

As of 9/30/2024

COMMENTARY

Equity markets rolled over without hesitation as the calendar turned to September, historically one of the weakest months for equities. While not as extreme as the early August selloff, the CBOE Volatility Index (VIX) pushed into the mid-20s and the S&P 500 slid more than 6% in the first 5 trading sessions as equities searched for a bottom and speculation of an emergency rate cut even began to swirl. Ultimately, it was economic data – nonfarm payrolls and CPI – that gave investors' confidence that a 50 BPs (basis points)¹ rate cut by the Fed was coming and that an economic soft landing may still be a possibility. Equities rallied into the Fed rate cut and never looked back, turning September into a green month for the first time since 2019.

During September, the Amplify CWP Enhanced Dividend Income ETF (DIVO) returned 2.10% while the benchmark, the S&P 500 TR Index, returned 2.14% and the CBOE S&P 500 BuyWrite Index returned 1.40%. The Consumer Discretionary sector (+6.34%) was the biggest contributor to returns followed by Information Technology (+4.23%) and Industrials (+5.43%).² Health Care (-2.33%) contributed the least to the return during the period followed by Financials (-0.99%). Positions that contributed most significantly included Home Depot (HD), Caterpillar (CAT) and Freeport McMoRan (FCX), while JPMorgan Chase (JPM) and Amgen (AMGN) were among the biggest detractors.

One new holding was added to the fund during September – Meta Platforms (META) – commonly known as Facebook. META initiated a dividend earlier this year making them an eligible candidate for the portfolio. The company checks many of the same boxes as other core positions: reasonable valuation, strong business model, strong free cash flow as well as growing margins and cash-on-hand that exceeds the debt balance. During September, American Express (AXP) and IBM (IBM) were added to, TJX was partially called away and then repurchased and Chevron (CVX) and Freeport McMoRan (FCX) were trimmed after recent strength. The Funds position in Deere (DE), which had been trimmed in prior months, was closed as its business fundamentals have begun to look less appealing over recent quarters.

From an options standpoint new calls were sold during the month on Caterpillar (CAT), Deere (DE), Procter & Gamble (PG) and TJX Companies (TJX) while several existing call options were rolled into September and several expired.

The portfolio held a total of seven covered calls³ at the end of September 2024: Caterpillar (CAT), Duke Energy (DUK), Goldman Sachs (GS), JPMorgan Chase (JPM), Merck (MRK), Visa (V) and Walmart (WMT).

At the end of the month, approximately 11.0% of the portfolio was covered.

OVERALL MORNINGSTAR™ RATING



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

YIELD

 Distribution Frequency: [Monthly](#)

 Distribution Rate: [4.77 %](#)

 30-Day SEC Yield: [1.77%](#)

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 68% as of 9/30/24.

PERFORMANCE

QUARTER END AS OF 9/30/2024	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	22.99%
Information Technology	15.61%
Health Care	14.96%
Consumer Discretionary	11.33%
Industrials	10.89%
Consumer Staples	8.84%
Communication Services	5.53%
Energy	5.12%
Materials	3.65%
Utilities	1.09%

TOP 10 HOLDINGS

Ticker	Name	% Wt.
CAT	Caterpillar	5.56%
UNH	UnitedHealth Group	5.55%
HD	Home Depot	5.39%
AAPL	Apple	5.17%
V	VISA	5.13%
MSFT	Microsoft	4.96%
PG	Procter and Gamble	4.90%
GS	Goldman Sachs Group	4.89%
AMGN	Amgen	4.76%
JPM	JPMorgan Chase	4.72%

All data as of 9/30/2024. 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.

¹BPs: A basis point (BP) is a unit that is equal to 1/100th of 1%. ²All percentages shown indicate total return of the sector for the month.

³A 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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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 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.