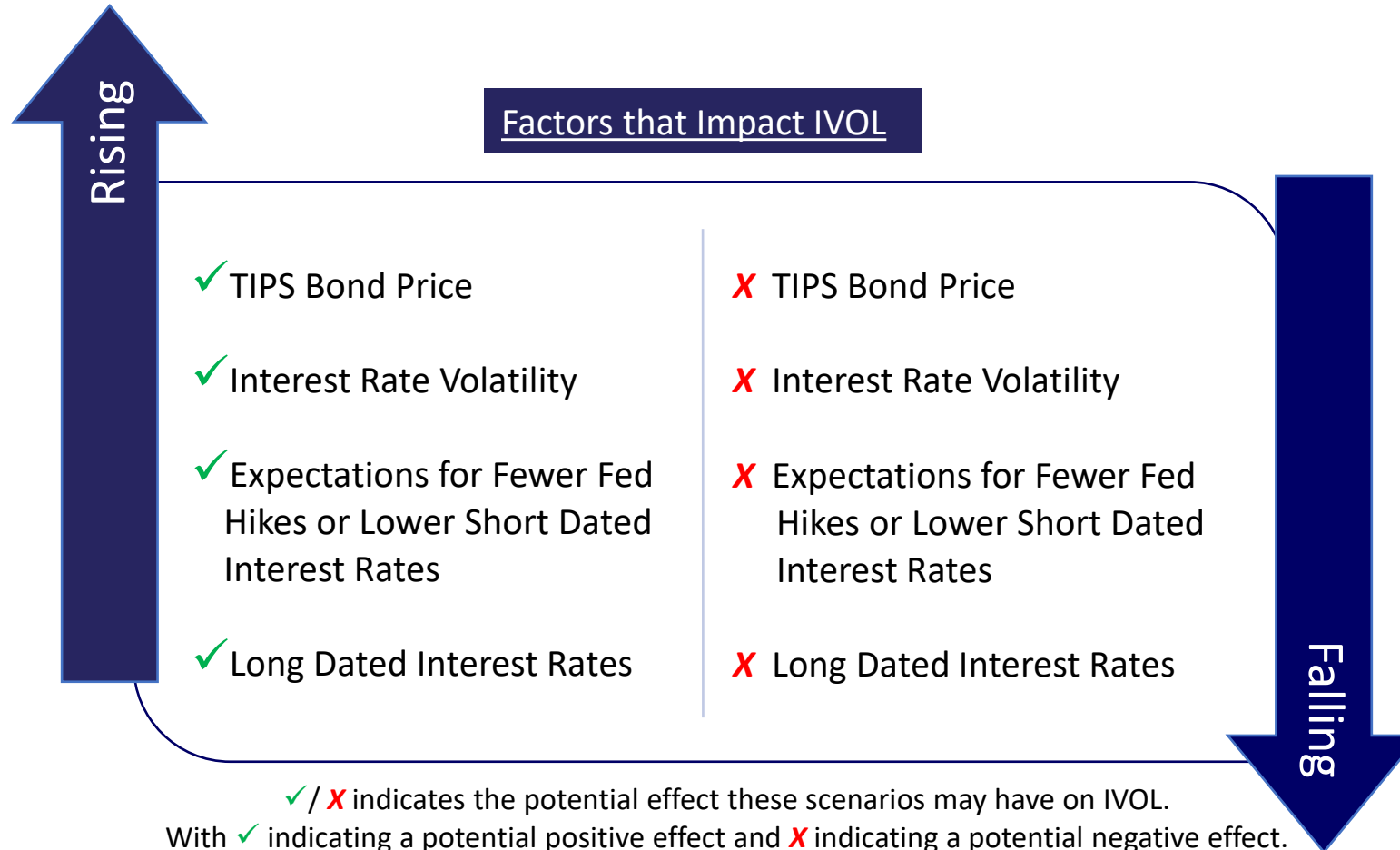
Relationship Between US Equity Market Sell-Offs and the Yield Curve



Source: Goldman Sachs and Quadratic capital as of Q1 2022

S&P 500 is the equity index and 2s10s is defined as the difference between the 10y and the 2y swap rates. Past performance does not guarantee future results.

IVOL Scenario Analysis



✓ / ✗ indicates the potential effect these scenarios may have on IVOL.
 With ✓ indicating a potential positive effect and ✗ indicating a potential negative effect.
 "Long dated yields" defined as the yield on the 10y US treasury.

IVOL Performance History

| | Cumulative % | | | Average Annualized % | | |
|---------------|--------------|--------|-----------------|----------------------|-----|-----------------|
| | 3 Mo | 6 Mo | Since Inception | 1yr | 3yr | Since Inception |
| Fund NAV | -4.27% | -6.44% | 13.19% | -6.88% | - | 4.39% |
| Closing Price | -3.72% | -6.24% | 13.57% | -6.91% | - | 4.51% |
| Index* | -3.02% | -0.73% | 19.19% | 4.29% | - | 6.27% |

| Period (through 3/31/2022) | IVOL NAV |
|-----------------------------------|----------|
| IVOL ITD (5/14/2019 to 3/31/2022) | 13.19% |
| 2020 | 14.72% |
| 2021 | -0.08% |
| Q1 2022 | -4.27% |

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.ivoletf.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.

- IVOL has outperformed its TIPS Index Benchmark, especially from the start of the equity selloff on 2/20/2020 until the end of Q1 2021.
- In Q1 2021, IVOL had a strong outperformance of more than 4% compared to TIPS alone. This happened because long dated interest rates increased. Like all bonds, TIPS are long duration and tend to lose in price terms with higher interest rates. IVOL can potentially help investors if long dated interest rates move higher.
- During the March 2020 sell-off, IVOL had a less pronounced drawdown compared to TIPS alone. IVOL also recovered faster:
 - IVOL's max drawdown was 8% (from 3/6/20 to 3/20/20). By 3/26/20 IVOL had already recovered to a higher price than before the drawdown began. (4 trading days from the end of the drawdown to recovery to pre-drawdown high)
 - For TIPS alone, the drawdown was 10.85% (from 3/6/20 to 3/18/20). And the TIPS alone portfolio took 58 trading days to recover to its previous high.
- In the second half of 2021, IVOL underperformed its TIPS Index Benchmark as two-year forward 2s10s yield curve to experience its largest flattening move since the Global Financial Crisis.

IVOL Risk Profile

Investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives, including its objective of eliminating the curve or inflation risk. Investors should take note of the following risks before investing in IVOL. A more thorough discussion of options investing can be found on the Options Clearing Corporation's website. A link to which can be found in the Important Notes section of this presentation.

- **A Flattening Yield Curve Risk:** IVOL may underperform or lose money when the U.S. interest rate curve flattens or inverts, perhaps significantly. When this occurs the Fund's investments may generally underperform a portfolio consisting solely of U.S. government bonds
- **Leverage Risk:** IVOL's OTC options may give rise to a form of leverage, which may magnify the Fund's potential for gain and the risk of loss. The Fund may potentially be more volatile than a portfolio of traditional investments such as stocks or bonds.
- **Liquidity & Counterparty Risk:** OTC options may be subject to liquidity risk and counterparty risk.
- **Credit & Non-Curve Interest Rate Risk:** IVOL's use OTC options is not intended to mitigate credit risk, or non-curve interest rate risk. Additionally, IVOL invests in debt securities, which typically decrease in value when interest rates rise.
- **Considered Speculative:** Investing in options tied to the shape of the swap curve is considered speculative and can be extremely volatile.
- **Concentration Risk:** The fund is non diversified.

Guide to Trading ETFs

ETF liquidity is determined by the asset class, not by the fund size

- Exchange-traded funds (ETFs) are a wrapper, and although an investor may hold a large percentage of an ETF, one must look at the percentage owned of the underlying asset class.

ETF investors are not impacted by other investors' trades in the same ETF

- The ETF structure is unique in that all investors transact independently on an exchange. Being a large or small owner in a fund does not mean you're more or less impacted by the actions of other investors. In a mutual fund, all investors are impacted by the trading activity of other holders in the fund.

An ETF closure does not create principal risk

- If a fund were to close, neither large nor small investors would have a principal risk. The fund would be liquidated by the portfolio manager, and the investors would receive back NAV of the fund, minus costs, at the time of liquidation.

Trading in and out and fund size

- Investors can trade in and out of a fund regardless of the fund's AUM. ETF liquidity providers (market makers) can easily transfer the liquidity of the underlying basket into ETF shares. Market makers also accept NAV based orders for larger tickets.

Understanding ETF Liquidity

An ETF is not a stock

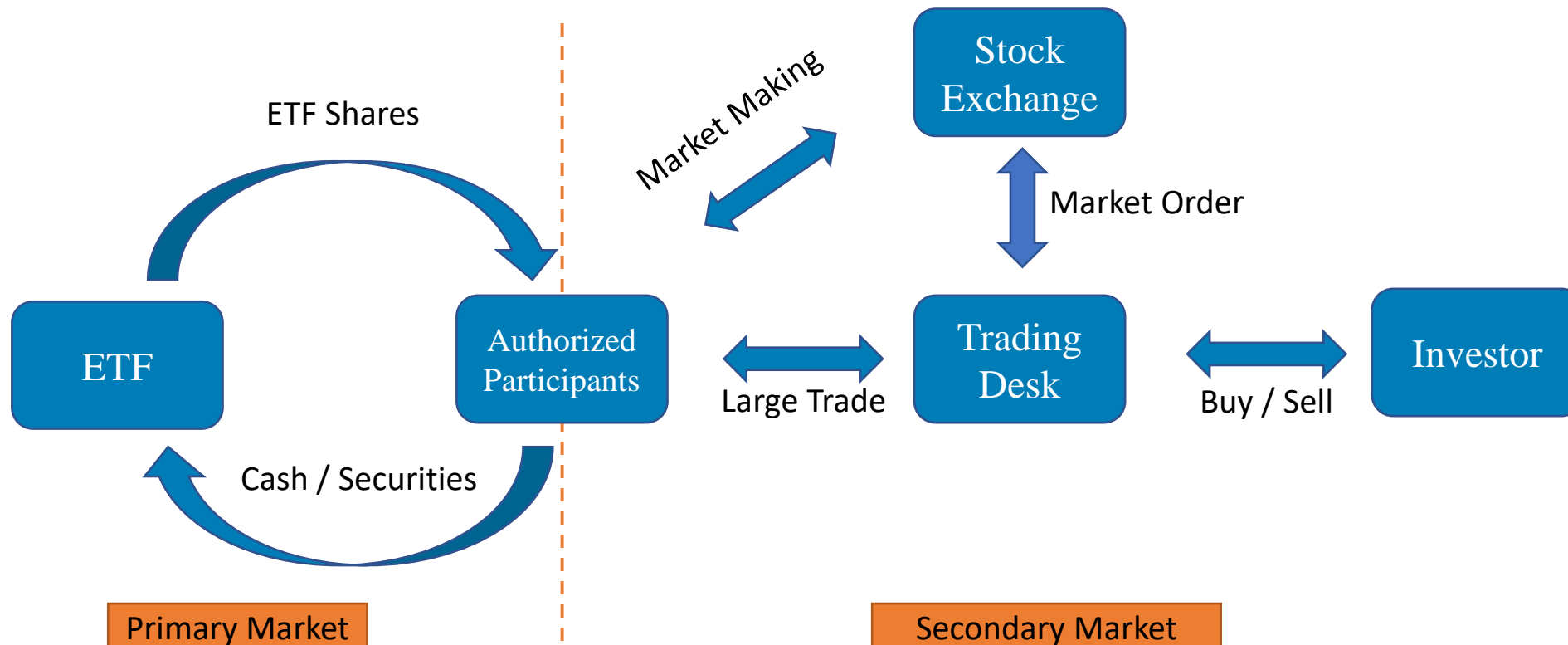
- If an ETF does not trade a certain number of shares per day, is the fund illiquid? No. It's a plausible assumption from a single-stock perspective, but with ETFs, there is more to consider. The key is to understand the difference between the primary and secondary market liquidity of an ETF.

Primary Market vs. Secondary Market

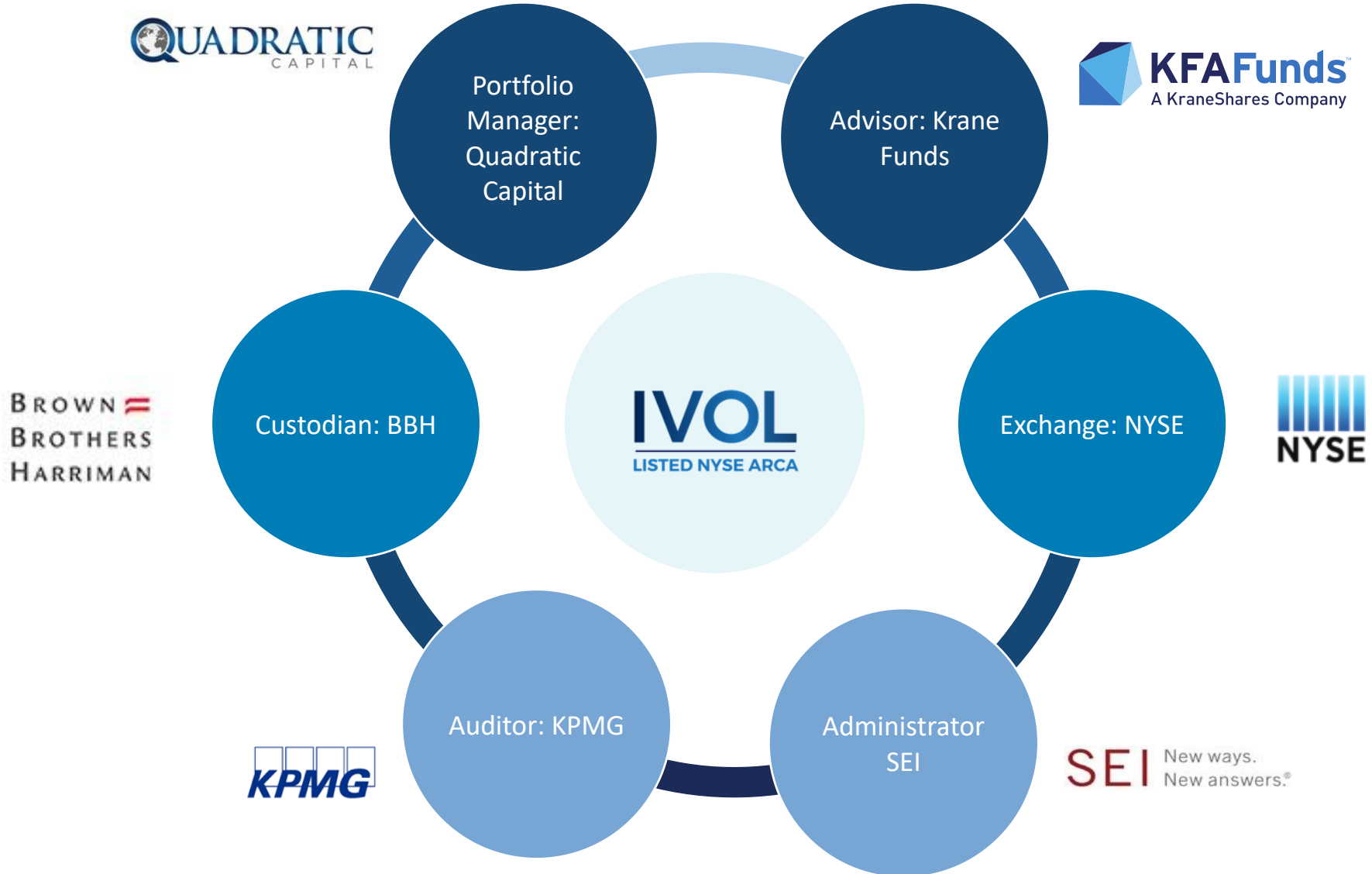
- Most noninstitutional investors transact in the secondary market—which means investors are trading the ETF shares that currently exist. Secondary liquidity is the “on screen” liquidity you see from your brokerage (e.g., volume and spreads), and it's determined primarily by the volume of ETF shares traded.
- However, one of the key features of ETFs is that the supply of shares is flexible—shares can be “created” or “redeemed” to offset changes in demand. Primary liquidity is concerned with how efficient it is to create or redeem shares. Liquidity in one market is not indicative of liquidity in the other market.
- The determinants of primary market liquidity are different than the determinants of secondary market liquidity. In the secondary market, liquidity is primarily a function of the value of the ETF shares traded and frequency and volume of the trading of those shares throughout the trading day. When placing a large trade—on the scale of tens of thousands of shares—investors are sometimes able to circumvent an illiquid secondary market by using an “authorized participant” (AP) to reach through to the primary market to “create” new ETF shares at NAV price.

Flow Chart of Creation Redemption Process for ETFs

- Small trades in ETFs flow normally are done in the secondary market, where all market participants can trade. It behaves like a stock, and everyone can buy (sell) from the best seller (buyer)
- Large and institutional trades – which normally would be a high percentage of the daily volume – are done in the primary market. The trading desk of the major broker dealers are called Authorized Participants and can create and redeem shares directly with the fund.
- IVOL Unit size for the primary market is 25,000 shares



The IVOL Ecosystem



Portfolio Management and Capital Markets Leadership



Nancy Davis, Chief Investment Officer, Quadratic Capital Management

Nancy Davis is the founder and managing partner of Quadratic Capital Management in 2013 and is the portfolio manager for The Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE Ticker: IVOL). Ms. Davis began her career at Goldman Sachs where she spent nearly ten years, the last seven with the proprietary trading group where she rose to become the Head of Credit, Derivatives and OTC Trading. Prior to starting Quadratic, she served as a portfolio manager at Highbridge Capital Management. She later served in a senior executive role at AllianceBernstein.

She has been the recipient of numerous industry recognitions. She was named by Barron's as one of the "100 Most Influential Women in U.S. Finance." Institutional Investor called her a "Rising Star of Hedge Funds." The Hedge Fund Journal tapped her as one of "Tomorrow's Titans." Ms. Davis is considered a leading expert in the global financial markets and writes and speaks frequently about markets and investing.



Glenn Christal, Chief Operating Officer, Quadratic Capital Management

Glenn Christal is responsible for overseeing the business and trading operations for the company. Previously, Glenn Christal was at Tudor Investment Corp, a multi-billion macro hedge fund, for fifteen years where he was the Treasurer and chair of the Treasury and Credit Committees. Mr. Christal oversaw collateral management, cash management, credit and trade documentation negotiations. His prior role was the Chief Operations Officer at Millennium Partners where he oversaw trade operations.



Henrique Rocha, Market Strategist, Quadratic Capital Management

Henrique Rocha joined Quadratic in 2015. Previously, he worked at Goldman Sachs as an Interest Rates and Foreign Exchange Strategist, responsible for tactical idea generation for institutional clients, including banks, corporations, hedge funds, asset managers, and sovereigns.

He holds a B.S. magna cum laude in Electrical Engineering from Yale University, where he was a member of Phi Beta Kappa and Tau Beta Pi.

Quadratic Capital and Krane Funds Leadership



[Jonathan Krane, Chief Executive Officer, Krane Funds Advisors](#)

Jonathan Krane is the founder and Chief Executive Officer of Krane Funds Advisors, the premier platform for developing and delivering differentiated, high-conviction investment strategies to global investors and KraneShares, an asset management firm delivering China-focused exchange traded funds to global investors.



[Jonathan Shelon, Chief Operating Officer, Krane Funds Advisors](#)

Jonathan is the Chief Operating Officer at KraneShares. Prior to KFA, he was the Chief Investment Officer of the Specialized Strategies Team at J.P. Morgan, overseeing \$40 billion in AUM and a Portfolio Manager at Fidelity Investments where he was responsible for \$150 billion in assets for over five million shareholders in Fidelity's target date strategies, the Freedom Funds.



[Odette Gafner, Chief Compliance Officer, Krane Funds Advisors](#)

Odette Gafner is Head of Compliance at KFA and joined the firm March in 2019 to oversee the compliance program for the Funds and to serve as the Chief Compliance Officer (CCO) to Krane Fund Advisors. Odette has over 12 years of experience implementing policies and establishing best practice across the asset management industry. Prior to joining the KraneShares team, Odette worked at BlackRock for 12 years.



[James Maund, Head of Capital Markets, Krane Funds Advisors](#)

James Maund joined KraneShares as head of Capital Markets in January 2020. James has more than 15 years of experience in ETF trading and capital markets. Prior to joining KraneShares, James was a vice president in the Institutional ETF Group / ETF Capital Markets Group at State Street Global Advisors. Prior to State Street, James was an ETF trader at Goldman Sachs & Co.

Quadratic Capital and Krane Funds Leadership



Brendan Ahern, Chief Investment Officer, Krane Funds Advisors

Brendan Ahern is the Chief Investment Officer at Krane Funds Advisors (KFA). Mr. Ahern joined KFA in 2012 and was an original member of the team that launched its first ETFs. He leads the firm's research and education efforts and actively works with investors on a variety of subjects ranging from asset allocation to trading to articulating the growing influence that index providers hold in the asset management industry. Prior experience includes over ten years with Barclays Global Investors (subsequently BlackRock's iShares), which he joined in 2001 during the rollout of their ETF business.



David Adelman, Managing Director and General Counsel, Krane Funds Advisors

Ambassador (Ret.) David Adelman is a Managing Director and the General Counsel of Krane Funds Advisors. He previously was a Managing Director at Goldman Sachs in Hong Kong and partner in two global law firms practicing law in New York, Washington, D.C., and Atlanta. David was the 15th United States Ambassador to Singapore serving during the first term of the Obama-Biden Administration



Julian Daniels, Managing Director, Krane Funds Advisors

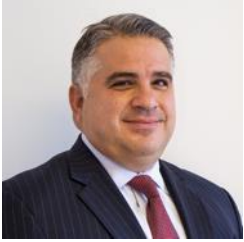
Julian Daniels joined KraneShares in August 2018 as a Managing Director to head the firm's institutional efforts. Prior to KraneShares, Julian was a senior member of the VanEck institutional business development team. Prior to VanEck, he was an Associate at Select Access Management.



Florence Moon, Director, Krane Funds Advisors

Florence Moon joined KraneShares in June 2019 as a Director to support the firm's institutional efforts. Florence has over 12 years of experience working with institutional clients, handling all aspects of client service and relationship development. Prior to KraneShares, Florence spent 12 years with VanEck Global where she was a senior member of the institutional business development team.

Quadratic Capital and Krane Funds Leadership



Guy Ferrara, Managing Director, Krane Funds Advisors

Guy has spent the last 20 years in the asset management industry. Prior to KFA, Guy worked for UBS in client education, portfolio construction, and asset retention. Over the course of his 20-year career his mission has always been improving real financial outcomes for client's and the financial advisors who serve them.



Joseph Dube, Head of Marketing, Krane Funds Advisors

Joseph joined KraneShares in June 2012 as Head of Marketing. He is in charge of creating and maintaining all client-facing marketing materials including websites, advertisements, pitch books, and fact sheets as well as the bi-weekly research newsletter. He takes pride in designing and developing the highest quality educational material for retail investors, financial advisors, and journalists. Joseph has a BFA from the Rochester Institute of Technology. He was a Rotary Youth Exchange student to Argentina and is fluent in Spanish.



Libby Landis, Vice President, Product Marketing, Krane Funds Advisors

Libby joined KraneShares marketing department in March of 2019 to create marketing content for current and prospective institutional and retail investors. Through use of articles, webinars, press releases, research and brand partnerships Libby aims to produce content that is engaging, relevant and educational to KraneShares' audience.



Brooke Farley, Business Development, Quadratic Capital Management

Brooke Farley joined Quadratic in 2018. Previously, she was a consultant for McKinsey & Company and a risk underwriter at Bond Investors Guaranty. Ms. Farley received her BA in Art History from Manhattanville College and received a Master of International Affairs (MIA) from Columbia University's School of International and Public Affairs. Ms. Farley holds her Series 7 and Series 63 Securities licenses.

Dedicated to Responsible Investing with a Strong Focus on ESG

Krane Funds is a UN PRI signatory and as such adheres to the following principles:



- To be active owners and incorporate ESG issues into our ownership policies and practices
- To seek appropriate disclosure on ESG issues by the entities in which we invest
- To promote acceptance and implementation of the Principles within the investment industry
- To work together to enhance our effectiveness in implementing the Principles
- To report on our activities and progress towards implementing the Principles



Quadratic Capital Management LLC is a member of the SASB Alliance. The Firm is a:

- Registered Small/Minority Business Enterprise
- Majority woman-owned firm
- Supports the elevation of financially material ESG standards
- The ESG principles used by the Fund are based on the framework published by the Sustainability Accounting Standards Board (“SASB”)

IVOL is an ESG fixed income fund, the Fund:

- Democratizes financial markets by giving investors access to OTC rates markets
- Adheres to ESG principles by excluding issuers involved in certain practices, industries or product lines according to the ESG framework published by the SASB Alliance
- Focuses on diversification and incorporates ESG issues into investment analysis and decision-making processes



The Quadratic Interest Rate Volatility and Inflation Hedge ETF

Key Fund Information

| | |
|-------------------------------------|---|
| Ticker | IVOL |
| Fund Name | Quadratic Interest Rate Volatility and Inflation Hedge ETF |
| Primary Exchange | NYSE |
| Total Annual Fund Operating Expense | 1.04% |
| Inception Date | 5/13/2019 |
| Distribution Frequency | Monthly |

Index Definitions

The Dow Jones Industrial Average (“Dow”) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ.

The S&P 500, (“S&P”), is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the US.

The MSCI Emerging Markets (“MSCI EM”) Index captures large and mid cap representation across 26 Emerging Markets (EM) countries.

The iBoxx iShares High Yield Corporate Bond Index (“HY Credit”) is designed to reflect the performance of USD denominated high yield corporate debt.

VIX is a CBOE index that represents equity volatility of 30-day expectations of the S&P 500 equity index.

Bloomberg US Aggregate Bond Index (“Agg”) is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg US Treasury Inflation Linked Bond Index (Series L). It measures the performance of the US Treasury Inflation Protected Securities (TIPS) market.

Important Notes

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. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please visit www.IVOETF.com.

ETF shares are not redeemable with the issuing fund other than in large transactions with institutional investors. Shares of any ETF are generally bought and sold at market price (not NAV). 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 current NAV per share. NAVs are calculated using prices as of 4:00 PM Eastern Time. The returns shown do not represent the returns you would receive if you bought and sold shares at other times. Any brokerage commissions will reduce returns.

There is no guarantee the Fund will declare distributions in the future or that, if declared, such distributions will remain at current levels or increase over time.

Investing involves risk, including possible loss of principal. There can be no assurance that a Fund will achieve its stated investment objectives. The Fund does not seek to mitigate credit risk, non-curve interest rate risk, or other factors influencing the price of U.S. government bonds, which factors may have a greater impact on the bonds’ returns than the U.S. interest rate curve or inflation. There is no guarantee that the Fund’s investments will eliminate or mitigate curve risk, or inflation risk on long positions in U.S. government bonds. In addition, when the forward U.S. interest rate curve flattens, the Fund’s investments will generally underperform a portfolio comprised solely of the U.S. government bonds. In a flattening curve environment (a reduction in the spread between shorter and longer term interest rates), the Fund’s strategy could result in disproportionately larger losses in the Fund’s options as compared to gains or losses in the U.S. government bond positions. The Fund’s exposure to options subjects the Fund to greater volatility than investments in traditional securities and may magnify the Funds’ gains or losses. The Fund is non-diversified and therefore has concentration risk.

OTC options generally have more flexible terms negotiated between the buyer and the seller. As a result, such instruments generally are subject to greater counterparty risk. OTC instruments also may be subject to greater liquidity risk. There are risks involved with investing in options including the potential loss of the amount, or premium, paid for the option.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The Fund's summary and full prospectus contain this and other important information about the Fund and may be obtained by calling 1-833-IVOL-ETF (1-833-486-5383) or visiting www.IVOETF.com. Please read the prospectus carefully before investing.

IVOL is distributed by SEI Investments Distribution Co. (SIDCO), 1 Freedom Valley Drive, Oaks, PA 19456. The Fund's sub-advisor is Quadratic Capital Management LLC (Quadratic). The Fund's advisor is Krane Fund Advisors LLC (Krane). SIDCO is not affiliated with Quadratic or Krane. Neither Quadratic, Krane nor SIDCO or their affiliates provide tax advice. Please note that (i) any discussion of U.S. tax matters contained in this communication cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.