*As of 8/31/2024*

## COMMENTARY

August has typically brought some seasonal weakness and increased volatility in the equity markets, which has been especially true over the last several years and turned out to be true this year too. Within the first several days of the month the CBOE Volatility Index (VIX) reached an intraday high of more than 65, a near historic level that has only been surpassed twice; briefly during the onset of the COVID-19 pandemic and twice during the global financial crisis during 2008-2009. Thankfully, as quickly as volatility jumped and the corresponding equity market selloff arrived, markets found their footing and began to rebound with investors once again looking for cues from the Fed, corporate earnings and incoming economic data.

**OVERALL MORNINGSTAR™ RATING**

★★★★★

*Based on risk adjusted returns among 71 funds in the Derivative Income category (as of 6/30/24)*

During August, the Amplify CWP Enhanced Dividend Income ETF (DIVO) returned 3.06% while the benchmark, the S&P 500 TR Index, returned 2.43% and the CBOE S&P 500 BuyWrite Index returned 2.91%. The Financials sector (+5.11%) was the biggest contributor to returns followed by Consumer Staples (+9.17%) and Information Technology (+2.91%).[1] Energy (-3.03%) contributed the least to the return during the period followed by Materials (-2.49%). Positions that contributed most significantly included McDonalds (MCD), Walmart (WMT) and CME Group (CME) while Goldman Sachs (GS) and Amgen (AMGN) were among the biggest detractors.

No new positions were added to the Fund during the month, but several existing positions were adjusted. Apple (AAPL) and American Express (AXP) were added to with both companies exhibiting strong cash flow, attractive dividends and sector leadership and August presented an opportunity to increase those positions. The Fund's position in McDonalds (MCD) was trimmed in August as the restaurant industry has seen a slowdown as consumers reduce spending against higher inflation.

From an options standpoint, new calls were sold during the month on Caterpillar (CAT), CME Group (CME) Duke Energy (DUK), Freeport McMoRan (FCX), Goldman Sachs (GS), Home Depot (HD), JPMorgan Chase (JPM), McDonalds (MCD), Microsoft (MSFT) and TJX Companies (TJX) while several existing call options were rolled into September.

The portfolio held a total of ten covered calls[2] at the end of August 2024: Apple (AAPL), CME Group (CME) Duke Energy (DUK), Freeport McMoRan (FCX), Goldman Sachs (GS), Home Depot (HD), JPMorgan Chase (JPM), McDonalds (MCD), Merck (MRK) and Walmart (WMT).

At the end of the month, approximately 17.2% of the portfolio was covered.

## YIELD

Distribution Frequency: Monthly Distribution Rate: 4.78 % 30-Day SEC Yield: 1.82%

## Why ROC May Benefit ETFs Using Option Writing Strategies

The return of capital (ROC) can play a beneficial role in ETFs that utilize option writing strategies to generate income. Option premiums received from selling a call (or put) are typically classified as a capital gain to the fund. Unlike interest or dividends, capital gains can be offset with losses. For tax purposes, this can allow the ETF to distribute option premiums as a non-taxable distribution, commonly called ROC. ROC reduces the investor's cost basis, deferring the capital gains tax owed upon selling shares. Option premiums can also provide a measure of downside risk mitigation in volatile market conditions with the option premium received helping offset a decline in portfolio holdings and improving risk-adjusted returns. Option writing strategies offer an attractive after-tax, risk adjusted return for investors seeking income. ROC is 54% as of 8/30/24.

## PERFORMANCE

| **MONTH END AS OF 8/31/2024** | **CUMULATIVE (%)** | | | **ANNUALIZED (%)** | | | |
|---|---|---|---|---|---|---|---|
| | **1 Mo.** | **YTD** | **Since Inception** | **1 Yr.** | **3 Yr.** | **5 Yr.** | **Since Inception** |
| Fund NAV | 3.06% | 14.47% | 143.37% | 18.33% | 8.59% | 12.18% | 12.22% |
| Closing Price | 2.89% | 14.42% | 143.35% | 18.38% | 8.57% | 12.16% | 12.22% |
| S&P 500 TR Index | 2.43% | 19.53% | 184.57% | 27.14% | 9.38% | 15.92% | 14.52% |
| CBOE S&P 500 BuyWrite Index | 2.91% | 11.98% | 60.83% | 13.55% | 5.28% | 6.43% | 6.35% |
| **QUARTER END AS OF 6/30/2024** | | | | | | | |
| | **1 Mo.** | **YTD** | **Since Inception** | **1 Yr.** | **3 Yr.** | **5 Yr.** | **Since Inception** |
| Fund NAV | 0.95% | 8.42% | 130.52% | 12.80% | 7.65% | 11.19% | 11.70% |
| Closing Price | 0.95% | 8.46% | 130.69% | 12.80% | 7.64% | 11.20% | 11.72% |
| S&P 500 TR Index | 3.59% | 15.29% | 174.49% | 24.56% | 10.01% | 15.05% | 14.32% |
| CBOE S&P 500 BuyWrite Index | 1.77% | 7.59% | 54.52% | 8.91% | 4.96% | 5.56% | 5.94% |

Fund inception date: 12/14/2016. *DIVO's gross expense ratio is 0.56%.* ***The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. For performance data current to the most recent month-end please visit AmplifyETFs.com/DIVO. Brokerage commissions will reduce returns. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The closing price or market price is the most recent price at which the fund was traded.***

**Distribution Rate** is computed as the normalized current distribution (annualized) over NAV per share**. Distributions have been classified as a return of capital and may be comprised of option premiums, dividends, capital gains, and interest payments.** There is no guarantee the ETF will pay a distribution. Click here for Form 19(a)-1 information. **30-Day SEC Yield** is a standard yield calculation developed by the Securities and Exchange Commission that allows for fairer comparisons among bond funds. It is based on the most recent month end. This figure reflects the income earned from dividends – excluding option income – during the period after deducting the Fund's expenses for the period.

### SECTORS

| | % Wt. |
|---|---|
| Financials | 23.02% |
| Health Care | 16.05% |
| Information Technology | 15.01% |
| Industrials | 11.97% |
| Consumer Discretionary | 11.59% |
| Consumer Staples | 9.52% |
| energy | 5.44% |
| Communication Services | 3.21% |
| Materials | 3.00% |
| Utilities | 1.20% |

### TOP 10 HOLDINGS

| Ticker | Name | % Wt. |
|---|---|---|
| UNH | UnitedHealth Group | 5.70% |
| V | Visa | 5.24% |
| AAPL | Apple | 5.17% |
| CAT | Caterpillar | 5.15% |
| HD | Home Depot | 5.14% |
| AMGN | Amgen | 5.02% |
| PG | Procter & Gamble | 4.93% |
| JPM | JPMorgan Chase | 4.90% |
| GS | Goldman Sachs Group | 4.81% |
| MSFT | Microsoft Corp | 4.77% |

*All data as of 8/31/2024. Subject to change at any time. Fund holdings should not be considered recommendations to buy or sell any security.* View Current Complete Holdings.

**Index Definitions:** All indexes are unmanaged and it's not possible to invest directly in an index. **S&P 500 Total Return Index**—market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value, and assumes distributions are reinvested back into the index. It does not include fees or expenses. **CBOE S&P 500 BuyWrite Index (BXM)**—tracks the performance of a hypothetical buy-write strategy on the S&P 500 Index. A "buy-write" strategy is generally one in which an investor buys a stock (or basket of stocks), and also writes covered calls that correspond to those holdings.

DIVO differs substantially from the S&P 500 Index and CBOE S&P 500 BuyWrite index, which are used for comparison purposes as widely recognized measures of U.S. stock market performance. While the returns of DIVO have exhibited positive (but varying) correlation to the indexes over time, DIVO may invest in different stocks and in different proportions than in the S&P 500 index and CBOE S&P 500 BuyWrite index.

[1]All percentages shown indicate total return of the sector for the month.
[2]A covered call refers to a financial transaction in which the investor selling call options owns an equivalent amount of the underlying security.

**THIS MATERIAL MUST BE PROCEDED OR ACCOMPANIED BY A FUND PROSPECTUS. Read the prospectus carefully before investing.**

*Investing involves risk, including the possible loss of principal. You could lose money by investing in the Fund. There can be no assurance that the Fund's investment objectives will be achieved. Covered call risk is the risk that the Fund will forgo, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The Fund may invest in mid-capitalization companies. This may cause the Fund to be more vulnerable to adverse general market or economic developments because such securities may be less liquid and subject to greater price volatility than those of larger, more established companies. Because the Fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund.*

*The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. DIVO received 5 stars among 71 funds in the Derivative Income category for the overall, 4 stars among 71 funds for the 3-year, and 5 stars among 65 funds for the 5-year periods ending 6/30/24.*

Amplify Investments LLC serves as the investment adviser to the Fund. Capital Wealth Planning, LLC and Penserra Capital Management LLC each serve as investment sub-advisers to the Fund.

Amplify ETFs are distributed by Foreside Fund Services, LLC.

The views expressed are those of the author, are as of the date indicated and may change based on market and other conditions.