

# CCOM

## Simplify Chinese Commodities Strategy No K-1 ETF

### Fund Description

CCOM is actively managed, seeking capital appreciation by targeting futures contracts on Chinese commodities, making use of long/short models, anticipated to perform positively during inflationary periods.

### FactSet Analyst Report

CCOM employs a systematic long/short managed futures strategy to offer exposure to Chinese commodity markets that are largely inaccessible through US exchanges. Chinese commodities are denominated and traded in renminbi. The ETF does not hedge this currency risk. The exposure is gained through commodity-linked swaps to more than 30 commodity futures across energy, grains, industrial inputs, and metals traded on China's major commodity exchanges. Using valuation and momentum signals, the adviser deploys forecasting models monthly to determine price trends and long/short positions. The fund takes a long position when experiencing a positive price trend, but takes short positions during a negative trend. To avoid scheduled K-1 payments, the fund does not directly invest in commodity futures contracts. Instead, it gains exposure by investing up to 25% of its assets in a wholly-owned Cayman Islands subsidiary. Thus, shareholders receive a Form 1099. CCOM holds short-term debt as collateral.

