

YGLD

Simplify Gold Strategy PLUS Income ETF

Fund Description

YGLD is an actively managed fund that seeks capital appreciation and income. The fund aims to provide 150% gold exposure while holding near-term, index-based put or call spreads.

FactSet Analyst Report

YGLD aims to provide 1.5x leveraged exposure to gold while generating monthly income by blending gold futures and options strategy. The futures strategy involves investing over 25% of the assets in front-month gold futures contracts, targeting up to 150% exposure to gold at the start of each quarter, with quarterly rebalancing. Positions are rolled into longer-maturity ones before expiration. The options strategy involves 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%. A Cayman Island subsidiary is used to hold gold futures.

