

NXTV | Simplify NEXT Intangible Value Index ETF

Overview

The **Simplify NEXT Intangible Value Index ETF (NXTV)** seeks to provide investment results that track, before fees and expenses, the performance of the NEXT Intangible Value Index.

The Index will select companies with low equity valuations relative to their intangible-adjusted book values within their respective sectors.

The research behind the development of the index supports the idea that companies with low intangible-adjusted book valuations outperform traditional valuation metrics over time.

Key Points

- Traditional valuation metrics, based primarily on price-to-book value, have dramatically underperformed the overall stock market for decades
- Reliance on book value as a metric underweights many successful companies that invest in research & development, productivity and human capital
- Investment thesis is backed by a substantial body of academic research

What is Intangible Capital?

- Intangibles are productive assets that lack physical form and are not included on a corporate balance sheet, e.g. patents, software, research & development, customer lists, and firm-specific human capital.
- The index calculates intangible capital by measuring and capitalizing corporate “selling, general and administrative” expenses.

Why Intangible Capital Is Important

- Tangible capital has represented a declining portion of equity market valuations over time.
- We believe the most successful corporations have exhibited relatively “asset-light” characteristics with much higher allocations to intangible capital.

Strategy Details

- Index construction begins with a potential investment universe of the top 2,000 U.S. corporations based on market capitalization.
- A ratio of market capitalization to intangible-adjusted book value is calculated for each stock and compared to other stocks in its sector. The 200 stocks with the lowest ratios are selected, weighting stocks with the lowest ratios more heavily.
- A maximum of 5% will be invested in a single stock at time of purchase, with a 5-stock minimum per sector.
- The index is reconstituted and rebalanced quarterly.

Details | Ticker: NXTV | Inception Date: 04/15/2024

As of 04/15/24

SEC 30-Day Yield	Gross Expense Ratio	Net Expense Ratio	Exchange	CUSIP	Net Assets
n/a	0.25%	0.25%	Cboe	82889N467	\$2,500,025.00

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 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.

Concentration Risk: The Fund may focus its investments in securities of a particular industry or group of industries.

Small and Medium Capitalization Risk: 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.

Value Risk: A company may be undervalued due to market or economic conditions, temporary earnings declines, unfavorable developments affecting the company, and other factors.

Tracking Error Risk: Tracking error is the divergence of the Fund's performance from that of the Index.

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