SIMPLIFY ETFs

4Q24

EQLS | Simplify Market Neutral Equity Long/Short ETF

Overview

The **Simplify Market Neutral Equity Long/Short ETF (EQLS)** seeks to provide positive absolute returns and income.

A market-neutral strategy is one that seeks to profit during both rising and falling equity markets with minimal exposure to equity beta. By potentially profiting in either market environment, EQLS can provide significant diversification benefits while maintaining an independent source of returns.

The portfolio's equity ranking system is driven by a proprietary multi-factor, machine-learning stock selection model developed by an industry-leading quantitative research firm.

Key Points

- **Modern take on the equity long/short portfolio**
- **Approximately 500% gross exposure for added capital efficiency**
- **Invests in a universe of global equities for added diversification and opportunity set**
- **Rules based, quantitative strategy**
- **Gains on swaps contribute to the income component of the Fund's investment objective**

Strategy Details

- EQLS invests in baskets of global equity securities primarily through total return swaps that provide the returns, long or short, of a basket of common stocks.
- The swaps provide the fund with equity exposure of approximately 250% long the stocks of companies exhibiting positive performance factors, and 250% short the stocks of companies exhibiting negative performance factors.
- The companies in the swap baskets are selected using a multi-factor quantitative ranking system based on machine learning. Machine learning relies on computers to analyze raw data and detect patterns that help forecast securities prices.
- The fund utilizes a dynamic de-leveraging strategy to help avoid severe drawdowns.

Portfolio Applications

- **Portfolio Diversifier:** Since a primary goal of the fund is to exhibit positive performance in up or down markets, it serves as a useful portfolio diversification tool.

Details | **Ticker:** EQLS | **Inception Date:** 06/12/2023 — As of 12/31/24

SEC 30-Day Yield	Gross Expense Ratio	Exchange	CUSIP	Net Assets
3.65%	1.00%	NYSE	82889N541	$8,951,842

Current Holdings as of 12/31/24*

Position	Allocation	Notional Exposure (Delta=1)
TRS BNPWGLL1	125.68%	—
TRS GSSIGLL1	124.86%	—
T Bills	84.00%	—
T Bills	15.57%	—
TRS GSSIGLS1	-125.04%	—
TRS BNPWGLS1	-125.85%	—
Cash	0.78%	—

*Holdings are subject to change without notice.

Performance as of 12/31/24

	Cumulative Total Return				Annualized Total Return	
EQLS	**3 mo**	**6 mo**	**YTD**	**Since Inception**	**1 Year**	**Since Inception**
NAV	-2.80%	-10.28%	-4.11%	-7.79%	-4.11%	-5.09%
Market Price	-3.00%	-10.62%	-4.84%	-8.28%	-4.84%	-5.43%
ICE BofA US 3-Month Treasury Bill Index	1.17%	2.55%	5.25%	8.39%	5.25%	5.32%

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. For performance data current to the most recent month-end please call (855) 772-8488 or go to https://www.simplify.us/etfs.

DEFINITIONS:

ICE BofA US 3-Month Treasury Bill Index: An unmanaged index that is comprised of a single U.S. Treasury issue with approximately three months to final maturity, purchased at the beginning of each month and held for one full month.

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.

Options: 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.

DEFINITIONS (cont'd):

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.

Swap: An agreement between two parties to exchange sequences of cash flows for a set period of time. Usually, at the time the contract is initiated, at least one of these series of cash flows is determined by a random or uncertain variable, such as an interest rate, foreign exchange rate, equity price, or commodity price.

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 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 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 earnings and prospects of small and medium-sized companies are more volatile than larger companies and may experience higher failure rates than larger companies. Small and medium-sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures and may have limited markets, product lines, or financial resources and lack management experience.

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.

Foreign Investment Risk. The Fund may invest in securities domiciled in countries outside the U.S. that may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies. Diversification does not assure a profit.

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