FIG | Simplify Macro Strategy ETF

Overview

The Simplify Macro Strategy ETF (FIG) is a modern take on the balanced portfolio, built to help navigate today's toughest asset allocation challenges.

With strong potential headwinds to bonds, stretched equity valuations, continued inflationary pressures, and increasingly fragile market structure, the classic balanced portfolio may have challenging years ahead.

FIG addresses these concerns by creating a robust portfolio comprised of equities with positive convexity, managed futures that are diversifying and inflation sensitive, and a suite of income sources with low sensitivity to duration.

The fund will also opportunistically invest in equity, credit, interest rate, and FX derivatives (listed and OTC) to capitalize on attractive idiosyncratic market dislocations.

Key Points

- **Modern take on the balanced portfolio that seeks to help overcome today's toughest asset allocation challenges**
- **Convex equity exposure aims to mitigate downside while boosting upside**
- **Managed futures seek to drive portfolio diversification in lieu of bonds and boost inflation sensitivity**
- **Credit and volatility risk premia aim to generate income with minimal duration**

Strategy Details

- A combination of equity futures, put options, and call options creates a core equity exposure that is both hedged and exposed to significant upside, i.e. positively convex.
- Managed futures exposure across commodities and rates adds absolute return, inflation sensitivity, and equity diversification to the portfolio.
- Substantial income with minimal duration is pursued through hedged exposures to credit and volatility risk premia.
- Limited opportunistic macro trading is reserved for the most attractive of idiosyncratic macro dislocations.

Portfolio Applications

- **Total Portfolio Solution:** Since the fund has a diversified set of risk drivers (equity, credit, duration, volatility, etc.), and a volatility profile in line with typical balanced portfolios, the fund can be used as a total portfolio solution.

Details | **Ticker:** FIG **Inception Date:** 5/16/2022

SEC 30-Day Yield	Gross Expense Ratio	Exchange	CUSIP	Net Assets
- %	0.75%	NYSE	82889N715	$1,250,000.00

Current Holdings

Position	Allocation
Cash	100.00%

Holdings are subject to change without notice.

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.

Duration: A measure of the sensitivity of an asset price to movements in yields.

Idiosyncratic Risk: The risk inherent in an asset or asset group, due to specific qualities of that asset.

Macro Risk: A type of financial risk associated with political or macroeconomic factors.

Managed Futures: A systematic, rule-based investment strategy that can generally go long or short futures contracts across equities, fixed income, commodities, and foreign exchange markets

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.

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.

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.

Over-The-Counter (OTC): Refers to the process where securities are traded directly between counterparties rather than on a centralized exchange. OTC trades manage counterparty risk via the direct exchange of collateral.

Risk Premium: The return in excess of the risk-free rate that an investment is expected to 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 and futures contracts involves risks different from, or possibly greater than, the risks associated with investing directly in securities. 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 or futures contract 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 Fund invests in ETFs (Exchange-Traded Funds) and entails higher expenses than if invested into the underlying ETF directly. The Fund will invest in fixed income ETFs that invest in debt securities of any credit quality or maturity. Fixed income ETFs may invest in securities with credit quality below investment grade (commonly referred to as "junk bonds") which can be volatile, hard to price and have less liquidity.

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.