

# GIAX

Nicholas Global Equity and Income ETF

# XFUNDS

BY NICHOLAS WEALTH

## FUND INFORMATION

INCEPTION July 29, 2024

### INVESTMENT OBJECTIVE & STRATEGY

The Nicholas Global Equity and Income ETF (GIAX) Fund is an actively managed exchange-traded fund ("ETF") that seeks to generate current income and also capital appreciation. The Fund's strategy includes two components: (i) holding shares of unaffiliated passively managed ETFs that seek to provide exposure to a range of global equity securities ("Index ETFs") and (ii) selling daily index credit call spreads ("Index Call Spreads\*") on one or more US equity indexes. In addition, in some instances, the Fund may invest in individual securities rather than an Index ETF. The Fund will also hold U.S. Treasury securities. The Fund's credit call spread strategy consists of selling a call option and simultaneously buying another call option at a higher strike price for income generation.

### INVESTMENT APPROACH

- The Fund will sell credit call spreads on one or more Indices to generate net income from the options premiums. The Fund will typically sell Index Call Spreads on U.S. Indices.
- The Fund will focus on options with expirations of one month or less. This involves selling call options at a strike price at or near the money and buying call options above that strike price.
- The Fund will typically invest in broad-based, passively managed Index ETFs that seek to track the performance of particular equity market indices. The indices may consist of U.S. market indices, indices concentrating on one or more developed and emerging markets outside of the U.S., or global indices (individually, an "Index," and collectively, the "Indices"). In addition, the Fund may invest in a representative sampling of individual securities that comprise a particular Index ETF, rather than invest directly in the Index ETF.

FUND DETAILS		TRADING DETAILS	
NAV	\$19.73	TICKER	GIAX
FUND AUM	\$ 39.96 M	CUSIP	88636J162
# OF HOLDINGS	20	PRIMARY EXCHANGE	NYSE Arca
EXPENSE RATIO	0.97%	DISTRIBUTION FREQ	Monthly
30-DAY SEC YIELD*	0.61%		
TYPE	Alternative		

\*The 30-Day SEC Yield is calculated with a standardized formula mandated by the SEC. The formula is based on the maximum offering price per share and does not reflect waivers in effect.

### TOP HOLDINGS

FUNDS	TICKER	%
Vanguard S&P 500 ETF	VOO	22.37%
Vanguard Russell 2000 ETF	VTWO	17.81%
Vanguard Dividend Appreciation ETF	VIG	16.57%
Vanguard Mid-Cap Growth ETF	VOT	15.72%
Global X MSCI Argentina ETF	ARGT	4.57%

Holdings are subject to change.

### PERFORMANCE

	Month-end as of November 30, 2024				Quarter-end as of September 30, 2024			
	YTD	1 MONTH	3 MONTHS	INCEPTION	1 YEAR	3 YEARS	5 YEARS	INCEPTION
Market Price	—	4.76%	5.62%	7.14%	—	—	—	—
Fund NAV	—	4.76%	5.36%	6.93%	—	—	—	—
S&P 500	—	5.87%	7.15%	10.94%	—	—	—	—

\*Indexes are unmanaged. One cannot invest directly in an index.

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. Performance current to the most recent month-end can be obtained by calling 833-216-0499. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Returns beyond 1 year are annualized. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The market price is the most recent price at which the fund was traded. The fund intends to pay out dividends and interest income, if any, monthly. There is no guarantee these distributions will be made.

## ABOUT THE FIRM

Nicholas Wealth Management provides investment advisory services to individuals and institutions. We use distinct tactics to measure risk and minimize portfolio volatility. With XFUNDS, our primary research focuses on mitigating risk by utilizing derivatives and income producing securities. The firm's strategies attempt to find non-correlated returns in both up and down-market cycles.

### NOTES AND IMPORTANT INFORMATION

**Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call (855) 563-6900 or visit our website at [www.nicholasx.com](http://www.nicholasx.com). Read the prospectus or summary prospectus carefully before investing.**

#### FUND RISKS:

**Investments involve risk. Principal loss is possible.**

**Derivatives Risk.** Derivatives are financial instruments that derive value from the underlying reference asset or assets, such as stocks, bonds, or funds (including ETFs), interest rates or indexes. The Fund's investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other ordinary investments, including risk related to the market, imperfect correlation with underlying investments or the Fund's other portfolio holdings, higher price volatility, lack of availability, counterparty risk, liquidity, valuation and legal restrictions. **Counterparty Risk.** The Fund is subject to counterparty risk by virtue of its investments in option contracts which exposes the Fund to the risk that the counterparty will not fulfill its obligation to the Fund. **Equity Market Risk.** By virtue of the Fund's investments in option contracts equity ETFs and equity indices, the Fund is exposed to common stocks indirectly which subjects the Fund to equity market risk. **High Portfolio Turnover Risk.** The Fund may actively and frequently trade all or a significant portion of the Fund's holdings. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. **Non-Diversification Risk.** Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. **Hedging Transactions Risk.** Hedging transactions involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of hedging transactions and price movements in the position being hedged means that losses on the hedge may be greater than gains in the value of the Fund's positions, opportunities for gain may be limited or that there may be losses on both parts of a transaction. **Illiquid Investments Risk.** The Fund may, at times, hold illiquid investments, by virtue of the absence of a readily available market for certain of its investments, or because of legal or contractual restrictions on sales. **Interest Rate Risk.** The value of the Fund's investments in fixed income Treasury securities will fluctuate with changes in interest rates. **New Fund Risk.** The Fund is a recently organized management investment company with no operating history. As a result, prospective investors do not have a track record or history on which to base their investment decisions.

**Index ETF Risks.** The Fund invests in Index ETFs, which subjects the Fund to the following risks in addition to ETF Risks (described below):

- **Indirect Investment Risk.** The Fund's exposure to various Indices involves indirect investment risk. None of the Indices are affiliated with the Trust, the Fund, the Adviser, the Sub-Adviser, or their respective affiliates, and are not associated with this offering. Investors in the Fund are susceptible to declines in the performance of the Indices in which the Fund invests.
- **Index Trading Risk.** The price of an Index may be highly volatile and could continue to be subject to wide fluctuations in response to various factors. Market volatility, unrelated to company performance, has been observed in response to economic conditions and geopolitical events.
- **Index Risks:** The Fund will be subject to varying risks depending on its then-current holdings. Differing risks may apply depending on the relevant Index's composition. For U.S. Indices, economic and market conditions primarily drive performance, while sector-specific downturns can impact an Index. Global Indices are subject to geopolitical risks and unexpected events like pandemics, introducing volatility. Foreign Indices may be influenced by economic factors specific to those countries or regions.

**Foreign Investment Risk.** The Fund will invest in foreign securities, including non-U.S. dollar-denominated securities traded outside of the United States and U.S. dollar-denominated securities of foreign issuers traded in the United States. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities. Investments in foreign securities, including investments in American Depositary Receipts (ADRs), European Depositary Receipts (EDRs) and Global Depositary Receipts (GDRs), are subject to special risks, including the following:

- **Foreign Securities Risk.** Investments in non-U.S. securities involve risks that may not be present with investments in U.S. securities. For example, investments in non-U.S. securities may be subject to risk of loss due to foreign currency fluctuations or to political or economic instability. There may be less information publicly available about a non-U.S. issuer than a U.S. issuer. Non-U.S. issuers may be subject to different accounting, auditing, financial reporting and investor protection standards than U.S. issuers. Changes to the financial condition or credit rating of foreign issuers may also adversely affect the value of the Fund's securities. Investments in non-U.S. securities may be subject to withholding or other taxes and may be subject to additional trading, settlement, custodial, and operational risks. Because legal systems differ, there is also the possibility that it will be difficult to obtain or enforce legal judgments in some countries. Since foreign exchanges may be open on days when the Fund does not price its Shares, the value of the securities in the Fund's portfolio may change on days when shareholders will not be able to purchase or sell the Fund's Shares. Conversely, Shares may trade on days when foreign exchanges are closed. Investment in foreign securities may involve higher costs than investment in U.S. securities, including higher transaction and custody costs as well as the imposition of additional taxes by foreign governments. Each of these factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.

**Distribution Risk.** As part of the Fund's investment objective, the Fund seeks to provide current monthly income. There is no assurance that the Fund will make a distribution in any given month. If the Fund does make distributions, the amounts of such distributions will likely vary greatly from one distribution to the next. Additionally, the monthly distributions, if any, may consist of returns of capital, which would decrease the Fund's NAV and trading price over time. As a result, an investor may suffer significant losses to their investment.

#### DEFINITIONS

**AUM:** Assets Under Management

**S&P 500 Total Return Index** is the Standard and Poor's index calculated on a total return basis.

**Index Credit Spread:** An index call spread is a type of options trading strategy that involves buying a call option on an index and selling another call option on a higher strike price with the same expiration date.

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