

EMGD

Simplify Emerging Markets Equity PLUS Downside Convexity ETF

Fund Description

EMGD is an actively managed fund-of-funds that provides exposure to all-cap stocks from emerging markets while applying a downside options overlay strategy.

FactSet Analyst Report

EMGD is actively managed and seeks capital appreciation by primarily investing in ETFs of stocks of any size from emerging markets. The fund selects investments based on factors such as price, liquidity, and track record. While it does not frequently trade equities, it aims to maintain its exposure while applying a downside convexity option overlay strategy, designed to hedge against market movements and add convexity to the fund. EMGD purchases exchange-traded and over-the-counter put options on an emerging markets index or similar index ETF of up to 20%, in which selection is based on the Fund Advisers evaluation of relative value, strike price, and maturity. It is worth noting that the funds convexity reflects a non-linear relationship between its returns and that of the market. Moreover, while this strategy is intended to protect the fund from losses, it is not absolutely guaranteed.

