

## AGGH | Simplify Aggregate Bond ETF

## Overview

**The Simplify Aggregate Bond ETF (AGGH)** seeks to maximize total return.

The fund is actively managed to create a core bond exposure with enhanced yield via structural income opportunities such as more efficient option writing and curve positioning.

AGGH can be used by investors who not only seek higher yields than investment grade bonds normally provide, but a higher total return as well.

## Key Points

- Fixed income exposure from Treasuries, Treasury futures, and low-cost<sup>1</sup> index ETFs
- On average, the bond portfolio has similar risk to the Bloomberg U.S. Aggregate Bond Index; however, at times, due to market moves, the option strategy can result in the overall portfolio duration varying from the index
- Incremental distribution yield from a risk-managed options selling strategy
- Monthly Distributions and no Schedule K-1

<sup>1</sup>Normal Brokerage Fees Apply

## Strategy Design

## Core Bond Exposure

- Similar duration and credit quality as the Bloomberg U.S. Aggregate Bond index.
- Overweights bonds with the highest risk-adjusted yield.
- Treasury futures are used to set the target duration.



## Option Income Strategy

- Sell put and/or call spreads on fixed income instruments.
- Designed to provide additional income.
- Options can also be used to buy/sell fixed income securities when they hit target prices.

## Portfolio Applications

- **Core Bond Holding:** With investment grade bonds as the core exposure, the fund can be used as a primary bond holding. And with IG typically being anti-correlated to equities during market selloffs, this position can act as a core ballast to equity-centric portfolios.
- **Option Income Strategy:** Risk-managed options selling strategy provides additional income and total return potential.

**Details** | **Ticker:** AGGH | **Inception Date:** 02/14/2022

As of 12/31/24

SEC 30-Day Yield	SEC 30-Day Yield Unsubsidized	Gross Expense Ratio	Net Expense Ratio*	Exchange	CUSIP	Net Assets
3.96%	3.71%	0.54%	0.29%	NYSE	82889N723	\$260,135,814

\*The Fund's adviser has contractually agreed, through at least October 31, 2025, to waive its management fees to 0.25% of the Fund's average daily net assets.

## Top Ten Holdings as of 12/31/24

Position	Allocation	Notional Exposure (Delta=1)
AGG	86.41%	—
TYH5 COM	43.35%	—
Interest Rate Swap 12/15/2027-10Y - Receive 3.293	23.46%	—
Interest Rate Swap 11/15/2027-10Y - Receive 3.832	20.45%	—
Interest Rate Swap 12/15/2027-30Y - Receive SOFR	11.11%	—
MINT	9.71%	—
Interest Rate Swap 11/15/2027-30Y - Receive SOFR	9.61%	—
Interest Rate Swap 08/05/2025-30Y - Receive SOFR	7.69%	—
T Bills	3.27%	—
T Bills	0.46%	—
Cash	-0.09%	—

\*\*Holdings are subject to change without notice.

## Performance as of 12/31/24

Cumulative Total Return					Annualized Total Return	
AGGH	3 mo	6 mo	YTD	Since Inception	1 Year	Since Inception
NAV	-3.40%	2.67%	1.61%	0.58%	1.61%	0.20%
Market Price	-3.31%	3.07%	1.98%	1.26%	1.98%	0.44%
Bloomberg U.S. Aggregate Index	-3.06%	1.98%	1.25%	-3.22%	1.25%	-1.13%

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:

**Bloomberg US Aggregate Bond Index:** A broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS, and CMBS (agency and non-agency).

**CDX:** A benchmark index that tracks a basket of U.S. and emerging market single-issuer credit default swaps.

**Duration:** A measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

**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.

**Investment Grade:** Refers to the quality of a company's credit and must be rated at 'BBB' or higher by Standard and Poor's or Moody's. Credit quality does not refer to the fund itself.

## DEFINITIONS CONTINUED:

**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 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.

**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.

**Quality-Junk:** A long/short equity factor created by being long quality equity names while being short junk equity names. Quality equities generally have high margins, profit stability, and strong balance sheets. Junk names are generally those stocks with high sensitivity to an increase in debt refinancing costs.

**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.

**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.

*<sup>2</sup>ETFs are subject to capital gains tax and taxation of dividend income. However, ETFs are structured in such a manner that taxes are generally minimized for the holder of the ETF. An ETF manager accommodates investment inflows and outflows by creating or redeeming "creation units," which are baskets of assets. As a result, the investor usually is not exposed to capital gains on any individual security in the underlying portfolio. However, capital gains tax may be incurred by the investor after the ETF is sold.*

## 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 or Summary 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 is subject to the risk that the strategy may not produce the intended results.

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 Fund's investment in fixed income securities is subject to credit risk (the debtor may default) and prepayment risk (an obligation paid early) which could cause its share price and total return to be reduced. Typically, as interest rates rise the value of bond prices will decline and the fund could lose value.

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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