

As of 10/31/2024

COMMENTARY

During a Presidential election year, the VIX typically rises each month as the election approaches and this year was no different. In addition, just two days after the November 5th election investors will face another decision from the Fed on the path and pace of interest rate cuts – an extraordinary intersection of economic and policy information – so it's no surprise that volatility remained high throughout October this year. While the equity market showed remarkable resiliency in the face of uncertainty, remaining in positive territory for most of the month, a sharp drop over the final few days of the month turned October from green to red, remarkably still only the second negative month for equities in 2024. Nevertheless, the selloff was a stark reminder of the uncertainty awaiting in the month ahead.

OVERALL MORNINGSTAR™ RATING



*Based on risk adjusted returns among
77 funds in the Derivative Income
category (as of 9/30/24)*

During October, the Amplify CWP Enhanced Dividend Income ETF (DIVO) returned -1.58% while the benchmark, the S&P 500 Index, returned -0.91% and the CBOE S&P 500 BuyWrite Index (BXW) returned -0.50%. The Financials sector (+3.92%) was the biggest contributor to returns followed by an underweight in Utilities (-0.03%).¹ Information Technology (-4.88%) contributed the least to the return during the period followed by Communication Services (-3.17%). Positions that contributed most significantly included Visa (V), Goldman Sachs (GS) and JPMorgan Chase (JPM), while Merck (MRK) and Freeport-McMoRan (FCX) were among the biggest detractors.

No new positions were added to the Fund during the month. During October, CME Group (CME) was added to as it has an attractive shareholder yield, demonstrable revenue and margin expansion, strong free cash flow and an attractive valuation; the hallmarks of what DIVO offers to investors.

From an options standpoint new calls were sold during the month on Apple (AAPL), Home Depot (HD), IBM (IBM) and Meta Platforms (META) while several existing call options were rolled into November and several expired.

The portfolio held a total of nine covered calls² at the end of October 2024: Apple (AAPL), Caterpillar (CAT), Duke Energy (DUK), Goldman Sachs (GS), Home Depot (HD), IBM (IBM), Meta Platforms (META), Merck (MRK) and Visa (V).

At the end of the month, approximately 8.0% of the portfolio was covered.

YIELD

 Distribution Frequency: [Monthly](#)

 Distribution Rate: [4.88%](#)

 30-Day SEC Yield: [1.75%](#)

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 72% as of 10/31/24.

PERFORMANCE

MONTH END AS OF 10/31/2024	CUMULATIVE (%)			ANNUALIZED (%)			
	1 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	5 Yr.	Since Inception
Fund NAV	-1.58%	15.02%	144.54%	23.62%	7.90%	11.90%	12.01%
Closing Price	-1.50%	15.08%	144.77%	23.90%	7.91%	11.96%	12.03%
S&P 500 TR Index	-0.91%	20.97%	188.02%	38.02%	9.08%	15.27%	14.36%
CBOE S&P 500 BuyWrite Index	-0.50%	12.99%	62.27%	18.52%	4.61%	6.05%	6.33%
QUARTER END AS OF 9/30/2024	CUMULATIVE (%)			ANNUALIZED (%)			
	1 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	5 Yr.	Since Inception
Fund NAV	2.10%	16.87%	148.47%	24.57%	10.92%	12.30%	12.38%
Closing Price	2.11%	16.83%	148.48%	24.44%	10.86%	12.31%	12.38%
S&P 500 TR Index	2.14%	22.08%	190.65%	36.35%	11.91%	15.98%	14.66%
CBOE S&P 500 BuyWrite Index	1.40%	13.55%	63.08%	18.31%	6.39%	6.59%	6.47%

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	23.55%
Information Technology	15.54%
Health Care	14.83%
Industrials	10.98%
Consumer Discretionary	10.95%
Consumer Staples	8.92%
Communication Services	5.47%
Energy	5.24%
Materials	3.40%
Utilities	1.12%

TOP 10 HOLDINGS

Ticker	Name	% Wt.
V	Visa	5.52%
UNH	UnitedHealth Group	5.47%
CAT	Caterpillar	5.46%
AAPL	Apple	5.11%
HD	Home Depot	5.01%
MSFT	Microsoft	4.98%
AMGN	Amgen	4.83%
GS	Goldman Sachs	4.83%
PG	Procter & Gamble	4.76%
HON	Honeywell International	4.43%

All data as of 10/31/2024. 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.

¹All percentages shown indicate total return of the sector for the month. ²A 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 PROCEEDED 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.

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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 9/30/24.

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.