

As of 3/31/2023

MARKET COMMENTARY

The first quarter of 2023 marked a second consecutive quarter of healthy market gains. U.S. equities demonstrated resilience despite the current banking crisis, uncertainty about inflation and the potential for a recession. While the Dow Jones returned 0.4%, the tech-heavy Nasdaq climbed 16.77% and the S&P 500 delivered 7.03%. Investors who remained in the market after an uncertain 2022 were rewarded.

While analysts spent much of 2022 predicting a recession following the Fed raising interest rates—which pushed borrowing costs higher in attempt to tame inflation—that recession has yet to materialize. In fact, with unemployment rates at lows not seen since 1969 and a stabilizing housing market, an increasing number of analysts are now predicting that the growth of the past two quarters may in fact continue.

Internationally, despite a continued challenging geopolitical backdrop, with no end in sight to the war in Ukraine and renewed tensions between the U.S. and China, returns were also positive. The MSCI All Country World Index* returned 7.31%, the MSCI EAFE (International) Index* returned 3.62%, and the MSCI Emerging Markets Index* returned 3.96%.

BATT has exposure to the critical metals used in the lithium-ion batteries used in electric vehicles (EVs). The ETF delivered strong returns during the period.

BATT's primary **contributors** to performance were Tesla (68.42%), Ecopro BM (136.14%), BYD Co (18.62%) and BHP Group (5.22%). Click [HERE](#) for BATT's top 10 holdings.

Shares of electric car maker Tesla recovered strongly during the period as the company delivered a record number of vehicles. In January, Tesla lowered prices of its more affordable vehicles by as much as 20%, which enabled many buyers to qualify for the tax incentive by putting the vehicles under the \$55,000 cap. BYD Co, another leading electric vehicle maker, also cut prices in many models in February and March and saw its sales surge in first quarter.

Shares of South Korea-based chemicals group EcoPro also climbed during the quarter. EcoPro is a holding company with two units: EcoPro BM, a battery materials maker and EchoPro HN, which makes air filters for factories. EcoPro BM is South Korea's largest producer of cathodes for electric car batteries.

BATT's primary **detractors** from performance included Glencore (-13.58%), Eve Energy (-20.41%) and Jervois Global (-73.60%).

While coal miner Glencore was down for the quarter, the company was still up 272% over the past three years. Shares fell during the period as Glencore reported missing analyst expectations for revenue by 4.0% and earnings per share by 18%.

Eve Energy, one of the world's leading battery technology companies, saw its shares fall during the period, despite launching new production at its facilities in response to significant growth in market demand.

Shares of mineral company Jervois Global also fell as the company developed a cobalt mine in Idaho, which was repeatedly delayed due to issues with stormy weather, inflationary costs and a tough labor market.

Looking ahead, the demand for electric cars remains strong as world economies work to reduce climate change through energy transition. While battery makers continue to be challenged by effects of the war in Ukraine, governments in Europe and in the U.S. continue to promote industrial policies aimed at domestic development of EVs and their supply chain.

PERFORMANCE

	CUMULATIVE (%)					ANNUALIZED (%)		
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	Since Inception
Fund NAV	0.57%	9.49%	4.49%	9.49%	-28.43%	-22.45%	26.75%	-6.70%
Closing Price	0.39%	9.91%	4.79%	9.91%	-28.49%	-22.03%	27.18%	-6.72%
EQM Lithium & Battery Tech Index	0.47%	9.64%	4.38%	9.64%	N/A	-22.78%	N/A	N/A

BATT's gross expense ratio is 0.59%.

Fund inception date: 6/6/2018. *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 call 855-267-3837 or visit AmplifyETFs.com/BATT. Brokerage commissions will reduce returns.*

*Index Definitions: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. Indexes are unmanaged and it is not possible to invest directly in an index.

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' statutory and summary prospectus, which may be obtained by calling 855-267-3837 or by visiting AmplifyETFs.com. Read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. The Fund is not actively managed. The Fund invests in securities included in its Index regardless of their investment merit. Narrowly focused investments typically exhibit higher volatility. A portfolio concentrated in a single industry, such as lithium battery technology, makes it vulnerable to factors affecting the companies.

The Fund may face more risks than if it were diversified broadly over numerous industries or sectors. The Fund has become more susceptible to potential operational risks through breaches in cybersecurity. The Fund invests in securities that are issued by and/or have exposure to, companies primarily involved in the metals and mining industry. Investments in metals and mining companies may be speculative and subject to greater price volatility than investments in other types of companies. The exploration and development of metals involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Rare earth metals have more specialized uses and are often more difficult to extract. The increased demand for these metals has strained supply, which could adversely affect the companies in the Fund's portfolio. Some of the companies in which the Fund will invest are engaged in other lines of business unrelated to the mining, refining and/or manufacturing of metals and these lines of business could adversely affect their operating results.

The Fund's assets are concentrated in the materials sector, which means the Fund will be more affected by the performance of the materials sector than a fund that is more diversified. The Fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. The Fund will invest in the securities of non-U.S. companies. Investments in emerging market issuers are subject to a greater risk of loss than investments in issuers located or operating in more developed markets. The mining, refining and/or manufacturing of metals may be significantly affected by regulatory action and changes in governments. Small and/or mid-capitalization companies may be more vulnerable to adverse general market or economic developments. Electric vehicle technology is relatively new and is subject to risks associated with a developing industry.

The EQM Lithium & Battery Technology Index (BATTIDX) seeks to provide exposure to global companies associated the development and production of lithium battery technology and/or battery storage solutions; the exploration, production, development, processing, and/or recycling of the materials and metals used in lithium battery chemistries such as Lithium, Cobalt, Nickel, Manganese, Vanadium and/or Graphite; and/or the development and production of electric vehicles. The Index inception date is 5/1/2018, and the Fund began tracking the Index as of 10/13/2020. It is not possible to invest directly in an index.

Amplify Investments LLC is the Investment Adviser to the Fund, and Toroso Investments, LLC serves as the Investment Sub-Adviser.

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