

CAS

Simplify China A Shares PLUS Income ETF

Fund Description

CAS seeks capital appreciation and income by investing in China A shares and similar instruments, with no limit on market capitalization. The actively managed ETF also employs various option writing strategies for additional income.

FactSet Analyst Report

CAS provides exposure to Chinese companies via China A Shares that are perceived to offer more opportunities than other share classes offered to foreign investors who cannot directly invest in China stocks. The fund invests through market-access programs, such as Stock Connect, subject to a daily quota. The adviser selects a core portfolio, along with stocks with favorable return and/or risk profiles. As substitutes, the fund also uses China A Shares-linked futures, options, swaps, US-based ETFs, and ADRs. The fund allocates up to 20% to a spread-writing options strategy, selling short-term put and call options on equity, fixed-income, and currency ETFs. These exchange-traded or over-the-counter options are typically held for less than a month to benefit from rapid time decay, with further out-of-the-money options purchased to hedge against major price swings. The fund holds US Treasuries, money market funds, fixed-income ETFs, and investment-grade corporate debt as collateral.