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IACL

US 100 AUTOCALLABLE INCOME ETF

@graniteshares.com

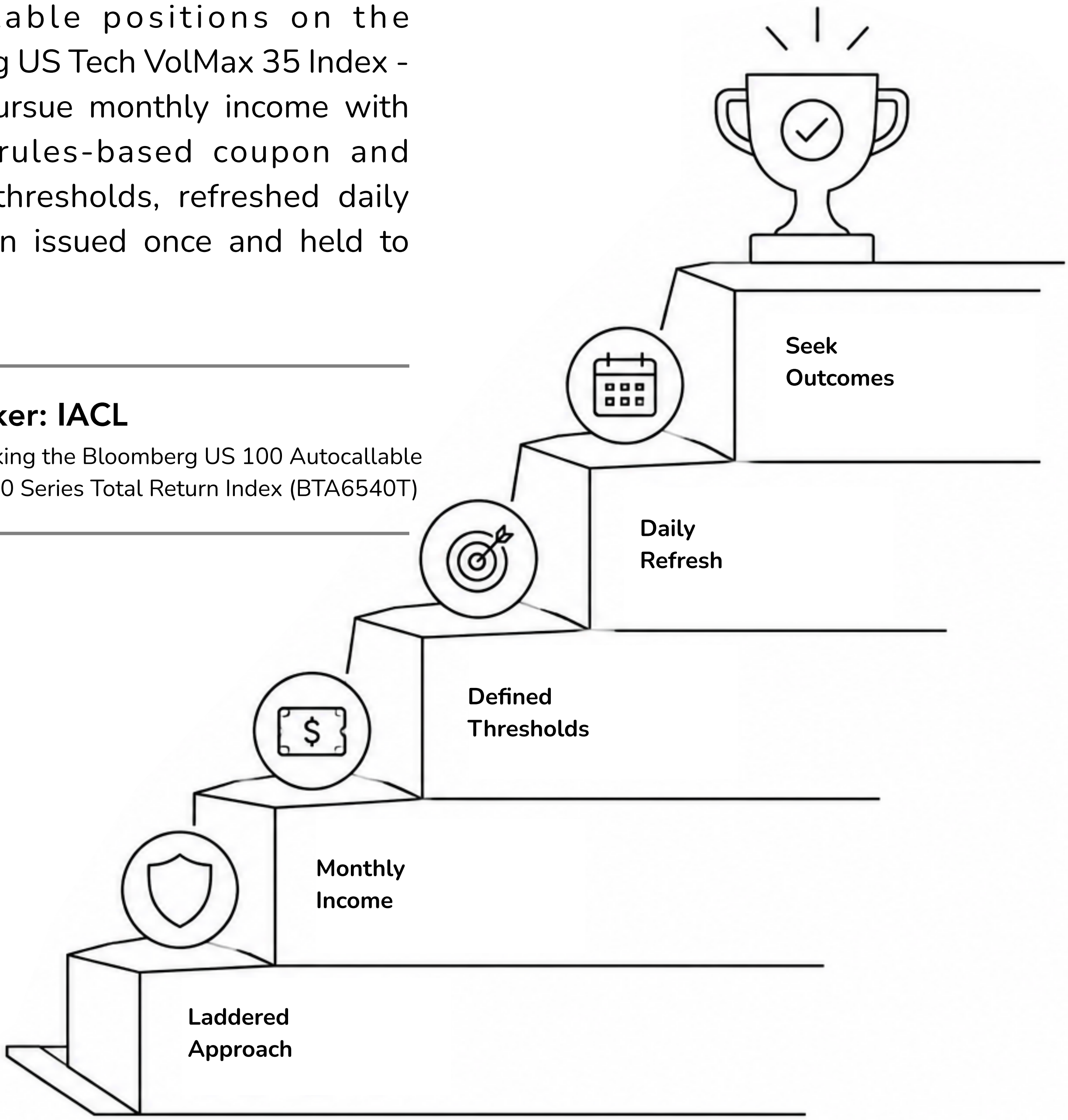
Introducing

The Bloomberg US 100 Autocallable 65-40 Series Index

A systematic, laddered index of Autocallable positions on the Bloomberg US Tech VolMax 35 Index - built to pursue monthly income with defined, rules-based coupon and principal thresholds, refreshed daily rather than issued once and held to maturity.

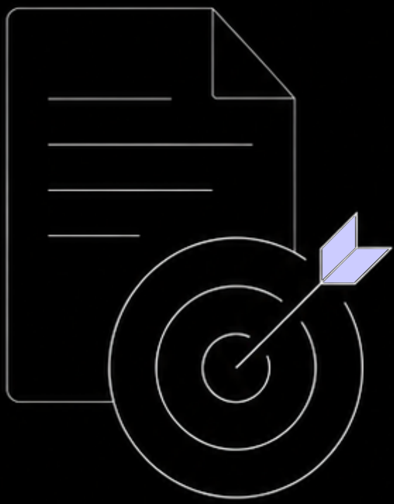
Ticker: IACL

Tracking the Bloomberg US 100 Autocallable 65-40 Series Total Return Index (BTA6540T)



WHY AUTOCALLABLE INCOME?

From Structured Note to Systematic Index



Autocallable yield notes have become one of the most widely used structured income tools in the market, prized for generating coupon income tied to equity performance rather than credit or duration risk. Their appeal is straightforward: potentially higher income than traditional fixed income, in exchange for accepting that a severe, sustained market decline can interrupt coupons or, in the worst case, impair principal.

Historically, accessing this income stream meant negotiating a bespoke note with a bank counter party: high minimums, a single strike date, limited liquidity, and manual reinvestment every time a note matured or was called. An index-based, laddered approach addresses each of these frictions directly by replacing a single bespoke note with a continuously refreshed, rules-based portfolio of comparable positions.

70%

OF STRUCTURED NOTE MARKET

Autocallables dominate structured note issuance

$100B

ISSUED IN 2025

Annual autocallable note issuance

$225B

COMBINED AUM (2025)

Notes + derivative income ETFs

The category has grown at roughly a 35% compound annual rate from 2018 through 2025, combining note issuance and derivative income ETF assets. Sources: Structured notes - Nomura, Bloomberg, Structured Product Intelligence, Option Metrics. ETF AUM - Nomura, Bloomberg, Morningstar. Data as of 12/31/2025. For informational purposes only. Investing involves risk, including loss of principal.

Traditional Autocallables vs. an Index-Based Ladder

Traditional Autocallable Note	Index-Based Laddered Approach
Single issuance date; concentrated entry-point risk	Daily issuance; exposure spread across many entry points over time
Manual reinvestment required when called or matured	New tranches* initiated automatically each Index Business Day
Opaque, dealer-negotiated pricing	Transparent, published methodology and daily index calculation
High minimums, limited liquidity	Daily liquidity, listed on a regulated exchange

*Tranches: Separate portions of an investment with different terms or characteristics.

Four Steps, One Transparent Methodology

The Bloomberg US 100 Autocallable 65-40 Series Index is built in four defined layers, each governed by published, formulaic rules rather than discretionary decisions.

STEP 1

Equity Index

Bloomberg US 100 Index (B100Q)

Represents the top 100 US companies by market capitalization across Technology, Health Care, Consumer Staples, Consumer Discretionary, and Communications, listed on Nasdaq. Serves as the core US equity exposure. Correlation to Nasdaq 100: 0.995

STEP 2

Reference Index

Bloomberg US Tech VolMax 35 Index (BMXTEQ35)

A volatility-controlled index that dynamically adjusts exposure to the Bloomberg US 100 Index, targeting a more consistent risk profile over time.

STEP 3

Autocallable Positions

Autocallable Constituents

Rules-based autocallable payoff positions struck daily against the Reference Index, each with standardized coupon, autocall, and risk-strike terms.

STEP 4

The Index

Bloomberg US 100 Autocallable 65-40 Series Total Return Index (BTA6540T)

A laddered portfolio of these Constituents, maintained under a single, continuously calculated methodology.

The Index Lifecycle

Daily Initiation

Each Index Business Day, a new Constituent* is struck at that day's closing Reference Index level, capped at 2.5% of portfolio notional.

Non-Call Period

For the first 11 monthly observation dates, a Constituent cannot be called, but can still pay a coupon.

Monthly Observation

On each scheduled date, the Constituent is evaluated against its Coupon Barrier (65%) to determine whether a coupon accrues.

Autocall Evaluation

After the non-call period, the Constituent is removed (called at par) if the Reference Index is at or above the Autocall Barrier (100%).

Maturity Settlement

If never called, a Constituent still outstanding at 60 months is settled based on the Reference Index relative to the 40% maturity barrier.

*Constituent: An individual security or asset that makes up part of an index, fund, or portfolio.

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MECHANICS & PARAMETERS

Standardized Terms Across Every Tranche

Reference Index	Bloomberg US Tech VolMax 35 Index (BMXTEQ35)
Autocall Barrier	100% of tranche strike
Coupon Barrier	65% of tranche strike
Maturity Barrier	40% of tranche strike
Non-Call Period	First 11 monthly observation dates
Individual Tranche Maturity	5 years (60 monthly dates)
Coupon Rate	5.00% fixed + Overnight Rate (SOFR), monthly
Daily Notional Cap	2.5% of portfolio notional per Index Business Day
Index Base Date / Value	July 2, 2007 / 1000

Three Path-Dependent Outcomes

Outcomes for any single tranche depend entirely on how the Reference Index evolves relative to that tranche's strike -there is no discretionary decision at any observation date.

Scenario 1 Index rises, stays flat, or declines less than 60% from strike	Coupons paid at each qualifying observation; called at par once at or above 100%, or principal returned in full at maturity.
Scenario 2 Index declines between 35% and 60% from strike (i.e.,between the 65% and 40% levels)	Coupons pause for any period below the 65% Coupon Barrier; principal still returned in full at maturity if the 40% Maturity Barrier is not breached.
Scenario 3 Index declines more than 60% from strike (below the 40% Maturity Barrier) and the tranche is never called	Coupons paused per Scenario 2; principal is impaired on a geared basis (~2.5x the decline beyond the maturity barrier) at maturity.

THE CORE OF THE STRUCTURE

Three Path-Dependent Outcomes

Every tranche in the ladder is evaluated against two separate, independently observed levels - not one. Each barrier answers a different question, at a different point in the tranche's life.

65%

COUPON BARRIER

A 35-point cushion below strike before a scheduled coupon can pause

40%

MATURITY BARRIER

A 60-point cushion below strike before principal is threatened at maturity granite**shares**

IN PLAIN ENGLISH

> As long as the Reference Index hasn't fallen more than 35% from where a tranche started, that tranche keeps paying its monthly coupon like normal. If it falls further than that, the coupon simply pauses for that month - nothing more happens yet, and the coupon can resume the moment the Reference Index recovers back above that level. Principal is a completely separate question, checked only once, on the tranche's final day five years later (assuming it was never called earlier): only if the Reference Index is still down more than 60% from where it started on that specific day does the investor actually lose principal. In short: a bad month can cost you that month's coupon. Only a severe, sustained decline that is still in place five years later can cost you principal.

That gap between the two levels - 25 points of the Reference Index's move - is the deliberate design choice at the center of this structure. It is what distinguishes "income paused this month" from situations where principal may be at greater risk, and why understanding that distinction can matter to an investor.

Why This Structure Can Be Beneficial?

A clearer signal, not a false alarm. Because the two barriers serve different purposes, a paused coupon signals an income interruption for that period, while the position may still remain exposed to changes in value and potential principal loss. Advisors and clients can tell the difference between "income is on hold this month" and "this position could lose money" instead of treating both as the same event.

Room for the Reference Index to recover. The Reference Index can decline enough to pause a tranche's coupon and still have a full 25 points of room before the maturity barrier comes into play - the tranche can still return full principal at maturity even after a period of paused income.

An early read instead of a sudden one. With a single shared barrier, a breach affects income and principal at the same moment. Separating the two levels creates a middle zone - between 65% and 40% - where reduced income is a visible, early signal of Reference Index weakness, well before principal is genuinely at risk.

Deliberately asymmetric by design. Coupon interruption is a far more common and more recoverable event than principal impairment. Setting the Coupon Barrier higher gives investors a more frequent read on Reference Index health, while principal itself is only tested against a much deeper, 60-point decline.

HISTORICAL PERFORMANCE

What the Backtest Shows?

With the Reference Index, Coupon Barrier, and Maturity Barrier defined, here is how the Bloomberg US 100Autocallable 65-40 Series Total Return Index (BTA6540T) has performed historically.

HISTORICAL PERFORMANCE - BLOOMBERG US 100 AUTOCALLABLE 65-40 SERIES TOTAL RETURN INDEX (BTA6540T)

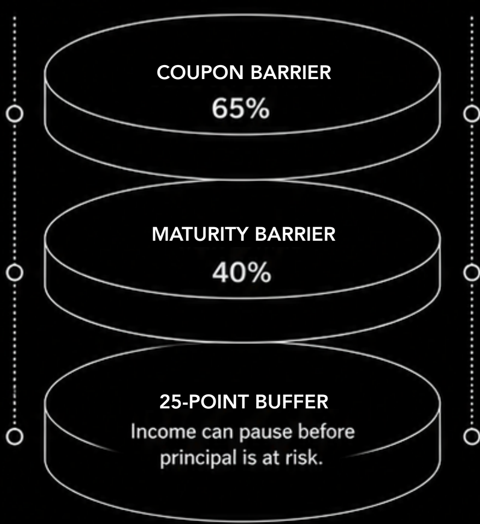
Full History (Jul 2007–Jun 2026, 227 mo.)	~162% cumulative total return	Approximately 5.2% annualized
Trailing 10 Years (Jun 2016–Jun 2026)	~88.8% cumulative total return	Approximately 6.6% annualized
Vs. Bloomberg Global-Aggregate (Jan2008–Jul 2026)	~153% cumulative / ~5.1% annualized, versus ~38% cumulative / ~1.7%annualized for the global bond benchmark (LEGATRUU)	

Source: Bloomberg, BTA6540T Index, monthly and daily total return analyses, various periods through 7/28/2026. This period substantially predates the Index's actual availability and reflects back-tested, hypothetical performance for periods prior to live calculation; back-testedperformance is not actual performance, is shown for illustrative purposes only, and has inherent limitations - it is calculated with the benefit of hindsight and does not reflect any Fund fees, expenses, or trading costs. It is not possible to invest directly in an index, and past performance, actual or hypothetical, is not indicative of future results. The Bloomberg Global-Aggregate Total Return Index (LEGATRUU, unhedged USD) is shown for illustrative comparison only, is not the Fund's benchmark, and involves different risks.

KEY INDEX FEATURES

What the Ladder Is Actually Doing?

Systematic Laddering	Daily initiation distributes exposure across many entry points and market regimes rather than a single vintage.
Rules-Based Construction	A published, formulaic methodology governs strike setting, barrier levels, coupon calculation, and lifecycle events - no discretionary overlay.
Single Reference Index	Every Constituent references the same volatility-controlled benchmark, built on the Bloomberg US 100 Index, keeping coupon, autocall, and risk-strike outcomes tied to one transparent index.
Standardized Terms	The same Coupon Barrier, Autocall Barrier, Maturity Barrier, and tenor apply across every tranche in the ladder.
Transparent, Daily Calculation	Index levels and constituent-level detail are calculated daily under a public methodology, unlike a bespoke, dealer-priced note.
Deep Principal Buffer	A 40% maturity barrier paired with a 65% Coupon Barrier separates the point where income can pause from the point where principal is actually at risk, creating a 25-point gap between the two thresholds.



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Reference Index: Bloomberg US Tech VolMax 35

The Reference Index is built on the Bloomberg US 100 Index - the top 100 US companies by market capitalization across Technology, Health Care, Consumer Staples, Consumer Discretionary, and Communications, listed on Nasdaq and rebalanced quarterly. Correlation to Nasdaq 100: 0.995

REFERENCE INDEX SINCE 2007

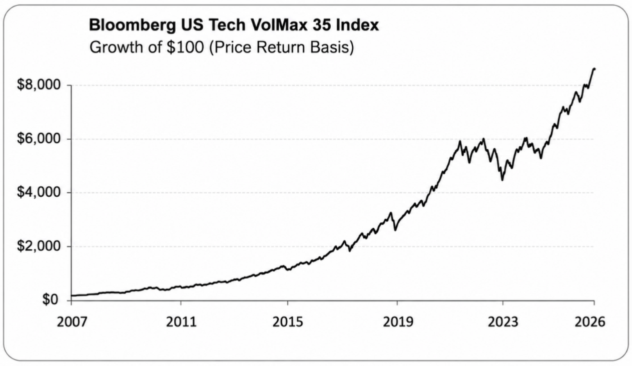
From July 31, 2007 through June 30, 2026 (a 227-month holding period), the Bloomberg US Tech VolMax35 Index (BMXTEQ35) produced a cumulative total return of approximately 7,400%, equivalent to roughly25.6% annualized, on a price-return basis; the dividend-reinvested figure was substantially similar(~7,040% cumulative, ~25.3% annualized), reflecting the limited dividend yield typical of a technology-heavy basket.

7,400%
Cumulative Total Return
(Price Return Basis)

≈ 25.6%
Annualized

~7,040%
Cumulative Total Return
(Dividend Reinvested)

≈ 25.3%
Annualized



RISK CONSIDERATIONS

What to Discuss With Clients:

Coupons are not guaranteed.	A tranche pays no coupon for any month in which the Reference Index closes below its 65% Coupon Barrier. Income can pause and restart from one month to the next, and some months may pay nothing at all.
Early call and reinvestment risk	In a rising market a tranche can be called early. That shortens how long it pays income, and the fund then starts a new tranche at a new level under whatever market conditions apply at the time, which can reset the income on different terms.
Barrier sensitivity risk	Small moves in the Reference Index near the 65% or 100% barriers can cause outsized changes in whether a coupon is paid or when a tranche is called. Outcomes can shift sharply right around these levels.
Model and valuation risk.	Tranches that have not yet matured are valued using a model (a Monte Carlo simulation) that relies on assumptions about volatility, barrier shifts, and discount rates. Those assumptions may differ from the prices actually available in the market.
Market and rate risk.	The fund's value also moves with broader market conditions, interest-rate policy, and volatility. These affect valuations on their own, separately from any coupon or call event.

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Disclosures

This material must be preceded or accompanied by a Prospectus. Carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. Please read the prospectus carefully before investing.

An investment in the Fund involves risk, including the possible loss of principal. There is no guarantee that the Fund will achieve its investment objective or make any distributions. There is no assurance that the Fund's investment strategy will be successful, and investors may lose some or all of their investment.

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to generate income by providing exposure to autocallable-linked derivatives tied to an index. The Fund does not invest directly in the underlying stock, and investors will not receive dividends or other distributions from that stock. Autocallables are complex financial instruments that combine derivative features and may be difficult to understand. Investors who do not fully understand how these instruments work or who are unable to actively monitor their investments should not invest in the Fund.

Autocallables are structured products that may pay periodic income, referred to as a coupon, if certain conditions are met. These payments are not guaranteed and depend on the performance of the underlying stock. The **Weighted Average Coupon** refers to the average expected coupon across the Fund's autocallable positions based on their relative size, but it is not a guaranteed yield and may change over time. The **Coupon Barrier** is the predefined level of the underlying stock that must be met for a coupon to be paid on an observation date; if the underlying stock falls below this level, no coupon will be paid for that period. The **Autocallable Barrier** is the level at which the instrument may be automatically redeemed prior to maturity if the underlying stock reaches or exceeds that level on an observation date, resulting in the return of principal and termination of future coupon payments. The **Maturity Barrier** is the level observed at maturity that determines downside protection; if the underlying stock is below this level, investors may be exposed to the full negative performance of the underlying stock and could lose a significant portion or all of their investment.

The Fund's returns are linked to the performance of autocallable derivatives and are therefore subject to **Autocallable Structure Risk**, which refers to the possibility that coupon payments may not be made, that instruments may be redeemed early, or that investors may be exposed to full downside losses depending on market conditions and the path of the underlying stock's performance. The Fund is also subject to **Derivatives Risk**, which refers to the risks associated with investing in financial instruments such as swaps and options, including increased volatility, imperfect correlation with the underlying asset, counterparty risk, liquidity risk, and the potential for losses greater than the initial investment.

Because the Fund's performance is tied to an index, it is subject to **Single Issuer Risk**, which refers to the increased sensitivity to company-specific events that may result in higher volatility compared to diversified investments. The Fund may also be subject to **Concentration Risk**, which refers to the risk of focusing investments in a particular industry or sector, making the Fund more vulnerable to sector-specific developments. In addition, the Fund is classified as non-diversified and is subject to **Non-Diversification Risk**, which refers to the risk that the Fund may invest a larger portion of its assets in fewer instruments, increasing the impact of any single investment on overall performance.

As an exchange-traded fund, the Fund is subject to **ETF Risks**, which include the risk that shares may trade at a premium or discount to net asset value (NAV), that liquidity may depend on market makers and authorized participants, and that trading costs such as bid-ask spreads may reduce returns. In certain market conditions, trading in Fund shares may be halted or become less efficient.

The Fund seeks to provide income; however, distributions are not guaranteed and may vary significantly from period to period. The Fund is subject to **Distribution Risk**, which refers to the possibility that the Fund may not make distributions or that distributions may include return of capital, thereby reducing the Fund's NAV over time. The Fund is also subject to **NAV Erosion Risk**, which refers to the decline in the Fund's net asset value as a result of repeated distributions.

While autocallables may provide limited downside protection under certain conditions, if the underlying index declines below the Maturity Barrier, the Fund may be exposed to losses comparable to a direct investment in the stock. Market volatility and adverse conditions may significantly impact the Fund's ability to generate income or preserve capital.

The Fund is distributed by ALPS Distributors, Inc. GraniteShares is not affiliated with ALPS Distributors, Inc.

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