

SPUC

Simplify US Equity PLUS Upside Convexity ETF

Fund Description

SPUC is actively managed to provide exposure to the S&P 500 stocks while applying an upside options overlay strategy.

FactSet Analyst Report

SPUC is one of the first ETFs of the issuer, Simplify, along with SPD and SPYC. The fund seeks capital appreciation by investing in US ETFs and employing an option overlay via call options on the S&P 500 Index or an S&P 500 Index ETF. The options component of the fund is selected based upon the advisers evaluation of relative value based on cost, strike price and maturity. These options are intended to create convex equity payoff on the upside, which aims to improve the funds performance as the market moves up. The upside convexity in the funds strategy refers to the non-linear relationship between the funds and markets return. Meaning, by exercising the call options, the fund adviser expects the funds return to rise more than the market. The actively-managed fund limits the options overlay to 20% of the portfolio. The funds goal of improving fund performance is not guaranteed.