*As of 12/31/2024*

## COMMENTARY

While the equity rally that was resilient throughout most of 2024 seemed to fade towards the back half of December, collectively 2023 and 2024 closed out their best back-to-back years since the turn of the century. Admittedly, December was off to a good start in the equity markets until the Federal Open Market Committee (FOMC) meeting mid-month conveyed fewer rate-cuts for 2025 than anticipated. On one hand, this conveys a constructive outlook for the economy – that it can continue to show modest growth without aggressive rate-cutting – but on the other hand it also weighs on investors outlook for companies to continue to grow their revenue and earnings. 2025 brings a fresh set of opportunities to investors, beginning with a new administration, Q4 earnings and an another FOMC meeting, all before month-end.

**OVERALL MORNINGSTAR™ RATING**

★★★★★

*Based on risk adjusted returns among 77 funds in the Derivative Income category (as of 12/31/24)*

During December, the Amplify CWP Enhanced Dividend Income ETF (DIVO) returned -4.95% while the benchmark, the S&P 500 Index, returned -2.38% and the CBOE S&P 500 BuyWrite Index (BXM) returned -2.22%. The Financials sector (-2.23%) was the biggest contributor to returns followed by Utilities (-7.95%) and Consumer Staples (-6.46%). Consumer Discretionary (-6.01%) contributed the least to the return followed by Health Care (-10.85%). Positions that contributed most significantly included CME Group (CME), Walmart (WMT) and Visa (V) while UnitedHealth (UNH) and Caterpillar (CAT) were among the biggest detractors. In early December, the tragic incident involving the UnitedHealth insurance division CEO weighed heavily on the sector as well as shares of UNH. In addition, new legislation was presented that would require divesting their pharmacy business (legacy CVS), and the likelihood of the legislation passing is uncertain. Nonetheless, we believe the portfolio position in UNH remains compelling and the situation will be monitored closely.

During December RTX Corporation (RTX), formerly Raytheon Technologies, was added to the portfolio. RTX is attractively priced, generates significant free cash flow and has robust revenue growth over the past 12-months in addition to an attractive dividend yield. Honeywell (HON) and Duke Energy (DUK) were also added to during the month. From a sector perspective, the Fund maintained an overweight to Financials and underweight to Information Technology, as many of the companies in that sector don't meet the criteria to be included in the Fund.

From an options standpoint new calls were sold during the month on Apple (AAPL) while several existing call options expired.

The portfolio held no covered calls[2] at the end of December 2024.

At the end of the month the portfolio was uncovered.

*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. For performance data current to the most recent month-end please visit DIVOETF.com.*

## YIELD

| Distribution Frequency: Monthly | Distribution Rate: 4.89% | 30-Day SEC Yield: 1.87% |
|---|---|---|

## 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 70% as of 12/31/24.

## PERFORMANCE

| QUARTER END AS OF 12/31/2024 | CUMULATIVE (%) | | | ANNUALIZED (%) | | | |
|---|---|---|---|---|---|---|---|
| | 1 Mo. | YTD | Since Inception | 1 Yr. | 3 Yr. | 5 Yr. | Since Inception |
| Fund NAV | -4.95% | 16.19% | 147.05% | 16.19% | 6.99% | 11.22% | 11.89% |
| Closing Price | -5.12% | 16.21% | 147.17% | 16.21% | 6.98% | 11.10% | 11.90% |
| S&P 500 TR Index | -2.38% | 25.02% | 197.65% | 25.02% | 8.94% | 14.53% | 14.51% |
| CBOE S&P 500 BuyWrite Index | 2.22% | 20.12% | 72.52% | 20.12% | 5.99% | 6.88% | 7.01% |

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 | 27.68% |
| Industrials | 13.94% |
| Health Care | 13.77% |
| Consumer Discretionary | 12.28% |
| Information Technology | 10.56% |
| Communication Services | 6.69% |
| Energy | 5.38% |
| Consumer Staples | 4.36% |
| Materials | 3.09% |
| Utilities | 2.26% |

## TOP 10 HOLDINGS

| Ticker | Name | % Wt. |
|---|---|---|
| V | Visa | 5.60% |
| UNH | UnitedHealth | 5.59% |
| MSFT | Microsoft | 5.36% |
| HON | Honeywell International | 5.29% |
| CAT | Caterpillar | 5.26% |
| CME | CME Group | 5.15% |
| JPM | JPMorgan Chase | 5.01% |
| GS | Goldman Sachs | 4.96% |
| HD | Home Depot | 4.95% |
| AMGN | Amgen Inc | 4.84% |

*All data as of 12/31/2024. 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. **CBOE Volatility Index (VIX)** is a measure of implied volatility, based on the prices of a basket of S&P 500 Index options with 30 days to expiration. 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.*

*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 77 funds in the Derivative Income category for the overall and the 3-year periods, and 5 stars among 67 funds for the 5-year period ending on 12/31/24.*

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.