

BUCK

Simplify Treasury Option Income ETF

Fund Description

BUCK seeks to provide monthly income by holding a short-term portfolio of income-producing US Treasuries and utilizing an option spread writing strategy.

FactSet Analyst Report

BUCK is actively managed to provide a stable income. It is not a money market fund and does not seek to maintain a stable NAV. The fund invests in income-producing US Treasuries, including related ETFs. The US Treasury portfolio is maintained to have an average weighted maturity of just over a year. Securities are selected to maximize portfolio yield and shorten duration. For additional income, BUCK employs an option spread writing strategy on index-based domestic equity and fixed income ETFs. A call or a put spread is utilized, depending on the outlook on a reference ETFs price. The adviser writes short-dated, out-of-the-money calls (or puts) with less than a month to maturity while also purchasing further out-of-the-money calls (or puts). Options are expected to be held to expiration but may be adjusted following a big price swing in the reference ETF. The option writing strategy is a form of leveraged investing that attempts to collect income based on the value of time erosion.