

PCR | Simplify VettaFi Private Credit Strategy ETF

OVERVIEW

The **Simplify VettaFi Private Credit Strategy ETF (PCR)** seeks income and capital appreciation by investing in a private credit strategy plus a credit hedge derivatives strategy.

The private credit strategy focuses on business development companies (BDCs) and publicly-traded closed-end funds (CEFs) that primarily invest in the private credit sector.

Credit hedging is primarily through a proprietary long/short hedge based on total return swaps of "quality" and "junk" equities.

KEY POINTS

- The fund provides access to private credit exposure, a powerful diversifier to the traditional 60/40 portfolio.
- PCR's private credit exposure comes without the high fees, complex tax reporting and limited liquidity of non-traded vehicles.
- Uses proprietary long/short baskets to hedge credit risk.
- No K-1 tax form.

STRATEGY DESIGN

- The private credit strategy seeks to approximate the performance of the VettaFi Private Credit Index.
- The index begins by selecting BDCs and CEFs primarily engaged in private credit with minimum market capitalization and liquidity requirements.
- Index positions are selected based on percentile scores for volatility (lower is better) and yield (higher is better).
- Positions will be held in swap form as a substitute for the individual securities to drive economic efficiency.
- The primary credit hedge is a quality-junk factor-based hedge which goes long stocks with high quality metrics (i.e., little to no need for financing) and short stocks with low quality metrics (i.e., need to refinance debt to remain viable). This hedge has a positive correlation with credit spreads with an historically positive carry.

PORTFOLIO APPLICATION

- **Access to Private Credit with Daily Liquidity:** PCR allows investors to gain diversified exposure to private credit, but without the high fees, complex tax reporting and limited liquidity of non-traded vehicles.
- **Attractive Income with Credit Hedges:** BDCs and private credit CEFs offer higher income than high yield bond funds. The quality-junk hedge mitigates downside risk associated with credit events and periods of spread widening.

Details | Ticker: PCR | Inception Date: 09/22/25

As of 06/30/26

SEC 30-Day Yield	Expense Ratio	Exchange	CUSIP	Net Assets
2.87%	0.76%	NYSE	82889N251	\$2,421,231

CURRENT HOLDINGS AS OF 06/30/26*

Position	Allocation	Notional Exposure (Delta=1)
TRS VPCIX SOFR +50 091526	100.94%	—
T Bills	53.42%	—
TRS UBSMQTHT SOFR +25 111326	31.00%	—
TRS UBSMPDLT SOFR -05 111326	25.76%	—
TUA	20.03%	—
T Bills	16.46%	—
T Bills	9.40%	—
TRS UBSMPDLT SOFR -05 111326	-26.71%	—
TRS UBSMQTHT SOFR +25 111326	-30.62%	—
TRS VPCIX SOFR +50 091526	-101.39%	—
Cash	1.71%	—

*Holdings are subject to change without notice.

PERFORMANCE

Performance as of 06/30/26 | Inception Date: 09/22/25

	CUMULATIVE TOTAL RETURN (%)							ANNUALIZED TOTAL RETURN (%)			
	3 mo	6 mo	1 Yr	3 Yrs	5 Yrs	YTD	Since Incept.	1 Yr	3 Yrs	5 Yrs	Since Incept.
NAV	1.84	-10.24	—	—	—	-10.24	-15.96	—	—	—	—
Market Price	1.87	-10.19	—	—	—	-10.19	-15.36	—	—	—	—
VettaFi Private Credit Total Return Index	3.45	-7.44	—	—	—	-7.44	-9.20	—	—	—	—

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 would have been lower without fee waivers and/or reimbursements in effect. For performance data current to the most recent month-end please call (855) 772-8488 or go to <https://www.simplify.us/etfs>.

DEFINITIONS:

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

Cost-to-Payout Ratio: A financial metric showing the proportion of earnings a company pays its shareholders in the form of dividends, expressed as a percentage of the company's total earnings. On some occasions, the payout ratio refers to the dividends paid out as a percentage of a company's cash flow. The payout ratio is also known as the dividend payout ratio.

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.

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.

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. 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 invests in ETFs (Exchange-Traded Funds) and entails higher expenses than if invested into the underlying ETF directly. The lower the credit quality, the more volatile performance will be. When junk bonds sell off, the lowest-rated bonds are typically hit hardest known as blow up risk. Likewise, the riskiest bonds typically rise fastest in a bull market however these investments that don't have a credit rating are typically the most volatile, hard to price and the least liquid.

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.

Swaps Risk. The Fund's use of swaps involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

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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.

VettaFi Private Credit Total Return Index: Is a rules-based index designed to measure the performance of a private credit investment universe comprised primarily of publicly-traded Business Development Companies (BDCs) and closed-end funds (CEFs) that principally invest in private credit assets. The index reflects both price changes and the reinvestment of distributions, providing a comprehensive total return measure. The index is provided for informational and benchmarking purposes only and does not represent the performance of any investable product.