

# SCY

## Simplify US Small Cap PLUS Income ETF

### Fund Description

SCY is an actively managed fund-of-funds aiming for capital appreciation and income. The fund holds US small-cap equity ETFs and near-term, index-based put or call spreads.

### FactSet Analyst Report

SCY seeks total return by combining US small-cap equity ETF exposure with an income-generating options strategy. Portfolio selection is based on liquidity and fees. The funds adviser employs a spread-writing options overlay, selling short-term put and call options on equity, fixed-income, and currency ETFs. These options are typically held for less than a month to benefit from rapid time decay, with further out-of-the-money options purchased to hedge against major price swings. To secure positions, it holds US Treasury securities, money market funds, fixed-income ETFs, and investment-grade corporate debt as collateral. The fund limits OTC counterparty exposure to 25%. Lastly, these options are exchange-traded or over-the-counter options.