

SCY | Simplify US Small Cap PLUS Income ETF

Overview

The **Simplify US Small Cap PLUS Income ETF (SCY)** seeks capital appreciation and income. An actively managed ETF, it combines equity securities of US small-capitalization companies with an income-generating options overlay.

Exposure to equities will be obtained primarily by purchasing one or more representative exchange-traded funds (ETFs). The options overlay will focus on writing short-term spreads on a variety of underlying assets, including equity, fixed income, and commodity indices or ETFs.

Key Points

- Designed to provide exposure to U.S. Small Cap equities
- An options overlay strategy seeks to provide income and can add to the fund's total return
- The put-spread options overlay does not cap upside gains
- Daily liquidity with no K-1 tax forms

Strategy Details

- SCY targets 100% exposure to U.S. Small Cap equities by investing in one or more low-cost small cap ETFs.
- The options overlay will primarily be engaged in selling put spreads on a variety of underlying instruments, including equity, fixed income and commodity indices and/or ETFs.
- Put spreads involve selling an out-of-the-money put option on an underlying asset while simultaneously buying an even further out-of-the-money put option to manage risk.
- The goal of the options overlay is to provide potential income as well as total returns above that of simply owning the small cap ETFs.

Portfolio Application

Capital efficiency: The fund simultaneously provides 100% exposure to U.S. Small Cap equities while potentially generating significant income, allowing an investment to achieve two investment exposures with no additional capital outlay.

Quarterly income: The options overlay can provide an income stream without capping upside gains. Contrast this with other U.S. Small Cap equity + income strategies such as covered call funds, which put a cap on potential gains.

Details | Ticker: SCY | Inception Date: 12/02/2024

As of 12/31/24

SEC 30-Day Yield	Expense Ratio	Exchange	CUSIP	Net Assets
—	0.55%	NYSE	82889N 418	\$2,232,601

Current Holdings as of 12/31/24

Position	Allocation	Notional (Delta=1)
IJR	99.50%	—
MSTR US 01/10/25 P205	0.05%	14.78%
RUTW US 01/15/25 P1975	0.01%	19.99%
RUTW US 01/10/25 P1975	0.01%	29.99%
GLD US 01/15/25 P225	0.01%	27.48%
RUTW US 01/08/25 P2010	0.01%	39.98%
SPXW US 01/10/25 P5470	0.01%	26.29%
SPXW US 01/06/25 P5660	0.01%	52.57%
GLD US 01/10/25 P224	0.00%	25.28%
SPXW US 01/08/25 P5450	0.00%	26.29%
Cash	1.00%	—

*Holdings are subject to change without notice.

Performance as of 12/31/24

	Cumulative Total Return				Annualized Total Return	
	3 mo	6 mo	YTD	Since Inception	1-Year	Since Inception
NAV	—	—	—	-10.70%	—	—
Market Price	—	—	—	-10.31%	—	—
S&P Small Cap 600 Total Return Index	—	—	—	-8.26%	—	—

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:

K-1: 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.

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) 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.

Russell 2000 Index: Represents the top 2000 companies by market capitalization in the United States.

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.

S&P Small Cap 600 Total Return Index: The index lists 601 stocks with a mean market capitalization of \$1.5 billion. Market capitalization for inclusion in the S&P 600 small-cap index must fall between \$850 million and \$3.7 billion to ensure individual assets do not overlap with the larger S&P 500 or mid-cap S&P 400 indexes.

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 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.

While the option overlay is intended to improve the Fund's performance, there is no guarantee that it will do so. Utilizing an option overlay strategy involves the risk that as the buyer of a put or call option, the Fund risks losing the entire premium invested in the option if the Fund does not exercise the option. Also, securities and options traded in over-the-counter markets may trade less frequently and in limited volumes and thus exhibit more volatility and liquidity risk.

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