

# CTA | Simplify Managed Futures Strategy ETF

## Overview

The **Simplify Managed Futures Strategy ETF (CTA)** seeks long term capital appreciation by systematically investing in futures in an attempt to create an absolute return profile, that also has a low correlation to equities, and can provide support in risk-off events.

To this end, CTA deploys a suite of systematic models that have been designed by Altis Partners, a commodity trading advisor with over 20 years of experience.

## Key Points

- Systematic long/short managed futures strategy designed for absolute return and portfolio diversification
- Four underlying systematic models designed by Altis Partners, a commodity trading advisor with 20+ years of experience
- Fund invests in North American commodity and rates, providing low correlation to equities
- No Schedule K-1

## Strategy Details

- Systematic long/short managed futures strategy investing across US and Canadian commodities and rates; equity futures are excluded to ensure low correlations with equity-dominated portfolios
- Diversified suite of models designed to generate absolute returns, low correlations to equities, and help manage downside risk during risk-off events
- Four underlying models including 'price trend', 'mean reversion', 'carry', and 'risk-off'; managed by Altis Partners, a commodity trading advisor with over 20 years of experience

## Portfolio Applications

- **Absolute Return:** Given the diversified nature of the holdings and underlying strategies, this fund aims to consistently generate positive returns over time, regardless of the specific market environment at the time.
- **Portfolio Diversification:** With the fund's design focus on low correlation with equities and downside risk management during risk-off events, the fund may serve as a powerful diversifier within equity-centric portfolios.

**Details** | Ticker: CTA | Inception Date: 03/07/2022

As of 12/31/24

SEC 30-Day Yield	Gross Expense Ratio	Exchange	CUSIP	Net Assets
2.64%	0.76%	NYSE	82889N699	\$445,594,907

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

Position	Allocation	Notional Exposure (Delta=1)
TREASURY BILL DN 4/25	29.74%	—
TREASURY BILL DN 1/25	21.65%	—
TREASURY BILL DN 3/25	19.14%	—
LCG5 COM	16.36%	—
TREASURY BILL DN 4/25	13.99%	—
LCJ5 COM	11.98%	—
FCH5 COM	10.24%	—
TREASURY BILL DN 2/25	5.53%	—
LCM5 COM	4.39%	—
FCJ5 COM	3.99%	—
Cash	1.71%	—

\*Holdings are subject to change without notice.

## Performance as of 12/31/24

CTA	Cumulative Total Return				Annualized Total Return	
	3 mo	6 mo	YTD	Since Inception	1 Year	Since Inception
NAV	10.11%	7.12%	24.18%	33.97%	24.18%	10.93%
Market Price	10.12%	7.58%	24.15%	32.93%	24.15%	10.64%
SG CTA Index	-0.15%	-4.59%	2.36%	6.00%	2.36%	2.09%

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.

**Carry:** A model that looks to “roll down” bond yield curves and exit positions before maturity to consistently capture the roll.

**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.

**Mean Reversion:** Designed to help prevent the trend system from becoming excessively positioned in a market that is deemed to be trading over or under its fundamental market value.

**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.

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

**Reverse Repurchase Agreements:** Contracts in which a seller of securities, usually U.S. government securities or other money market instruments, agrees to buy the securities back at a specified time and price. Reverse Repurchase agreements are primarily used as a short-term investment vehicle for cash positions.

**Risk-Off:** A model that looks to protect the portfolio from an equity drawdown by quickly buying bonds in weaker equity markets and remaining out of bond in stronger equity markets. This is distinct from a long bond trend signal given its typically shorter forecasting horizon and reliance on equity index signals rather than a bond signal.

**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.

**SG CTA Index:** Provides the market with a reliable daily performance benchmark of major commodity trading advisors (CTAs).

## 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.

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.

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