

SPD

Simplify US Equity PLUS Downside Convexity ETF

Fund Description

SPD is an actively managed fund-of-funds that provides exposure to US large-cap stocks while applying a downside options overlay strategy.

FactSet Analyst Report

SPD is one of the first ETFs to launch from Simplify. The fund is actively managed and seeks capital appreciation by investing the bulk of portfolio assets in ETFs providing exposure to the S&P 500 Index combined with a modest allocation in a put option overlay. The option strategy is designed to provide downside protection without capping any upside participation, or in other words, creates downside convexity in the fund. The specific put option contracts are selected strategically based on the advisers evaluation of relative value, strike price and maturity. Investors should anticipate a non-linear relationship between the funds and market returns. Meaning, by exercising put options, the fund adviser expects the funds return to fall less than the market. It is important to note that the funds goal of protection against losses is not guaranteed.