

GIAX

Nicholas Global Equity and Income ETF

Fund Description

GIAX invests in globally listed stocks of index-tracking ETFs while employing a daily credit call spread strategy. The actively managed fund-of-funds primarily seeks high current income and, secondarily, capital appreciation.

FactSet Analyst Report

GIAX combines global equity investing with selling daily index credit call spreads. For the equity portfolio, the fund typically invests in four to six unaffiliated, passively managed broad-based ETFs. These underlying ETFs are approximately equally weighted, with at least two tracking the performance of foreign equity markets. As the fund is actively managed, the adviser may adjust allocations to the underlying index ETFs at any given time. Meanwhile, the fund's index call spreads component generally uses cash-settled options on US equity indexes, typically with one-day expirations. The call spread strategy consists of selling an at-the-money call option while simultaneously buying an out-of-the-money call option to generate income. Although this strategy earns option premiums, it caps the fund's participation in potential gains. Additionally, the fund holds cash and short-term US Treasury securities to serve as collateral and to generate additional income.