QUARTERLY FUND REVIEW | As of December 31, 2022 **4Q22**

FIG | Simplify Macro Strategy ETF

FUND OVERVIEW

The Simplify Macro Strategy ETF (FIG) is a modern take on the balanced portfolio, built to help navigate today's toughest asset allocation challenges. With strong potential headwinds to bonds, stretched equity valuations, continued inflationary pressures, and increasingly fragile market structure, the classic balanced portfolio may have challenging years ahead.

FIG addresses these concerns by creating a robust portfolio comprised of equities with positive convexity, managed futures that are diversifying and inflation sensitive, and a suite of income sources with low sensitivity to duration. The fund will also opportunistically invest in equity, credit, interest rate, and FX derivatives (listed and OTC) to capitalize on attractive idiosyncratic market dislocations.

PERFORMANCE REVIEW

4Q22 was a challenging quarter for the fund as it underperformed its benchmark in the rally off the September 30th lows in US Large Caps. In particular, the compression in implied volatility over the time period, from VIX north of 28 to a closing VIX level of around 20, resulted in relative underperformance in the in-the-money call options that FIG uses for US equity exposure. While the call positions rose nearly 25% for the quarter, this was below the targeted 5x of the S&P500's 6.94% return for these positions. Combined with a challenging quarter for Simplify's Managed Futures strategy (CTA), which fell by 6.36% over the period due to exposure to the US dollar, these two positions accounted for more than 100% of the relative underperformance. Over the past six months, the fund remains comfortably ahead of benchmarks.

Looking ahead into Q1-2023, the fund has taken outsized positions in US 2-year bonds through Simplify's Short Term Treasury Strategy (TUA) and in a synthetic yield steepener via a combination of Simplify's Intermediate Term Treasury (TYA) and Interest Rate Hedge (PFIX) strategies in anticipation of deteriorating economic conditions. The fund continues to maintain a net long position in US equities via in-the-money call options with March and December expiries, providing limited loss exposure to US equities.

Performance as of 12/31/22 | Inception Date: 05/16/22

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	**6 Mo**	**YTD**	**Since Inception**	**1 Year**	**Since Inception**
NAV	1.73%	2.44%	—	-3.31%	—	—
Market Price	1.02%	2.57%	—	-3.24%	—	—
Bloomberg US EQ: FI 60:40 Index	4.98%	0.07%	—	-4.31%	—	—

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 12/31/22

CURRENT HOLDINGS*

POSITION	ALLOCATION
SIMPLIFY HIGH YIELD PL CR HD	19.83%
SIMPLIFY MANAGED FUTURES ST	19.21%
SIMPLIFY SHORT TERM TREASURY FUTURES STRATEGY ETF	16.78%
SIMPLIFY VOLATILITY PREMIUM	15.53%
SIMPLIFY RISK PARITY TREASUR	6.03%
ISHARES GOLD TRUST	5.45%
SPY US 03/17/23 C320	5.02%
SIMPLIFY INTEREST RATE HEDGE ETF	4.77%
SPY US 12/15/23 C320	1.96%
EEM US 01/20/23 C30	1.25%
Cash	4.21%

*Holdings are subject to change without notice.

Gross Expense Ratio	0.97%
Net Expense Ratio**	0.72%
SEC 30-Day Yield	5.88%
SEC 30-Day Yield Unsubsidized	4.45%

**The Fund's adviser has contractually agreed, until at least October 31, 2023, to waive certain fees and/or pay expenses, in order to limit specified expenses to 0.50% of the Fund's average daily net assets.

DEFINITIONS

Convexity A measure of how the duration of a bond changes in correlation to an interest rate change. The greater the convexity of a bond the greater the exposure of interest rate risk to the portfolio.

Duration
A measure of the sensitivity of an asset price to movements in yields.

Idiosyncratic Risk: The risk inherent in an asset or asset group, due to specific qualities of that asset.

Macro Risk: A type of financial risk associated with political or macroeconomic factors.

Managed Futures: A systematic, rule-based investment strategy that can generally go long or short futures contracts across equities, fixed income, commodities, and foreign exchange markets.

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

Moneyness: Represents how far the option strike is from current market price. In-the-money and out-of-the-money describe options whose market price is beyond the strike and not beyond the strike, respectively.

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.

DEFINITIONS (cont'd)

Over-The-Counter (OTC): Refers to the process where securities are traded directly between counterparties rather than on a centralized exchange. OTC trades manage counterparty risk via the direct exchange of collateral.

Risk Premium: The return in excess of the risk-free rate that an investment is expected to yield.

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 view or download a prospectus online. 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 and futures contracts involves risks different from, or possibly greater than, the risks associated with investing directly in securities. 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 or futures contract 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 entails higher expenses than if invested into the underlying ETF directly. The Fund will invest in fixed income ETFs that invest in debt securities of any credit quality or maturity. Fixed income ETFs may invest in securities with credit quality below investment grade (commonly referred to as “junk bonds”) which can be volatile, hard to price and have less liquidity.

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.

Simplify ETFs are distributed by Foreside Financial Services, LLC.