

# HARD | Simplify Commodities Strategy No K-1 ETF

## Overview

Commodities are a terrific way to hedge portfolios against strong inflation, but long-only commodity investments are challenging to hold over strategic horizons given their prevalence for extended periods of underperformance.

**The Simplify Commodities Strategy No K-1 ETF (HARD)** seeks long-term capital appreciation by systematically investing in commodity futures in an attempt to create commodity exposure that performs strongly during inflationary periods while still performing well in more typical market environments.

To this end, HARD deploys a suite of systematic long/short (l/s) models that have been designed by Altis Partners, a commodity trading advisor with over 20 years of experience.

## Key Points

- **Systematic l/s commodity strategy designed to perform strongly during inflationary periods while still performing well in more typical market environments**
- **Systematic models designed by Altis Partners, a commodity trading advisor with 20+ years of experience**
- **No Schedule K-1**

## Strategy Details

- Systematic l/s managed futures strategy investing in US commodities, designed to create commodity exposure that performs strongly during inflationary periods while still performing well in more typical market environments
- The fund is biased long to help facilitate its role as a long-only commodity replacement, while still providing the enhancements of a systematic l/s exposure
- Two diversifying underlying models of 'price trend' and 'fundamental reversion' balance each other; managed by Altis Partners, a commodity trading advisor with over 20 years of experience
- L/S forecasting models naturally optimize curve position for contango/backwardation

## Portfolio Applications

- **Core Commodity Holding:** Given the long bias of the strategy, alongside the l/s systematic positioning, the fund can be viewed as an enhanced way of gaining core commodity exposure.
- **Inflation Hedge:** We believe commodities are a great way to hedge inflation, and with the long-bias of the fund, along with its ability to increase exposure during upward trends, the fund is positioned to be a powerful inflation hedge.

**Details** | Ticker: HARD | Inception Date: 03/27/2023

As of 12/31/24

SEC 30-Day Yield	Gross Expense Ratio	Exchange	CUSIP	Net Assets
2.24%	0.75%	NYSE	82889N566	\$7,341,763

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

Position	Allocation	Notional (Delta =1)
WI TSY BILL DN 1/25	54.33%	—
TREASURY BILL DN 1/25	45.57%	—
LCJ5 COM	31.76%	—
LCG5 COM	28.19%	—
FCH5 COM	17.91%	—
TREASURY BILL DN 3/25	16.22%	—
LCM5 COM	14.47%	—
TREASURY BILL DN 1/25	12.92%	—
TREASURY BILL DN 4/25	9.44%	—
C H5 COM	8.74%	—
Cash	-55.94%	—

\*Holdings are subject to change without notice.

## Performance as of 12/31/24

Cumulative Total Return					Annualized Total Return	
HARD	3 mo	6 mo	YTD	Since Inception	1 Year	Since Inception
NAV	7.49%	13.24%	18.97%	12.98%	18.97%	7.16%
Market Price	8.86%	14.89%	20.48%	14.41%	20.48%	7.94%
Bloomberg Commodity Total Return Index	-0.45%	0.23%	5.38%	4.33%	5.38%	2.43%

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. Performance data for the most recent month-end is available above. For most recent data please call (855) 772-8488 or go to <https://www.simplify.us/etfs>.

## DEFINITIONS:

**Backwardation:** The pattern of higher futures prices for shorter expiration futures contracts.

**Bloomberg Commodity Total Return Index:** Composed of futures contracts and reflects the returns on a fully collateralized investment in the Bloomberg Commodity Index (BCOM.) BCOM is made up of 23 exchange-traded futures on physical commodities, representing 21 commodities which are weighted to account for economic significance and market liquidity. This combines the returns of the BCOM with the returns on cash collateral invested in 13 week (3 Month) U.S. Treasury Bills.

**Contango:** The pattern of higher futures contract prices for longer expiration contracts.

**Long/Short 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.

## 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 and subject to the risk that the strategy may not produce the intended results. The fund will also rely on the Futures Adviser's judgments about the value and potential appreciation of particular securities which if assessed incorrectly could negatively affect the Fund.

The Fund's use of futures may involve different or greater risks than investing directly in securities and the contract may not correlate perfectly with the underlying asset. These risks include leverage risk which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund. This risk could cause the Fund to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the adviser's expectation and may not produce the desired investment results. The Fund's exposure to futures contracts is subject to risks related to rolling. Extended periods of contango or backwardation can cause significant losses for the Fund. Any short sales of the futures contracts by the fund theoretically involves unlimited loss potential since the market price of securities sold short may continuously increase.

Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

Investments linked to commodity or currency futures contracts including exposure to non-U.S. currencies can be highly volatile affected by market movements, changes in interest rates or factors affecting a particular industry or commodity. Changes in currency exchange rates can be unpredictable or change quickly which will affect the value of the Fund.

**Repurchase Agreement Risk.** The Fund's investment in repurchase agreements may be subject to market and credit risk with respect to the collateral securing the repurchase agreements.

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**Price Trend:** Core strategy that forecasts market direction and invests accordingly (both long and short), relying on persistence of price movement to generate returns.

**Rolling** occurs when the Fund closes out of a Futures Contract as it nears its expiration and replaces it with a contract that has a later expiration.

**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.