

PFIX | Simplify Interest Rate Hedge Equity ETF

FUND OVERVIEW

The **Simplify Interest Rate Hedge ETF (PFIX)** seeks to hedge interest rate movements arising from rising long-term interest rates and to benefit from market stress when fixed income volatility increases, while providing the potential for income. The fund holds a large position in over-the-counter (OTC) interest rate options intended to provide a direct and transparent convex exposure to large upward moves in interest rates and interest rate volatility.

Using OTC derivatives, usually only available to institutional investors, PFIX is designed to be functionally similar to owning a position in long-dated put options on 20-year US Treasury bonds. Since the option position is held for an extended period, the ETF provides a simple and transparent interest rate hedge.

PERFORMANCE REVIEW

PFIX's total return for the quarter was 9.46%. The fund's primary drivers of value continue to be its swaption-based exposure to forward rates at the long end of the rates curve and the implied volatilities associated with options on those same rates. For the quarter, the forward rates that are the underlying for the swaptions were up roughly 0.15% and the normal model implied volatilities that map to the fund's options positions were roughly up 0.03%. These moves, in combination with cross products that capture the interaction between rate and vol sensitivity, dominated the fund's performance for the quarter contributing 8.57% to the fund's returns. The fund's other positions in Treasury Bills, Treasury Notes, swaps, and cash, in aggregate, combined with fees, contributed 0.83% for the quarter.

Performance as of 06/30/24 | Inception Date: 05/10/21

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	6 Mo	YTD	Since Inception	1 Year	Since Inception
NAV	9.46%	22.48%	22.48%	85.35%	42.78%	21.72%
Market Price	7.74%	21.36%	21.36%	84.69%	45.24%	21.60%
ICE U.S. Treasury 20+ Year Bond Index	-1.97%	-5.50%	-5.50%	-27.54%	-7.17%	-9.75%

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 06/30/24

TOP TEN HOLDINGS*

POSITION	ALLOCATION
SWAPTION 4.5% SOFR 5/10/30 MSX	6.03%
Treasury	33.24%
T Bills	27.06%
T Bills	25.01%
SWAPTION 05/10/2030 P4.25/SOFR BOY	2.60%
SWAPTION 05/10/2030 P4.25/SOFR GSY	2.13%
SWAPTION 4.5% SOFR 5/10/30 BRC	2.04%
SWAPTION 5/10/30	1.86%
SWAPTION 5/10/30	-0.18%
IRS 2.11 5/15/48	-0.01%
Cash	0.21%

Gross Expense Ratio	0.50%
Net Expense Ratio	—
SEC 30-Day Yield	3.96%
SEC 30-Day Yield Unsubsidized	3.96%

*Holdings are subject to change without notice.

DEFINITIONS

Forward Rate: An interest rate applicable to a financial transaction that will take place in the future.

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.

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.

Swaption: A contract to purchase the right to enter into a swap contract during the specified period of time.

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 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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