# FOXY | Simplify Currency Strategy ETF

## Overview

The **Simplify Currency Strategy ETF (FOXY)** seeks capital gains by taking long and short positions in foreign currencies. Returns are expected to be generated through the combination of a “carry” strategy applied to emerging market currencies combined with a mean-reversion strategy applied to G10 currencies.

The goal is to generate an independent source of returns with low correlations to stocks and bonds, thus making the fund an effective portfolio diversifier.

## Key Points

- Designed to provide exposure to both foreign exchange carry and foreign exchange mean-reversion return premia
- Can add an independent source of returns with little correlation to stocks and bonds
- Provides diversification outside of the US Dollar
- Daily liquidity with no K-1 tax forms

## Strategy Details

- The emerging market carry strategy will utilize 8 emerging market currency pairs, with each currency being paired against the US dollar. The 4 currencies with the highest interest rates will be held long while the 4 currencies with the lowest interest rates will be shorted. The differences in yield, or “carry”, combined with the changes in the currency levels become the fund’s profit.
- The G10 strategy will utilize 6 different currency pairs. The 3 currencies with the strongest yield momentum increase will be held long while the 3 currencies with the lowest yield momentum increase will be shorted. This strategy hopes to benefit from the tendency for movements in G10 currencies to mean-revert. Lower correlations between the G10 and emerging market strategies also serve to reduce risk.
- Since the forward contracts require little cash outlay, the bulk of the assets remain invested in U.S. Treasury Bills.
- The EM currency pairings will be re-ranked and traded (if necessary) on a weekly basis while the G10 currency pairings can be partially rebalanced as frequently as daily.

## Portfolio Application

**Portfolio Diversification:** The currency carry plus mean-reversion strategy seeks to provide a source of returns that is independent of movements in stock or bond markets, thereby providing an independent source of non-correlated returns, aiding in building more robust portfolios.

**Details** | **Ticker: FOXY** | **Inception Date:** 02/03/25 — As of 03/31/25

| SEC 30-Day Yield | Gross Expense Ratio | Exchange | CUSIP | Net Assets |
|---|---|---|---|---|
| 3.40% | 0.75% | NYSE | 82889N368 | $18,121,492 |

## Top Ten Holdings as of 03/31/25*

| Position | Allocation | Notional (Delta=1) |
|---|---|---|
| **GBP/USD 06/18/2025 Curncy** | 76.55% | — |
| **B 07/08/25 Govt** | 75.15% | — |
| **USD/BRL 06/18/2025 Curncy** | 52.73% | — |
| **USD/MXN 06/18/2025 Curncy** | 44.44% | — |
| **JPY/USD 06/18/2025 Curncy** | 38.60% | — |
| **AUD/USD 06/18/2025 Curncy** | 37.30% | — |
| **USD/COP 06/18/2025 Curncy** | 37.21% | — |
| **USD/INR 06/18/2025 Curncy** | 15.39% | — |
| **B 06/17/25 Govt** | 14.22% | — |
| **B 07/29/25 Govt** | 9.03% | — |
| **Cash** | 1.60% | — |

*Holdings are subject to change without notice.

## Performance as of 03/31/25

| | CUMULATIVE TOTAL RETURN | | | | ANNUALIZED TOTAL RETURN | |
|---|---|---|---|---|---|---|
| | **3 mo** | **6 mo** | **YTD** | **Since Inception** | **1 Year** | **Since Inception** |
| **NAV** | — | — | — | 8.19% | — | — |
| **Market Price** | — | — | — | 8.91% | — | — |
| **Bloomberg GSAM FX Carry Index** | — | — | — | 1.18% | — | — |

*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:**

**Carry:** The return obtained from holding an asset assuming the underlying price of the asset remains stable.

**Foreign Exchange Market (FX):** The global marketplace for the trading of one nation's currency for another.

**Futures Contract:** A futures contract is a legal agreement to buy or sell a particular commodity asset or security at a predetermined price at a specified time in the future. Futures contracts are standardized for quality and quantity to facilitate trading on a futures exchange. The buyer of a futures contract takes on the obligation to buy and receive the underlying asset when the futures contract expires. The seller of the futures contract takes on the obligation to provide and deliver the underlying asset at the expiration date.

**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.

**Forward Contract:** A forward contract in foreign exchange is a binding agreement between two parties to exchange one currency for another at a predetermined exchange rate on a future date.

**DEFINITIONS CONTINUED:**

**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.

**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.

**G10 Currencies:** Currencies including the Australian Dollar (AUD), Canadian Dollar (CAD), Euro (EUR), Japanese Yen (JPY), New Zealand Dollar (NZD), Norwegian Krone (NOK), British Pound (GBP), Swedish Krona (SEK), Swiss Franc (CHF), and the US Dollar (USD).

**Emerging Market currencies:** Currencies from counties (i) generally recognized to be an emerging market country by the international financial community, including the World Bank, (ii) classified by the United Nations as a developing country or (iii) included in the MSCI Emerging Markets Index.

## 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 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 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 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 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.

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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