

# Yield. Simplicity. SBAR.

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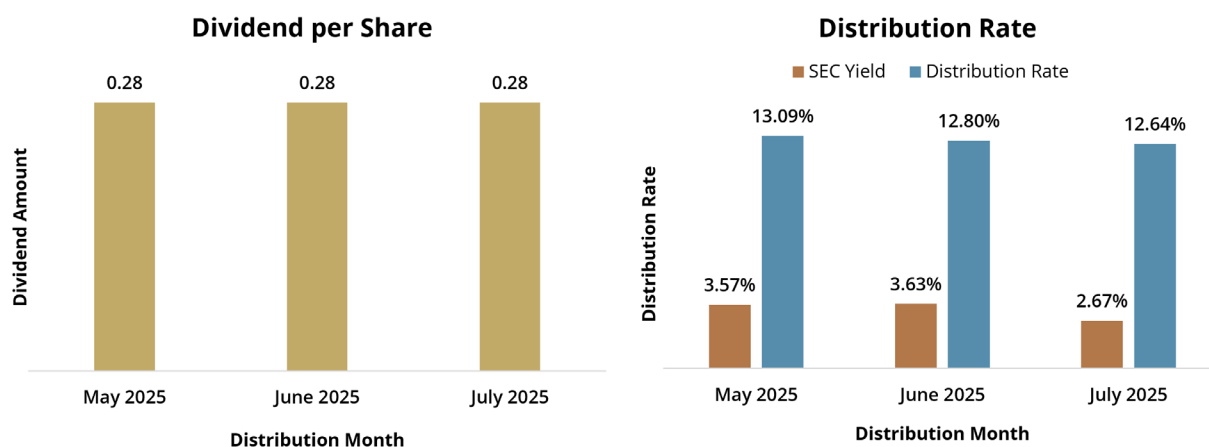
## INTRODUCTION

Only launched recently, we believe the [Simplify Barrier Income ETF \(SBAR\)](#) is already exceeding expectations by delivering the high income and operational simplicity that today's investors demand. By transforming the investment industry's popular trillion-dollar structured note concept into an ETF wrapper, SBAR offers a more liquid and cost-effective approach to enhanced equity income. This breakthrough structure eliminates many of the complexities and inefficiencies of traditional structured notes, providing daily liquidity, greater transparency, and streamlined portfolio integration. In this blog post, we'll explore SBAR's compelling monthly distribution rates, total returns, and powerful operational advantages it offers both seasoned structured note users and investors discovering these strategies for the first time.

## HIGH AND CONSISTENT INCOME

SBAR offers a differentiated source of equity income designed to deliver consistent monthly distributions, providing investors with reliable cash flow to support a range of income objectives. The strategy's income is primarily driven by premiums from barrier option positions. Figure 1 illustrates the three distributions paid since inception, along with their corresponding distribution rates. It is worth noting that the distribution rate has modestly declined over time, due to the relaxation of vols from extreme highs.

Figure 1: SBAR's Dividend and Distribution Rate



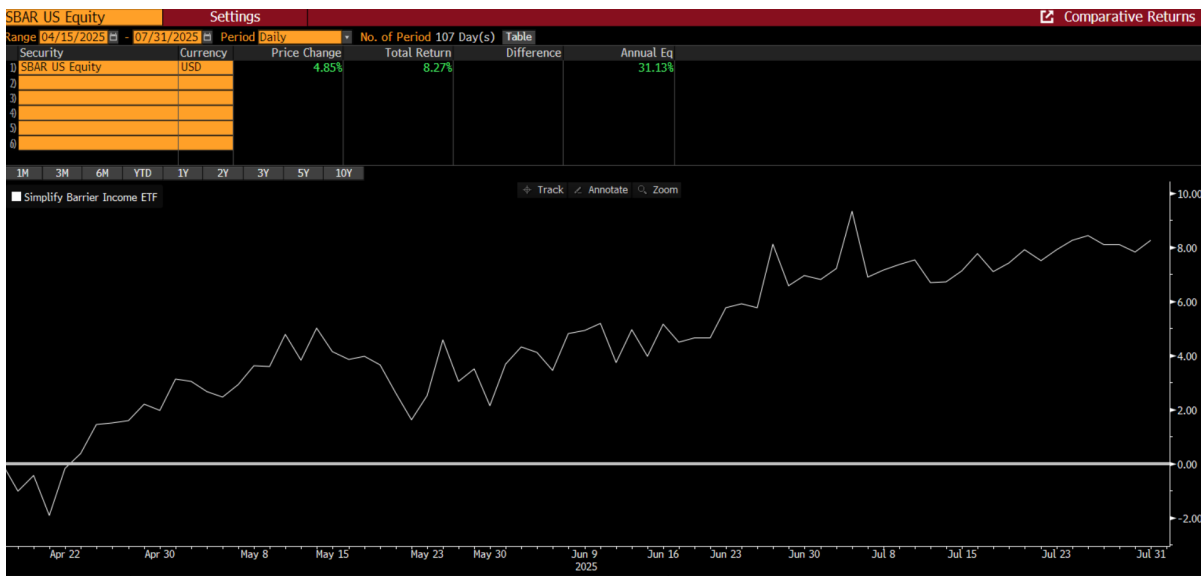
Source: Bloomberg. The performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment returns and the principal value of an investment will fluctuate so that an investor's shares, when 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 [simplify.us/etfs](https://simplify.us/etfs). For standardized performance, [click here](#). The Distribution Rate is the annual rate an investor would receive if the most recently declared distribution, which includes option income, remained the same going forward. The Distribution Rate is calculated by multiplying an ETF's Distribution per Share by twelve (12), and dividing the resulting amount by the ETF's most recent NAV. The Distribution Rate represents a single distribution from the ETF and does not represent its total return. Distribution includes an estimated 80% Return of Capital ("ROC"). The ROC percentage indicates the percentage of the distribution that reflects an investor's initial investment. For current prospectus, [click here](#).

TOTAL RETURNS

Since its inception on April 14, 2025, through July 31, 2025, SBAR has delivered a strong total return of 7.95%, driven largely by rising equity markets and frequent auto-calls. Nearly all initial positions have been called early, accelerating income realization for investors.

SBAR’s net asset value (NAV) stability is further supported by its strategy of selling put options with a 30% barrier below current index levels. As equity markets advance, these strike prices move further out of the money, increasing the likelihood of positions being auto-called and allowing option premium to be “stacked” for future income. This structural design not only helps to enhance yield potential but also improves income predictability, thus making SBAR a compelling solution for investors seeking stable, equity-linked monthly distributions.

Figure 2: SBAR Total Return Since Inception



Source: Bloomberg. 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 the 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 [simplify.us/etfs](https://simplify.us/etfs). For standardized performance, [click here](#).

BENEFIT FROM OPERATIONAL EFFICIENCY

Whether you’re well-versed in structured notes or exploring them for the first time, Simplify’s Barrier ETFs provide a more operationally efficient alternative to traditional structured notes by eliminating key constraints that may often burden investors. With continuous liquidity and no lock-up periods, investors can enter and exit positions with ease, unlike traditional notes that may have rigid holding requirements. Professional rolling ensures seamless portfolio management, removing the complexity of manually reinvesting in new structures. Additionally, Simplify Barrier ETFs eliminate bank credit risk, offering exposure without reliance on issuer solvency. The fully transparent structure, lower fees, and avoidance of K-1 tax forms further enhance investor convenience. We believe this makes these ETFs a cost-effective and streamlined solution for accessing structured product benefits. Figure 3 highlights the operational burden removed by Simplify’s structured product offerings:

**Figure 3: Operational Efficiencies Gained by Simplify's Approach**

**Compared to Traditional Barrier Products Offered by Banks as Structured Notes**

|                                                                 |   |
|-----------------------------------------------------------------|---|
| Continuous liquidity (no lock-ups)                              | ✓ |
| Operational efficiency: Simplify takes care of the roll process | ✓ |
| 1940 Act Investment Company with no underlying bank credit risk | ✓ |
| Fully transparent                                               | ✓ |
| Lower fees                                                      | ✓ |

*For Illustrative Purposes Only*

*Source: Envestnet, "Structured Notes: Pros, Cons, and Risks", 2023. Structured notes may have more customized outcome profiles or exposure to specific market segments not available through SBAR. Structured notes issued by banks typically issue 1099 forms.*

**IN CONCLUSION: A SMART APPROACH TO STRUCTURED INCOME**

We believe SBAR represents the future of structured income investing by offering all the benefits of traditional structured notes while reducing the drawbacks that have historically limited their appeal. With high income level potential, robust NAV performance, and innovative operational simplicity, SBAR gives investors a compelling tool to help enhance equity income in a more efficient and accessible format. Whether you are a seasoned structured note investor or new to the space, SBAR seeks to deliver a sophisticated strategy in an investor-friendly ETF wrapper. This is not just an innovation, it's the natural evolution of income investing.

## GLOSSARY

**Autocall:** A type of structured product feature that automatically redeems (or “calls”) the investment before maturity if certain market conditions are met, such as the underlying index or asset trading above a specified level on an observation date.

**Barrier Option:** A type of customized over-the-counter option in which the underlying reference assets, tenor and barrier level are negotiated with a counterparty. They set a threshold (“barrier”) below which the underlying notional value is fully exposed to the downside upon expiration.

**Distribution Rate:** The measurement of cash flow paid by an exchange-traded fund (ETF), real estate investment trust, or another type of income-paying vehicle. Rather than calculating the yield based on an aggregate of distributions, the most recent distribution is annualized and divided by the net asset value (NAV) of the security at the time of the payment.

**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. **Market Price:** The current price at which shares are bought and sold. Market returns are based upon the last trade price.

**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.

**Out of the Money:** An option has no intrinsic value, only extrinsic or time value.

**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.

**Structured Note:** A debt obligation that also contains an embedded derivative component that adjusts the security’s risk-return profile.

## Important Information

Investors should carefully consider the investment objectives, risks, charges and expenses of Exchange Traded Funds (ETFs) before investing. Must be preceded or accompanied by a [prospectus](#).

**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 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 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.

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.

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