

SPYC | Simplify US Equity PLUS Convexity ETF

FUND OVERVIEW

The **Simplify US Equity PLUS Convexity ETF (SPYC)** seeks to provide capital appreciation by offering US Large Cap exposure while aiming to boost performance during extreme market moves up or down via a systematic options overlay.

The fund's core holding gives investors low-cost, index-based exposure to US large caps. A modest option overlay budget is then deployed into a series of options positions that help create convexity in the fund.

PERFORMANCE REVIEW

With US large caps entering into the third quarter down about 20% on the year, this is exactly the time the downside convexity overlay in SPYC is designed to kick in, and indeed did this quarter as the fund was ahead of its US large cap benchmark by about 2% thanks to the put ladder. During this period, we monetized and moved to cash about 1.5% of put option gains and rolled the rest for further downside convexity. We are still a bit away from the point of monetizing significant fractions of our put option gains and reinvesting the proceeds into US equities. The call overlay was close to neutral this quarter, as a significant new call budget was spent but didn't drag on performance because a partial monetization of these calls occurred near the august highs that neutralized subsequent call decay of the remaining calls in the late quarter drawdown.

The fund's put overlay 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 outrights) given the excessive costs to hedge when we are at 25% year-to-date drawdown levels.

Performance as of 09/30/22 | Inception Date: 09/03/20

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	6 Mo	YTD	Since Inception	1 Year	Since Inception
NAV	-3.04%	-18.78%	-24.22%	5.91%	-14.99%	2.81%
Market Price	-2.53%	-18.75%	-24.25%	6.82%	-14.57%	3.24%
S&P 500 Index	-4.89%	-20.21%	-23.88%	7.90%	-15.50%	3.74%

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 S+P 500 INDEX FUND	93.85%
SPX 10/21/22 P3300 Index	6.13%
SPXW US 10/07/22 P3620 Index	5.46%
SPX 01/20/23 C5050 Index	0.05%
SPX 10/21/22 C4850 Index	0.02%
SPX 06/16/23 C5600 Index	0.01%
SPY 03/17/23 C510 Equity	0.01%
SPX 10/21/22 C5050 Index	-0.01%
SPX 01/20/23 C5250 Index	-0.02%
SPX 10/21/22 P3100 Index	-2.42%
Cash	1.58%

*Holdings are subject to change without notice.

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%.

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.

Gross Expense Ratio	0.53%
Net Expense Ratio**	0.28%
SEC 30-Day Yield	1.37%
SEC 30-Day Yield Unsubsidized	1.11%

**The Fund's adviser has contractually agreed, until at least October 31, 2022, to waive certain fees and/or pay expenses, in order to limit specified expenses to 0.28% of the Fund's average daily net assets.

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.

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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