

HIGH

Simplify Enhanced Income ETF

Fund Description

HIGH 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

HIGH is actively managed to provide enhanced income. The fund primarily invests in income-producing US Treasury securities, including related ETFs. The portfolio of US Treasuries is maintained to have a weighted average duration of two years or less. Securities are selected to maximize portfolio yield within the current duration target. To generate additional income, HIGH 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). The fund expects options to be held to expiration but may adjust positions following a big price swing in the reference ETF. The option writing strategy pursued is a form of leveraged investing that attempts to collect income based on the value of time erosion.