

5 Reasons to Consider Small-Mid Cap Now

Small and Mid-Cap (SMID) stocks offer significant long-term capital appreciation opportunities, often outperforming large-cap stocks due to their innovative business models and concentrated market focus. Here's five reasons why now may be an ideal environment for SMID cap stocks to surge.

1 Fed Rate Cuts

Federal Reserve rate cuts often reduce borrowing costs, particularly benefiting small-cap stocks that are more affected by borrowing costs and may be advantageous for companies seeking growth. Additionally, investors may turn to these types of stocks for potentially higher returns when interest rates drop.

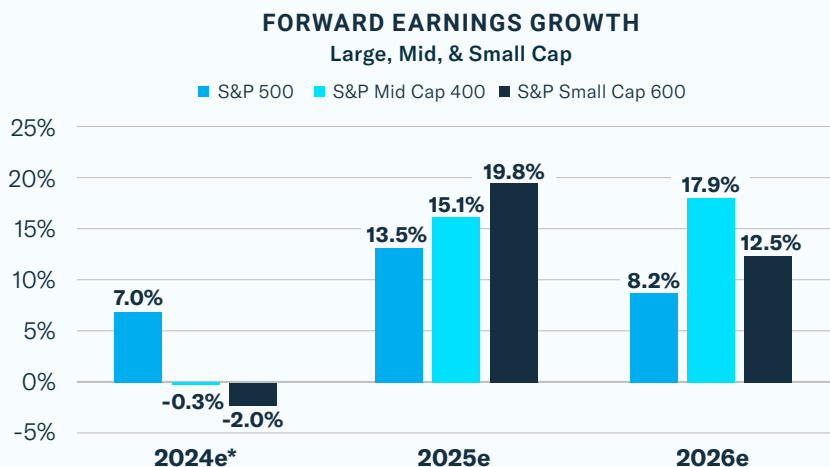
2 Valuation / Discounts Advantage

Small caps are currently trading at a near-record discount compared to their large-cap counterparts, and high-quality SMID companies may present an attractive entry point for investors seeking value.

3 Forecasted Earnings

Earnings forecasts for small and mid-cap companies have remained strong and are anticipated to overtake their large-cap counterparts as shown in the graph.

Estimates are not intended to be a forecast of future events, a guarantee of results, or investment advice. Amplify Research as of 9/30/24.



4 Inefficient Market

The inefficiency in small and mid-cap markets, due to lesser analyst coverage and investor attention, creates opportunities for investors to identify undervalued assets that may offer favorable returns upon market correction.

5 Diversification Benefits

Investing in SMID-cap stocks enhances portfolio diversification by tapping into a broader range of sectors and themes, reducing overall risk while maintaining exposure to growth.

What is the advantage of active management in SMID?

Active management in the small-mid cap space allows managers to avoid companies they don't see as increasing shareholder value. For instance, many SMID companies in passive indexes are non-earners with unattractive or overleveraged balance sheets that may drag down their index. Active managers can navigate these risks and adjust the portfolios using in-depth quantitative and qualitative analysis to maximize liquidity, minimize turnover, and maintain high active share.

These experienced institutional managers can use time-tested factors in order to select high-quality growth and value equities they believe will provide the best acceleration of return on capital.

SMAP

Amplify Small-Mid Cap Equity ETF

Targeted exposure to high-quality growth & value U.S. listed small- and mid-cap companies.

TO LEARN MORE, VISIT: AmplifyETFs.com/SMAP



High Quality Growth Potential



Experienced Institutional Active Management



Attractive Risk/Reward Profile To Mitigate Downturns

*It's not possible to invest directly in an index. The S&P 500 Total Return Index is a market-capitalization weighted index of the 500 largest U.S. publicly traded companies. The S&P Small Cap 600 Index seeks to measure the small-cap segment of the U.S. equity market. The S&P 400 Index, also known as the S&P MidCap 400, is a stock market index that tracks the performance of 400 mid-sized U.S. companies. *e=estimated*

Carefully consider the Fund's investment objectives, risks, charges and expenses before investing. This and other information can be found in the Fund's statutory and summary prospectus, which may be obtained at AmplifyETFs.com. Read the prospectus carefully before investing.

Investing involves risk, including the possible loss of

principal. There can be no assurance that the Fund's investment objectives will be achieved.

Investments concentrated in specific industries, sectors, markets, or asset classes may underperform or experience greater volatility than the general securities market.

Investments in small and mid-cap companies may

have limited liquidity and greater price volatility than large-capitalization companies.

Investment Adviser: Amplify Investments LLC; Sub-Advisers: Curi RMB Capital, LLC and Penserra Capital Management LLC

Amplify ETFs are distributed by Foreside Fund Services, LLC.