

NXTI

Simplify Next Intangible Core Index ETF

Fund Description

NXTI tracks a market cap-weighted index of 200 US companies that exhibit high intangible capital-to-book assets ratios within their respective sector. The fund seeks to outperform traditional market-cap indexes.

FactSet Analyst Report

NXTI targets US companies with relatively high intangible capital-to-book assets ratios within their respective sectors. The fund defines intangible capital as productive assets that lack physical presence and are created through investments in brand, knowledge, and organization capital. The index construction starts by calculating a ratio of intangible capital-to-book assets for each security in an initial universe consisting of the largest 2000 US companies by market-cap. The 200 stocks with the highest intangible capital-to-book assets ratio are selected for inclusion. At least five stocks are included from each of the 13 sectors determined by the index provider using a combination of SIC and NAICS codes along with data from publicly available 10-K filings. Constituents are weighted by market capitalization, with individual security weights capped at 5%. The index reconstitutes quarterly.

