

VFIN | Simplify Volt Fintech Disruption ETF

As of 8/31/2021

Overview

The Simplify Volt Fintech Disruption ETF seeks to be exposed to the most disruptive fintech companies that are on the forefront of cashless payments.

We believe that Artificial Intelligence(AI) has the potential to transform business insights in the digital payments space. VFIN is designed to concentrate in the handful of disruptive companies poised to dominate the new era of fintech and then enhance the concentrated exposures with options.

Key Points

- Exposure to leaders in digital payments through Square
- SQ is given the highest allocation at 20% target allocation split between 17% equity and 3% call option position.
- Advanced options strategy is designed to be robust across a variety of extreme market conditions

Strategy Design

Concentrated Exposure to leaders in cashless fintech and frictionless experience

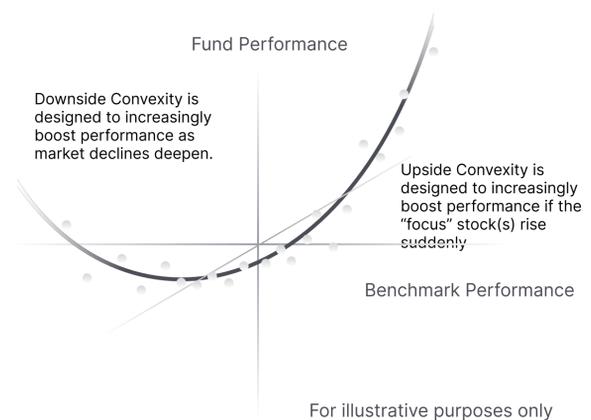
- In our view, there are often just a few winners that end up dominating a new industry
- Our first principles approach seeks to identify those companies poised to be the theme's leaders



Advanced Options Overlay

- Potentially boost equity performance if focus stock(s) makes a sudden move upward
- An intelligent put option overlay is deployed to potentially mitigate some risk from a broad tech selloff
- Idiosyncratic risk in anchor names is also capped via concentration limits

Payoff Profile



Portfolio Uses

Core Strategic Holding

- Concentrated exposure to the future of frictionless payments via Square and Lemonade equity and options holdings

Tactical Upside Exposure

- Option budget is designed to boost sudden upward moves in focus stocks if the focus stocks prove to be disruptive in their fields

Asset Class Flexibility

- Downside convexity seeks to offer some risk mitigation without diversifying into asset classes like bonds

Details

Ticker	Inception Date	Highest Exposure	Gross Expense Ratio	Exchange	CUSIP	Net Assets
VFIN	12/28/2020	SQ	0.95%	NYSE	82889N707	\$2,595,734.85

Equity Holdings*

Position	Allocation	Position	Allocation
SQ	16.80%	COIN	4.24%
UPST	11.93%	FB	2.95%
HOOD	6.79%	AMZN	2.94%
Z	5.79%	AAPL	2.87%
AFRM	5.76%	ADYEY	2.21%
MARA	5.26%	FVRR	2.05%
PYPL	4.88%	GOOG	2.02%
MELI	4.60%	LMND	1.95%
SHOP	4.35%	PDD	1.75%
Cash	2.12%		

Options Holdings*

Call Position	Allocation	Notional**
Z 01/21/22 C125	1.59%	54%
SQ 09/17/22 C390	0.00%	28%
SQ 01/21/22 C350	0.39%	19%
SQ 01/20/23 C350	2.15%	21%
LMND 09/17/21 C260	0.01%	8%
LMND 01/21/22 C190	0.27%	42%
LMND 01/20/23 C190	0.81%	12%
UPST 01/21/22 C260	2.69%	18%

Put Position	Allocation	Notional**
QQQ US 06/17/22 P100	0.19%	294%
NDX 09/17/21 P7000	0.00%	120%
NDX 12/17/21 P4000	0.02%	420%
NDX 03/18/22 P7000	0.18%	120%
NDX 09/16/22 P7000	0.44%	120%

Performance

Ticker	Average annual total returns as of 06/30/2021				
	MTD 08/31/21	Q2 2021	1-Year	3-Year	Inception
NAV	4.91%	16.58%	-	-	-6.14%
Market Price	5.88%	17.03%	-	-	-5.29%
S&P 500 Index	2.06%	8.36%	-	-	15.05%

SEC 30-Day Yield: -0.79%

Total returns are based on the closing market price of the ETF on June 31, 2021

The performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance data for the most recent month-end is available by calling 1-855-772-8488.

* Holdings are subject to change without notice

** Delta = 1; Delta refers to the sensitivity of a derivative price to changes.

Definitions

Convexity: An investment strategy is convex if its payoff relative to its benchmark is curved upward. Convex investment strategies are expected to be highly correlated with the benchmark in typical market environments but diverge to the positive in extreme markets. There are no free lunches though, and convex strategies are expected to lag during quiet markets.

Focus Stock(s): The highest concentration securities that Volt Equity believes are strong leaders for the theme.

Expiry: The time until an option expires. In the context here expiry is used to describe the length of time from when an option position is initiated to when it will expire.

SEC 30-Day Yield: The SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced. This is also referred to as the "standardized yield", "30-Day Yield" and "Current Yield".

Options: An option is a contract that gives the buyer the right to either buy (in the case of a call option) or sell (in the case of a put option) an underlying asset at a pre-determined price by a specific date. Options are a powerful tool for creating a wide array of payoff profiles and can be used on a standalone basis or integrated into a broader portfolio strategy.

OTMness: Stands for out-of-the-moneyness and represents how far the option strike is from current market price. In the context here OTMness is used to describe how far the option strike is from the market price when the option position is initiated.

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price.

Investors should carefully consider the investment objectives, risks, charges and expenses of Exchange Traded Funds (ETFs) before investing. To obtain an ETF's prospectus containing this and other important information, please call (855) 772-8488, or visit VoltFunds.com. Please read the prospectus carefully before you invest. An investment in the fund involves risk, including possible loss of principal. Past performance does not guarantee future results.

The fund's investment objective is to seek capital appreciation.

Risk Factors: The funds are new and have a limited operating history.

The Fund focuses its assets (i.e., invests up to **25% of its assets**) in securities of **Square** and **Upstart**, and as a result, the Fund may be subject to greater volatility with respect to its portfolio securities than a Fund that is more broadly diversified. Peer-to-peer loans are originated and documented in electronic form and there are generally no tangible written documents evidencing such loans or any payments owed thereon. As such, the peer-to-peer securities based crowdfunding and digital lending ecosystem is susceptible to risks associated with electronic systems. The fund may make investments in blockchain companies which have risks from competition, theft, cyber security, Intellectual Property, and others which should be carefully considered.

The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. The use of leverage by the Fund, such as borrowing money to purchase securities or the use of options, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses. The earnings and prospects of small and medium sized companies are more volatile than larger companies and may experience higher failure rates than larger companies. Small and medium sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures and may have limited markets, product lines, or financial resources and lack management experience.

The Fund invests in companies that capitalize on disruptive innovation and developing technologies. Companies that initially develop a novel technology may not be able to capitalize on the technology or derive any revenue which may affect the value of the securities issued by the company.

The risk that the Model used by the Fund to determine or guide investment decisions may not achieve the objectives of the Fund. Additionally, the portfolio manager of the Fund is able, under certain adverse conditions, to deviate from the Model employed by the Fund. Such deviations may not achieve the objectives of the Fund and may produce lower returns and/or higher volatility compared to what the returns and volatility of the Fund would have been if the portfolio manager had not deviated from the Model.

While the option overlay is intended to improve the Fund's performance, there is no guarantee that it will do so. Utilizing an option overlay strategy involves the risk that as the buyer of a put or call option, the Fund risks losing the entire premium invested in the option if the Fund does not exercise the option. Also, securities and options traded in over-the-counter markets may trade less frequently and in limited volumes and thus exhibit more volatility and liquidity risk.

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