

NICO

Hexis Active Nicotine Engagement ETF

Fund Description

NICO is an actively managed ETF that invests in companies in the global tobacco and nicotine sectors. The portfolio includes companies that have generated at least 1% of their tobacco and nicotine revenue from reduced-risk products such as vapes.

FactSet Analyst Report

NICO invests in the tobacco/nicotine sector worldwide. To be included, companies must have generated at least 1% of their tobacco and nicotine revenue from reduced-risk tobacco and nicotine products (RRPs) such as vapes, heated tobacco products, and nicotine pouches, in their recent reporting period. Additionally, the Adviser uses a bottom-up selection process that includes a Nicotine Transition Score (HNTS) supported by DCF valuations. The HNTS evaluates companies based on business related to RRP, RRP growth potential, and key governance, engagement, and sustainability metrics. Tobacco/nicotine companies include those involved in the cultivation, processing, manufacturing, distribution, and sale of tobacco products and RRP. The fund includes stocks and total return swaps, related to the tobacco and nicotine sectors. It may hold T-bills to provide collateral for the swaps.

