SIMPLIFY ETFs

QUARTERLY FUND REVIEW | As of December 31, 2023 **4Q23**

AGGH | Simplify Aggregate Bond ETF

FUND OVERVIEW

The Simplify Aggregate Bond ETF (AGGH) seeks to maximize total return. The fund is actively managed to create a core bond exposure with enhanced yield via structural income opportunities such as more efficient curve positioning and defined-risk option writing.

AGGH can be used by investors who not only seek higher yields than investment grade bonds normally provide, but a higher total return as well.

PERFORMANCE REVIEW

AGGH returned 6.01% in 4Q with rates declining sharply, as the 10-year Treasury rate moved up from 4.57% to 5.00% and then down to 3.88% at quarter end. Our structural volatility selling strategy was able to add 0.65% this quarter, in spite of vigorous moves in treasury rates due to actively managed duration targeting. The fund's return was a bit less than that of the Bloomberg U.S. Aggregate Index, which was up 6.82%, as our long-term TIPs position underperformed the Bond Index by 0.65% on a duration-adjusted basis. Our credit hedge in the form of short equity futures also detracted 0.30% but helped reduce the volatility of AGGH. The fund's largest risk position, US 10-Year Treasury futures, with collateral invested in short-term TIPs, continued to do well as a means of creating benchmark-like duration.

The outlook for rates remains mixed with a bias towards lower rates as the FED gets ready to start a rate cut cycle. Longer-term treasury rates, however, could potentially be volatile but range-bound as significant FED rate cuts are already priced in. In such an environment, selling volatility through out-of-the-money options on fixed income instruments can continue to significantly enhance the yield of AGGH.

Performance as of 12/31/23 | Inception Date: 02/14/22

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	**6 Mo**	**YTD**	**Since Inception**	**1 Year**	**Since Inception**
NAV	6.01%	3.55%	8.47%	-1.02%	8.47%	-0.55%
Market Price	6.45%	3.67%	8.49%	-0.70%	8.49%	-0.37%
Bloomberg U.S. Aggregate Index	6.82%	3.37%	5.53%	-4.41%	5.53%	-2.38%

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 12/31/23

TOP TEN HOLDINGS*

POSITION	ALLOCATION
TII 0 5/8 01/15/24 Govt	69.38%
TYH4 Comdty	68.09%
LTPZ	10.89%
LQD	6.98%
AGG	5.59%
MBB	3.84%
TII 0 1/2 04/15/24 Govt	3.55%
USG4P 108.0 Comdty	0.00%
1CF4P 120.0 Comdty	0.00%
LQD 01/12/24 C114 Equity	0.00%
Cash	0.32%

*Holdings are subject to change without notice.

Gross Expense Ratio	0.58%
Net Expense Ratio**	0.33%
SEC 30-Day Yield	3.23%
SEC 30-Day Yield Unsubsidized	2.98%

**The Fund's adviser has contractually agreed, until at least October 31, 2024, to waive its management fees and/or pay certain expenses, in order to limit the amount of specified expenses borne by the Fund to 0.25% of the Fund's average daily net assets.

DEFINITIONS

Duration: A measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

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.

Investment Grade: Refers to the quality of a company's credit and must be rated at 'BBB' or higher by Standard and Poor's or Moody's. Credit quality does not refer to the fund itself.

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.

Out of the Money: An option has no intrinsic value, only extrinsic or time value.

DEFINITIONS (cont'd)

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.

Out-of-the-Money: An option has no intrinsic value, only extrinsic or time value.

Quality-Junk: A long/short equity factor created by being long quality equity names while being short junk equity names. Quality equities generally have high margins, profit stability, and strong balance sheets. Junk names are generally those stocks with high sensitivity to an increase in debt refinancing costs.

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.

Treasury Inflation-Protected Securities (TIPS): A type of Treasury security issued by the U.S. government. TIPS are indexed to inflation to protect investors from a decline in the purchasing power of their money.

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 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's investment in fixed income securities is subject to credit risk (the debtor may default) and prepayment risk (an obligation paid early) which could cause its share price and total return to be reduced. Typically, as interest rates rise the value of bond prices will decline and the fund could lose value.

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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