

HEQT | Simplify Hedged Equity ETF

FUND OVERVIEW

The **Simplify Hedged Equity ETF (HEQT)** seeks to provide capital appreciation by offering US Large Cap exposure while investing in a series of put-spread collars designed to help reduce volatility.

Equities + put-spread collars have become a popular way to create more conservative, lower-volatility equity investments. By deploying a ladder of collars that expire over 3 sequential months, the fund seeks to create a hedged equity experience that is less susceptible to rebalancing luck.

PERFORMANCE REVIEW

HEQT delivered strong risk-adjusted performance, with higher 4Q returns than its buffered/collar strategy competitors, despite lagging the 60/40 blended portfolio. The fund generated a 6.85% total return with comparable volatility as the 60/40 portfolio (9.3% vs 9.2%, respectively). Upside call strike moneyness on the regular monthly roll has been between 4.5% - 5.0% out of the money, as a decline in implied volatility after the mid-October spike reduced the upside for collars. Costless collars remain an effective strategy to sell volatility while positioning for a rangebound trade in equities and hedging a more extended selloff in stocks.

Performance as of 12/31/23 | Inception Date: 11/01/21

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	6 Mo	YTD	Since Inception	1 Year	Since Inception
NAV	6.85%	5.14%	16.73%	9.61%	16.73%	4.33%
Market Price	6.97%	5.37%	16.61%	9.29%	16.61%	4.20%
Bloomberg US EQ:FI 60:40 Index	9.90%	6.51%	18.40%	0.10%	18.40%	0.05%
S&P 500 Index	11.68%	8.02%	26.26%	7.05%	26.26%	3.21%

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

CURRENT HOLDINGS**

POSITION	ALLOCATION
IVV	102.56%
SPX US 01/19/24 C4500 Index	-2.20%
SPX US 02/16/24 C4725 Index	-0.95%
SPXW US 03/15/24 C4950 Index	-0.32%
SPX US 03/15/24 P4475 Index	0.21%
SPX US 02/16/24 P4275 Index	0.05%
SPX US 03/15/24 P3770 Index	-0.03%
SPX US 02/16/24 P3600 Index	-0.01%
SPX US 01/19/24 P4070 Index	0.01%
SPX US 01/19/24 P3425 Index	0.00%
Cash	0.68%

Gross Expense Ratio	0.53%
Net Expense Ratio	—
SEC 30-Day Yield	1.05%
SEC 30-Day Yield Unsubsidized	1.05%

**Holdings are subject to change without notice.

DEFINITIONS

Collar: An options strategy that involves buying a downside put and selling an upside call that is implemented to protect against large losses, but that also limits large upside gains.

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.

Money: Describes the intrinsic value of an option's premium in the market. A contract is either "in the money", "out of the money", or "at the money". A call option is said to be "in the money" when the future contract price is above the strike price. A call option is "out of the money" when the future contract price is below the strike 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.

Rolling occurs when the Fund closes out of a Futures Contract as it nears its expiration and replaces it with a contract that has a later expiration.

DEFINITIONS (cont'd)

Put-Spread Collar: An options strategy that involves buying OTM put options while simultaneously selling the same number of puts further OTM (put-spread), while offsetting the cost of the put-spread by selling OTM calls (the collar).

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. Futures may involve risks greater than the risks associated with investing directly in securities. Futures contracts may not correlate with the underlying investment or it could become mispriced or improperly valued and may not produce the desired investment results.

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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