

XV

Simplify Target 15 Distribution ETF

Fund Description

XV seeks to provide monthly distributions at an aspirational 15% annualized rate and a flexible hedge. The fund pursues its objective by using US government securities and employing an income generating option spread writing strategy.

FactSet Analyst Report

XV aims to provide monthly distributions at an annualized rate (after fees and expenses) of 15% but not defined, along with some downside hedge over a one-year period. The actively managed fund consists of i) US Government bonds of any maturity and ii) an out-of-the-money barrier put spread strategy on the worst performing out of the three reference equity ETFs: SPY, QQQ, and IWM. The fund adviser targets a bond portfolio duration of two years or less and utilizes OTC and listed options with one-year maturities to employ the option spread strategies. The fund seeks to provide a barrier such that investors are only exposed to the downside if the worst-performing reference ETF breaks below the 10%-30% barrier. After the barrier level is breached, investors take on the full downside of the funds returns. The adviser may use non-barrier option spread strategies to pursue the 15% distribution goal. The fund must be held during the entire return period to pursue intended results.