

# CTA | Simplify Managed Futures Strategy ETF

## FUND OVERVIEW

The **Simplify Managed Futures Strategy ETF (CTA)** seeks long-term capital appreciation by systematically investing in commodity and financial futures (excluding equities and currencies) 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.

## PERFORMANCE REVIEW

CTA benefited from higher interest rates in 1Q due to a consistently underweight duration bias, with direct rate shorts contributing over 6% to the overall return. Short positions in metals were a headwind earlier in 1Q but shifted to longs as Gold, Silver, and Copper momentum accelerated to cyclical highs (all-time for Gold). A similar lagging signal in Crude Oil left the fund with short positions which contributed to its 1Q underperformance vs. the benchmark and several competitors. As the fund has increased its long commodity positions, its correlation with stocks has risen slightly above zero, and realized price volatility has eased slightly. The fund is now positioned to capitalize on a cyclical bull market in energy and metals, which tend to coincide with higher global yields.

**Performance as of 03/31/24** | Inception Date: 03/07/22

	CUMULATIVE TOTAL RETURN				ANNUALIZED TOTAL RETURN	
	3 Mo	6 Mo	YTD	Since Inception	1 Year	Since Inception
<b>NAV</b>	6.51%	-2.47%	6.51%	14.92%	15.34%	6.96%
<b>Market Price</b>	6.35%	-2.59%	6.35%	13.88%	15.46%	6.50%
<b>SG CTA Index</b>	9.61%	3.91%	9.61%	13.45%	11.56%	6.30%

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. In addition, 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 <https://www.simplify.us/etfs>.

## FUND DETAILS as of 03/31/24

### TOP TEN HOLDINGS\*

POSITION	ALLOCATION
TREASURY BILL DN 6/24	68.12%
TREASURY BILL DN 6/24	14.90%
GCM4 COM	6.89%
CLZ4 COM	5.08%
HGN4 COM	4.29%
HGK4 COM	4.13%
BOK4 COM	2.76%
TREASURY BILL DN 4/24	2.76%
CANADIAN DOLLAR	2.03%
TREASURY BILL DN 4/24	1.84%
Cash	4.98%

\*Holdings are subject to change without notice.

### DEFINITIONS

**Backwardation:** The pattern of higher futures prices for shorter expiration futures contracts.

**Contango:** The pattern of higher futures contract prices for longer expiration contracts.

**Duration:** A measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

**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.

**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.

**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.

### FUND DETAILS

Gross Expense Ratio	0.78%
Net Expense Ratio	—
SEC 30-Day Yield	3.16%
SEC 30-Day Yield Unsubsidized	3.16%

## **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 view or download a prospectus online. 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.

Simplify ETFs are distributed by Foreside Financial Services, LLC. Foreside and Simplify are not related.

© 2024 Simplify ETFs. All rights reserved.