

# VCAR | Simplify Volt Robocar Disruption and Tech ETF

## Overview

The Simplify Volt Robocar Disruption and Tech ETF (VCAR) seeks to provide capital appreciation. The fund is not just another thematic investment product. VCAR is designed to concentrate in the handful of disruptive companies we believe are poised to dominate autonomous driving and then enhance the concentrated exposures with options.

With our partner Volt Equity our investment process begins with a first principles approach to identify those few companies poised to lead the disruption. We then deploy a sophisticated option overlay to create convexity in the portfolio that we believe could enhance the upside while improving drawdowns.

## Key Points

- **TSLA is our winner-take-all anchor name in the robocar race due to its dominance across all relevant factors necessary to unlock autonomous driving**
- **TSLA is our top holding with a 17% target allocation split between an 11% equity position and a 6% call option position**
- **We believe current valuations of TSLA do not fully account for the company's ability to dominate autonomous driving**

## Strategy Design

### Concentrate in Disruptors

- In our view, there are often just a few winners that end up dominating a new industry
- Our first principles approach seeks to identify those companies poised to be the theme's leaders



### Enhance the Upside

- An advanced call option overlay seeks to enhance the upside potential from our identified leaders
- The overlay is designed for various types of S-curve dislocations



### Protect the Downside

- An intelligent put option overlay is deployed to potentially hedge portfolios from a broad tech selloff
- Idiosyncratic risk in anchor names is also capped via concentration limits

**Details | Ticker:** VCAR

**Inception Date:** 12/28/2020

SEC 30-Day Yield	SEC 30-Day Yield Unsubsidized	Gross Expense Ratio	Exchange	CUSIP	Net Assets
0.09%	0.09%	0.95%	NYSE	82889N889	\$3,449,269.00

## Top Ten Holdings\*

Position	Allocation	Notional (Delta =1)
MSFT	10.29%	—
TSLA	10.01%	—
NVDA	9.57%	—
AMD	9.15%	—
TSLA 04/28/23 C245	5.34%	348.85%
LMND	4.79%	—
SQ	4.54%	—
AAPL	4.38%	—
GOOG	4.00%	—
AMZN	3.49%	—
Cash	1.13%	—

\*Holdings are subject to change without notice.

## Performance as of 03/31/23

VCAR	Cumulative Total Return				Annualized Total Return	
	3 mo	6 mo	YTD	Since Inception	1 Year	Since Inception
NAV	35.44%	-7.08%	35.44%	-34.85%	-43.18%	-17.31%
Market Price	34.17%	-8.44%	34.17%	-35.28%	-43.86%	-17.57%
S&P 500 Index	7.48%	15.60%	7.48%	13.89%	-7.75%	5.94%

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 CONTINUED:

**Moneyness:** Represents how far the option strike is from current market price. In-the-money and out-of-the-money describe options whose market price is beyond the strike and not beyond the strike, respectively.

**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.

**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.

**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.

**S-Curve:** A graphical representation of new product adoption, whereby product adoption is slow to begin, then ramps very rapidly, and then slows again after market saturation, creating an "S" shape. The valuation of a company best positioned to profit from the rapid adoption of a new product or theme often mirrors this shape.

## 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](https://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 and 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 Fund is non-diversified meaning it may focus more of its assets in a limited number of investments especially in the robocar disruption and technology sector and may be more likely to be adversely affected by any negative events affecting a particular security or sector than a more diversified fund.

Companies that are developing robocar and autonomous driving technologies that seek to disrupt or displace established technology institutions generally face fierce competition. Robocar companies may not be able to currently derive any revenue or capitalize on their disruptive technologies if they face political and/or legal attacks from competitors, industry groups or governments. Laws generally vary by country, creating challenges to achieving scale. Additionally, artificial intelligence, electric energy and autonomous driving companies may be adversely impacted by potential rapid product obsolescence, cybersecurity attacks, increased regulatory oversight and disruptions in the technology they depend on.

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 addition, they may have limited markets, product lines or financial resources and lack management experience. The Fund's investments in foreign securities can be volatile or less liquid and may lose value due to currency fluctuation, political, economic and geographic events affecting a foreign issuer or market. Options are a derivative instrument which involves risks different from or possibly greater than investing directly in other 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. 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. While the option overlay is intended to improve the Fund's performance, there is no guarantee that it will do so.

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