

AGGH

Simplify Aggregate Bond ETF

Fund Description

AGGH is a fund-of-funds that seeks total return by providing exposure to US investment-grade bonds combined with several credit hedging strategies. The fund is actively managed.

FactSet Analyst Report

AGGH seeks to invest mainly in ETFs that hold US investment-grade bonds while mitigating credit risk. As the ticker suggests, the fund utilizes the iShares Core U.S. Aggregate Bond ETF (ticker: AGG) as its primary underlying exposure. The funds adviser selects ETFs providing similar exposure based on price, liquidity, trading volume, and a minimum five-year track record. ETFs considered may target bonds of different maturities, duration, and quality requirements. Up to 20% of the funds assets are tied to derivatives to execute several credit hedge strategies. Both exchange-traded and over-the-counter (OTC) options on equity indexes, ETFs, and swaps are used. Derivatives are selected based on cost, strike price, and maturity. AGGH expects to buy and sell derivatives on a monthly, quarterly and annual basis, depending on rebalancing requirements and expiration dates. Overall, the strategy is designed to help protect the core bond exposure when credit spreads widen.