

As of 7/31/2024

COMMENTARY

July has historically been a strong month for the equity markets before seasonal volatility tends to show up in the late Summer and early Fall. While the month got off to a good start, concerns about a slowing economy and softer than expected Q2 earnings started to weigh on investor sentiment. The CBOE Volatility Index (VIX) jumped above 18 at the end of the month, a level not seen since April. Healthy markets don't go up in a straight line so some level of reaction to the incoming data is welcome. Looking ahead, all eyes will likely remain on the Federal Reserve and incoming economic data to help guide expectations around the economy and overall interest rate policy.

OVERALL MORNINGSTAR™ RATING



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

During July, the Amplify CWP Enhanced Dividend Income ETF (DIVO) returned 2.44% while the benchmark, the S&P 500 TR Index, returned 1.22% and the CBOE S&P 500 BuyWrite Index returned 1.13%. The Financials sector (+5.13%) was the biggest contributor to returns followed by Health Care (+4.83%) and Consumer Discretionary (+5.38%).¹ Materials (-6.29%) contributed the least to the return during the period followed by Consumer Staples (-0.63%). Positions that contributed most significantly included UnitedHealth (UNH), Goldman Sachs (GS) and Home Depot (HD) while Microsoft (MSFT) and Merck (MK) were among the biggest detractors.

No new positions were added to the Fund during the month, but several existing positions were added to. Amgen (AMGN) and Honeywell (HON) were added during July. The Fund's position in Cisco (CSCO) was trimmed in June and fully closed in July as it has underperformed against the broader Technology sector, despite being reasonably priced with good free cash flow and an attractive yield.

From an options standpoint calls were sold during the month on Apple (AAPL), Amgen (AMGN), IBM (IBM), Merck (MRK), Procter & Gamble (PG), and Walmart (WMT).

The portfolio held a total of six covered calls² at the end of July 2024: Apple (AAPL), Amgen (AMGN), IBM (IBM), Merck (MRK), Procter & Gamble (PG), and Walmart (WMT).

At the end of the month, approximately 14.2% of the portfolio was covered.

YIELD

Distribution Frequency: [Monthly](#)

Distribution Rate: [4.82 %](#)

30-Day SEC Yield: [1.98%](#)

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 61% as of 7/31/24.

PERFORMANCE

MONTH END AS OF 7/31/2024	CUMULATIVE (%)			ANNUALIZED (%)			
	1 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	5 Yr.	Since Inception
Fund NAV	2.44%	11.07%	136.15%	12.44%	7.66%	11.50%	11.92%
Closing Price	2.53%	11.21%	136.53%	12.53%	7.72%	11.54%	11.94%
S&P 500 TR Index	1.22%	16.70%	177.83%	22.15%	9.60%	15.00%	14.33%
CBOE S&P 500 BuyWrite Index	1.13%	8.81%	56.27%	8.59%	5.18%	5.58%	6.03%
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	20.99%
Health Care	16.64%
Information Technology	13.91%
Consumer Discretionary	12.73%
Industrials	12.71%
Consumer Staples	9.17%
energy	6.47%
Communication Services	3.22%
Materials	2.94%
utilities	1.22%

TOP 10 HOLDINGS

Ticker	Name	% Wt.
UNH	UnitedHealth Group Inc	6.15%
V	Visa Inc	5.22%
AMGN	Amgen Inc	5.21%
HD	Home Depot Inc/The	5.17%
CAT	Caterpillar Inc	4.95%
MSFT	Microsoft Corp	4.93%
PG	Procter & Gamble Co	4.92%
GS	Goldman Sachs Group Inc	4.87%
JPM	JPMORGAN CHASE & CO.	4.80%
HON	Honeywell International Inc	4.54%

All data as of 7/31/2024. 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.

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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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.