

# SPYC

## Simplify US Equity PLUS Convexity ETF

### Fund Description

SPYC is an actively managed, fund-of-funds that provides exposure to the S&P 500 with a systematic options overlay strategy. The overlay strategy seeks to enhance upside potential and hedge downside risk.

### FactSet Analyst Report

SPYC is one of the first ETFs issued by Simplify. It aims to provide capital appreciation by primarily investing in ETFs that has exposure to the S&P 500 Index combined with option overlay strategy. The fund has the potential to allocate up to 20% of its assets to the option overlay strategy, which involves purchasing both exchange-traded and over-the-counter (OTC) put and call options on the S&P 500 Index, or any S&P 500 Index ETF. In essence, the option overlay straddles the index, looking to enhance returns in volatile markets. 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. The Fund may purchase or sell options more frequently in addition to its normal rebalancing requirements and option expiration dates. The convex strategy presumes if market returns go up and down in a linear fashion, the fund's returns will rise faster than the market in bullish markets while declining less in bearish markets. Convex strategies tend to lag during quiet markets.

