

FORM ADV PART 2A

INFORMATIONAL

BROCHURE

**ASTEROZOA
MANAGEMENT, LLC**
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This brochure provides information about the qualifications and business practices of Asterozoa Management, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 692-8461 or joe@asterozoacapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training.

Additional information about Asterozoa Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Form ADV Part 2A requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Following is a summary of material changes since our last update on March 29, 2023:

- **Item 4** – Revised to include AV Institutional Fund, LP, a pooled investment vehicle managed by the Firm.
- **Item 4** – Revised to remove a description of advisory services offered to other investment advisers.
- **Item 4** – Revised to include a description of sub-advisory services provided to the Simplify Opportunistic Income Fund, an ETF.
- **Item 5** – Revised to remove a description of fees applicable to sub-advisory/OCIO services.
- **Item 5** – Revised to include a description of fees applicable to the ETF.
- **Item 6** – Added a description of conflicts of interest related to performance-based fees and policies on side-by-side management.
- **Item 8** – Added additional risks.
- **Item 10** – Added a description of other business activities and commodity pool operator exemption.
- **Item 12** – Added detail on additional custodian.

A current version of our Brochure may be obtained free of charge by contacting Kevin Yin at 858-877-0248 or kevin@asterozoocapital.com.

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Item 4: Advisory Business

Asterozoa Management, LLC (“Asterozoa”, the “Adviser”, or the “Firm”) has been in business as a registered investment adviser since 2021. Joseph Hegener is the Firm’s only principal owner.

Asterozoa is the adviser to pooled investment vehicles and the sub-adviser to a registered investment company.

Pooled Investment Vehicles

Asterozoa acts as the investment manager for several pooled investment vehicles: Asterozoa Ventures, LP, AV Institutional Fund, LP, and Asterozoa Special Fund I (the “Funds”), all of which are private funds. Asterozoa also provides discretionary sub-advisory services to the Simplify Opportunistic Income ETF (the “ETF”), which is advised by Simplify Asset Management Inc. (“Simplify”). The ETF is an investment company registered under the Investment Company Act of 1940. The assets in the pooled vehicles are managed in accordance with their offering documents. Asterozoa has discretion with respect to the decisions it makes for the Funds and the ETF, and also with respect to the selection of brokers, dealers, and other counterparties for such transactions and the amount of commissions or other compensation to be paid by the Funds and the ETF. The Adviser provides investment advisory services to the Funds and the ETF based on the investment objectives and strategies described in the Funds’ Offering Documents and the ETF’s prospectus.

Assets under Management

As of February 27, 2024, Asterozoa has \$106,047,795 of assets under management, all of which is managed on a discretionary basis.

Item 5: Fees and Compensation

Private Fund Fees

Asterozoa receives a fee as described in the offering document of the Funds. The Funds are responsible for direct expenses incurred in connection with or otherwise related to its operations and activities, including expenses associated with its investment portfolio, including brokerage commissions and other transaction costs. Item 12 of this Brochure discusses how the Adviser selects brokers, and how the Adviser determines the reasonableness of their compensation.

The direct expenses incurred by the Funds varies depending on the nature of the operations and activities of the Funds and the Funds’ respective Offering Documents describe them in detail.

ETF Fees

With respect to the ETF, Asterozoa will receive a sub-advisory fee as documented in an investment sub-advisory agreement between Simplify, Asterozoa, and the Simplify Exchange Traded Funds Trust (the “Trust”). Such agreement has been approved by the Board of Trustees of the Trust. Investors are encouraged to review the ETF’s prospectus to understand its fees and expenses, which includes expenses for custody, administration, and other non-advisory services.

Item 6: Performance-Based Fees and Side-by-Side Management

We receive an allocation from the Funds equal to a percentage of the positive difference between the net asset value of each investor’s investment in the Funds and the “high water mark” attributable to such investment (the “Performance Allocation”) as of each December 31. The Adviser also generally receives the Performance Allocation as of each date that the Funds makes a distribution or capital payout to an investor or the date that an investor withdraws capital or transfers an interest in the Funds. The Offering Documents applicable to the Funds describe in detail the specific terms governing the structure and calculation of the Performance Allocation and high water mark. The sub-advisory fee we receive for the ETF is based on a percentage of AUM as described in the ETF’s prospectus. As a result of the performance-based allocation charged to the Funds, Asterozoa may have an incentive to make investments in those Funds that are riskier or more speculative than it otherwise might make in the absence of compensation based

on the performance of the Funds. Asterozoa may also have an incentive to favor the Funds, or to favor one Fund or ETF over the other, with respect to certain investment opportunities. Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation.

To address these potential conflicts of interest, Asterozoa has established mitigating policies and procedures. The firm's investment committee periodically reviews the Funds and the ETF to ensure that investments are suitable and that the account is being managed according to the respective investment objectives and risk tolerance. Asterozoa also requires allocation of investment opportunities (if they are suitable) in an effort to avoid favoritism, regardless of whether the Fund or ETF is charged performance-based fees, in a manner that Asterozoa determines to be fair and equitable. Asterozoa has further adopted policies and procedures that require our firm to "fairly value" any investments which do not have a readily ascertainable value.

Item 7: Types of Clients

The Adviser provides investment advisory services to the Funds and sub-advisory services to the ETF based on the particular investment objectives and strategies described in the applicable Funds' Offering Documents and the ETF's prospectus. Investors in the Funds generally are required to complete and submit a subscription agreement binding them to the terms of a Funds' Offering Documents.

The ETF is a U.S. investment company registered under the 1940 Act.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

POOLED INVESTMENT VEHICLE

The pooled investment vehicles will be managed according to the stated investment program in the Funds' private placement memorandum and the ETF's prospectus. Individual partners in the Funds will not receive individual asset management within the Funds. For details regarding the investment program, clients should refer to their fund's private placement memorandum and the ETF's prospectus.

Other Important Information about our Strategies and their Risks

The Advisor retains full discretion to add, subtract, or revise the factors utilized, the weightings and the processes applied to construct the portfolio, as well as discretion to determine the market capitalization of securities for purchase by the strategy.

Some strategies will invest in leveraged investments. The more the Funds or the ETF invest in leveraged investments, the more the leverage will magnify any gains or losses on those investments.

IMPORTANT RISKS

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.

- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure, or laws impact the return on these investments.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Junk Bond Risk.** Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the ETF's ability to sell its bonds. Longer maturity and longer duration bond prices will decline more in response to rising interest rates. The lack of a liquid market for these bonds could decrease the ETF's share price.
- **Convertible Bond Risk.** Convertible bonds are hybrid securities that have characteristics of both bonds and common stocks and are subject to risks associated with both debt securities and equity securities. Convertible bonds that are rated below investment grade are subject to the risks associated with high-yield investments. The reference common stock of a convertible bond may fail to reach a price that makes the conversion feature valuable.
- **Illiquidity Risk.** Asterozoa expects to invest in certain securities that may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable. Asterozoa may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Asterozoa may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, Asterozoa may be required to hold such securities despite adverse price movements. Even those markets which Asterozoa expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.
- **Foreign Securities Risk.** Investments in foreign securities can be riskier than U.S. securities investments. Investments in the securities of foreign issuers (including investments in ADRs) are subject to the risks associated with investing in those foreign markets, such as heightened risks of inflation or nationalization. The prices of foreign securities and the prices of U.S. securities have, at times, moved in opposite directions. In addition, securities of foreign issuers may lose value due to political, economic and geographic events affecting a foreign issuer or market.
- **Emerging Markets Risk.** Securities of companies in emerging markets may be more volatile than those of companies in more developed markets. Emerging market countries generally have less developed markets and economies and, in some countries, less mature governments and governmental institutions. Investing in securities of companies in emerging markets may entail special risks relating to potential economic, political or social instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions of foreign investment, the lack of hedging instruments, and on repatriation of capital invested.
- **Preferred Stock Risk.** The value of preferred stocks will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of preferred stock. Preferred stocks are also subject to credit

risk, which is the possibility that an issuer of preferred stock will fail to make its dividend payments. The reference common stock of a convertible preferred stock may fail to reach a price that makes the conversion feature valuable.

- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Short Sales.** “Short sales” are a way to implement a trade in a security the Adviser feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus, in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus, in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involves smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** A portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Cybersecurity Risk.** The computer systems, networks, and devices used by Asterozoa and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. Clients could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or

additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9: Disciplinary Information

There are no disciplinary items to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-dealer

This item is not applicable.

B. Exempt Commodity Pool Operator

Neither the principals of Asterozoa, nor any related persons are registered, or have an application pending to register, as a futures commission merchant or commodity trading advisor, or an associated person of the foregoing entities. However, Asterozoa Ventures, LP, is filed with the NFA as an exempt commodity pool operator under Regulation 4.13(a)(3), the conditions of which are set forth below. To maintain its CPO exemption, Asterozoa must affirm on an annual basis the notice of exemption from registration within 30 days of the calendar year end. Alternatively, as appropriate, Asterozoa may withdraw such exemption due to the cessation of activities requiring registration or exemption therefrom, or withdraw such exemption and apply for registration within 30 days of the calendar year end. Such filings are made through the NFA's electronic exemption filing system. Asterozoa must also maintain compliance with the *de minimis* conditions of Regulation 4.13(a)(3) at all times, which is monitored on a regular basis by the CCO.

To the extent one the Funds trade in commodity interests, Asterozoa may be exempt from being a CTA under Section (4)(m)(1) of the Commodity Exchange Act. Under Section 4(m)(1), Asterozoa is exempt if it has not provided commodities trading advice during the previous twelve (12) months to more than fifteen (15) clients and does not hold itself out to the public as trading in commodity interests. Asterozoa may also be exempt under Section 4(m)(3), which is available to registered investment advisers that trade in a *de minimis* amount of commodity interests. At present, Asterozoa is not required to claim any CTA exemption as it has claimed a CPO exemption for the Funds thereby perfecting its CTA exemption.

C. Relationship with Private Funds

Asterozoa provides investment management services to the following private pooled investment vehicles (the "Funds"):

- Asterozoa Ventures, LP, a Delaware limited partnership
- AV Institutional Fund, LP, a Delaware limited partnership
- Asterozoa Special Fund I, an Arizona limited company.

Asterozoa Management, LLC is the General Partner of Asterozoa Ventures, LP, AV Institutional Fund, LP, and Asterozoa Special Fund I. This creates a conflict of interest in that Asterozoa and its related persons have an incentive to recommend the Funds to clients in order to increase the amount of capital managed by Asterozoa and its related persons, generate management fees for Asterozoa and its related persons, and generate performance compensation for Asterozoa's related persons. Notwithstanding the foregoing, the Firm's Code of Ethics prohibits Asterozoa and its personnel from putting their interests ahead of the interests of clients. Additionally, the personal securities transactions of supervised persons are monitored for potential conflicts of interest with regard to the Funds.

D. Recommendations of other Advisers.

This item is not applicable, as Asterozoa does not recommend other advisers in exchange for a fee of any kind.

E. Other Activities

Asterozoa provides corporate finance and strategy consulting services to individuals and privately held businesses. This includes, but is not limited to, topics such as capital structure, capital budgeting, risk management, financial modeling, business valuation, and growth planning. A conflict of interest exists to the extent that these non-advisory activities may require a time commitment from our staff, thus limiting the amount of time they can dedicate to advisory activities. We review all new potential client engagements for potential conflicts of interest and will not accept new clients where there is an unreconciled material conflict of interest.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. As discussed in Item 10 above, Asterozoa Management, LLC is the General Partner of Asterozoa Ventures, LP, AV Institutional Fund, LP, and Asterozoa Special Fund I, as well as the sub-advisor of the Simplify Opportunistic Income ETF. This creates a conflict of interest in that Asterozoa and its related persons have an incentive to recommend the Funds and the ETF to clients in order to increase the amount of capital managed by Asterozoa and its related persons, generate management fees for Asterozoa and its related persons, and generate performance compensation for Asterozoa's related persons. Notwithstanding the foregoing, the Firm's Code of Ethics prohibits Asterozoa and its personnel from putting their interests ahead of the interests of clients. Additionally, the personal securities transactions of supervised persons are monitored for potential conflicts of interest with regard to the Funds and the ETF.

C. An employee of Asterozoa may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

Item 12: Brokerage Practices

A. Recommendation of Broker-Dealer

The Adviser has the discretion to select the broker-dealer and other financial intermediary used to effect transactions on behalf of the Funds and the ETF, and may select or recommend the selection of broker-dealers and other financial intermediaries.

The Adviser has selected Interactive Brokers and Pershing LLC for the custodians of the Funds. The ETF's custodian, Bank of New York Mellon, is selected by Simplify.

In selecting or recommending broker-dealers and other financial intermediaries to effect portfolio transactions, the Adviser may cause the Funds and the ETF to enter into arrangements pursuant to which the Funds pay transaction costs in an amount greater than would be incurred if another broker-dealer or financial intermediary were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction cost.

The transactions executed by the Funds and the ETF may be substantial, and would therefore involve substantial brokerage commissions, which would impact the performance of the Funds and the ETF.

The Adviser manages three Funds and one ETF, and therefore it does not aggregate trade orders.

Item 13: Review of Accounts

Portfolio managers typically perform intraday, daily, weekly, or monthly reviews of positions as they deem appropriate, or otherwise as they feel is needed. Portfolio managers may undertake reviews because of changes in market conditions; changes in security positions; or changes in the Advisers' strategy. Performance in connection with investment objectives, security positions, and other investment opportunities are among the matters that a portfolio manager might consider.

Item 14: Client Referrals and Other Compensation

Information required by this item is not applicable to the Adviser.

Item 15: Custody

The funds and securities owned by the Funds and the ETF are held by qualified custodians. Fund investors receive annual financial statements audited by an independent public accounting firm for the Funds in which they have invested. Fund investors are urged to carefully review such statements.

Item 16: Investment Discretion

Asterozoa exercises discretion in managing the investments of each Fund and the ETF, based on the Fund's particular investment objectives, policies, and strategies disclosed in its Offering Documents, and the ETF's prospectus.

Item 17: Voting Client Securities

The Adviser has adopted written Proxy Voting Policies and Procedures. Below is a summary of those provisions:

When the Adviser votes proxies on behalf of a Fund or ETF, the Adviser will generally do so in the interest of maximizing value to a Fund or ETF (taking into consideration both the short and long term implications of the proposal). The Adviser may choose not to vote if doing so would be costly or impractical or the Adviser otherwise deems it unnecessary or unwarranted for any other reason. The Fund may obtain information about how the Adviser voted proxies for securities in their accounts or obtain a copy of the Adviser's written proxy voting policy by contacting Kevin Yin.

Item 18: Financial Information

Asterozoa is not required to deliver a balance sheet along with this brochure as the Firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.