

SPUC | Simplify US Equity PLUS Upside Convexity ETF

Overview

The Simplify US Equity PLUS Upside Convexity ETF seeks to provide capital appreciation by offering US large cap exposure while aiming to boost performance during extreme market moves up via a systematic options overlay.

The fund's core holding gives investors a low-cost, index-based exposure to US large caps. A modest option overlay budget is then deployed into a series of options positions that help create upside convexity in the fund.

Key Points

- **Low-cost¹ US large cap index ETF exposure is the core holding**
- **Modest and transparent option budget adds downside convexity to the core passive exposure**
- **Advanced options strategy is designed to be robust across a variety of extreme drawdown conditions**

¹Normal Brokerage Fees Apply

Strategy Design

Passive US Equity Exposure

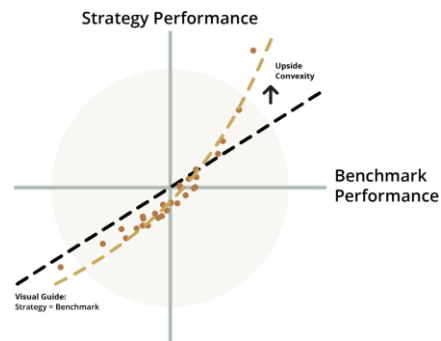
- US large cap index ETF
- Potential quarterly dividend



Advanced Options Overlay

- Potentially boost equity performance during extreme market rallies
- Modest option budget with no upside caps
- Designed to handle various types of market dislocations

Payoff Profile *For illustrative purposes only. Does not represent or predict fund performance.*



Upside Convexity attempts to increasingly boost performance as market rises increase.

Portfolio Applications for Equity + Downside Convexity

- **Enhanced Upside Without Overextending:** Capture the full potential of strong market melt-ups without going "up the risk curve."
- **Black Swan Hedge:** Extreme market moves are becoming more frequent.
- **Position Low Risk Portfolios From Missing Melt-Ups:** Accelerate upside participation in strong markets without increasing portfolio volatility for low-risk portfolios.

Details | Ticker: SPUC

Inception Date: 09/03/2020

| Core Exposure | SEC 30-Day Yield | SEC 30-Day Yield Unsubsidized | Gross Expense Ratio | Net Expense Ratio | Exchange | CUSIP | Net Assets |
|---------------|------------------|-------------------------------|---------------------|-------------------|----------|-----------|-----------------|
| IVV | 1.04% | 0.79% | 0.53% | 0.28% | NYSE | 82889N301 | \$12,199,813.46 |

The Fund's adviser has contractually agreed, until at least October 31, 2022, to waive certain fees and/or pay expenses, in order to limit specified expenses to 0.25% of the Fund's average daily net assets.

Current Holdings

| Position | Allocation | Notional Exposure (Delta=1) |
|--------------------|------------|-----------------------------|
| IVV | 97.83% | — |
| SPY 09/16/22 C510 | 0.28% | 50% |
| SPY 03/17/23 C510 | 0.69% | 28% |
| SPX 06/16/23 C5600 | 1.18% | 104% |
| Cash | 0.02% | — |

Core Options Ladder Budget

| Position | Initial OTMness | Expiry Position in Ladder | Annual Budget |
|---------------------------------------|-----------------|---------------------------|---------------|
| Medium-Term SPX Call Option #1 Sleeve | 50% | 6m | 0.5% |
| Medium-Term SPX Call Option #2 Sleeve | 50% | 9m | 0.5% |
| Long-Term SPX Call Option #1 Sleeve | 50% | 12m | 0.5% |
| Long-Term SPX Call Option #2 Sleeve | 50% | 15m | 0.5% |

Holdings are subject to change without notice.

Performance as of 03/31/22

| Cumulative Total Returns | | | | Total Returns as of 03/31/22 | |
|--------------------------|-------|----------|-----------------|------------------------------|-----------------|
| SPUC | MTD | 3 Months | Since Inception | 1-Year | Since Inception |
| NAV | 4.27% | -7.72% | 34.38% | 16.89% | 20.67% |
| Market Price | 4.59% | -7.56% | 35.49% | 17.05% | 21.34% |
| S&P 500 Index | 3.07% | -5.17% | 34.00% | 15.44% | 20.45% |

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>.

Portfolio Uses

Core Strategic Holding

- 98% allocation to iShares Core S&P 500 ETF (IVV) provides traditional equity exposure, including dividends and tax efficiency
- Modest option budget aims to minimize long-term drag of overlay while providing outsized convexity benefits

A Tactical Tool

- Easily swap with any core US equity holding for instant tactical expression
- Convex option design allows for outsized exposure to your view without significantly changing your equity exposure

Asset Class Flexibility

- Upside convexity may help boost performance in strong up markets without overextending in equities

DEFINITIONS:

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.

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.

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.

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.

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".

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. 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.

Simplify ETFs are distributed by Foreside Financial Services, LLC.
© 2021 Simplify ETFs. All rights reserved.

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.

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

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) 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.

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.

SEC Unsubsidized 30-Day Yield: The SEC 30-Day yield not adjusted for any fee waivers and/or expense reimbursements in effect. This is also referred to as the "unsubsidized standardized yield", "unsubsidized 30-Day Yield" and "unsubsidized Current Yield"