SIMPLIFY ETFs

QUARTERLY FUND REVIEW | As of June 30, 2022 **2Q22**

PFIX | Simplify Interest Rate Hedge Equity ETF

FUND OVERVIEW

The Simplify Interest Rate Hedge ETF (PFIX) seeks to hedge interest rate movements arising from rising long-term interest rates and to benefit from market stress when fixed income volatility increases. The fund holds a large position in over-the-counter (OTC) interest rate options intended to provide a direct and transparent convex exposure to large upward moves in interest rates and interest rate volatility.

Using OTC derivatives, usually only available to institutional investors, PFIX is designed to be functionally similar to owning a position in long-dated put options on 20-year US Treasury bonds. Since the option position is held for an extended period, the ETF provides a simple and transparent interest rate hedge.

PERFORMANCE REVIEW

For the quarter PFIX total return was 19.9%. Focusing our attention on the fund's primary driver of value, its long swaptions positions increased in value by 41.47%. This increase is tied to an increase in the underlying forward rate of approximately 78 basis points (bps), a decline in the implied volatility of 6.1 bps, an increase in the discount rate of 58 bps and the passage of 3 months' time. The fund's other significant position, the bond it held over the quarter, declined in value from a price of $93.11 to $91.69 as the yield on the bond went up by 54 bps from 2.53% to 3.07%.

Performance as of 06/30/22 | Inception Date: 05/10/21

	CUMULATIVE TOTAL RETURN			ANNUALIZED TOTAL RETURN	
	3 Mo	**6 Mo**	**Since Inception**	**1 Year**	**Since Inception**
NAV	19.90%	52.92%	14.52%	41.18%	12.63%
Market Price	13.32%	50.45%	12.92%	36.39%	11.28%
ICE US Treasury 20+ Yr Bond Index	-12.14%	-21.66%	-14.15%	-18.62%	-12.56%

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. In addition, investment returns and the 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. For performance data current to the most recent month-end, please call (855) 772-8488 or go to https://www.simplify.us/etfs.

FUND DETAILS as of 06/30/22

TOP TEN HOLDINGS*

POSITION	ALLOCATION
T 0 3/4 04/30/26 Govt	40.15%
SWAPTION 05/12/2028 P4.25/3ML GSX	6.30%
SWAPTION 05/11/2028 P4.25/3ML BOAML	5.49%
SWAPTION 05/11/2028 P4.25/3ML MSX	4.53%
SWAPTION 05/11/2028 P4.00/SOFR BOA	1.48%
SWAPTION 05/11/2028 P4.00/SOFR MS	0.89%
SWAPTION 05/11/2028 P4.00/SOFR GSX	0.54%
SWAPTION 05/11/2028 P4.00/SOFR BARC	0.05%
RECV IRS 2.11 5/15/48	0.00%
PAYB IRS 2.11 5/15/28	0.00%
Cash	40.57%

*Holdings are subject to change without notice.

Gross Expense Ratio	0.50%
Net Expense Ratio	-
SEC 30-Day Yield	0.78%
SEC 30-Day Yield Unsubsidized	0.78%

DEFINITIONS

Basis Points: A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%.

Expiry: The time until an option expires. In the context here expiry is used to describe the length of time from when an option position is initiated to when it will expire.

Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price.

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Option: An option is a contract that gives the buyer the right to either buy (in the case of a call option) or sell (in the case of a put option) an underlying asset at a pre-determined price ("strike") by a specific date ("expiry"). An "outright" is another name for a single option leg. A "spread" is when options are bought at one strike and an equal amount of options are sold at a different strike, all at the same expiry.

Payer Swaption: The purchaser has the right, but not the obligation, to enter a swap contract at a future date by which they would pay a specified fixed rate and receive floating for the full swap term.

SEC 30-Day Yield: The yield is calculated with a standardized formula and represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price. The yield includes the effect of any fee waivers and/or reimbursements. Without waivers, yields would be reduced. This is also referred to as the "standardized yield", “30-Day Yield” and “Current Yield”. The unsubsidized SEC 30-Day Yield does not reflect the effect of any fee waivers and/or expense reimbursements.

IMPORTANT INFORMATION:

Investors should carefully consider the investment objectives, risks, charges, and expenses of Exchange Traded Funds (ETFs) before investing. To obtain an ETF's prospectus containing this and other important information, please call (855) 772-8488, or visit SimplifyETFs.com. Please read the prospectus carefully before you invest.

An investment in the fund involves risk, including possible loss of principal.

The fund is actively-managed is subject to the risk that the strategy may not produce the intended results. The fund is new and has
a limited operating history to evaluate.

The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate, or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. The use of leverage by the Fund, such as borrowing money to purchase securities or the use of options, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses. The earnings and prospects of small and medium sized companies are more volatile than larger companies and may experience higher failure rates than larger companies. Small and medium sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures and may have limited markets, product lines, or financial resources and lack management experience.

The Fund invests in ETFs (Exchange-Traded Funds) and is therefore subject to the same risks as the underlying securities in which the ETF invests as well as entails higher expenses than if invested into the underlying ETF directly.

While the option overlay is intended to improve the Fund's performance, there is no guarantee that it will do so. Utilizing an option overlay strategy involves the risk that as the buyer of a put or call option, the Fund risks losing the entire premium invested in the option if the Fund does not exercise the option. Also, securities and options traded in over-the-counter markets may trade less frequently and in limited volumes and thus exhibit more volatility and liquidity risk.

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