

As of 08/31/2023

## RECAP

The equity market entered August on the heels of five consecutive months of positive returns (as measured by the S&P 500). Late summer has historically carried some seasonal volatility and August proved no different. As Q3 corporate earnings wrapped up, all eyes turned to the Federal Reserves annual meeting in Jackson Hole with investors trying to measure the expectation of future rate increases. Volatility picked up from an average of 14 in June and July to a mid-August peak of nearly 18, as measured by the CBOE Volatility Index.

[Amplify CWP Enhanced Dividend Income ETF \(DIVO™\)](#) received a 5-star Morningstar Rating™ for the overall period based on risk-adjusted return among 83 funds in the Derivative Income category (as of 08/31/23). DIVO returned -2.09% on a net asset value (NAV) compared to its benchmarks, the S&P 500 TR Index at -1.59% and the CBOE S&P 500 BuyWrite Index at -1.58% for the month ending August 31, 2023. The Communications Services sector (+2.64%) contributed most significantly to the Fund's return for the month, followed by Energy (+1.96%). Materials (-10.62%) and Industrials (-4.60%) contributed the least to the return during the period, respectively. Positions that contributed most significantly included Marathon Petroleum (MPC), Visa (V) and Verizon (VZ). Positions that detracted included Freeport McMoran (FCX) and General Mills (GIS), respectively.<sup>1</sup>

The Fund's position in Apple (AAPL), Schlumberger (SLB) and Freeport McMoran (FCX) were added to during the month while Johnson & Johnson (JNJ) was reduced into relative strength and General Mills (GIS) was trimmed on relative underperformance. Apple (AAPL) continues to be a leader in the technology space and was added to after the stock price pulled back from recent highs while Freeport McMoran (FCX) may benefit as copper demand continues to increase with electric vehicle/charging growth while copper prices may increase against a falling US Dollar. Marathon Petroleum (MPC) also performed well and was called away during August as the stock price exceeded the strike of the options sold against it.

From an options standpoint, options on McDonalds (MCD) and Duke (DUK) expired during August, Marathon Petroleum (MPC) was called away and Apple (AAPL), UPS (UPS) and Merck (MRK) were rolled into expiration dates and strike prices.

The portfolio held a total of three covered calls<sup>2</sup> at the end of August 2023: Apple (AAPL), UPS (UPS) and Merck (MRK). Approximately 7.4% of the portfolio was covered at the end of the month.

## YIELD

Distribution Frequency: **Monthly**

Distribution Rate: **4.78%**

30-Day SEC Yield: **2.31%**

**Distribution Rate** is the annual yield an investor would receive if the most recent distribution remained the same going forward. The yield represents a single distribution from the fund and does not represent total return to the fund. The distribution yield is calculated by annualizing the most recent distribution – from both dividend and option income – and dividing it by the most recent NAV. Distributions have included a return of capital. Please click [here](#) for more 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.

## PERFORMANCE

| MONTH END<br>AS OF 8/31/2023   | CUMULATIVE (%) |        |                 | ANNUALIZED (%) |        |        |                 |
|--------------------------------|----------------|--------|-----------------|----------------|--------|--------|-----------------|
|                                | 1 Mo.          | YTD    | Since Inception | 1 Yr.          | 3 Yr.  | 5 Yr.  | Since Inception |
| Fund NAV                       | -2.07%         | 3.49%  | 105.68%         | 9.18%          | 10.67% | 10.09% | 11.34%          |
| Closing Price                  | -2.19%         | 3.35%  | 105.58%         | 9.12%          | 10.51% | 10.10% | 11.33%          |
| S&P 500 TR Index               | -1.59%         | 18.73% | 123.84%         | 15.94%         | 10.52% | 11.12% | 12.75%          |
| CBOE S&P 500 BuyWrite Index    | -1.58%         | 10.28% | 41.63%          | 10.04%         | 8.18%  | 3.40%  | 5.32%           |
| QUARTER END<br>AS OF 6/30/2023 | CUMULATIVE (%) |        |                 | ANNUALIZED (%) |        |        |                 |
|                                | 1 Mo.          | YTD    | Since Inception | 1 Yr.          | 3 Yr.  | 5 Yr.  | Since Inception |
| Fund NAV                       | 4.70%          | 2.83%  | 104.36%         | 12.35%         | 13.90% | 11.16% | 11.54%          |
| Closing Price                  | 4.94%          | 2.82%  | 104.51%         | 12.57%         | 13.86% | 11.14% | 11.55%          |
| S&P 500 TR Index               | 6.61%          | 16.89% | 120.38%         | 19.59%         | 14.60% | 12.31% | 12.83%          |
| CBOE S&P 500 BuyWrite Index    | 2.10%          | 10.47% | 41.88%          | 9.02%          | 10.56% | 4.42%  | 5.49%           |

DIVO's gross expense ratio is 0.55%.

Inception date: 12/14/2016. *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. Brokerage commissions will reduce returns.*

### SECTORS

|                        | % Wt.  |
|------------------------|--------|
| Financials             | 17.84% |
| Consumer Staples       | 14.64% |
| Health Care            | 14.15% |
| Information Technology | 12.68% |
| Industrials            | 11.95% |
| Consumer Discretionary | 10.92% |
| Energy                 | 9.90%  |
| Utilities              | 3.45%  |
| Materials              | 2.38%  |
| Communication Services | 2.09%  |

### TOP 10 HOLDINGS

| Ticker | Name                    | % Wt. |
|--------|-------------------------|-------|
| V      | VISA INC                | 5.61% |
| AAPL   | APPLE INC               | 5.32% |
| PG     | PROCTER AND GAMBLE CO   | 5.30% |
| MSFT   | MICROSOFT CORP          | 5.27% |
| CVX    | CHEVRON CORP NEW        | 5.14% |
| UNH    | UNITEDHEALTH GROUP INC  | 5.04% |
| MCD    | MCDONALDS CORP          | 4.89% |
| JPM    | JPMORGAN CHASE & CO.    | 4.73% |
| GS     | GOLDMAN SACHS GROUP INC | 4.56% |
| HD     | HOME DEPOT INC          | 4.23% |

All data as of 08/31/2023. 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.

<sup>1</sup>All percentages shown indicate total return of the sector for the month.

<sup>2</sup>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 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 83 funds in the Derivative Income category for the overall, 4 stars for the 3-year, and 5 stars among 77 funds for the 5-year periods ending 08/31/23.*

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.