

QQC

Simplify Nasdaq 100 PLUS Convexity ETF

Fund Description

QQC is an actively managed fund-of-funds that provides exposure to the Nasdaq-100. It uses a systematic options overlay strategy to boost upside returns and to hedge downside risk.

FactSet Analyst Report

The security is being delisted. The last day of trading on an exchange is April 28, 2023. QQC seeks to invest primarily in ETFs that track the Nasdaq-100 Index with an options overlay strategy. The fund modestly allocates up to 20% of its assets to options overlay, which consists of exchange-traded and over-the-counter (OTC) put and call options on the Nasdaq-100 Index or any ETF that tracks it. The fund adviser selects options based on cost, strike price, and maturity. QQC expects to buy and sell options on a monthly, quarterly and annual basis, depending on rebalancing requirements and option expiration dates. The funds returns are intended to possess convexity because the relationship between the funds returns and the market returns are designed to be non-linear. Essentially, the fund adapts this convex strategy to serve as a cushion in volatile markets it aims to magnify upside potential in bullish markets, while mitigating downside risk in bearish ones. However, note that convex strategies tend to lag during quiet markets.