SVOL | Simplify Volatility Premium ETF

As of October 31, 2021

Overview

The Simplify Volatility Premium ETF seeks to provide investment results, before fees and expenses, that correspond to approximately one-fifth to three-tenths (-0.2x to -0.3x) the inverse of the performance of the S&P 500 VIX short-term futures index while also seeking to mitigate extreme volatility

We believe many traditional sources of income are failing to meet investor needs in today's low yield environment. The Simplify Volatility Premium ETF (SVOL) aims to provide an attractive income stream and source of diversification while seeking to avoid risks inherent in other income-producing asset classes.

The fund's short VIX position provides investors an optimized exposure for monetizing the premium in the VIX futures market. A modest option overlay budget is then deployed into VIX call options to help protect against adverse moves in VIX.

Key Points

- **First ETF providing inverse VIX exposure coupled with a dynamic hedge.**
- **25% short VIX exposure helps to balance tradeoff between high income and volatility drag**
- **Deep OTM VIX call options seek to provide low-cost protection against extreme VIX spikes**
- **Monthly Distributions and no Schedule K-1**

Normal Brokerage Fees Apply

Strategy Design

Passive Inverse VIX Exposure

- 25% inverse VIX exposure attempts to balance the tradeoff between maximizing income and minimizing drag from high volatility
- Income generation without Schedule K-1

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Advanced Options Overlay

- Designed to help protect short VIX exposure when volatility spikes
- Modest option budget that aims to hedge against adverse market moves

Portfolio Applications for Volatility Premium

- **Income Generation:** A different approach in seeking income than traditional high yield assets. Strategy provides an enhanced opportunity for portfolio performance when equity markets are range bound.
- **A Tactical Tool:** Takes advantage of declining volatility when most attractive.
- **Asset Class Diversification:** Access a distinct risk premium from equity, duration, and credit, diversify core strategic holdings while attempting to enhance long term performance.[1]

Details | Ticker: SVOL   Inception Date: 05/12/2021

SEC 30-Day Yield	SEC 30-Day Yield Unsubsidized	Gross Expense Ratio	Net Expense Ratio	Exchange	CUSIP	Net Assets
15.15%	15.15%	1.13%	1.13%	NYSE	82889N863	$54,208,222.22

[1]Diversification does not guarantee a profit or protect against loss.

Current Holdings

Position	Allocation	Notional Exposure (Delta=1)
CBOE Volatility Index (VIX) Futures - UXX1	-10.67%	—
CBOE Volatility Index (VIX) Futures - UXZ1	-8.00%	—
Schwab Short-Term US Treas – SCHO	0.09%	—
VXX 11/19/21 C63 Index	0.12%	22%
T 0 1/8 04/30/23 Govt	0.18%	—
SVXY	11.26%	—
Cash	87.44%	—

Holdings are subject to change without notice.

Performance

		Average annual total returns as of 09/30/2021					
Ticker	MTD 10/31/2021	Q3 2021	1-Year	5-Year	10-Year	Inception
NAV	6.18%	-0.93%	—	—	—	7.04%
Market Price	5.76%	-1.05%	—	—	—	6.43%
SPVXSPIT Index*	24.15%	-7.82%	—	—	—	44.35%

The performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment returns and 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.

Benchmark is the S&P 500 VIX Short-Term Futures Index. The S&P 500® VIX Short-Term Futures Index utilizes prices of the next two near-term VIX® futures contracts to replicate a position that rolls the nearest month VIX futures to the next month on a daily basis in equal fractional amounts. This results in a constant one-month rolling long position in first and second month VIX futures contracts.

DEFINITIONS:

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.

Options: 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 by a specific date. Options are a powerful tool for creating a wide array of payoff profiles and can be used on a standalone basis or integrated into a broader portfolio strategy.

Notional Exposure: The full market exposure a derivatives contract provides after accounting for the leverage embedded in the derivative, expressed as a percentage of the fund's total assets. We assume each option's delta (sensitivity to changes in underlying security) is 1 in this calculation, implying that we are measuring the exposure afforded by the options in the instance where extreme markets are being realized. This metric provides a measure of the protection afforded to the underlying security by a given option position.

SEC 30-Day Yield: The SEC yield is calculated with a standardized formula. The formula is based on maximum offering price per share. This is also referred to as the "standardized yield", “30-Day Yield” and “Current Yield”.

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.

OTMness: Stands for out-of-the-moneyness and represents how far the option strike is from current market price. In the context here OTMness is used to describe how far the option strike is from the market price when the option position is initiated.

Annualized Budget: The average amount expected to be spent on a specific option position per year. For options rolled more frequently than annually each option position will be initiated at less than the annual budget amount. Options rolled less frequently than annually would be initiated at a size higher than the annual budget.

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.

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

K-1: Schedule K-1 a federal tax document used to report the income, losses, and dividends of a business' or financial entity's partners or an S corporation's shareholders.

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. Past performance does not guarantee future results.

The fund's investment objective seeks to provide investment results, before fees and expenses, that correspond to approximately one-fifth to three-tenths (-0.2x to -0.3x) the inverse of the performance of the S&P 500 VIX short-term futures index while also seeking to mitigate extreme volatility.

The fund is new and has a limited operating history.

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. VIX futures contracts can be highly volatile and the Fund may experience sudden and large losses when buying selling or holding such instruments. VIX futures are unlike traditional futures contracts not based on a tradeable asset and it is possible to lose a portion or all of an investment.

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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