SIMPLIFY ETFs

3Q26

CDX | Simplify High Yield ETF

OVERVIEW

The **Simplify High Yield ETF (CDX)** seeks to maximize current income by investing primarily in high-yield bonds while mitigating credit risk. CDX is designed to provide core high yield exposure, with its attractive income, while simultaneously deploying a host of compelling and flexible credit hedge techniques.

The primary hedge in CDX is a Quality-Junk factor-based hedge, although CDX will opportunistically invest in CDX calls and equity puts based on cost-to-payout ratios.

KEY POINTS

- **First ETF providing high yield exposure with a credit hedge overlay**
- **High yield beta is achieved via total return swaps, providing additional return in excess of the market from the funding cost.**
- **The primary hedge is the Quality-Junk factor-based hedge while additional hedges can be implemented based on cost-to-payout ratio**
- **Monthly Distributions and no Schedule K-1**

STRATEGY DESIGN

Core High Yield Exposure

- Total Return Swaps provide efficient, liquid high yield exposure
- Incremental return potential via favorable funding rates on the swaps

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Credit Hedge Overlay

- Designed to help protect the core high yield exposure when credit spreads widen
- Evaluating cost-to-payout ratio is instrumental as hedges can be expensive and non-performing in certain markets

PORTFOLIO APPLICATIONS FOR CDX

- **Income Generation:** With high yield as the core exposure, the fund is primarily a tool to help generate income in a portfolio. Typically, high yield has low correlations with investment grade debt and Treasuries, providing diversified income in a broader bond portfolio.
- **Hedged Credit Exposure:** High yield investing comes with credit risk. The fund's credit overlay is designed to help protect capital during both gradual credit widenings and more significant credit shocks.

Details | **Ticker:** CDX | **Inception Date:** 02/14/22

As of 09/30/26

Duration	SEC 30-Day Yield	SEC 30-Day Yield Unsubsidized	Gross Expense Ratio	Net Expense Ratio*	Exchange	CUSIP	Net Assets
3.56	3.31%	3.07%	0.50%	0.25%	NYSE	82889N830	$323,120,639

*The Fund's adviser has contractually agreed, through at least October 31, 2026, to waive its management fees to 0.25% of the Fund's average daily net assets.

TOP 10 HOLDINGS AS OF 09/30/26*

Position	Allocation	Notional Exposure (Delta=1)
SBIL	76.00%	—
TRS HYG SOFR -30 051427	35.90%	—
TRS HYG SOFR -35 111626	32.56%	—
TRS HYG SOFR -30 101526	31.42%	—
TRS UBSMQLTP SOFR +30 092327	24.94%	—
TRS UBSMPODL SOFR -05 092327	24.34%	—
T Bills	7.73%	—
T Bills	7.05%	—
T Bills	6.01%	—
T Bills	4.24%	—
Cash	0.06%	—

*Holdings are subject to change without notice.

PERFORMANCE

Performance as of 09/30/26 | **Inception Date:** 02/14/22

	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	-2.21	-2.13	-4.34	20.98	—	-3.91	17.46	-4.34	6.55	—	3.54
Market Price	-2.67	-1.90	-4.85	21.19	—	-4.05	17.31	-4.85	6.62	—	3.51
ICE BofA US High Yield Index	-1.81	0.60	1.39	25.75	—	0.04	23.89	1.39	7.94	—	4.74

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.

ICE BofA U.S. High Yield Index: Tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

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.

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.

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 Simplify.us/etfs. 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.

Swap Risk. Swaps are subject to tracking risk because they may not be perfect substitutes for the instruments they are intended to hedge or replace. Over the counter swaps are subject to counterparty default.

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