HEQT | Simplify Hedged Equity ETF

Fund Objective

The fund seeks to provide capital appreciation.

Overview

The Simplify Hedged Equity ETF seeks to provide capital appreciation by fully investing in an S&P 500 ETF and simultaneously 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 additionally robust to rebalancing luck.

Key Points

- **Low-cost[1] iShares Core S&P 500 ETF (IVV) is the core equity exposure**
- **Put-spread collars covering 100% notional of the equities are deployed to mitigate volatility**
- **First hedged equity ETF utilizing a ladder of collars to improve rebalancing luck**

[1] Normal Brokerage Fees Apply

Strategy Design

Passive US Equity Exposure

- iShares Core S&P 500 ETF (IVV)
- Quarterly dividend

+

Advanced Collar Overlay

- A ladder of three put-spread collars, expiring over the next three consecutive months, is deployed to smooth out rebalancing luck associated with a single quarterly collar
- Each collar consists of an approximately 5% OTM to 20% OTM put-spread, that is funded by selling a call

Portfolio Applications for Hedged Equity

- **Conservative Equities:** Many investors struggle to stay the course with equity investments due to the volatility. By creating a lower volatility equity exposure, those more risk averse clients can look to participate in equity upside.
- **Alternative Low Volatility Investments:** With bond yields near all time lows, investors are searching for alternatives for their lower volatility investments. The reduction in volatility offered by hedged equity creates this alternative for investors.

Details | **Ticker:** HEQT **Inception Date:** 11/01/2021

Gross Expense Ratio	Exchange	CUSIP	Net Assets
0.53%	NYSE	82889N 764	$13,091,172.00

Current Holdings

Position	Allocation	Notional Exposure (Delta=1)
iShares S&P 500 ETF	99.27%	—
SPX 01/21/22 C4750 Index	-0.36%	-35%
SPX 12/17/21 C4750 Index	-0.07%	-35%
SPX 02/18/22 C4850 Index	-0.30%	-35%
SPX 12/17/21 P3670 Index	-0.04%	-35%
SPX 01/21/22 P3670 Index	-0.15%	-35%
SPX 02/18/22 P3760 Index	-0.30%	-35%
SPX 12/17/21 P4355 Index	0.26%	35%
SPX 01/21/22 P4355 Index	0.62%	35%
SPX 02/18/22 P4465 Index	1.06%	35%
Cash	0.01%	—

Holdings are subject to change without notice.

Performance

			Average annual total returns as of 09/30/2021			
Ticker	MTD 11/30/2021	Q3 2021	1-Year	5-Year	10-Year	Since Inception
NAV	—	—	—	—	—	—
Market Price	—	—	—	—	—	—
S&P 500 Index	—	—	—	—	—	—

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.

DEFINITIONS:

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.

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.

DEFINITIONS CONTINUED:

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".

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.

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).

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 Simplify Hedged Equity ETF (the "Fund") seeks to provide capital appreciation.

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. 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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