

# ANNUAL REPORT

December 31, 2023

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## NICHOLAS LIMITED EDITION, INC.

CONSISTENCY *in a world of* CHANGE



# NICHOLAS LIMITED EDITION, INC.

February 2024

Dear Fellow Shareholders:

Nicholas Limited Edition – Class I returned 17.17% in 2023 compared to 18.66% for the Russell 2000 Growth Index, 16.93% for the Russell 2000 Index, and 26.29% for the Standard & Poor’s (“S&P”) 500 Index. Small cap stocks were flat through most of the year until a shift in tone by the Federal Reserve regarding the path forward of interest rates sent small cap stocks soaring in the final two months of the year. Once again macroeconomics, interest rate expectations, and geopolitics drove market sentiment. The US economy proved resilient, shaking off fears of an imminent recession that swirled at the start of the year. Strong government spending on infrastructure and technology onshoring were complimented by large-scale investments in artificial intelligence. Healthy GDP (Gross Domestic Product) growth, low unemployment, and stickier than expected core inflation led the Federal Reserve’s decision makers to raise rates in July to a 22-year high. It was not until late in the year, after several months of decelerating inflation readings, that the Federal Reserve signaled the rate cycle had peaked. This prompted a year-end rally that disproportionately benefited the riskiest stocks in the market. Growth outperformed value during the year as industries tied to software, artificial intelligence, and infrastructure spending outperformed.

Returns for Nicholas Limited Edition, Inc. Class I and Class N and selected indices are provided in the chart below for the periods ended December 31, 2023.

	Average Annual Total Return			
	1 Year	3 Year	5 Year	10 Year
Nicholas Limited Edition, Inc. – Class I . . . . .	17.17%	2.10%	10.72%	8.56%
Nicholas Limited Edition, Inc. – Class N . . . . .	16.81%	1.83%	10.45%	8.24%
Russell 2000 Growth Index . . . . .	18.66%	-3.50%	9.22%	7.16%
Russell 2000 Index . . . . .	16.93%	2.22%	9.97%	7.16%
Morningstar Small-Cap Growth Fund Category . .	16.68%	-2.29%	10.99%	8.09%
Standard & Poor’s 500 Index . . . . .	26.29%	10.00%	15.69%	12.03%
Ending value of \$10,000 invested in				
Nicholas Limited Edition, Inc. – Class I . . . . .	\$11,717	\$10,645	\$16,640	\$22,739
Ending value of \$10,000 invested in				
Nicholas Limited Edition, Inc. – Class N . . . . .	\$11,681	\$10,558	\$16,434	\$22,084
Fund’s Class I Expense Ratio (from 04/30/23 Prospectus):	0.86%			
Fund’s Class N Expense Ratio (from 01/28/24 Prospectus):	1.16%			

*The Fund’s expense ratios for the period ended December 31, 2023 can be found in the financial highlights included within this report.*

**Performance data quoted represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by visiting [www.nicholasfunds.com/returns.html](http://www.nicholasfunds.com/returns.html).**

*The Fund's returns are reduced by expenses, while the market indices are not. The ending values above illustrate the performance of a hypothetical \$10,000 investment made in the Fund over the timeframes listed. Assumes reinvestment of dividends and capital gains. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. These figures do not imply any future performance.*

*Class N of the Fund commenced operations on February 28, 2005. Class I shares and Class N shares are invested in the same portfolio of securities. Annual returns will generally differ only to the extent that the classes do not have the same expenses. Please see the respective prospectus for details.*

The Fund's relative underperformance versus the Russell 2000 Growth Index for the year ended December 31, 2023, was primarily the result of unfavorable stock selection. The late-in-the-year rally was concentrated in companies that have limited or no earnings, which is an area of the market the Fund is underexposed. As of December 31, 2023, the Fund's holdings consisted of 64 stocks and approximately 5% cash. We believe the Fund is well diversified with sector weights of approximately 27% Information Technology, 27% Industrials, 16% Health Care, 11% Financials, 8% Consumer Discretionary, 3% Consumer Staples, 2% Materials, and 1% Real Estate. For the year, areas of the market that benefitted from investments in artificial intelligence, government infrastructure programs, and buoyant consumer spending outperformed. Interest-rate and commodity sensitive stocks were among the worst performers during the year. The Fund underperformed its benchmark due to underperformance within Financials and Consumer Discretionary, partially offset by outperformance within Technology and Industrials. Builders FirstSource, Onto Innovation, and Varonis Systems contributed positively to the Fund's return, while Petco Health & Wellness, Inmode, and Glacier Bancorp detracted from performance.

2023 was a volatile year that included unexpected economic growth and strong payrolls, a regional banking crisis, a burst of enthusiasm regarding the potential efficiencies that artificial intelligence can bring, and escalating tensions in the Middle East. A year ago, we contemplated whether the Federal Reserve could engineer a soft landing and whether geopolitical tensions would cool. As we sit here today, the answers to those questions are still up for debate. Given the elevated uncertainty, we believe the range of market return outcomes is larger than in previous years.

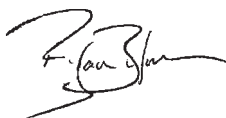
Management will be balanced going forward and will stay consistent with our philosophy to hold what we believe are quality growth companies that produce profits, good returns on investment, and sell at reasonable valuations.

Thank you for your continued support.

Sincerely,



David O. Nicholas  
Lead Portfolio Manager



Ryan P. Bushman  
Co-Portfolio Manager

The information above represents the opinions of the Fund manager, is subject to change, and any forecasts made cannot be guaranteed.

**Mutual fund investing involves risk. Principal loss is possible. The Fund may invest in small- and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility.**

**Diversification does not assure a profit nor protect against loss in a declining market.**

**Earnings growth is not representative of the Fund's future performance.**

Opinions expressed are subject to change at any time, are not guaranteed, and should not be considered investment advice.

Please refer to the schedule of investments in the report for complete Fund holdings information. Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

**Gross Domestic Product (GDP):** The monetary value of all the finished goods and services produced within a country's borders in a specific time period.

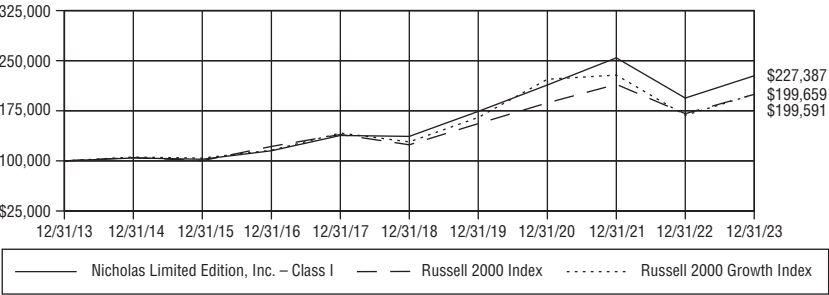
The Russell 2000 Index measures the performance of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500 Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. One cannot invest directly in an index. Each Morningstar Category average represents a universe of funds with similar investment objectives.

**Must be preceded or accompanied by a prospectus.**

The Nicholas Funds are distributed by Quasar Distributors, LLC.

# **COMPARISON OF CHANGE IN VALUE OF \$100,000 INVESTMENT IN NICHOLAS LIMITED EDITION, INC. – CLASS I, RUSSELL 2000 INDEX AND RUSSELL 2000 GROWTH INDEX (UNAUDITED)**

The line graph, which follows, compares the initial account value and subsequent account values at the end of each of the most recently completed ten fiscal years of the Fund’s Class I, to the same investment over the same period in two peer group indices. The graph assumes a \$100,000 investment in the Fund’s Class I and the indices at the beginning of the first fiscal year. The peer group in the graph includes the Russell 2000 Index and the Russell 2000 Growth Index. The Adviser believes the Russell 2000 Index and the Russell 2000 Growth Index are representative of the performance of small- and medium-capitalization growth companies in which the Fund primarily invests and provide a meaningful and representative basis of comparison for Fund investors.



The Fund’s Class I average annual total returns for the one-, five- and ten-year periods ended on the last day of the most recent fiscal year are as follows:

	One Year Ended December 31, 2023	Five Years Ended December 31, 2023	Ten Years Ended December 31, 2023
Average Annual Total Return	17.17%	10.72%	8.56%

*Past performance is not predictive of future performance, and the above graph and table do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

# Financial Highlights Class I (NCLEX)

For a share outstanding throughout each period

	Years Ended December 31,				
	2023	2022	2021	2020	2019
NET ASSET VALUE, BEGINNING OF PERIOD . . . . .	\$24.27	\$33.81	\$33.07	\$28.33	\$23.50
INCOME (LOSS) FROM INVESTMENT OPERATIONS					
Net investment income (loss) <sup>(1)</sup> . . . . .	.00 <sup>(2)</sup>	(.08)	(.17)	(.08)	.06
Net gain (loss) on securities (realized and unrealized) . . . . .	4.17	(7.95)	6.47	6.51	6.37
Total from investment operations . . . . .	4.17	(8.03)	6.30	6.43	6.43
LESS DISTRIBUTIONS					
From net investment income . . . . .	—	—	—	—	(.06)
From net capital gain . . . . .	(.67)	(1.51)	(5.56)	(1.69)	(1.54)
Total distributions . . . . .	(.67)	(1.51)	(5.56)	(1.69)	(1.60)
NET ASSET VALUE, END OF PERIOD . . . . .	<u>\$27.77</u>	<u>\$24.27</u>	<u>\$33.81</u>	<u>\$33.07</u>	<u>\$28.33</u>
TOTAL RETURN . . . . .	17.17%	(23.66)%	19.00%	22.73%	27.37%
SUPPLEMENTAL DATA:					
Net assets, end of period (millions) . . . . .	\$442.8	\$399.6	\$559.2	\$507.9	\$433.4
Ratio of expenses to average net assets . . . . .	.85%	.86%	.85%	.86%	.86%
Ratio of net investment income (loss) to average net assets . . . . .	.00% <sup>(2)</sup>	(.29)%	(.47)%	(.28)%	.22%
Portfolio turnover rate . . . . .	12.38%	27.93%	28.32%	28.16%	21.56%

(1) Computed based on average shares outstanding.

(2) The amount rounds to \$0.00 or .00%.

The accompanying notes to financial statements are an integral part of these highlights.

# Financial Highlights Class N (NNLEX)

For a share outstanding throughout each period

	Years Ended December 31,				
	2023	2022	2021	2020	2019
NET ASSET VALUE, BEGINNING OF PERIOD . . . . .	\$21.75	\$30.60	\$30.44	\$26.24	\$21.86
INCOME (LOSS) FROM INVESTMENT OPERATIONS					
Net investment loss <sup>(1)</sup> . . . . .	(.07)	(.15)	(.23)	(.12)	(.01)
Net gain (loss) on securities (realized and unrealized) . . . . .	3.73	(7.19)	5.95	6.01	5.93
Total from investment operations . . . . .	3.66	(7.34)	5.72	5.89	5.92
LESS DISTRIBUTIONS					
From net investment income . . . . .	—	—	—	—	—
From net capital gain . . . . .	(.67)	(1.51)	(5.56)	(1.69)	(1.54)
Total distributions . . . . .	(.67)	(1.51)	(5.56)	(1.69)	(1.54)
NET ASSET VALUE, END OF PERIOD . . . . .	<u>\$24.74</u>	<u>\$21.75</u>	<u>\$30.60</u>	<u>\$30.44</u>	<u>\$26.24</u>
TOTAL RETURN . . . . .	16.81%	(23.86)%	18.70%	22.48%	27.09%
SUPPLEMENTAL DATA:					
Net assets, end of period (millions) . . . . .	\$20.9	\$17.8	\$27.7	\$28.0	\$30.0
Ratio of expenses to average net assets . . . . .	1.16%	1.13%	1.07%	1.07%	1.11%
Ratio of net investment loss to average net assets . . . . .	(.31)%	(.57)%	(.70)%	(.48)%	(.03)%
Portfolio turnover rate . . . . .	12.38%	27.93%	28.32%	28.16%	21.56%

(1) Computed based on average shares outstanding.

The accompanying notes to financial statements are an integral part of these highlights.

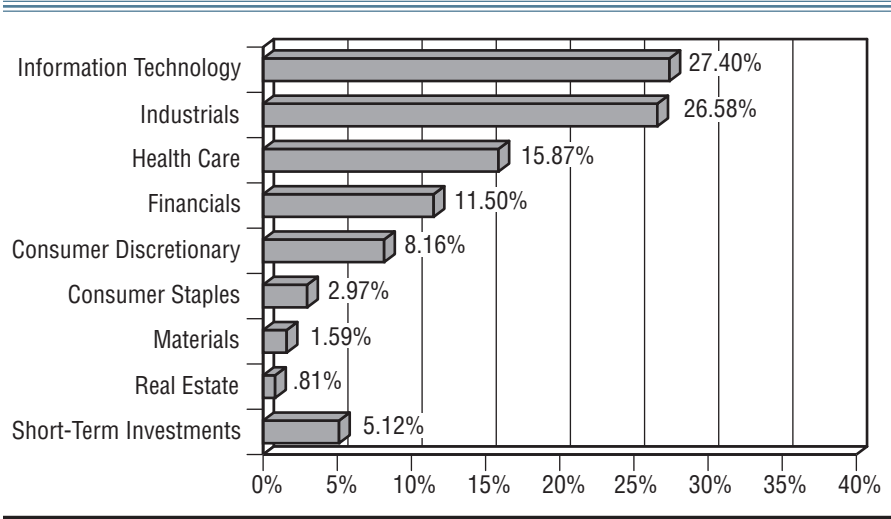
# Top Ten Equity Portfolio Holdings

December 31, 2023 (unaudited)

Name	Percentage of Net Assets
RB Global, Inc. ....	3.25%
ICF International, Inc. ....	2.54%
Qualys, Inc. ....	2.29%
Construction Partners, Inc. Class A ....	2.21%
Descartes Systems Group Inc. ....	2.15%
SPS Commerce, Inc. ....	2.07%
CyberArk Software Ltd. ....	2.07%
Cohen & Steers, Inc. ....	2.04%
Prestige Consumer Healthcare Inc. ....	1.97%
Q2 Holdings, Inc. ....	1.97%
Total of top ten ....	22.56%

## Sector Diversification (As a Percentage of Portfolio)

December 31, 2023 (unaudited)



# Fund Expenses

For the six month period ended December 31, 2023 (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees and other operating expenses. The following table is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with those of other mutual funds.

The example is based on an investment of \$1,000 made at the beginning of the period and held for the entire period.

The first line of the table below for each share class of the Fund provides information about the actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios for each class of the Fund and an assumed rate of return of 5% per year before expenses, which are not the Fund's actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as wire fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Class I

	Beginning Account Value <u>06/30/23</u>	Ending Account Value <u>12/31/23</u>	Expenses Paid During Period* <u>07/01/23 – 12/31/23</u>
Actual	\$1,000.00	\$1,044.30	\$4.33
Hypothetical (5% return before expenses)	1,000.00	1,020.77	4.28

- \* Expenses are equal to the Fund's Class I six-month annualized expense ratio of 0.84%, multiplied by the average account value over the period, multiplied by 184 then divided by 365 to reflect the one-half year period.

# Fund Expenses (continued)

For the six month period ended December 31, 2023 (unaudited)

Class N	Beginning Account Value <u>06/30/23</u>	Ending Account Value <u>12/31/23</u>	Expenses Paid During Period** <u>07/01/23 – 12/31/23</u>
Actual	\$1,000.00	\$1,042.50	\$5.92
Hypothetical (5% return before expenses)	1,000.00	1,019.20	5.85

\*\* Expenses are equal to the Fund's Class N six-month annualized expense ratio of 1.15%, multiplied by the average account value over the period, multiplied by 184 then divided by 365 to reflect the one-half year period.

# Schedule of Investments

December 31, 2023

Shares or Principal Amount		Value
<b>COMMON STOCKS — 94.81%</b>		
<b>Consumer Discretionary – Automobiles &amp; Components — 1.57%</b>		
87,440	Dorman Products, Inc.* .....	\$ 7,293,370
<b>Consumer Discretionary – Consumer Discretionary Distribution &amp; Retail — 1.94%</b>		
8,500	Murphy USA, Inc. ....	3,030,760
78,380	Ollie's Bargain Outlet Holdings Inc* .....	5,948,258
		8,979,018
<b>Consumer Discretionary – Consumer Durables &amp; Apparel — 1.84%</b>		
230,645	La-Z-Boy Incorporated .....	8,515,413
<b>Consumer Discretionary – Consumer Services — 2.81%</b>		
131,500	Carriage Services Inc. ....	3,288,815
78,716	Papa John's International, Inc. ....	6,000,521
192,620	Wendy's Company .....	3,752,238
		13,041,574
<b>Consumer Staples – Food Beverage &amp; Tobacco — 2.97%</b>		
45,355	J & J Snack Foods Corp. ....	7,580,635
364,195	Nomad Foods Ltd.* .....	6,173,105
		13,753,740
<b>Financials – Financial Services — 10.34%</b>		
124,635	Cohen & Steers, Inc. ....	9,438,609
213,210	EVERTEC, Inc. ....	8,728,817
328,960	i3 Verticals, Inc. Class A* .....	6,964,083
25,975	Morningstar, Inc. ....	7,435,084
815,611	Repay Holdings Corp. Class A* .....	6,965,318
113,530	Shift4 Payments, Inc. Class A* .....	8,439,820
		47,971,731
<b>Financials – Insurance — 1.14%</b>		
221,100	BRP Group, Inc. Class A* .....	5,310,822
<b>Health Care – Health Care Equipment &amp; Services — 11.48%</b>		
73,317	Amedisys, Inc.* .....	6,969,514
168,660	AtriCure, Inc.* .....	6,019,475
83,653	Encompass Health Corporation .....	5,581,328
128,303	Globus Medical Inc Class A* .....	6,837,267
185,790	InMode Ltd.* .....	4,131,970
315,917	Neogen Corp* .....	6,353,091
97,295	Omniceil, Inc.* .....	3,661,211
201,150	Option Care Health Inc* .....	6,776,743
103,529	STAAR Surgical Company* .....	3,231,140
21,266	UFP Technologies, Inc.* .....	3,658,603
		53,220,342

The accompanying notes to financial statements are an integral part of this schedule.

# Schedule of Investments (continued)

December 31, 2023

Shares or Principal Amount		Value
<b>COMMON STOCKS — 94.81% (continued)</b>		
<b>Health Care – Pharmaceuticals Biotechnology &amp; Life Sciences — 4.38%</b>		
152,350	Pacira Biosciences, Inc.*	\$ 5,140,289
149,595	Prestige Consumer Healthcare Inc*	9,158,206
221,064	Stevanato Group SpA	6,032,836
		20,331,331
<b>Industrials – Capital Goods — 8.99%</b>		
67,859	Beacon Roofing Supply, Inc.*	5,905,090
40,523	Builders FirstSource, Inc.*	6,764,909
33,206	Comfort Systems USA, Inc.	6,829,478
234,967	Construction Partners, Inc. Class A*	10,225,764
70,945	Donaldson Company, Inc.	4,636,256
88,706	A. O. Smith Corporation	7,312,923
		41,674,420
<b>Industrials – Commercial &amp; Professional Services — 14.38%</b>		
246,150	ExlService Holdings, Inc.*	7,593,727
79,395	Exponent, Inc.	6,989,936
88,000	ICF International, Inc.	11,799,920
430,045	OPENLANE, Inc.*	6,368,966
26,730	Paylocity Holding Corp.*	4,406,441
225,105	RB Global, Inc.	15,057,273
46,520	Tetra Tech, Inc.	7,765,584
105,925	WNS (Holdings) Limited Sponsored ADR*	6,694,460
		66,676,307
<b>Industrials – Transportation — 3.19%</b>		
129,965	Knight-Swift Transportation Holdings Inc. Class A	7,492,482
348,869	Marten Transport, Ltd.	7,319,272
		14,811,754
<b>Information Technology – Semiconductors &amp; Semiconductor Equipment — 3.77%</b>		
58,165	Lattice Semiconductor Corporation*	4,012,803
46,781	Onto Innovation, Inc.*	7,152,815
76,850	Power Integrations, Inc.	6,310,154
		17,475,772
<b>Information Technology – Software &amp; Services — 21.66%</b>		
89,785	Altair Engineering Inc. Class A*	7,555,408
111,105	BlackLine, Inc.*	6,937,396
43,750	CyberArk Software Ltd.*	9,583,438
118,860	Descartes Systems Group Inc.*	9,991,372
77,745	Five9, Inc.*	6,117,754

The accompanying notes to financial statements are an integral part of this schedule.

# Schedule of Investments (continued)

December 31, 2023

Shares or Principal Amount		Value
<b>COMMON STOCKS — 94.81% (continued)</b>		
	<b>Information Technology – Software &amp; Services — 21.66% (continued)</b>	
338,585	Grid Dynamics Holdings, Inc. Class A* .....	\$ 4,513,338
280,179	Model N, Inc.* .....	7,545,220
108,408	nCino, Inc.* .....	3,645,761
210,590	Q2 Holdings, Inc.* .....	9,141,712
53,991	Qualys, Inc.* .....	10,597,354
49,504	SPS Commerce, Inc.* .....	9,595,855
150,650	Tenable Holdings, Inc.* .....	6,938,939
182,485	Varonis Systems, Inc.* .....	8,262,921
		<u>100,426,468</u>
	<b>Information Technology – Technology Hardware &amp; Equipment — 1.95%</b>	
113,375	ePlus inc.* .....	9,051,860
	<b>Materials – Materials — 1.59%</b>	
59,500	AptarGroup, Inc. ....	7,355,390
	<b>Real Estate – Equity Real Estate Investment Trusts (REITs) — 0.81%</b>	
109,550	NexPoint Residential Trust, Inc. ....	3,771,807
	<b>TOTAL COMMON STOCKS</b>	
	(cost \$291,546,020) .....	<u>439,661,119</u>

The accompanying notes to financial statements are an integral part of this schedule.

# Schedule of Investments (continued)

December 31, 2023

<u>Shares or Principal Amount</u>		<u>Value</u>
<b>SHORT-TERM INVESTMENTS — 5.12%</b>		
	<b>Money Market Deposit Account – 0.61%</b>	
\$2,817,264	U.S. Bank Money Market, 5.270% .....	\$ 2,817,264
	<b>Money Market Fund – 1.29%</b>	
5,969,141	Morgan Stanley Liquidity Funds Government Portfolio (Institutional Class), 7-day net yield, 5.266% .....	5,969,141
	<b>U.S. Government Securities – 3.22%</b>	
5,000,000	U.S. Treasury Bill 01/02/2024, <sup>(1)</sup> .....	5,000,000
5,000,000	U.S. Treasury Bill 02/01/2024, 4.881% .....	4,978,028
5,000,000	U.S. Treasury Bill 03/05/2024, 5.076% .....	4,954,524
		<u>14,932,552</u>
	<b>TOTAL SHORT-TERM INVESTMENTS</b>	
	(cost \$23,717,871) .....	<u>23,718,957</u>
	<b>TOTAL INVESTMENTS</b>	
	(cost \$315,263,891) – 99.93% .....	463,380,076
	<b>OTHER ASSETS, NET OF LIABILITIES – 0.07%</b> .....	<u>334,451</u>
	<b>TOTAL NET ASSETS</b>	
	(basis of percentages disclosed above) – 100% .....	<u>\$463,714,527</u>

\* Non-income producing security.

(1) The Treasury Bill has reached full maturity.

The accompanying notes to financial statements are an integral part of this schedule.

# Statement of Assets and Liabilities

December 31, 2023

## ASSETS

Investments in securities at value (cost \$315,263,891)	\$463,380,076
Receivables –	
Capital stock subscription	564,890
Dividend and interest	128,230
Total receivables	693,120
Other	19,398
Total assets	<u>\$464,092,594</u>

## LIABILITIES

Payables –	
Due to adviser –	
Management fee	287,569
Accounting and administrative fee	6,326
Total due to adviser	293,895
Capital stock redemption	24,288
12b-1 and servicing fee	15,166
Other payables and accrued expense	44,718
Total liabilities	378,067
Total net assets	<u>\$463,714,527</u>

## NET ASSETS CONSIST OF

Paid in capital	\$313,295,492
Accumulated distributable earnings	150,419,035
Total net assets	<u>\$463,714,527</u>

## Class I

Net assets	\$442,804,978
Shares outstanding	15,946,255
NET ASSET VALUE PER SHARE (\$.01 par value, 39,000,000 shares authorized), offering price and redemption price	<u>\$27.77</u>

## Class N

Net assets	\$ 20,909,549
Shares outstanding	845,261
NET ASSET VALUE PER SHARE (\$.01 par value, 11,000,000 shares authorized), offering price and redemption price	<u>\$24.74</u>

The accompanying notes to financial statements are an integral part of this statement.

# Statement of Operations

For the year ended December 31, 2023

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## INCOME

Dividend (net of foreign taxes of \$58,137) .....	\$ 2,404,050
Interest .....	1,351,316
Total income .....	<u>3,755,366</u>

## EXPENSES

Management fee .....	3,276,590
Transfer agent fees .....	124,093
Administration services .....	72,085
Registration fees .....	55,117
Accounting & pricing services .....	50,715
12b-1 fees – Class N .....	40,001
Audit and tax fees .....	39,829
Directors' fees .....	21,675
Custodian fees .....	21,616
Printing .....	17,662
Insurance .....	16,926
Legal fees .....	13,727
Servicing fees – Class N .....	13,090
Postage and mailing .....	8,341
Other operating expenses .....	<u>18,792</u>
Total expenses .....	<u>3,790,259</u>
Net investment loss .....	<u>(34,893)</u>

NET REALIZED GAIN ON INVESTMENTS .....	<u>14,048,374</u>
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## CHANGE IN NET UNREALIZED APPRECIATION/DEPRECIATION

ON INVESTMENTS .....	<u>55,882,600</u>
Net realized and unrealized gain (loss) on investments .....	<u>69,930,974</u>
Net increase (decrease) in net assets resulting from operations .....	<u><u>\$69,896,081</u></u>

The accompanying notes to financial statements are an integral part of this statement.

# Statements of Changes in Net Assets

For the years ended December 31, 2023 and 2022

	2023	2022
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Net investment loss	\$ (34,893)	\$ (1,432,169)
Net realized gain on investments	14,048,374	24,796,444
Change in net unrealized appreciation/depreciation on investments	55,882,600	(158,807,750)
Net increase (decrease) in net assets resulting from operations	69,896,081	(135,443,475)
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Investment operations – Class I	(10,552,822)	(23,759,628)
Investment operations – Class N	(551,328)	(1,166,149)
Total distributions	(11,104,150)	(24,925,777)
<b>CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares issued – Class I (656,813 and 1,264,317 shares, respectively)	17,193,609	35,317,565
Reinvestment of distributions – Class I (317,495 and 846,783 shares, respectively)	8,915,240	20,128,045
Cost of shares redeemed – Class I (1,494,661 and 2,182,073 shares, respectively)	(39,305,698)	(62,088,826)
Proceeds from shares issued – Class N (228,302 and 92,895 shares, respectively)	5,381,746	2,391,628
Reinvestment of distributions – Class N (21,870 and 54,147 shares, respectively)	547,198	1,153,876
Cost of shares redeemed – Class N (221,075 and 237,330 shares, respectively)	(5,197,543)	(6,053,486)
Change in net assets derived from capital share transactions	(12,465,448)	(9,151,198)
Total increase (decrease) in net assets	46,326,483	(169,520,450)
<b>NET ASSETS</b>		
Beginning of period	417,388,044	586,908,494
End of period	<u>\$463,714,527</u>	<u>\$ 417,388,044</u>

The accompanying notes to financial statements are an integral part of these statements.

# Notes to Financial Statements

December 31, 2023

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## (1) Summary of Significant Accounting Policies —

Nicholas Limited Edition, Inc. (the “Fund”) is organized as a Maryland corporation and is registered as an open-end, diversified management investment company under the Investment Company Act of 1940, as amended. The primary objective of the Fund is long-term growth. The following is a summary of the significant accounting policies of the Fund:

- (a) Equity securities traded on a stock exchange will ordinarily be valued on the basis of the last sale price on the date of valuation on the securities principal exchange, or if in the absence of any sale on that day, the closing bid price. For securities principally traded on the NASDAQ market, the Fund uses the NASDAQ Official Closing Price. Investments in shares of open-end mutual funds, including money market funds, are valued at their daily net asset value. Debt securities, excluding short-term investments, are valued at their current evaluated bid price as determined by an independent pricing service, which generates evaluations on the basis of dealer quotes for normal institutional-sized trading units, issuer analysis, bond market activity and various other factors. Short-term investments are valued using evaluated bid prices. Securities for which market quotations may not be readily available are valued at their fair value as determined in good faith by procedures adopted by the Board of Directors. The Board of Directors has delegated fair value responsibilities to Nicholas Company, Inc., the Fund’s adviser. The Fund did not maintain any positions in derivative instruments or engage in hedging activities during the year. Investment transactions for financial statement purposes are recorded on trade date.

In accordance with Accounting Standards Codification (“ASC”) 820-10, “Fair Value Measurement” (“ASC 820-10”), fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820-10 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value such as a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

# Notes to Financial Statements (continued)

December 31, 2023

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, benchmark yields, bids, offers, transactions, spreads and other relationships observed in the markets among market securities, underlying equity of the issuer, proprietary pricing models, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of December 31, 2023 in valuing the Fund’s investments carried at value:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1 –	
Common Stocks <sup>(1)</sup> . . . . .	\$439,661,119
Money Market Fund . . . . .	5,969,141
Money Market Deposit Account . . . . .	2,817,264
Level 2 –	
U.S. Government Securities . . . . .	14,932,552
Level 3 –	
None . . . . .	—
Total . . . . .	<u>\$463,380,076</u>

(1) See Schedule of Investments for further detail by industry.

The Fund did not hold any Level 3 investments during the year.

- (b) Net realized gain (loss) on portfolio securities was computed on the basis of specific identification.
- (c) Dividend income is recorded on the ex-dividend date, and interest income is recognized on an accrual basis. Non-cash dividends, if any, are recorded at value on date of distribution. Generally, discounts and premiums on long-term debt security purchases, if any, are amortized over the expected lives of the respective securities using the effective yield method.

Investment income, net capital gains (losses) and all expenses incurred by the Fund are allocated based on the relative net assets of each class, except for 12b-1 fees and shareholder servicing fees and certain other fees and expenses related to one class of shares.

Class N shares are subject to a 0.25% 12b-1 fee and a 0.10% servicing fee, as described in its prospectus. During the period, the 12b-1 fee was 0.25% through February 14, 2023. From February 15, 2023 through period end, the 12b-1 fee was 0.23%. During the period, the servicing fee was 0.05% through February 14, 2023. From February 15, 2023 through period end, the servicing fee was 0.08%. Income,

# Notes to Financial Statements (continued)

December 31, 2023

expenses (other than expenses attributable to a specific class), and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares.

- (d) Provision has not been made for federal income taxes or excise taxes since the Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all net investment income and net realized capital gains on sales of investments to its shareholders and otherwise comply with the provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies.
- (e) Dividends and distributions paid to shareholders are recorded on the ex-dividend date. Distributions from net investment income are generally declared and paid at least annually. Distributions of net realized capital gain, if any, are declared and paid at least annually.

The amount of distributions from net investment income and net realized capital gain are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles (“U.S. GAAP”) for financial reporting purposes. Financial reporting records are adjusted for permanent book-to-tax differences to reflect tax character. These reclassifications have no effect on net assets or net asset value per share. At December 31, 2023, reclassifications were recorded to increase undistributed ordinary income by \$34,893, increase paid in capital by \$465,796, and decrease accumulated undistributed net realized gain by \$500,689.

The tax character of distributions paid during the years ended December 31, 2023 and 2022 was as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Distributions paid from:		
Ordinary income . . . . .	\$ —	\$ 164,968
Long-term capital gain . . . . .	<u>11,104,150</u>	<u>24,760,809</u>
Total distributions paid . . . . .	<u>\$11,104,150</u>	<u>\$24,925,777</u>

As of December 31, 2023, investment cost for federal tax purposes was \$315,352,579 and the tax basis components of net assets were as follows:

Unrealized appreciation . . . . .	\$175,208,864
Unrealized depreciation . . . . .	<u>(27,181,367)</u>
Net unrealized appreciation . . . . .	<u>148,027,497</u>
Undistributed ordinary income . . . . .	—
Accumulated undistributed net realized capital gain . . .	2,391,538
Paid in capital . . . . .	<u>313,295,492</u>
Net assets . . . . .	<u>\$463,714,527</u>

The difference between financial statement and tax-basis cost is attributable to the Fund’s holdings in REITs.

# Notes to Financial Statements (continued)

December 31, 2023

The Fund had no material uncertain tax positions and has not recorded a liability for unrecognized tax benefits as of December 31, 2023. Also, the Fund recognized no interest and penalties related to uncertain tax benefits during the year ended December 31, 2023. At December 31, 2023, the fiscal years 2020 through 2023 remain open to examination in the Fund's major tax jurisdictions.

- (f) The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board ("FASB") ASC 946, "Financial Services – Investment Companies." U.S. GAAP guidance requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results could differ from estimates.
- (g) In the normal course of business the Fund enters into contracts that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects the risk of loss to be remote.
- (h) In connection with the preparation of the Fund's financial statements, management evaluated subsequent events after the date of the Statement of Assets and Liabilities of December 31, 2023. There have been no material subsequent events since December 31, 2023 that would require adjustment to or additional disclosure in these financial statements.

## (2) Related Parties —

### (a) Investment Adviser and Management Agreement —

The Fund has an agreement with Nicholas Company, Inc. (with whom certain officers and directors of the Fund are affiliated) (the "Adviser") to serve as investment adviser and manager. Under the terms of the agreement, a monthly fee is paid to the Adviser based on an annualized fee of 0.75% of the average net asset value.

The Adviser may be paid for accounting and administrative services rendered by its personnel, subject to the following guidelines: (i) up to five basis points, on an annual basis, of the average net asset value of the Fund up to and including \$2 billion and up to three basis points, on an annual basis, of the average net asset value of the Fund greater than \$2 billion, based on the average net asset value of the Fund as determined by valuations made at the close of each business day of each month, and (ii) where the preceding calculation results in an annual payment of less than \$50,000, the Adviser, in its discretion, may charge the Fund up to \$50,000 for such services.

### (b) Legal Counsel —

A director of the Adviser is affiliated with a law firm that provides services to the Fund. The Fund incurred expenses of \$7,261 for the year ended December 31, 2023 for legal services rendered by this law firm.

## (3) Investment Transactions —

For the year ended December 31, 2023, the cost of purchases and the proceeds from sales of investment securities, other than short-term obligations, aggregated \$50,796,209 and \$73,969,005, respectively.

# Report of Independent Registered Public Accounting Firm

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To the shareholders and the Board of Directors of Nicholas Limited Edition, Inc.

## **Opinion on the Financial Statements and Financial Highlights**

We have audited the accompanying statement of assets and liabilities of Nicholas Limited Edition, Inc. (the “Fund”), including the schedule of investments, as of December 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Basis for Opinion**

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2023, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

*Deloitte & Touche LLP*

Milwaukee, Wisconsin  
February 28, 2024

We have served as the auditor of one or more Nicholas investment companies since 1977.

# Historical Record

(unaudited)

Class I	Net Asset Value Per Share	Net Investment Income Distributions Per Share	Capital Gain Distributions Per Share	Dollar Weighted Price/Earnings Ratio <sup>(2)</sup>	Growth of an Initial \$10,000 Investment <sup>(3)</sup>
May 18, 1987 <sup>(1)</sup> . . . . .	\$10.00	\$ —	\$ —	—	\$ 10,000
December 31, 1987 . . . . .	9.15	.0900	—	13.9 times	9,242
December 31, 1988 . . . . .	11.29	.0969	.2527	14.1	11,762
December 31, 1989 . . . . .	12.49	.1453	.6151	16.3	13,804
December 31, 1990 . . . . .	12.03	.1207	.1213	14.2	13,566
December 31, 1991 . . . . .	16.86	.1228	.2407	21.9	19,429
December 31, 1992 . . . . .	18.77	.0815	.8275	18.8	22,690
December 31, 1993 . . . . .	18.68	.0867	1.6782	20.4	24,738
December 31, 1994 . . . . .	17.09	.1031	.9065	18.3	23,985
December 31, 1995 . . . . .	19.22	.0761	2.9353	25.2	31,223
December 31, 1996 . . . . .	20.74	.0124	2.6151	30.7	38,031
December 31, 1997 . . . . .	25.07	.0029	2.4886	33.0	50,590
December 31, 1998 . . . . .	24.20	.0142	1.2490	30.3	51,436
December 31, 1999 . . . . .	22.61	.0538	.5439	23.4	49,333
December 31, 2000 . . . . .	15.16	—	5.5800	25.9	45,063
December 31, 2001 . . . . .	16.37	—	.0357	25.5	48,764
December 31, 2002 . . . . .	12.49	—	.0311	21.4	37,299
December 31, 2003 . . . . .	17.43	—	—	24.2	52,051
December 31, 2004 . . . . .	19.59	—	.2679	25.3	59,309
December 31, 2005 . . . . .	19.23	—	1.8896	25.2	63,925
December 31, 2006 . . . . .	19.62	—	.8425	23.6	68,002
December 31, 2007 . . . . .	20.07	.0008	1.7607	24.7	75,615
December 31, 2008 . . . . .	13.93	.0301	.0327	14.9	52,733
December 31, 2009 . . . . .	17.76	.0005	—	23.5	67,234
December 31, 2010 . . . . .	21.85	—	1.5377	24.8	88,494
December 31, 2011 . . . . .	20.90	—	1.2484	22.9	89,672
December 31, 2012 . . . . .	21.06	.0043	2.0167	22.3	99,159
December 31, 2013 . . . . .	27.05	.0160	1.5957	23.9	134,984
December 31, 2014 . . . . .	25.63	.0002	2.6251	24.9	140,842
December 31, 2015 . . . . .	23.31	—	1.8767	23.4	138,262
December 31, 2016 . . . . .	23.69	.0012	2.5295	25.3	155,364
December 31, 2017 . . . . .	26.32	—	2.0989	27.7	186,320
December 31, 2018 . . . . .	23.50	.0063	2.5137	25.5	184,458
December 31, 2019 . . . . .	28.33	.0601	1.5436	29.2	234,944
December 31, 2020 . . . . .	33.07	—	1.6863	35.1	288,349
December 31, 2021 . . . . .	33.81	—	5.5582	29.2	343,137
December 31, 2022 . . . . .	24.27	—	1.5096	19.3	261,959
December 31, 2023 . . . . .	27.77	—	.6745 <sup>(a)</sup>	29.6	306,936

(1) Date of Initial Public Offering.

(2) Based on latest 12 months accomplished earnings.

(3) Assuming reinvestment of all distributions.

(a) Paid on December 27, 2023 to shareholders of record on December 26, 2023.

# Historical Record (continued)

(unaudited)

Class N	Net Asset Value Per Share	Net Investment Income Distributions Per Share	Capital Gain Distributions Per Share	Dollar Weighted Price/Earnings Ratio <sup>(2)</sup>	Growth of an Initial \$10,000 Investment <sup>(3)</sup>
February 28, 2005 <sup>(1)</sup> . . . .	\$19.30	\$ —	\$ —	25.5 times	\$10,000
December 31, 2005 . . . . .	19.19	—	1.8581	25.2	10,903
December 31, 2006 . . . . .	19.51	—	.8425	23.6	11,560
December 31, 2007 . . . . .	19.86	—	1.7607	24.7	12,802
December 31, 2008 . . . . .	13.78	.0062	.0327	14.9	8,909
December 31, 2009 . . . . .	17.54	.0005	—	23.5	11,341
December 31, 2010 . . . . .	21.50	—	1.5377	24.8	14,888
December 31, 2011 . . . . .	20.47	—	1.2484	22.9	15,034
December 31, 2012 . . . . .	20.51	—	2.0167	22.3	16,568
December 31, 2013 . . . . .	26.21	—	1.5957	23.9	22,466
December 31, 2014 . . . . .	24.66	—	2.6251	24.9	23,361
December 31, 2015 . . . . .	22.27	—	1.8767	23.4	22,849
December 31, 2016 . . . . .	22.44	—	2.5295	25.3	25,591
December 31, 2017 . . . . .	24.74	—	2.0989	27.7	30,597
December 31, 2018 . . . . .	21.86	—	2.5137	25.5	30,189
December 31, 2019 . . . . .	26.24	—	1.5436	29.2	38,367
December 31, 2020 . . . . .	30.44	—	1.6863	35.1	46,994
December 31, 2021 . . . . .	30.60	—	5.5582	29.2	55,784
December 31, 2022 . . . . .	21.75	—	1.5096	19.3	42,473
December 31, 2023 . . . . .	24.74	—	.6745 <sup>(a)</sup>	29.6	49,614

(1) Date of Initial Public Offering.

(2) Based on latest 12 months accomplished earnings.

(3) Assuming reinvestment of all distributions.

(a) Paid on December 27, 2023 to shareholders of record on December 26, 2023.

# Approval of Investment Advisory Contract

(unaudited)

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In November 2023, the Board of Directors of the Fund renewed the one-year term of the Investment Advisory Agreement by and between the Fund and the Adviser through October 2024. In connection with the renewal of the Investment Advisory Agreement, no changes to the amount or manner of calculation of the management fee or the terms of the agreement were proposed by the Adviser or adopted by the Board. In renewing the Investment Advisory Agreement, the Board carefully considered the following factors on an absolute basis and relative to the Fund's peer group: (i) the Fund's historical performance; (ii) the Fund's performance relative to its benchmark; (iii) the expense ratios for peer group funds in the small-cap growth category and the Fund's risk/return profile as measured by the standard deviation and the Sharpe Ratio; and (iv) the range and quality of the services offered by the Adviser. The peer group fund data included small-cap growth focused funds with similar asset sizes, number of holdings and market capitalizations and at least a 10-year history. In terms of the peer group data used for performance comparisons, the Fund's Class I total return ranked 11th, 7th, 8th and 11th out of 30 funds for the one-, three-, five- and ten-year periods ending September 30, 2023. The Fund's Class I had the sixth lowest expense ratio among its peer group.

The Board considered the range of services to be provided by the Adviser to the Fund under the Advisory Agreement. The Board concluded that the nature, extent and quality of the services to be provided were consistent with the terms of the Advisory Agreement and the needs of the Fund, and that the services provided were of a high quality.

The Board considered the investment performance of the Fund and the Adviser. Among other things, the Board noted its consideration of the Fund's performance relative to peer funds and its benchmarks. The Board reviewed the actual and relative short-term and long-term performance of the Fund. The Board agreed that the Fund demonstrated satisfactory performance with respect to its benchmarks and peers. The Board also discussed the extent to which economies of scale would be realized, and whether such economies were reflected in the Fund's fee levels and concluded that the Adviser had been instrumental in holding down Fund costs, citing consistently low fees.

The Board considered the cost of services provided and the profits to be realized by the Adviser from the relationship with the Fund. The Board concluded that given the Board's focus on performance and maintaining a low fee structure that the Adviser's profits were not relevant.

The Board determined that the Adviser had fully and adequately carried out the terms and conditions of its contract with the Fund. The Board expressed satisfaction with the Fund's performance, strategies to improve performance, management's control of expenses and the rate of the management fee for the Fund and the overall level of services provided by the Adviser.

# Liquidity Risk Management Program

(unaudited)

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The Fund has adopted and implemented a liquidity risk management program (the “Program”) in accordance with Rule 22e-4 under the 1940 Act. The Program seeks to assess and manage the Fund’s liquidity risk, i.e., the risk that the Fund is unable to satisfy redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Directors of the Fund has designated Nicholas Company, Inc., the Fund’s investment adviser, to administer the Program. Certain aspects of the Program rely on third parties to perform certain functions, including the provision of market data and application of models.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund’s liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund’s investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of “illiquid investments” (as defined under Rule 22e-4); (4) for a Fund that does not invest primarily in “highly liquid investments” (as defined under Rule 22e-4), the determination of a minimum percentage of the Fund’s assets that will generally be invested in highly liquid investments (a “Highly Liquid Investment Minimum”); and (5) periodic reporting to the Board of Directors.

At a meeting of the Board of Directors on February 12, 2024, Nicholas Company, Inc. provided a written report to the Board addressing the operation, and the adequacy and effectiveness of the implementation, of the Program, including, as applicable, the operation of any Highly Liquid Investment Minimum and any material changes to the Program, for the period from January 1, 2023 through December 31, 2023 (the “Reporting Period”). Among other things, the annual report discussed: (1) the results of stress tests designed to assess liquidity under a hypothetical stressed scenario involving elevated redemptions; and (2) an assessment of the methodologies used to classify investments into one of four liquidity categories. The report concluded that the Program was reasonably designed to assess and manage liquidity risk and was adequately and effectively implemented during the Reporting Period.

There can be no assurance that the Program will achieve its objectives under all circumstances in the future. Please refer to the Fund’s prospectus for more information regarding the Fund’s exposure to liquidity risk and other risks to which it may be subject.

# Information on Proxy Voting

(unaudited)

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A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available, without charge, upon request by calling 800-544-6547 or 414-276-0535. It also appears in the Fund's Statement of Additional Information, which can be found on the SEC's website, [www.sec.gov](http://www.sec.gov). A record of how the Fund voted its proxies for the most recent twelve-month period ended June 30, also is available on the Fund's website, [www.nicholasfunds.com](http://www.nicholasfunds.com), and the SEC's website, [www.sec.gov](http://www.sec.gov).

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## Quarterly Portfolio Schedule

(unaudited)

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The Fund files its complete schedule of investments with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

# Directors and Officers of the Fund

(unaudited)

The following table sets forth the pertinent information about the Fund's directors and officers as of December 31, 2023. Unless otherwise listed, the business address of each director and officer is 411 East Wisconsin Avenue, Milwaukee, WI 53202.

Name and Age	Positions Held With Fund	Term of Office and Length of Time Served	Principal Occupations During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
<b>INTERESTED DIRECTOR</b>					
David O. Nicholas, CFA 62 <sup>(1)</sup>	President, <sup>(2)</sup> 34 years Director and Lead Portfolio Manager		President, Chief Executive Officer, Chief Investment Officer and Director, Nicholas Company, Inc., the Adviser to the Fund. He has been the Lead Portfolio Manager of Nicholas Fund, Inc. and Nicholas II, Inc. and Co-Portfolio Manager of Nicholas Equity Income Fund, Inc.	4	None
<b>DISINTERESTED DIRECTORS</b>					
John A. Hauser 65	Director	<sup>(2)</sup> , 7 years	Chaplain, Door County Medical Center, 2019 to present. Private Investor, January 2018 to present. Senior Vice President – Trust and Community Relations, Nicolet Bank, October 2016 to December 2016. Senior Vice President – Director of Wealth Services, April 2016 to October 2016. Prior to its acquisition by Nicolet Bank in April 2016, Mr. Hauser served in various senior management roles for Baylake Bank from 1984 to 2008 and from 2009 to April 2016.	4	None
David P. Pelisek, CFA 64	Director	<sup>(2)</sup> , 4 years	Private Investor, September 2016 to present. Managing Director, Robert W. Baird & Co., Inc., and Partner, Baird Capital Partners Buyout Funds I–V, January 1994 to May 2016.	4	None

# Directors and Officers of the Fund (continued)

(unaudited)

<b>Name and Age</b>	<b>Positions Held With Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupations During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>	<b>Other Directorships Held by Director</b>
Julie M. Van Cleave 64	Director	(2), 1 year	Private Investor, July 2020 to present. Chief Investment Officer, University of Wisconsin Foundation, July 2013 to June 2020.	4	None

<b>Name and Age</b>	<b>Positions Held With Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupations During Past 5 Years</b>
<b>OFFICERS</b>			
Ryan P. Bushman, CFA 45	Senior Vice President and Co-Portfolio Manager	Annual, 3 years	Vice President, Nicholas Company, Inc., the Adviser to the Fund. Co-Portfolio Manager (effective February 1, 2021) of the Fund and employed by Nicholas Company, Inc. since October 2020. He was Co-Portfolio Manager at Rice Hall James & Associates from March 2017 to September 2020. He was an Equity Analyst and Director for the BMO Small-Cap Growth and Mid-Cap Growth products from 2008 to October 2016 at BMO Asset Management Corp.
Lawrence J. Pavelec, CFA 65	Senior Vice President and Secretary	Annual, 19 years	Executive Vice President, Secretary and Chief Operating Officer, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 2003.
Jennifer R. Kloehn, CPA 50	Senior Vice President, Treasurer and Chief Compliance Officer	Annual, 7 years	Executive Vice President, Treasurer, Chief Financial Officer and Chief Compliance Officer, Nicholas Company, Inc., the Adviser to the Fund, and employed by the Adviser since 1998.

- (1) David O. Nicholas is the only director of the Fund who is an “interested person” of the Fund, as that term is defined in the 1940 Act. Mr. Nicholas is a Director of the Adviser and owns 60% of the outstanding voting securities of the Adviser.
- (2) Until duly elected or re-elected at a subsequent annual meeting of the Fund.

The Fund’s Statement of Additional Information includes additional information about the Fund directors and is available, without charge, upon request, by calling 800-544-6547 or 414-276-0535.

# Privacy Policy

(unaudited)

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Nicholas Limited Edition, Inc. respects each shareholder's right to privacy. We are committed to safeguarding the information that you provide us to maintain and execute transactions on your behalf.

We collect the following non-public personal information about you:

- \* Information we receive from you on applications or other forms, whether we receive the form in writing or electronically. This includes, but is not limited to, your name, address, phone number, tax identification number, date of birth, beneficiary information and investment selection.
- \* Information about your transactions with us and account history with us. This includes, but is not limited to, your account number, balances and cost basis information. This also includes transaction requests made through our transfer agent.
- \* Other general information that we may obtain about you such as demographic information.

WE DO NOT SELL ANY NON-PUBLIC PERSONAL INFORMATION  
ABOUT CURRENT OR FORMER SHAREHOLDERS.

INFORMATION SHARED WITH OUR TRANSFER AGENT,  
A THIRD PARTY COMPANY, ALSO IS NOT SOLD.

We may share, only as permitted by law, non-public personal information about you with third party companies. Listed below are some examples of third parties to whom we may disclose non-public personal information. While these examples do not cover every circumstance permitted by law, we hope they help you understand how your information may be shared.

We may share non-public personal information about you:

- \* With companies who work for us to service your accounts or to process transactions that you may request. This would include, but is not limited to, our transfer agent to process your transactions, mailing houses to send you required reports and correspondence regarding the Fund and its Adviser, the Nicholas Company, Inc., and our dividend disbursing agent to process fund dividend checks.
- \* With a party representing you, with your consent, such as your broker or lawyer.
- \* When required by law, such as in response to a subpoena or other legal process.

The Fund and its Adviser maintain policies and procedures to safeguard your non-public personal information. Access is restricted to employees who the Adviser determines need the information in order to perform their job duties. To guard your non-public personal information we maintain physical, electronic, and procedural safeguards that comply with federal standards.

In the event that you hold shares of the Fund with a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared with non-affiliated third parties.

# Automatic Investment Plan — An Update

(unaudited)

The Nicholas Family of Funds' Automatic Investment Plan provides a simple method to dollar cost average into the fund(s) of your choice.

Dollar cost averaging involves making equal systematic investments over an extended time period. A fixed dollar investment will purchase more shares when the market is low and fewer shares when the market is high. The automatic investment plan is an excellent way for you to become a disciplined investor.

The following table illustrates what dollar cost averaging can achieve. Please note that past performance is no guarantee of future results. Nicholas Company recommends dollar cost averaging as a practical investment method. It should be consistently applied for long periods so that investments are made through several market cycles.

	Nicholas Limited Edition – Class I	
\$1,000 initial investment on .....	05/18/1987*	12/31/2013
Number of years investing \$100 each month following the date of initial investment .....	36.6	10
Total cash invested .....	\$45,000	\$13,000
Total dividend and capital gain distributions reinvested ..	\$272,053	\$8,170
Total full shares owned at 12/31/2023 .....	13,248	765
Total market value at 12/31/2023 .....	\$367,917	\$21,259

The results above assume purchase on the last day of the month. The Nicholas Automatic Investment Plan actually invests on the date specified by the investor. Total market value includes reinvestment of all distributions.

\* Date of Initial Public Offering.

# Nicholas Funds Services Offered

(unaudited)

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- IRAs
  - Traditional
  - Roth
  - SIMPLE
  - SEP
- Coverdell Education Accounts
- Automatic Investment Plan
- Direct Deposit of Dividend and Capital Gain Distributions
- Systematic Withdrawal Plan
- Monthly Automatic Exchange between Funds
- Telephone Purchase and Redemption
- Telephone Exchange
- 24-hour Automated Account Information (800-544-6547)
- 24-hour Internet Account Access ([www.nicholasfunds.com](http://www.nicholasfunds.com))

Please call a shareholder representative for further information on the above services or with any other questions you may have regarding the Nicholas Funds (800-544-6547).

***Directors and Officers***

DAVID O. NICHOLAS, President and Director

JOHN A. HAUSER, Director

DAVID P. PELISEK, Director

JULIE M. VAN CLEAVE, Director

RYAN P. BUSHMAN, Senior Vice President

JENNIFER R. KLOEHN, Senior Vice President,  
Treasurer and Chief Compliance Officer

LAWRENCE J. PAVELEC, Senior Vice President and Secretary

***Investment Adviser***

NICHOLAS COMPANY, INC.

Milwaukee, Wisconsin

[www.nicholasfunds.com](http://www.nicholasfunds.com)

414-276-0535 or 800-544-6547

***Accountant***

***Dividend Disbursing Agent***

***Transfer Agent***

U.S. BANCORP FUND SERVICES, LLC

Milwaukee, Wisconsin

414-276-0535 or 800-544-6547

***Distributor***

QUASAR DISTRIBUTORS, LLC

Portland, Maine

***Custodian***

U.S. BANK N.A.

Milwaukee, Wisconsin

***Independent Registered Public Accounting Firm***

DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin

***Counsel***

MICHAEL BEST & FRIEDRICH LLP

Milwaukee, Wisconsin

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This report is submitted for the information of shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.