AXS Expands Alternative Income ETF Family with Acquisition of First Priority Bond ETF (AAA)

The AAA ETF is the first to offer exposure to the collateralized loan obligation (CLO) market

NEW YORK, October 17, 2022 – AXS Investments, a leading asset manager providing access to alternative investments for growth, income and diversification, is pleased to announce the acquisition of the First Priority CLO Bond ETF (AAA), adding this first-of-its-kind ETF to the firm’s quickly growing ETF lineup.

The AXS First Priority CLO Bond ETF (AAA) is a structured finance strategy that invests in US dollar-denominated first priority CLO bonds that are rated AAA or equivalent by various nationally recognized statistical ratings organizations ("NRSRO"). A Collateralized Loan Obligation (CLO) is a type of security that allows investors to purchase an interest in a diversified portfolio of company loans. AAA targets the ultra short duration, investment grade space and has highly compelling yield and other fund attributes.

The veteran portfolio managers of the AAA ETF include Peter Coppa, a 20+ year expert in this space with experience running corporate debt hedge funds and CLOs; Todd Themistocles, a 19-year financial industry professional with deep ETF and trading expertise; and Steve Kim who has 25 years’ experience as an analyst and portfolio manager.

"We are excited to be adding AAA to our suite of innovative ETFs," said Greg Bassuk, Chief Executive Officer of AXS Investments. "AAA’s PM team has strong depth of experience. With the popularity of short duration investment-grade ETFs among investors as a substitute to low-yielding money market funds and bank deposits, we believe AAA has the ability to become the go-to solution for investors seeking income without taking on significant duration risk in today's rising rate environment."

"We’re thrilled to partner with AXS Investments to take the AAA ETF to an entirely new level of success for investors," said Peter Coppa, CEO of Alternative Access. "We share the AXS vision of leveling the playing field for investors to have the same access as the largest institutions to improved investment outcomes, particularly in these challenging times. As a first-priority CLO bond ETF, AAA answers investors’ thirst for yield, with strong capital preservation characteristics."

The launch of AAA is the latest in a series of ETF launches and acquisitions by AXS, which have resulted in the firm’s status as the fastest-growing new ETF issuer in 2022. Among the recent AXS ETF growth milestones are the following:

- **AXS Astoria Inflation Sensitive ETF (PPI):** PPI surpassed over $50 million in AUM in just over 50 trading days since its launch and, in this historically unique inflationary period, has received several awards and industry accolades, including 2022 ETF Newcomer of the Year in this year’s With Intelligence Annual ETF and Mutual Fund Industry Awards. The award is given to the most successful ETF launched in 2022 as determined by performance, innovation, flows and fund objectives.
- **First-Ever U.S. Single-Stock ETFs:** AXS launched the industry’s first-ever U.S. suite of single-stock Bull and Bear ETFs, providing first-of-its-kind access to express high conviction for or against specific U.S. stocks, including Tesla, Nvidia, PayPal, Pfizer and Nike.
- **AXS 2X Innovation ETF (TARK):** The industry’s first two times (2x) daily exposure to a portfolio of companies involved in transformational industries, such as genomics, autonomous vehicles and next-gen internet.
- **AXS Short China Internet ETF (SWEB),** the industry’s first daily short exposure to a portfolio of China-based Internet-related companies.
- **Change Finance ESG ETF (CHGX), the industry’s first-ever carbon neutral ETF.*

Other recent AXS ETF acquisitions include:
- **AXS Short Innovation Daily ETF (SARK)**
- **AXS De-SPAC ETF (DSPC)**
- **AXS Short De-SPAC Daily ETF (SOGU)**
- **AXS FOMO ETF (FOMO)**

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About AXS Investments

AXS Investments is a leading alternative investment manager providing a diversified family of alternative investments for growth, income and diversification. The firm empowers investors to diversify their portfolios with investments previously available only to the largest institutional and high net worth investors. The investor-friendly AXS funds are time-tested, liquid, transparent and managed by high pedigree portfolio managers with long and strong track records. For more information, visit [www.axsinvestments.com](http://www.axsinvestments.com).
About Alternative Access Funds

Alternative Access Funds (AAF) was founded with the goal of bringing more mature alternative credit strategies to the broader market in an investor friendly manner. The firm offers products to help diversify portfolios. AAF’s investment strategies provide alternatives to traditional management and investment needs. For more information, see www.altacfunds.com.

About the Carbon Neutral Certification

Ethos performs an independent analysis of a fund’s carbon footprint and carbon credits (offsets) to verify whether the fund is carbon neutral during a specified period. The carbon footprint consists of verified Scope 1 and Scope 2 emissions of every holding of the fund. Ethos defines the carbon footprint of a fund as the total tons of Scope 1 and Scope 2 CO₂ emissions of its holdings multiplied by the fund’s percentage ownership of those holdings. Percentage ownership is based on the market value of the fund’s shares divided by the total market value of the holdings. While Ethos researches and models Scope 3 emissions for every fund holding, the company does not consider Scope 3 for fund-level certification. This is due to limitations with Scope 3 data, including: lack of standardized reporting methodology by companies; low coverage of companies reporting Scope 3 emissions; and, likely overlap of Scope 3 emissions across company value chains. As part of the Carbon Neutral Certification, Ethos requires funds to submit proof of purchase of carbon credits from a list of approved providers of carbon credits. When information is not available the following modeling formula used is: Expected emissions = peer-average carbon intensity (CO₂ per $M revenue) * $M revenue. EthosESG audits this estimation and will address discrepancies should they arise. Emissions data is limited by the voluntary disclosure by individual companies and is not independently audited. Change Finance and EthosESG make every effort to ensure data is accurate but cannot guarantee absolute carbon neutrality.

Important Risk Information

There are risks involved with investing including the possible loss of principal. Past performance does not guarantee future results. Investors should carefully consider the investment objectives, risks, charges and expenses of any fund before investing. To obtain a prospectus containing this and other important information, please click here to view or download a prospectus online. Read the fund’s prospectus carefully before you invest.

The Fund is also subject to the following risks: Collateralized Loan Obligations (CLOs) are generally backed by a pool of credit-related assets that serve as collateral. Accordingly, CLO securities present risks similar to those of other types of credit investments, including default (credit), interest rate and prepayment risks. In addition, CLOs are often governed by a complex series of legal documents and contracts, which increases the risk of dispute over the interpretation and enforceability of such documents relative to other types of investments. An increase in interest rates may cause the value of fixed income securities held by the Fund to decline. The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives. The Fund’s income may decline if interest rates fall.

The Fund may not be able to sell some or all of the investments that it holds due to a lack of demand in the marketplace or other factors such as market turmoil, or if the Fund is forced to sell an illiquid asset to meet redemption requests or other cash needs it may only be able to sell those investments at a loss.

ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. There can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

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