

EAFD | Simplify Developed EX-US PLUS Downside Convexity ETF

FUND OVERVIEW

The Simplify Developed EX-US PLUS Downside Convexity ETF (EAFD) seeks to provide capital appreciation by exposure to developed foreign equity markets, while boosting performance during extreme selloffs in equity markets via a systematic options overlay.

The fund's core holding provides investors with developed ex-US/Canada exposure. A modest option overlay budget is then deployed into a series of options positions that help create downside convexity in the fund.

PERFORMANCE REVIEW

With the MSCI EAFE entering into the third quarter down about 20% on the year, this is exactly the time downside convexity is designed to start adding value, and indeed we saw some marginal value added (thought not as much as we would've liked to see). The Simplify Developed EX-US PLUS Downside Convexity ETF was ahead of its benchmark by about 1% this quarter as the current market drawdown deepened to -27%. We are still a bit away from the point of monetizing significant fractions of our options gains and reinvesting the proceeds into the underlying beta holding.

EAFD continues to focus on rolling short-dated options given the high implied volatility across the entire surface, accepting the path risk this introduces for higher notional hedge coverage. The fund has also pivoted back towards spreads as of late (from outright) given the excessive costs to hedge when we are at 30% year-to-date drawdown levels. Finally, EAFD has continued to deploy US large cap puts over EAFE Index puts given the significantly cheaper cost of these hedges given excess geopolitical risks in Europe, a trade we consider prudent for the basis risk accepted.

Performance as of 09/30/22 | Inception Date: 01/10/22

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	6 Mo	YTD	Since Inception	1 Year	Since Inception
NAV	-8.38%	-22.18%	-	-28.05%	-	-
Market Price	-7.91%	-22.09%	-	-28.61%	-	-
MSCI EAFE IMI Index	-9.33%	-22.76%	-	-26.78%	-	-

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 09/30/22

CURRENT HOLDINGS*

POSITION	ALLOCATION
ISHARES TR CORE MSCI EAFE ETF	94.84%
SPX 10/21/22 P3300 Index	6.74%
SPXW US 10/07/22 P3620 Index	5.38%
SPX 10/21/22 P3100 Index	-2.66%
SPXW US 10/07/22 P3600 Index	-4.60%
Cash	0.29%

*Holdings are subject to change without notice.

Gross Expense Ratio	0.57%
Net Expense Ratio**	0.32%
SEC 30-Day Yield	4.70%
SEC 30-Day Yield Unsubsidized	4.44%

**The Fund's adviser has contractually agreed to reduce its management fees, until at least October 30, 2022, to 0.25% of the Fund's average daily net assets.

DEFINITIONS

Convexity: An investment strategy is convex if its payoff relative to its benchmark is curved upward. Convex investment strategies are expected to be highly correlated with the benchmark in typical market environments but diverge to the positive in extreme markets. There are no free lunches though, and convex strategies are expected to lag during quiet markets.

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.

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 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. The fund invests primarily in ETFs that invest in securities domiciled in countries outside the U.S. and Canada that may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. and Canadian companies. These companies may be subject to additional risks, including political and economic risks, civil conflicts and war, greater volatility, expropriation and nationalization risks, currency fluctuations, higher transaction costs, delayed settlement, and less stringent investor protection and different disclosure standards.

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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