

AMPLIFY ETF TRUST  
(the “TRUST”)

SUPPLEMENT TO THE FUND’S STATEMENT OF ADDITIONAL INFORMATION (“SAI”)  
FOR EACH SERIES LISTED IN APPENDIX A (EACH A “FUND”)

DATED JULY 24, 2023

***Resignation of John Phillips***

Effective July 20, 2023, John Phillips resigned from his positions as Trustee of the Board of Trustees (the “Board”) and Secretary of the Trust. Any references to Mr. Phillips serving as a trustee, as a member of any committee of the Board or as Secretary of the Trust are hereby removed. In addition, effective as of July 20, 2023, the size of the Board of Trustees of each Fund referenced in Appendix A is four.

***Appointment of David Wilding***

Effective July 20, 2023, David Wilding was appointed by the Board as Secretary of the Trust.

In accordance with such appointment, the following section is added as the last row under the “Officers of the Trust” table within the section entitled “Trustees and Officers”:

NAME, ADDRESS AND YEAR OF BIRTH	POSITION AND OFFICES WITH TRUST	TERM OF OFFICE AND YEAR FIRST ELECTED OR APPOINTED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN THE AMPLIFY INVESTMENTS FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIPS OR DIRECTORSHIPS HELD BY TRUSTEE DURING THE PAST 5 YEARS
Officers of the Trust					
David Wilding c/o Amplify Investments LLC 333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B: 1970	Secretary	<ul style="list-style-type: none"> <li>• Indefinite term</li> <li>• 2023</li> </ul>	Chief Operating Officer, Amplify Investments LLC (2023 – present); General Counsel and Chief Compliance Officer, Performance Trust Capital Partners (1996-2022); General Counsel and Chief Compliance Officer, PT Asset Management, LLC (1996-2022)	N/A	N/A

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

## APPENDIX A

### **Statement of Additional Information, dated February 28, 2023, for:**

Amplify High Income ETF  
Amplify Online Retail ETF  
Amplify CWP Enhanced Dividend Income ETF  
Amplify Transformational Data Sharing ETF  
Amplify Lithium & Battery Technology ETF  
Amplify BlackSwan Growth & Treasury Core ETF  
Amplify Emerging Markets FinTech ETF  
Amplify Seymour Cannabis ETF  
Amplify BlackSwan ISWN ETF  
Amplify Thematic All-Stars ETF  
Amplify BlackSwan Tech & Treasury ETF  
Amplify Inflation Fighter ETF  
Amplify Natural Resources Dividend Income ETF  
Amplify International Enhanced Dividend Income ETF

## STATEMENT OF ADDITIONAL INFORMATION

### AMPLIFY ETF TRUST

INVESTMENT COMPANY ACT FILE NO. 811-23108



<b>Amplify High Income ETF</b>	<b>YYY</b>
<b>Amplify Online Retail ETF</b>	<b>IBUY</b>
<b>Amplify CWP Enhanced Dividend Income ETF</b>	<b>DIVO</b>
<b>Amplify Transformational Data Sharing ETF</b>	<b>BLOK</b>
<b>Amplify Lithium &amp; Battery Technology ETF</b>	<b>BATT</b>
<b>Amplify BlackSwan Growth &amp; Treasury Core ETF</b>	<b>SWAN</b>
<b>Amplify Emerging Markets FinTech ETF</b>	<b>EMFQ</b>
<b>Amplify Seymour Cannabis ETF</b>	<b>CNBS</b>
<b>Amplify BlackSwan ISWN ETF</b>	<b>ISWN</b>
<b>Amplify Thematic All-Stars ETF</b>	<b>MVPS</b>
<b>Amplify Digital &amp; Online Trading ETF</b>	<b>BIDS</b>
<b>Amplify BlackSwan Tech &amp; Treasury ETF</b>	<b>QSWN</b>
<b>Amplify Inflation Fighter ETF</b>	<b>IWIN</b>
<b>Amplify Natural Resources Dividend Income ETF</b>	<b>NDIV</b>
<b>Amplify International Enhanced Dividend Income ETF</b>	<b>IDVO</b>

**DATED FEBRUARY 28, 2023**

This Statement of Additional Information (“SAI”) describes shares of each of the funds set forth above (each a “Fund”, and collectively, the “Funds”), each a series of Amplify ETF Trust (the “Trust”). The SAI is not a prospectus and it should be read in conjunction with each Fund’s prospectus, each dated February 28, 2023, as each may be revised from time to time (each a “Prospectus”). The SAI is incorporated by reference into each Fund’s Prospectus. Capitalized terms used herein that are not defined have the same meanings as in the applicable Prospectus, unless otherwise noted. A copy of each Prospectus may be obtained without charge by writing to

the Trust's distributor, Foreside Fund Services, LLC, Three Canal Plaza, Suite 100, Portland, ME 04101, or by calling toll free at 1-855-267-3837. Each Fund's shares are principally listed for trading on NYSE Arca, Inc.

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The audited financial statements for the Fund’s most recent fiscal year appear in the Funds’ Annual Report to Shareholders dated October 31, 2022, which was filed with the Securities and Exchange Commission (the “SEC”) on January 5, 2023. [The financial statements from the Annual Report are incorporated herein by reference.](#) The Annual Report is available without charge by calling (855) 267-3837 or by visiting the SEC’s website at [www.sec.gov](http://www.sec.gov).

## GENERAL DESCRIPTION OF THE TRUST AND THE FUNDS

The Trust was organized as a Massachusetts business trust on January 6, 2015 and is authorized to issue an unlimited number of shares in one or more series. The Trust is an open-end management investment company, registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently offers shares in fifteen separate series. This SAI relates to the Funds listed below. The below also details whether each Fund is classified as a “diversified company” or a “non-diversified company” as such terms are defined under the 1940 Act.

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Amplify High Income ETF (“YYY”)	Diversified
Amplify Online Retail ETF (“IBUY”)	Diversified
Amplify CWP Enhanced Dividend Income ETF (“DIVO”)	Non-Diversified
Amplify Transformational Data Sharing ETF (“BLOK”)	Diversified
Amplify Lithium & Battery Technology ETF (“BATT”)	Non-Diversified
Amplify BlackSwan Growth & Treasury Core ETF (“SWAN”)	Diversified
Amplify Emerging Markets FinTech ETF (“EMFQ”)	Diversified
Amplify Seymour Cannabis ETF (“CNBS”)	Non-Diversified
Amplify BlackSwan ISWN ETF (“ISWN”)	Non-Diversified
Amplify Thematic All-Stars ETF (“MVPS”)	Non-Diversified
Amplify Digital & Online Trading ETF (“BIDS”)	Non-Diversified
Amplify BlackSwan Tech & Treasury ETF (“QSWN”)	Non-Diversified
Amplify Inflation Fighter ETF (“IWIN”)	Non-Diversified
Amplify Natural Resources Dividend Income ETF (“NDIV”)	Non-Diversified
Amplify International Enhanced Dividend Income ETF (“IDVO”)	Non-Diversified

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This SAI relates to the Funds. Each Fund, as a series of the Trust, represents a beneficial interest in a separate portfolio of securities and other assets, with its own objective and policies.

The Board of Trustees of the Trust (the “Board of Trustees” or the “Trustees”) has the right to establish additional series in the future, to determine the preferences, voting powers, rights and privileges thereof and to modify such preferences, voting powers, rights and privileges without shareholder approval. Shares of any series may also be divided into one or more classes at the discretion of the Trustees.

The Trust or any series or class thereof may be terminated at any time by the Board of Trustees upon written notice to the shareholders.

Each share of a Fund has one vote with respect to matters upon which a shareholder vote is required, consistent with the requirements of the 1940 Act and the rules promulgated thereunder. Shares of all series of the Trust vote together as a single class except as otherwise required by the 1940 Act, or if the matter being voted on affects only a particular series; and, if a matter affects a particular series differently from other series, the shares of that series will vote separately on such matter. The Trust’s Declaration of Trust (the “Declaration”) requires a shareholder vote only on those matters where the 1940 Act requires a vote of shareholders and otherwise permits the Trustees to take actions without seeking the consent of shareholders. For example, the Declaration

gives the Trustees broad authority to approve reorganizations between a Fund and another entity, such as another exchange-traded fund, or the sale of all or substantially all of a Fund's assets, or the termination of the Trust or a Fund without shareholder approval if the 1940 Act would not require such approval.

The Declaration provides that by becoming a shareholder of a Fund, each shareholder shall be expressly held to have agreed to be bound by the provisions of the Declaration and to any By-laws adopted by such Fund. The provisions of the Declaration state that shareholders have no rights, privileges, claims or remedies under any contract or agreement entered into by the Trust or the Funds with any service provider or other agent to or contractor with the Trust or the Funds including, without limitation, any third party beneficiary rights. In addition, under the Declaration, shareholders do not have appraisal rights with respect to their shares and, except as the Trustees may determine from time to time, shall have no right to acquire, purchase or subscribe for any shares or securities of any Fund that it may issue or sell, or have any preference, preemptive, conversion or exchange rights. The provisions of the Declaration, any By-laws of the Funds and any contract or agreement entered into by the Trust or the Funds governed by applicable state law do not affect the rights of any shareholder under any provision of the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act"), or the 1940 Act, or any rule, regulation or order of the Securities Exchange Commission thereunder.

The Declaration may, except in limited circumstances, be amended by the Trustees in any respect without a shareholder vote. The Declaration provides that the Trustees may establish the number of Trustees and that vacancies on the Board of Trustees may be filled by the remaining Trustees, except when election of Trustees by the shareholders is required under the 1940 Act. Trustees are then elected by a plurality of votes cast by shareholders at a meeting at which a quorum is present. The Declaration also provides that Trustees may be removed, with or without cause, by a vote of shareholders holding at least two-thirds of the voting power of the Trust, or by a vote of two-thirds of the remaining Trustees. The provisions of the Declaration relating to the election and removal of Trustees may not be amended without the approval of two-thirds of the Trustees.

The holders of a Fund's shares are required to disclose information on direct or indirect ownership of such Fund shares as may be required to comply with various laws applicable to the Fund or as the Trustees may determine, and ownership of a Fund's shares may be disclosed by such Fund if so required by law or regulation. In addition, pursuant to the Declaration, the Trustees may, in their discretion, require the Trust to redeem shares held by any shareholder for any reason under terms set by the Trustees.

The Declaration provides a detailed process for the bringing of derivative actions by shareholders, and provides that actions that are derivative in nature may not be brought directly, in order to permit legitimate inquiries and claims while avoiding the time, expense, distraction and other harm that can be caused to a Fund or its shareholders as a result of spurious shareholder claims, demands and derivative actions. Prior to bringing a derivative action, a demand must first be made on the Trustees. The Declaration details various information, certifications, undertakings and acknowledgements that must be included in the demand. Following receipt of the demand, the Trustees have a period of 90 days, which may be extended by an additional 60 days, to consider



the demand. If a majority of the Trustees who are considered independent for the purposes of considering the demand determine that maintaining the suit would not be in the best interests of the Fund, the Trustees are required to reject the demand and the complaining shareholder may not proceed with the derivative action unless the shareholder is able to sustain the burden of proof to a court that the decision of the Trustees not to pursue the requested action was not a good faith exercise of their business judgment on behalf of such Fund. In making such a determination, a Trustee is not considered to have a personal financial interest by virtue of being compensated for his or her services as a Trustee.

If a demand is rejected as set forth above, the complaining shareholder will be responsible for the costs and expenses (including attorneys' fees) incurred by the Fund in connection with the consideration of the demand under a number of circumstances. In addition, if a court determines that a derivative action was made without reasonable cause or for an improper purpose, or if a derivative or direct action is dismissed on the basis of a failure to comply with the procedural provisions relating to shareholder actions as set forth in the Declaration, or if a direct action is dismissed by a court for failure to state a claim, the shareholder bringing the action may be responsible for the Fund's costs, including attorneys' fees.

The provisions of the Declaration provide that any direct or derivative action commenced by a shareholder must be brought only in the U.S. District Court for the District of Massachusetts (Boston Division) or if any such action may not be brought in that court, then in the Business Litigation Session of Suffolk Superior Court in Massachusetts (the "Chosen Courts"). Except as prohibited by applicable law, if a shareholder commences an applicable action in a court other than a Chosen Court, then such shareholder may be obligated to reimburse the Fund and any applicable Trustee or officer of such Fund made party to such proceeding for the costs and expenses (including attorneys' fees) incurred in connection with any successful motion to dismiss, stay or transfer of the action. The Declaration also provides that any shareholder bringing an action against a Fund waives the right to trial by jury to the fullest extent permitted by law.

The Declaration provides that no provision of the Declaration may require a waiver of compliance with any provision of the 1933 Act, the 1934 Act or the 1940 Act, or any rule, regulation or order of the U.S. Securities and Exchange Commission ("SEC") thereunder. The provisions of the Declaration are severable, and if the Trustees determine, with the advice of counsel, that any such provision, in whole or in part, conflict with applicable laws and regulations, the conflicting provisions, or part or parts thereof, will be deemed to be not part of the Declaration (provided, that any such determination will not render any of the remaining provisions invalid or improper).

The Trust is not required to and does not intend to hold annual meetings of shareholders.

Under Massachusetts law applicable to Massachusetts business trusts, shareholders of such a trust may, under certain circumstances, be held personally liable as partners for its obligations. However, the Declaration contains an express disclaimer of shareholder liability for acts or obligations of the Trust and requires that notice of this disclaimer be given in each agreement, obligation or instrument entered into or executed by the Trust or the Trustees. The Declaration further provides for indemnification out of the assets and property of the Trust for all losses and

expenses of any shareholder held personally liable for the obligations of the Trust. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which both inadequate insurance existed and the Trust or a Fund itself was unable to meet its obligations.

The Declaration further provides that a Trustee acting in his or her capacity as Trustee is not personally liable to any person other than the Trust or its series in connection with the affairs of the Trust or for any act, omission, or obligation of the Trust. The Declaration requires the Trust to indemnify any persons who are or who have been Trustees, officers or employees of the Trust for any liability for actions or failure to act except to the extent prohibited by applicable federal law. In making any determination as to whether any person is entitled to the advancement of expenses in connection with a claim for which indemnification is sought, such person is entitled to a rebuttable presumption that he or she did not engage in conduct for which indemnification is not available. The Declaration provides that any Trustee who serves as chair of the Board of Trustees or of a committee of the Board of Trustees, lead independent Trustee, or audit committee financial expert, or in any other similar capacity will not be subject to any greater standard of care or liability because of such position.

#### **INFORMATION ABOUT THE FUNDS**

The Funds are advised by Amplify Investments LLC (the “Adviser” or “Amplify Investments”). Penserra Capital Management LLC (“Penserra”) serves as the investment sub-adviser to YYY, IBUY, DIVO, EMFQ, CNBS, BIDS and IDVO. Capital Wealth Planning, LLC (“CWP”), along with Penserra, each serves as an investment sub-adviser to DIVO and IDVO. Toroso Investments, LLC, a Tidal Financial Group company, (“Toroso”, and collectively, with Penserra and CWP, the “Sub-Advisers”) serves as the investment sub-adviser to BLOK, BATT, SWAN, ISWN, MVPS, QSWN, IWIN and NDIV.

On or about October 4, 2019, YYY acquired all of the assets and liabilities of YieldShares High Income ETF, a series of Exchange Traded Concepts Trust (“Predecessor YYY”). YYY adopted the prior performance and history of Predecessor YYY.

On or about March 21, 2019, DIVO changed its name from Amplify YieldShares CWP Dividend & Option Income ETF to Amplify CWP Enhanced Dividend Income ETF.

On or about October 13, 2020, BATT changed its name from Amplify Advanced Battery Metals and Materials ETF to Amplify Lithium & Battery Technology ETF. Additionally, BATT changed from an actively managed fund to a passively managed fund, and amended its investment objective from providing total return to investors to seeking investment results that generally correspond to its index with corresponding edits to its principal investment strategies.

Effective September 16, 2020, BLOK, BATT and SWAN terminated the investment sub-advisory agreement with CSAT Investment Advisory, L.P., d/b/a Exponential ETFs (“Exponential”). SWAN appointed Toroso to replace Exponential as sub-adviser. Toroso continued to serve as sub-adviser for BLOK and BATT.

On or about February 7, 2022, EMFQ changed its name from Amplify International Online Retail ETF to Amplify Emerging Markets FinTech ETF. Additionally, the ticker changed from XBUY to EMFQ. Further, EMFQ amended its investment objective to seeking investment results that generally correspond to its index with corresponding edits to its principal investment strategies.

The shares of each Fund list and principally trade on the NYSE Arca, Inc. (the “Exchange”). The shares will trade on the Exchange at market prices that may be below, at or above net asset value (“NAV”). ETFs, such as the Funds, do not sell or redeem individual shares of the Fund. Instead, the Funds offer, issue and redeem shares at NAV only in aggregations of a specified number of shares (each a “Creation Unit”). Financial entities known as “authorized participants” (which are discussed in greater detail below) have contractual arrangements with the Funds or the Distributor to purchase and redeem Fund shares directly with such Fund in Creation Units in exchange for the securities comprising a Fund and/or cash, or some combination thereof. Shares of a Fund are traded in the secondary market and elsewhere at market prices that may be at, above, or below a Fund’s NAV. Shares are only redeemable in Creation Units by authorized participants. Creation Units are typically a specified number of shares, generally 25,000 or multiples thereof, except in the event of the liquidation of a Fund, where the Trust may lower the number of shares in a Creation Unit. Notwithstanding anything to the contrary, SWAN will utilize Creation Units in large blocks of 10,000 shares or multiples thereof. An authorized participant that purchases a Creation Unit of Fund shares deposits with the Fund a “basket” of securities and other assets identified by the Fund that day, and then receives the Creation Unit of Fund shares in return for those assets. The redemption process is the reverse of the purchase process: the authorized participant redeems a Creation Unit of Fund shares for a basket of securities and other assets. The basket is generally representative of the Fund’s portfolio, and together with a cash balancing amount, it is equal to the NAV of the Fund shares comprising the Creation Unit. Pursuant to Rule 6c-11 of the 1940 Act, the Fund may utilize baskets that are not representative of the Fund’s portfolio. Such “custom baskets” are discussed in the section entitled “Creations and Redemptions of Creation Units.” Transaction fees and other costs associated with creations or redemptions that include cash may be higher than the transaction fees and other costs associated with in-kind creations or redemptions. In all cases, conditions with respect to creations and redemptions of shares and fees will be limited in accordance with the requirements of SEC rules and regulations applicable to management investment companies offering redeemable securities.

#### **EXCHANGE LISTING AND TRADING**

There can be no assurance that the requirements of the Exchange necessary to maintain the listing of shares of the Funds will continue to be met. The Exchange may, but is not required to, remove the shares of a Fund from listing if: (i) following the initial 12-month period beginning at the commencement of trading of each Fund, there are fewer than 50 beneficial owners of the shares of such Fund for 30 or more consecutive trading days; (ii) if applicable, the value of a Fund’s Index (as detailed and defined below) is no longer calculated or available; or (iii) such other event shall occur or condition exist that, in the opinion of the Exchange makes further dealings on the Exchange inadvisable. The Exchange will remove the shares of a Fund from listing and trading upon termination of such Fund.

As in the case of other stocks traded on the Exchange, brokers' commissions on transactions will be based on negotiated commission rates at customary levels.

Each Fund reserves the right to adjust the price levels of shares in the future to help maintain convenient trading ranges for investors. Any adjustments would be accomplished through stock splits or reverse stock splits, which would have no effect on the net assets of the Fund.

The Funds are required by the Exchange to comply with certain listing standards (which includes certain investment parameters) in order to maintain its listing on the Exchange. Compliance with these listing standards may compel a Fund to sell securities at an inopportune time or for a price other than the security's then-current market value. The sale of securities in such circumstances could limit such Fund's profit or require such Fund to incur a loss, and as a result, the Fund's performance could be impacted.

### **INVESTMENT OBJECTIVES AND POLICIES**

Each Fund's Prospectus describes the investment objective and certain policies of such Fund. The following supplements the information contained in the Prospectus concerning the investment objective and policies of each Fund.

The Funds are subject to the following fundamental policies (as detailed below), which may not be changed without approval of the holders of a majority of the outstanding voting securities (as such term is defined in the 1940 Act) of such Fund.

#### All Funds

- (1) The Fund may not issue senior securities, except as permitted under the 1940 Act.
- (2) The Fund may not borrow money, except as permitted under the 1940 Act.
- (3) The Fund will not underwrite the securities of other issuers except to the extent the Fund may be considered an underwriter under the 1933 Act in connection with the purchase and sale of portfolio securities.
- (4) The Fund will not purchase or sell real estate or interests therein, unless acquired as a result of ownership of securities or other instruments (but this shall not prohibit the Fund from purchasing or selling securities or other instruments backed by real estate or of issuers engaged in real estate activities).
- (5) The Fund may not make loans, except as permitted under the 1940 Act and exemptive orders granted thereunder.
- (6) The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the

Fund from purchasing or selling options, futures contracts, forward contracts or other derivative instruments, or from investing in securities or other instruments backed by physical commodities).

#### YYY and IBUY

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act, except to the extent the Index upon which the Fund is based concentrates in an industry or a group of industries. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

#### DIVO, IWIN and IDVO

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

#### BLOK

(7) The Fund will not concentrate its investments in securities of issuers in any industry, as the term “concentrate” is used in the 1940 Act. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

#### BATT

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, except that the Fund will concentrate its assets in the metals and mining industry, as the term “concentrate” is used in the 1940 Act. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

For purposes of applying restriction (7) above, BATT will utilize the Global Industry Classification System (GICS) for determinations regarding its investment concentrations.

#### SWAN and ISWN

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act, except to the extent the Index concentrates in an industry or a group of industries. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

## CNBS

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act, except that the Fund will concentrate in the securities of issuers in the cannabis industry. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

For the purposes of applying restriction (7) above, CNBS will consider an issuer to be in the cannabis industry if and to the extent that such issuer derives 50% or more of its revenue from cannabis and hemp related activities.

## EMFQ, MVPS, BIDS and QSWN

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act, except to the extent the Index concentrates in an industry or a group of identified industries. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

## NDIV

(7) The Fund will not concentrate its investments in securities of issuers in any industry or group of industries, as the term “concentrate” is used in the 1940 Act, except - 6 - to the extent the Index concentrates in an industry or a group of industries. This restriction does not apply to obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or securities of other investment companies.

## *All Funds*

For purposes of applying restriction (1) above, under the 1940 Act as currently in effect, a Fund is not permitted to issue senior securities, except that such Fund may borrow from any bank if immediately after such borrowing the value of the Fund’s total assets is at least 300% of the principal amount of all of the Fund’s borrowings (i.e., the principal amount of the borrowings may not exceed 33 1/3% of the Fund’s total assets). In the event that such asset coverage shall at any time fall below 300% the Fund shall, within three days thereafter (not including Sundays and holidays), reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least 300%. The fundamental investment limitations set forth above limit each Fund’s ability to engage in certain investment practices and purchase securities or other instruments to the extent permitted by, or consistent with, applicable law. As such, these limitations will change as the statute, rules, regulations or orders (or, if applicable, interpretations) change, and no shareholder vote will be required or sought.

Except for restriction (2), if a percentage restriction is adhered to at the time of investment, a later increase in percentage resulting from a change in market value of the investment or the total assets will not constitute a violation of that restriction. With respect to restriction (2), if the

limitations are exceeded as a result of a change in market value then the Fund will reduce the amount of borrowings within three days thereafter to the extent necessary to comply with the limitations (not including Sundays and holidays).

For purposes of applying restriction (5) above, a Fund may not make loans to other persons, except through (i) the purchase of debt securities permissible under a Fund's investment policies, (ii) repurchase agreements, or (iii) the lending of portfolio securities, provided that no such loan of portfolio securities may be made by a Fund if, as a result, the aggregate of such loans would exceed 33-1/3% of the value of such Fund's total assets.

The foregoing fundamental policies of each Fund may not be changed without the affirmative vote of the majority of the outstanding voting securities of the Fund. The 1940 Act defines a majority vote as the vote of the lesser of (i) 67% or more of the voting securities represented at a meeting at which more than 50% of the outstanding securities are represented; or (ii) more than 50% of the outstanding voting securities. With respect to the submission of a change in an investment policy to the holders of outstanding voting securities of a Fund, such matter shall be deemed to have been effectively acted upon with respect to a Fund if a majority of the outstanding voting securities of such Fund vote for the approval of such matter, notwithstanding that such matter has not been approved by the holders of a majority of the outstanding voting securities of any other series of the Trust affected by such matter.

In addition to the foregoing fundamental policies, the Funds are also subject to strategies and policies discussed herein which, unless otherwise noted, are non-fundamental policies and may be changed by the Board of Trustees.

## **INVESTMENT STRATEGIES**

The following information supplements the discussion of each Fund's investment objective, policies and strategies that appears in its Prospectus.

### **FUND-SPECIFIC INVESTMENT STRATEGIES**

YYY

Under normal circumstances, YYY invests at least 80% of its net assets (plus borrowings for investment purposes) in securities that comprise the ISE™ High Income Index (the "YYY Index"). As described in its Prospectus, YYY operates in a manner that is commonly referred to as a "fund of funds" meaning it invests in shares of funds included in the YYY Index.

#### Additional YYY Index Information

The YYY Index seeks to measure the performance of the top 45 U.S. exchange-listed closed-end funds, as selected and ranked according to factors employed by the YYY Index methodology that are designed to result in a portfolio that produces high current income (the "Methodology"). The universe of Underlying Funds eligible for inclusion in the YYY Index is not restricted by the types of securities or other instruments in which they may invest or the types

of investment strategies they may employ. Thus, the Underlying Funds may invest in a variety of securities including, but not limited to, equity securities (both dividend and non-dividend paying), foreign securities (including depositary receipts), taxable investment grade fixed income securities, taxable high yield fixed income securities, investment grade municipal securities, high yield municipal securities, preferred securities, convertible securities, commodities, real-estate related securities, including real estate investment trusts, and derivatives. The Underlying Funds may employ different investment strategies including, but not limited to, dividend strategies, global and international strategies, covered call option strategies, balanced strategies, limited duration strategies, tax and risk-managed strategies, sector strategies, real estate, energy, utility, commodity, natural resources and other equity or income-oriented strategies.

Constituent securities of the YYY Index are selected from the total universe of closed-end funds that are organized in the United States and whose shares are listed and trade on a U.S. securities exchange. The only type of security issued by an Underlying Fund that will be considered for inclusion in the YYY Index is common stock (or its equivalent). Eligible constituents must have a market capitalization of at least \$500 million and a six month daily average value traded of at least \$1 million to be included in the YYY Index. Each eligible YYY Index constituent is then ranked and ordered according to the following factors: by fund yield (the total income return of a fund, which takes into account all distributions made by a closed-end fund, including return of capital) with funds with larger fund yields ranked more highly; by share price premium/discount to NAV on the YYY Index rebalancing date with funds with a premium or smaller discount ranked more highly than those with a larger discount; and by fund average daily value of shares traded over the six month period prior to the YYY index rebalancing date, with higher shares traded ranked more highly. An overall rank for each eligible YYY Index constituent is then calculated in accordance with the Methodology and the constituents are ranked in ascending order. The top 45 ranked Underlying Funds are then included in the YYY Index. The YYY Index may include a maximum of 45 constituents but, at times, may include less than 45 constituents, depending on the universe of eligible securities. International Securities Exchange LLC (“ISE”) will, in most cases, utilize the quantitative ranking and screening system described in the Methodology; however, ISE reserves the right to use subjective screening based on fundamental analysis or other factors when determining the eligibility, rank or weighting of a potential constituent, if in the opinion of ISE certain components should be included or excluded from the YYY Index.

YYY Index constituents are weighted according to a “modified” linear weighted methodology, meaning that the top-ranked YYY Index constituent will receive the greatest weighting and will be equal to the multiple of the smallest weighting (i.e., in an index with 45 constituents, the top weighted constituent’s weighting will be 45 times that of the weighting of the lowest weighted constituent). The initial YYY Index weights must meet the following restraints: (i) no constituent may exceed 3%; and (ii) no constituent weight may exceed 100% of the ratio between the security’s six-month average daily traded value and \$10 million. The YYY Index weight adjustment is conducted that all securities with uncapped final weights share a common difference between their respective final weights and initial weights.

The YYY Index is rebalanced semi-annually in January and July, but may be adjusted more frequently for specific corporate events. The YYY Index is unmanaged and cannot be invested in



directly. YYY Index constituents may be removed from the YYY Index at any time during the year other than the semi-annual review if the constituent has become ineligible for continued inclusion in the YYY Index due to bankruptcy, delisting or a definitive agreement that would likely result in the security no longer being eligible for inclusion in the YYY Index. Upon the occurrence of such event, the constituent is removed from the YYY Index and is not replaced. In the case of mergers and acquisitions, the constituent may be removed the day following the shareholder vote or the expected expiration of the tender offer (provided the acquisition is not contested). In the event the acquisition is contested, the removal from the YYY Index will occur as soon as reasonably practicable. Ordinarily, a constituent will be removed from the YYY Index at its last sale price, however, if at the time of its removal the constituent is halted from trading on its primary listing market and an official closing price cannot readily be determined, Nasdaq (in its discretion), may remove the constituent at a zero price. The zero price will be applied after the close of the market but prior to the time the official closing value of the Index is disseminated.

The YYY Index was initially created by the YieldShares and ISE. Total-return YYY Index values, as well as, when possible, any pending changes or adjustments to the YYY Index, will be published on [www.ise.com](http://www.ise.com).

#### Additional Information About Investment Objectives, Policies and Related Risks

YYY's investment objective is to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the YYY Index. Because the YYY Index is comprised of Underlying Funds, YYY operates in a manner that is commonly referred to as a "fund of funds," meaning that it invests in shares of the Underlying Funds included in the YYY Index. YYY's investment objective and principal investment strategies are described in the Prospectus. The following information supplements, and should be read in conjunction with, the Prospectus. For a description of certain permitted investments, see the subsection "Description of Permitted Investments" in this SAI.

#### Concentration

YYY and the Underlying Funds may concentrate their investments in a particular industry or group of industries, as described in its Prospectus. The securities of issuers in particular industries may dominate the YYY Index and consequently YYY's investment portfolio. This may adversely affect YYY's performance or subject its shares to greater price volatility than that experienced by less concentrated investment companies.

#### Additional Investment Strategies

YYY, using an "indexing" investment approach, seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the YYY Index. A number of factors may affect YYY's ability to achieve a high correlation with the YYY Index, including the degree to which YYY utilizes a sampling methodology, YYY expenses, rounding of share prices, the timing or magnitude of changes to the composition of the YYY Index, regulatory policies, and portfolio turnover rate. There can be no guarantee that YYY will achieve a high degree of correlation.

YYY may sell securities that are represented in the YYY Index or purchase securities not yet represented in the YYY Index, in anticipation of their removal from or addition to the YYY Index. There may also be instances in which Penserra may choose to overweight securities in the YYY Index, thus causing Penserra to purchase or sell securities not in the YYY Index which Penserra believes are appropriate to substitute for certain securities in the YYY Index or utilize various combinations of other available investment techniques in seeking to track the YYY Index. YYY may invest up to 20% of its assets in cash and cash equivalents, such as money market instruments, or in other types of investments not included in the YYY Index, including in certain derivatives, specifically stock index futures, to equitize cash and help YYY more closely track the YYY Index. YYY will not take defensive positions.

YYY may change its investment objective and underlying index without shareholder approval.

### *IBUY*

Under normal circumstances, IBUY invests at least 80% of its net assets (plus borrowings for investment purposes) in global equity securities that comprise the EQM Online Retail Index (the “IBUY Index”), which primarily includes common stocks and/or equivalent depository receipts.

### *DIVO*

Under normal circumstances, DIVO invests at least 80% of its net assets (plus borrowings for investment purposes) in dividend-paying U.S. exchange-traded equity securities and opportunistically utilizes an “option strategy” consisting of writing (selling) U.S. exchange-traded covered call options on such equity securities.

### *BLOK*

Under normal circumstances, BLOK invests at least 80% of its net assets (plus borrowings for investment purposes) in the equity securities of companies actively involved in the development and utilization of “transformational data sharing technologies.” These investments will primarily include common stocks and/or equivalent depository receipts.

### *BATT*

Under normal circumstances, BATT will invest at least 80% of its net assets (plus borrowings for investment purposes) in the securities that comprise the EQM Lithium & Battery Technology Index (the “BATT Index”), which primarily includes common stocks and/or equivalent depository receipts.

### *SWAN*

Under normal circumstances, SWAN invests at least 80% of its net assets (plus borrowings for investment purposes) in the securities that comprise the S-Network BlackSwan Core Index (the

“*SWAN Index*”), which primarily includes U.S. Treasury securities and long-dated equity anticipation call options (“*LEAP Options*”) on the SPDR S&P 500 ETF Trust. SWAN shareholders are entitled to 60 days’ notice prior to any change in this non-fundamental investment policy.

### *EMFQ*

Under normal circumstances, EMFQ invests at least 80% of its net assets in the securities that comprise the EQM Emerging Markets Fintech Index (the “*EMFQ Index*”), which primarily includes common stocks and/or equivalent depositary receipts issued by non-U.S. companies domiciled in emerging markets and frontier markets. EMFQ shareholders are entitled to 60 days’ notice prior to any change in this non-fundamental investment policy.

### *CNBS*

Under normal circumstances, CNBS will invest at least 80% of its net assets (plus borrowings for investment purposes) in securities of companies that derive 50% or more of their revenue from the cannabis and hemp ecosystem. CNBS shareholders are entitled to 60 days’ notice prior to any change in this non-fundamental investment policy. CNBS may also invest up to 20% of the notional value of CNBS in derivative instruments, intended to provide exposure to companies principally engaged in the cannabis and hemp ecosystem. Such derivative instruments may include, but are not limited to, total return swaps.

CNBS will not hold direct ownership in any company that grows, produces, distributes or sells cannabis or products derived from cannabis in a country, state, province or other political subdivision where those activities are illegal under applicable law. Companies eligible for direct investment by CNBS do not currently include companies that grow, produce, distribute or sell cannabis or products derived from cannabis inside the U.S., regardless of whether such company is listed on a U.S. exchange or an exchange in a country where such cannabis-related activities are legal. Additionally, CNBS will not directly invest in companies that grow, produce, distribute or sell cannabis or products derived from cannabis both in a country where its activities are entirely legal and in the U.S. where its activities are legal under both state and local law, but not under U.S. federal law. CNBS will directly invest in companies that only supply products and/or perform activities that are legal under applicable national, state, provincial and local laws, including U.S. federal, state and local laws. However, these companies may supply products and perform activities in the U.S. to companies that grow, produce, distribute or sell cannabis or products derived from cannabis in a manner that is legal under state and local law, but not under U.S. federal law. Companies with a presence in the U.S. may engage in pharmaceutical activities and/or grow, produce, distribute or sell hemp or products derived from hemp only if such activities are properly licensed and legal under the applicable U.S. federal, state and local laws, and are otherwise in conformity with the Agricultural Improvement Act of 2018.

CNBS may invest in companies whose securities are listed on the Canadian Securities Exchange (the “*CSE*”), but only after an additional review conducted by the Adviser, due to the CSE’s policy of listing companies whose activities in the U.S. are contrary to U.S. federal law.

The Adviser will conduct such additional review as set forth in CNBS' compliance policies and procedures with respect to investments in cannabis-related companies.

If after CNBS acquires a company's securities the Adviser identifies or becomes aware that the company no longer meets its eligibility requirements, CNBS will use its best efforts to remove the position in a prudent and expedited manner.

#### *ISWN*

Under normal circumstances, ISWN will invest at least 80% of its net assets (plus borrowings for investment purposes) in the securities that comprise the S-Network BlackSwan International Index (the "ISWN Index"), which will primarily include U.S. Treasury securities and LEAP Options on the iShares MSCI EAFE ETF. ISWN shareholders are entitled to 60 days' notice prior to any change in this non-fundamental investment policy.

#### *MVPS*

Under normal circumstances, MVPS will invest at least 80% of its net assets (plus borrowings for investment purposes) in the securities that comprise the ETF All-Stars Thematic Composite Index (the "MVPS Index"). MVPS shareholders are entitled to 60 days' notice prior to any change in this non-fundamental investment policy.

#### *BIDS*

Under normal circumstances, BIDS will invest at least 80% of its net assets (plus borrowings for investment purposes) in securities in the securities that comprise the BlueStar® Global E-Brokers and Digital Capital Markets Index (the "BIDS Index"). BIDS shareholders are entitled to 60 days' written notice prior to any change in this non-fundamental investment policy.

#### *QSWN*

Under normal circumstances, QSWN will invest at least 80% of its net assets in the securities that comprise the S-Network BlackSwan Tech & Treasury Index (the "QSWN Index", which will primarily include U.S. Treasury securities LEAP Options on the Invesco QQQ Trust, Series 1. QSWN shareholders are entitled to 60 days' notice prior to any change in this non-fundamental investment policy.

#### *IWIN*

Under normal circumstances, IWIN will invest at least 80% of its net assets (plus borrowings for investment purposes) in securities expected to benefit, either directly or indirectly, from rising prices.

#### *NDIV*

Under normal circumstances, NDIV invests at least 80% of its net assets in the securities that comprise the EQM Natural Resources Dividend Income Index (the “NDIV Index”), which primarily includes common stocks and/or equivalent depositary receipts. NDIV shareholders are entitled to 60 days’ notice prior to any change in this non-fundamental investment policy.

### *IDVO*

Under normal circumstances, IDVO invests at least 80% of its net assets (plus borrowings for investment purposes) in dividend-paying U.S. exchange-traded equity securities and opportunistically utilizes an “option strategy” consisting of writing (selling) U.S. exchange-traded covered call options on such equity securities. IDVO shareholders are entitled to 60 days’ notice prior to any change in this non-fundamental investment policy.

## **TYPES OF INVESTMENTS**

### *Borrowing*

Although the Funds do not intend to borrow money, a Fund may do so to the extent permitted by the 1940 Act. Under the 1940 Act, a Fund may borrow up to one-third (1/3) of its total assets. A Fund may borrow money only for short-term or emergency purposes. Such borrowings are not for investment purposes and will be repaid by such Fund promptly. Borrowing will tend to exaggerate the effect of increases or decreases in the market value of a Fund’s portfolio on such Fund’s NAV. Money borrowed will be subject to interest costs that may or may not be recovered by earnings on the securities purchased. A Fund may also be required to maintain minimum average balances in connection with a borrowing or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate.

### *Cayman Subsidiary*

IWIN invests a portion of its total assets in a Subsidiary. The Subsidiary may invest in Futures Instruments. Because IWIN may invest a substantial portion of its assets in the Subsidiary, which may hold certain of the investments described in the IWIN prospectus and this SAI, IWIN may be considered to be investing indirectly in those investments through the Subsidiary. Therefore, except as otherwise noted, for purposes of this disclosure, references to the IWIN’s investments may also be deemed to include the Fund’s indirect investments through the Subsidiary. The Subsidiary is not registered under the 1940 Act and is not directly subject to its investor protections, except as noted in IWIN’s prospectus or this SAI. However, the Subsidiary is wholly owned and controlled by IWIN and is advised by Toroso. The Trust’s Board of Trustees has oversight responsibility for the investment activities of IWIN, including its investment in the Subsidiary, and IWIN’s role as the sole shareholder of the Subsidiary. Toroso receives no additional compensation for managing the assets of the Subsidiary. The Subsidiary will also enter into separate contracts for the provision of custody, transfer agency, and accounting agent services with the same service providers or with affiliates of the same service providers that provide those services IWIN. Changes in the laws of the United States (where the IWIN is organized) and/or the Cayman Islands (where the Subsidiary is incorporated) could prevent IWIN and/or the Subsidiary

from operating as described and could negatively affect IWIN and its shareholders. For example, the Cayman Islands currently does not impose certain taxes on the Subsidiary, including income and capital gains tax, among others. If Cayman Islands laws were changed to require the Subsidiary to pay Cayman Islands taxes, the investment returns of IWIN would likely decrease.

### *Debt Securities*

Certain of the Funds, including IWIN, may invest, on a limited basis in debt securities, including but not limited to, notes issued by investment funds which provide exposure to blockchain related technologies. A note is a debt security usually with a maturity of up to ten years. The debt securities in which a Fund may invest may be unsecured or secured against the assets of the issuer. Such debt securities may or may not bear interest, and may not have a fixed maturity date. Debt securities may entitle the holder to delivery of the corresponding amount of the underlying assets owned by the issuer or may entitle the holder to the payment of U.S. dollars representing the value of the holder's interest. A Fund may invest in debt securities deemed to be restricted securities, which cannot be offered for public resale unless registered under the applicable securities law or that have a contractual restriction that prohibits their resale. These restrictions may include Rule 144A securities, which are privately placed securities that can be resold to qualified institutional buyers but not the general public, and securities of U.S. and non-U.S. issuers that are offered pursuant to Regulation S under the Securities Act of 1933, as amended.

### *Derivatives*

A derivative is a contract that derives its value from an underlying agreed-upon asset or set of assets. The underlying asset can be a stock, bond, commodity, currency, interest rate or market index, among others. Derivatives are used for a variety of purposes, including insuring against movements in price (also called "hedging"), increasing exposure to movements in price for speculation or gaining access to assets or markets that are traditionally difficult to trade in. The majority of derivatives are traded either on an exchange or over-the-counter ("OTC")—privately traded products that do not trade on an exchange. Commonly used types of a derivatives include forward contracts, futures contracts, options contracts and swaps.

To the extent a Fund enters into derivatives transactions, it will do so pursuant to Rule 18f-4 under the 1940 Act. Rule 18f-4 requires a Fund to implement certain policies and procedures designed to manage its derivatives risks, dependent upon a Fund's level of exposure to derivative instruments.

Covered Call Options. DIVO and IDVO invest in covered call options. A covered call, also called a "buy-write," is generally considered an investment strategy in which an investor buys a stock or basket of stocks and sells call options that correspond to the stock or basket of stocks. In return for a premium, DIVO and IDVO give the right to the purchaser of the option written by DIVO to receive a cash payment equal to the difference between the value of the underlying security and the exercise price, if the value on the expiration date is above the exercise price. In addition, covered call options partially hedge against a decline in the price of the securities on which they are written to the extent of the premium DIVO or IDVO receive. DIVO and IDVO will write U.S. exchange-traded

options and will cover such options by holding the securities underlying the options written.

Futures Contracts. Certain Funds, including IWIN, and certain of the funds in which YYY invests may invest in futures contracts. Futures contracts generally provide for the future sale by one party and purchase by another party of a specified commodity or security at a specified future time and at a specified price. Index futures contracts are settled daily with a payment by one party to the other of a cash amount based on the difference between the level of the index specified in the contract from one day to the next. Futures contracts are standardized as to maturity date and underlying instrument and are traded on futures exchanges. A Fund or an Underlying Fund is required to make a good faith margin deposit in cash or U.S. government securities with a broker or custodian to initiate and maintain open positions in futures contracts. A margin deposit is intended to assure completion of the contract (delivery or acceptance of the underlying commodity or payment of the cash settlement amount) if it is not terminated prior to the specified delivery date. Brokers may establish deposit requirements which are higher than the exchange minimums. Futures contracts are customarily purchased and sold on margin deposits which may range upward from less than 5% of the value of the contract being traded. After a futures contract position is opened, the value of the contract is marked to market daily. If the futures contract price changes to the extent that the margin on deposit does not satisfy margin requirements, payment of additional “variation” margin will be required. Conversely, change in the contract value may reduce the required margin, resulting in a repayment of excess margin to the contract holder. Variation margin payments are made to and from the futures broker for as long as the contract remains open. In such case, a Fund or the Underlying Fund would expect to earn interest income on its margin deposits. Closing out an open futures position is done by taking an opposite position (“buying” a contract which has previously been “sold” or “selling” a contract previously “purchased”) in an identical contract to terminate the position. Brokerage commissions are incurred when a futures contract position is opened or closed.

Bitcoin Futures. Certain Funds, including IWIN, may invest in bitcoin futures. The price of bitcoin futures is based on the expected price of bitcoin on certain exchanges on the expiration date of the bitcoin futures contract. Bitcoin futures prices reflect the price of bitcoin on certain exchanges only, and not the bitcoin cash market. The liquidity of the market for bitcoin futures depends on, among other things: the supply and demand for bitcoin futures; the supply and demand for bitcoin; the adoption of bitcoin for commercial uses; the anticipated increase of investments in bitcoin-related investment products by retail and institutional investors; speculative interest in bitcoin, bitcoin futures, and bitcoin-related investment products; regulatory or other restrictions on investors’ ability to invest in bitcoin futures; and the potential ability to hedge against the price of bitcoin with bitcoin futures (and vice versa). The market for bitcoin futures may be illiquid. This means that the Subsidiary may not be able to buy and sell bitcoin futures quickly or at the desired price. For example, it is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A materially adverse development in one or more of the factors on which the liquidity - 12 - of the market for bitcoin futures depends may cause the market to become illiquid, for short or long periods.

In such markets, the Subsidiary may not be able to buy and sell bitcoin futures quickly (or at all) or at the desired price. Market illiquidity may cause losses for the Fund. Additionally, the large size of the futures positions which the Subsidiary may acquire increases the risk of illiquidity, as larger positions may be more difficult to fully liquidate, may take longer to liquidate, and, as a result of their size, may expose the Fund to potentially more significant losses while trying to do so. Limits imposed by counterparties, exchanges or other regulatory organizations, such as accountability levels, position limits and daily price fluctuation limits, may contribute to a lack of liquidity with respect to some financial instruments and have a negative impact on Fund performance. During periods of market illiquidity, including periods of market disruption and volatility, it may be difficult or impossible for the Fund to buy or sell futures contracts or other financial instruments.

Options Contracts. Certain Funds, including SWAN, ISWN, QSWN and certain of the underlying funds in which YYY invests, may invest in options contracts. An option is a contract in which the buyer (the owner or holder of the option) has the right, but not the obligation, to purchase an underlying asset at a specified price (called the strike price) prior to or on a specified date. If the buyer exercises the option, the seller (the writer of the option) has a corresponding obligation to fulfill the transaction and sell the underlying asset. Options contracts essentially take on two forms of trading: (1) exchange-traded options and (2) OTC options. An exchange-traded option involves a standardized contract that is settled through a clearing house and is guaranteed. OTC options are traded between two private parties, are not standardized and are not necessarily guaranteed. Generally, a call option allows the holder of the option to buy the asset at a specific price. A put option gives the option holder the right to sell the asset at a specific price. Options are also classified by a number of styles—the most common of which include American and European options. An American-style option is one that may be exercised on any day before the expiration of the option. However, a European-style option may only be exercised on the specific date of the option's expiration.

SWAN's, ISWN's and QSWN's investments in options contracts are primarily long-term equity anticipation securities known as LEAP Options. LEAP Options are long-term exchange-traded call options that allow holders the opportunity to participate in the underlying securities' appreciation in excess of a specified strike price without receiving payments equivalent to any cash dividends declared on the underlying securities. A holder of a LEAP Option will be entitled to receive a specified number of shares of the underlying stock upon payment of the exercise price, and therefore the LEAP Option will be exercisable at any time the price of the underlying stock is above the strike price. However, if at expiration the price of the underlying stock is at or below the strike price, the LEAP Option will expire and be worthless.

Swap Agreements. Certain of the Funds, including CNBS, as well as certain of the underlying funds in which YYY invests, may invest in swap agreements. A swap is a type of derivative in which two parties exchange cash flows of one party's financial instrument for the cash flows of the other party's financial instrument. Thus, a swap's value is based on cash flow, instead of a specific asset like other derivative products. Each cash flow or stream is considered a "leg" of the swap. Typically, one cash flow is fixed, while the other



is variable, such as a benchmark index price, floating currency exchange rate or index price. While swaps can be traded on exchanges of futures markets, most are traded OTC and tailored to the specific counterparties. The swap agreement defines the dates when cash flows are paid and the way in which they are accrued and calculated. Swap agreements are primarily entered into by institutional investors for periods ranging from a day to more than one-year. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or “swapped” between the parties are calculated with respect to a “notional amount,” *i.e.*, the return on or increase in value of a particular dollar amount invested in a basket of securities representing a particular index.

CNBS may enter into swap agreements, including, but not limited to, total return swaps. CNBS may utilize swap agreements in an attempt to gain exposure to the securities in a market without actually purchasing those securities, or to hedge a position. CNBS’ obligations under a swap agreement will be accrued daily (offset against any amounts owing to CNBS) and any accrued but unpaid net amounts owed to a swap counterparty will be covered by segregating assets determined to be liquid. Obligations under swap agreements so covered will not be construed to be “senior securities” for purposes of the CNBS’ investment restriction concerning senior securities. Because they are two-party contracts which may have terms of greater than seven days, swap agreements may be considered to be illiquid for purposes of CNBS’ illiquid investment limitations. CNBS will not enter into any swap agreement unless the Adviser believes that the other party to the transaction is creditworthy. CNBS bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

CNBS may enter into swap agreements to invest in a market without owning or taking physical custody of the underlying securities in circumstances in which direct investment is restricted for legal reasons or is otherwise impracticable. The counterparty to any swap agreement will typically be a bank, investment banking firm or broker-dealer. The counterparty will generally agree to pay CNBS the amount, if any, by which the notional amount of the swap agreement would have increased in value had it been invested in the particular stocks, plus the dividends that would have been received on those stocks. CNBS will agree to pay to the counterparty a floating rate of interest on the notional amount of the swap agreement plus the amount, if any, by which the notional amount would have decreased in value had it been invested in such stocks. Therefore, the return to CNBS on any swap agreement should be the gain or loss on the notional amount plus dividends on the stocks less the interest paid by CNBS on the notional amount.

Swap agreements typically are settled on a net basis, which means that the two payment streams are netted out, with CNBS receiving or paying, as the case may be, only the net amount of the two payments. Payments may be made at the conclusion of a swap agreement or periodically during its term. Other swap agreements may require initial premium (discount) payments as well as periodic payments (receipts) related to the interest leg of the swap or to the default of a reference obligation.

Swap agreements do not involve the delivery of securities or other underlying assets. Accordingly, the risk of loss with respect to swap agreements is limited to the net amount of payments that CNBS is contractually obligated to make. If a swap counterparty defaults, CNBS' risk of loss consists of the net amount of payments CNBS is contractually entitled to receive, if any. The net amount of the excess, if any, of CNBS' obligations over its entitlements with respect to each equity swap will be accrued on a daily basis and an amount of cash or liquid assets, having an aggregate NAV at least equal to such accrued excess will be maintained in a segregated account by CNBS' custodian. Inasmuch as these transactions are entered into for hedging purposes or are offset by segregated cash of liquid assets, as permitted by applicable law, CNBS and the Adviser believe that these transactions do not constitute senior securities under the 1940 Act and, accordingly, will not treat them as being subject to CNBS' borrowing restrictions.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid in comparison with the markets for other similar instruments, which are traded in the OTC market. The Adviser, under the supervision of the Board, is responsible for determining and monitoring the liquidity of CNBS transactions in swap agreements.

The use of swap agreements is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If a counterparty's creditworthiness declines, the value of the swap would likely decline. Moreover, there is no guarantee that CNBS could eliminate its exposure under an outstanding swap agreement by entering into an offsetting swap agreement with the same or another party.

### *Equity Securities*

Equity securities represent ownership interests, or the rights to acquire ownership interests, in an issuer and include common stocks, preferred stocks, convertible securities, rights and warrants, with different types of equity securities providing different voting and dividend rights and priority if the issuer becomes bankrupt. The value of equity securities varies in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be significant.

Common Stock. Certain of the Funds, including YYY (as well as certain of the underlying funds in which YYY invests), IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, IWIN, NDIV and IDVO, invest in common stock. Common stock represents an ownership position in a company. Common stock may or may not pay dividends and may or may not carry voting rights. Common stock occupies the most junior position in a company's capital structure. Holders of common stocks incur more risk than holders of preferred stocks and debt obligations because common stockholders, as owners of the issuer, generally have inferior rights to receive payments from the issuer in comparison with the

rights of creditors, or holders of debt obligations or preferred stocks. Unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, is subject to market fluctuations prior thereto), or preferred stocks, which typically have a liquidation preference and which may have stated optional or mandatory redemption provisions, common stocks have neither a fixed principal amount nor a maturity.

Convertible Securities. Certain Funds, including IWIN and certain of the underlying funds in which YYY invests, may invest in convertible securities. Convertible securities are securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of the issuer's common stock at the owner's option during a specified time period (such as convertible preferred stocks, convertible debentures and warrants). A convertible security is generally a fixed income security that is senior to common stock in an issuer's capital structure, but is usually subordinated to similar non-convertible securities. In exchange for the conversion feature, many corporations will pay a lower rate of interest on convertible securities than debt securities of the same corporation. In general, the market value of a convertible security is at least the higher of its "investment value" (i.e., its value as a fixed income security) or its "conversion value" (i.e., its value upon conversion into its underlying common stock). Convertible securities are subject to the same risks as similar securities without the convertible feature. The price of a convertible security is more volatile during times of steady interest rates than other types of debt securities. The price of a convertible security tends to increase as the market value of the underlying stock rises, whereas it tends to decrease as the market value of the underlying common stock declines.

Depository Receipts. Certain Funds, including IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, NDIV and IDVO, and certain of the underlying funds in which YYY invests, may invest in securities of non-U.S. issuers in the form of sponsored or unsponsored ADRs, GDRs and EDRs (collectively "*Depository Receipts*"). ADRs are Depository Receipts normally issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a non-U.S. corporation. EDRs and GDRs are typically issued by non-U.S. banks or trust companies, although they also may be issued by U.S. banks or trust companies, and evidence ownership of underlying securities issued by either a non-U.S. or a U.S. corporation. Generally, Depository Receipts in registered form are designed for use in the U.S. securities market. Depository Receipts in bearer form are designed for use in securities markets outside the United States. Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Ownership of unsponsored Depository Receipts may not entitle a Fund to financial or other reports from the issuer of the underlying security, to which it would be entitled as the owner of sponsored Depository Receipts. The issuers of unsponsored Depository Receipts are not obligated to disclose material information in the United States; therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the Depository Receipts.

Master Limited Partnerships. Certain Funds, including NDIV, and certain of the underlying funds in which YYY invests may invest in master limited partnerships (an

“MLP”), which is a limited partnership or a limited liability company that is treated as a partnership for federal income tax purposes, the interests in which (known as units) are traded on securities exchanges or OTC. MLPs are typically engaged in one or more aspects of the exploration, production, processing, transmission, marketing, storage or delivery of energy-related commodities such as natural gas, natural gas liquids, coal, crude oil or refined petroleum products. Holders of MLP units have limited control and voting rights on matters affecting the partnership. If publicly traded, to be treated as a partnership for U.S. federal income tax purposes, the MLP must receive at least 90% of its income from qualifying sources as set forth in the Internal Revenue Code of 1986, as amended (the “Code”). These qualifying sources include interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, gain from the sale or disposition of a capital asset held for the production of income described in the foregoing and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, mining, refining, marketing and transportation (including pipelines), of oil and gas, minerals, geothermal energy, fertilizer, timber or carbon dioxide. MLPs that are formed as limited liability companies generally have two analogous classes of owners, the managing member and the members. For purposes of this section, references to general partners also apply to managing members and references to limited partners also apply to members. The general partner is typically owned by a major energy company, an investment fund, the direct management of the MLP or is an entity owned by one or more of such parties. The general partner may be structured as a private or publicly traded corporation or other entity. The general partner typically controls the operations and management of the MLP through an equity interest of as much as 2% in the MLP plus, in many cases, ownership of common units and subordinated units. Limited partners own the remainder of the MLP through ownership of common units and have a limited role in the MLP’s operations and management. MLPs are typically structured such that common units and general partner interests have first priority to receive quarterly cash distributions up to an established minimum amount (“minimum quarterly distributions” or “MQD”). Common and general partner interests also accrue arrearages in distributions to the extent the MQD is not paid. Once common and general partner interests have been paid, subordinated units receive distributions of up to the MQD; however, subordinated units do not accrue arrearages. Distributable cash in excess of the MQD paid to both common and subordinated units is distributed to both common and subordinated units generally on a pro rata basis. The general partner is also eligible to receive incentive distributions if the general partner operates the business in a manner which results in distributions paid per common unit surpassing specified target levels. As the general partner increases cash distributions to the limited partners, the general partner receives an increasingly higher percentage of the incremental cash distributions. A common arrangement provides that the general partner can reach a tier where it receives 50% of every incremental dollar paid to common and subordinated unit holders. These incentive distributions encourage the general partner to streamline costs, increase capital expenditures and acquire assets in order to increase the partnership’s cash flow and raise the quarterly cash distribution in order to reach higher tiers. General partner interests of MLPs are typically retained by an MLP’s original sponsors, such as its founders, corporate

partners, entities that sell assets to the MLP and investors such as us. A holder of general partner interests can be liable under certain circumstances for amounts greater than the amount of the holder's investment in the general partner interest. General partner interests often confer direct board participation rights and, in many cases, operating control, over the MLP. These interests themselves are not publicly traded, although they may be owned by publicly traded entities. General partner interests receive cash distributions, typically 2% of the MLP's aggregate cash distributions, which are contractually defined in the partnership agreement. In addition, holders of general partner interests typically hold incentive distribution rights, which provide them with a larger share of the aggregate MLP cash distributions as the distributions to limited partner unit holders are increased to prescribed levels. General partner interests generally cannot be converted into common units. The general partner interest can be redeemed by the MLP if the MLP unitholders choose to remove the general partner, typically with a supermajority vote by limited partner unitholders.

Preferred Stocks. Certain of the underlying funds in which YYY invests may invest in preferred stocks. Preferred stocks are units of ownership in a company, that normally have preference over common stock in the payment of dividends and the liquidation of such company. However, in all other respects, preferred stocks are subordinated to the liabilities of the issuer. Unlike common stocks, preferred stocks are generally not entitled to vote on corporate matters. Types of preferred stocks include adjustable-rate preferred stock, fixed dividend preferred stock, perpetual preferred stock and sinking fund preferred stock. Generally, the market values of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk.

Rights and Warrants. Certain of the underlying funds in which YYY invests may invest in rights and warrants. A right is a privilege granted to existing shareholders of a corporation to subscribe to shares of a new issue of common stock before it is issued. Rights normally have a short life of usually two to four weeks, are freely transferable and entitle the holder to buy the new common stock at a lower price than the public offering price. Warrants are securities that are usually issued together with a debt security or preferred stock and that give the holder the right to buy proportionate amount of common stock at a specified price. Warrants are freely transferable and are traded on major exchanges. Unlike rights, warrants normally have a life that is measured in years and entitles the holder to buy common stock of a company at a price that is usually higher than the market price at the time the warrant is issued. Corporations often issue warrants to make the accompanying debt security more attractive. An investment in warrants and rights may entail greater risks than certain other types of investments. Generally, rights and warrants do not carry the right to receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. Investing in rights and warrants increases the potential profit or loss to be realized from the investment as compared with investing the same amount in the underlying securities.

Royalty Trusts. Certain of the underlying funds in which YYY invests may invest in royalty trusts. A royalty trust generally acquires an interest in natural resource companies or chemical companies and distributes the income it receives to the investors of the royalty trust. A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely affect income and royalty trust revenues and cash flows. Factors that could lead to a decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products. A rising interest rate environment could adversely impact the performance of royalty trusts. Rising interest rates could limit the capital appreciation of royalty trusts because of the increased availability of alternative investments at more competitive yields.

### *Fixed Income Securities*

Bonds. Certain Funds, including SWAN and ISWN and certain of the underlying funds in which YYY invests, may invest in bonds. A bond is an interest-bearing security issued by a company, governmental unit or, in some cases, a non-U.S. entity. The issuer of a bond has a contractual obligation to pay interest at a stated rate on specific dates and to repay principal (the bond's face value) periodically or on a specified maturity date. Bonds generally are used by corporations and governments to borrow money from investors. An issuer may have the right to redeem or "call" a bond before maturity, in which case the investor may have to reinvest the proceeds at lower market rates. Most bonds bear interest income at a "coupon" rate that is fixed for the life of the bond. The value of a fixed-rate bond usually rises when market interest rates fall and falls when market interest rates rise. Accordingly, a fixed-rate bond's yield (income as a percent of the bond's current value) may differ from its coupon rate as its value rises or falls. Other types of bonds bear income at an interest rate that is adjusted periodically. Because of their adjustable interest rates, the value of "floating-rate" or "variable-rate" bonds fluctuate much less in response to market interest rate movements than the value of fixed-rate bonds. Generally, prices of higher quality issues tend to fluctuate less with changes in market interest rates than prices of lower quality issues and prices of longer maturity issues tend to fluctuate more than prices of shorter maturity issues. Bonds may be senior or subordinated obligations. Senior obligations generally have the first claim on a corporation's earnings and assets and, in the event of liquidation, are paid before subordinated obligations. Bonds may be unsecured (backed only by the issuer's general creditworthiness) or secured (backed by specified collateral). The investment return of corporate bonds reflects interest on the security and changes in the market value of the security. The market value of a corporate bond may be affected by the credit rating of the corporation, the corporation's performance and perceptions of the corporation in the marketplace. There is a risk that the issuers of the bonds may not be able to meet their obligations on interest or principal payments at the time called for by the bond.

High Yield Debt Securities. Certain of the underlying funds in which YYY invests may invest in high yield debt securities, which are rated below investment grade (see additional information below) and are commonly known as "junk bonds". Investment in high yield debt securities generally provides greater income and increased opportunity for capital

appreciation than investments in higher quality securities, but they also typically entail greater price volatility and credit risk. These high yield debt securities are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers of debt securities that are high yield may be more complex than for issuers of higher quality debt securities. In addition, high yield debt securities often are issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which generally are less able than more financially stable firms to make scheduled payments of interest and principal.

Loans. Certain of the underlying funds in which YYY invests may invest in loans. Loans consist generally of obligations of companies and other entities (collectively, "borrowers") incurred for the purpose of reorganizing the assets and liabilities of a borrower; acquiring another company; taking over control of a company (leveraged buyout); temporary refinancing; or financing internal growth or other general business purposes. Loans often are obligations of borrowers who have incurred a significant percentage of debt compared to equity issued and thus are highly leveraged. Loans may be acquired by direct investment as a lender at the inception of the loan or by assignment of a portion of a loan previously made to a different lender or by purchase of a participation interest. If an underlying fund held by YYY makes a direct investment in a loan as one of the lenders, it generally acquires the loan at par. This means YYY receives a return at the full interest rate for the loan. If an underlying fund of YYY acquires its interest in loans in the secondary market or acquires a participation interest, the loans may be purchased or sold above, at, or below par, which can result in a yield that is below, equal to, or above the stated interest rate of the loan.

When a fund acts as one of a group of lenders originating a senior loan, it may participate in structuring the senior loan and have a direct contractual relationship with the borrower, may enforce compliance by the borrower with the terms of the loan agreement and may have rights with respect to any funds acquired by other lenders through set-offs. Lenders also have full voting and consent rights under the applicable loan agreement. Action subject to lender vote or consent generally requires the vote or consent of the holders of some specified percentage of the outstanding principal amount of the senior loan. Certain decisions, such as reducing the amount of interest on or principal of a senior loan, releasing collateral, changing the maturity of a senior loan or a change in control of the borrower, frequently require the unanimous vote or consent of all lenders affected.

When an underlying fund held by YYY is a purchaser of an assignment, it succeeds to all the rights and obligations under the loan agreement of the assigning lender and becomes a lender under the loan agreement with the same rights and obligations as the assigning lender. These rights include the ability to vote along with the other lenders on such matters as enforcing the terms of the loan agreement (e.g., declaring defaults, initiating collection action, etc.). Taking such actions typically requires at least a vote of the lenders holding a majority of the investment in the loan and may require a vote by lenders holding two-thirds or more of the investment in the loan. When an underlying fund held by YYY does not hold a majority of the investment in any loan, it will not be able by itself to control decisions that require a vote by the lenders. Assignments may be arranged through private

negotiations and the rights and obligations acquired by the purchase of an assignment may differ from, and be more limited than, those held by the assigning lender.

A participation interest represents a fractional interest in a loan held by the lender selling the fund the participation interest. In the case of participations, the underlying fund held by YYY will not have any direct contractual relationship with the borrower, such fund's rights to consent to modifications of the loan are limited and it is dependent upon the participating lender to enforce YYY's rights upon a default. The underlying fund held by YYY will have the right to receive payments of principal, interest, and any fees to which it is entitled only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. The underlying fund held by YYY may be subject to the credit of both the agent and the lender from whom such fund acquires a participation interest. These credit risks may include delay in receiving payments of principal and interest paid by the borrower to the agent or, in the case of a participation, offsets by the lender's regulator against payments received from the borrower. In the event of the borrower's bankruptcy, the borrower's obligation to repay the loan may be subject to defenses that the borrower can assert as a result of improper conduct by the agent. Historically, the amount of public information available about a specific loan has been less extensive than if the loan were registered or exchange-traded.

The loans in which an underlying fund held by YYY may invest in may be secured and senior to other indebtedness of the borrower. Each loan generally will be secured by collateral such as accounts receivable, inventory, equipment, real estate, intangible assets such as trademarks, copyrights and patents, and securities of subsidiaries or affiliates. Collateral also may include guarantees or other credit support by affiliates of the borrower. By virtue of their senior position and collateral, senior loans typically provide lenders with the first right to cash flows or proceeds from the sale of a borrower's collateral if the borrower becomes insolvent (subject to the limitations of bankruptcy law, which may provide higher priority to certain claims such as employee salaries, employee pensions, and taxes). This means senior loans generally are repaid before unsecured bank loans, corporate bonds, subordinated debt, trade creditors, and preferred or common stockholders.

Investing in senior loans involves investment risk, and some borrowers default on their senior loan payments. Senior loans typically pay interest at least quarterly at rates which equal a fixed percentage spread over a base rate such as the London Inter-Bank Offered Rate ("LIBOR"). The United Kingdom's Financial Conduct Authority, which regulated LIBOR, announced that all non-USD LIBOR reference rates and the 1-week and 2-month USD LIBOR reference rates ceased to be provided or no longer be representative immediately after December 31, 2021 and the remaining USD LIBOR settings will cease to be provided or no longer be representative immediately after June 30, 2023. While some instruments tied to LIBOR may include a replacement rate, not all instruments have such fallback provisions and the effectiveness of such replacement rates remains uncertain. Due to the uncertainty regarding the nature of any replacement rate, the potential effect of a transition away from LIBOR on an underlying fund held by YYY or its underlying investments cannot yet be determined.



Most borrowers pay their debts from cash flow generated by their businesses. If a borrower's cash flow is insufficient to pay its debts, it may attempt to restructure its debts rather than sell collateral. Borrowers may try to restructure their debts by filing for protection under the federal bankruptcy laws or negotiating a work-out. If a borrower becomes involved in a bankruptcy proceeding, access to collateral may be limited by bankruptcy and other laws. If a court decides that access to collateral is limited or void, the underlying fund in which YYY invests may not recover the full amount of principal and interest that is due.

A borrower must comply with certain restrictive covenants contained in the loan agreement. In addition to requiring the scheduled payment of principal and interest, these covenants may include restrictions on the payment of dividends and other distributions to the borrower's shareholders, provisions requiring compliance with specific financial ratios, and limits on total indebtedness. The agreement also may require the prepayment of the loans from excess cash flow. A breach of a covenant that is not waived by the agent (or lenders directly) is normally an event of default, which provides the agent and lenders the right to call for repayment of the outstanding loan.

An increase in demand for loans may benefit an underlying fund held by YYY by providing increased liquidity for such loans and higher sales prices, but it also may adversely affect the rate of interest payable on such loans acquired by such underlying fund and the rights provided to such underlying fund under the terms of the applicable loan agreement, and may increase the price of loans that such underlying fund wishes to purchase in the secondary market. A decrease in the demand for loans may adversely affect the price of loans in the underlying fund's portfolio, which could cause such underlying fund's NAV to decline.

Ratings. An investment grade rating means the security or issuer is rated investment-grade by S&P Global Ratings ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings, Ltd. ("Fitch") or another nationally recognized statistical rating organization, or is unrated but considered to be of equivalent quality by the Adviser or an underlying fund's investment adviser, as applicable. Bonds rated Baa by Moody's or BBB by S&P or above are considered "investment grade" securities; bonds rated Baa by Moody's are considered medium grade obligations which have some speculative elements and moderate credit risk; bonds rated Ba1 and lower by Moody's are speculative grade; and bonds rated BB or lower by S&P are considered to be non-investment grade.

### *Foreign Securities*

Certain of the Funds, IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, NDIV and IDVO, as well as the underlying funds in which YYY invests, may have exposure to non-U.S. securities. Non-U.S. securities include securities issued or guaranteed by companies organized under the laws of countries other than the United States (including emerging markets), securities issued or guaranteed by foreign, national, provincial, state, municipal or other governments with taxing authority or by their agencies or instrumentalities and debt obligations of supranational governmental entities such as the World Bank or European Union. Non-U.S. securities may also

include U.S. dollar-denominated debt obligations, such as “Yankee Dollar” obligations, of foreign issuers and of supra-national government entities. Yankee Dollar obligations are U.S. dollar-denominated obligations issued in the U.S. capital markets by foreign corporations, banks and governments. Foreign securities also may be traded on foreign securities exchanges or in OTC capital markets. Investing in foreign companies may involve risks not typically associated with investing in United States companies.

Certain of a Fund’s investment in foreign securities may be denominated in currencies other than the U.S. dollar. To the extent a Fund invests in such instruments, the value of the assets of such Fund as measured in U.S. dollars will be affected by changes in exchange rates. Generally, a Fund’s currency exchange transactions will be conducted on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market. The cost of a Fund’s currency exchange transactions will generally be the difference between the bid and offer spot rate of the currency being purchased or sold. In order to protect against uncertainty in the level of future currency exchange rates, the Funds are authorized to enter into various currency exchange transactions.

### *Illiquid Securities*

The Funds may invest in illiquid securities (any investment that such Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the asset). For purposes of this restriction, illiquid securities may include, but are not limited to, certain restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may only be resold pursuant to Rule 144A under the 1933 Act but that are deemed to be illiquid; and repurchase agreements with maturities in excess of seven days. However, each Fund will not acquire illiquid securities if, as a result, such securities would comprise more than 15% of the value of such Fund’s net assets. The Adviser and/or applicable Sub-Adviser, subject to oversight by the Board of Trustees, has the ultimate authority to determine, to the extent permissible under the federal securities laws, which securities are liquid or illiquid for purposes of this 15% limitation under a Fund’s liquidity risk management program, adopted pursuant to Rule 22e-4 under the 1940 Act.

### *Investment Companies*

Certain of the Funds, including YYY, BLOK, CNBS and IWIN, may invest in securities of other investment companies to the extent permitted by applicable law. An investment company is a financial entity (corporation, business trust, partnership or limited liability company) that is primarily in the business of investing the pooled capital of investors and issuing securities. Each investor shares in the profits and losses in proportion to the investor’s interest in the investment company. The investment company’s performance is based primarily on the performance of the securities and other assets the investment company owns or invests in. Investment companies are registered with and regulated by the SEC. The three main types of investment companies include: closed-end funds, open-end funds (*i.e.*, mutual funds) and unit investment trusts (UITs). Each of these three investment companies have their own unique features but all are regulated under the Investment Company Act of 1940 and subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. When a Fund invests in and thus, is a shareholder of, another investment

company, such Fund's shareholders will indirectly bear its proportionate share of the fees and expenses of such other investment company, including advisory fees, in addition to both the management fees payable directly to the Fund and the Adviser, and the other expenses that such Fund bears directly in connection with its own operations.

Under the 1940 Act, a fund's investment in investment companies is limited to, subject to certain exceptions, (i) 3% of the total outstanding voting stock of any one investment company, (ii) 5% of the fund's total assets with respect to any one investment company, and (iii) 10% of the fund's total assets with the respect to investment companies in the aggregate. Other investment companies in which the Funds invest can be expected to incur fees and expenses for operations, such as investment advisory and administration fees, which would be in addition to those incurred by the Funds. The SEC adopted Rule 12d1-4 under the 1940 Act on November 19, 2020, which became effective January 19, 2021. Rule 12d1-4 allows, subject to certain conditions, the Funds to invest in other registered investment companies beyond the limits contained in Section 12(d)(1) of the 1940 Act. Pursuant to Rule 12d1-4, exemptive relief was rescinded effective January 19, 2022, and each Fund is required to comply with the conditions of Rule 12d1-4 to the extent it invests in registered investment companies or other registered investment companies invest in the Fund beyond the limits prescribed in Section 12(d)(1).

Closed-End Funds. A closed-end fund is a pooled investment vehicle that issues a fixed number of shares during its initial offering period and lists its shares on an exchange. The funds' investment portfolios are generally managed by separate entities known as "investment advisers." After its initial offering of shares, the fund does not continuously offer shares for sale and will not create additional shares. Additionally, a closed-end fund's shares are not redeemable by the fund, meaning the fund will not buy back shares from investors. Instead, the shares must be bought and sold on the secondary market through the exchange the fund is listed on. Since the fund is listed on an exchange, the price per share is determined by market forces, which may cause the share price to be different from the net asset value (NAV) of the fund's underlying securities. Closed-end funds that are publicly sold must be registered under the Securities Act of 1933 and the Investment Company Act of 1940.

Exchange-Traded Funds. ETFs are open-end investment companies whose shares are listed on a national securities exchange. An ETF is similar to a traditional mutual fund, but trades at different prices during the day on a security exchange like a stock. A Fund's investments in ETFs involves duplication of advisory fees and other expenses since the Fund will be investing in another investment company. To the extent a Fund invests in ETFs which focus on a particular market segment or industry, the Fund will also be subject to the risks associated with investing in those sectors or industries. The shares of the ETFs in which a Fund will invest will be listed on a national securities exchange and the Fund will purchase or sell these shares on the secondary market at its current market price, which may be more or less than its net asset value per share.

### *Municipal Securities*

Certain underlying funds held by YYY may invest in securities issued by states, municipalities and other political subdivisions, agencies, authorities and instrumentalities of states and multi-state agencies or authorities. Municipal securities share the attributes of debt/fixed-income securities in general, but generally are issued by states, municipalities and other political subdivisions, agencies, authorities and instrumentalities of states and multi-state agencies or authorities. The municipal securities which the underlying funds held by YYY may purchase include general obligation bonds and limited obligation bonds (or revenue bonds), including industrial development bonds issued pursuant to former federal tax law that pay interest monthly or quarterly based on a floating rate that is reset daily or weekly based on an index of short-term municipal rates. General obligation bonds are obligations involving the credit of an issuer possessing taxing power and are payable from such issuer's general revenues and not from any particular source. Limited obligation bonds are payable only from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source. Industrial development bonds also generally are revenue bonds and thus are not payable from the issuer's general revenues. The credit and quality of industrial development bonds usually are related to the credit of the corporate user of the facilities. Payment of interest on and repayment of principal of such bonds is the responsibility of the corporate user (and/or any guarantor). In addition, certain underlying funds held by YYY may invest in lease obligations. Lease obligations may take the form of a lease or an installment purchase contract issued by public authorities to acquire a wide variety of equipment and facilities.

An issuer may have the right to redeem or "call" a bond before maturity, in which case the investor may have to reinvest the proceeds at lower market rates. The value of a fixed rate bond usually rises when market interest rates fall and falls when market interest rates rise. Accordingly, a fixed rate bond's yield (income as a percent of the bond's current value) may differ from its coupon rate as its value rises or falls.

Generally, prices of higher quality issues tend to fluctuate more with changes in market interest rates than prices of lower quality issues and prices of longer maturity issues tend to fluctuate more than prices of shorter maturity issues. Bonds may be senior or subordinated obligations. Senior obligations generally have the first claim on a corporation's earnings and assets and, in the event of liquidation, are paid before subordinated obligations. Bonds may be unsecured (backed only by the issuer's general creditworthiness) or secured (also backed by specified collateral).

The market for municipal bonds may be less liquid than for non-municipal bonds. There also may be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult to value accurately than securities of public corporations. Investing a significant portion of a portfolio in municipal securities may result in greater exposure to liquidity risk versus a portfolio that invests in non-municipal securities.

Some longer-term municipal securities give the investor the right to "put" or sell the security at par (face value) within a specified number of days following the investor's request—usually one to seven days. This demand feature enhances a security's liquidity by shortening its

effective maturity and enables it to trade at a price equal to or very close to par. If a demand feature terminates prior to being exercised, an underlying fund held by YYY would hold the longer-term security, which could experience substantially more volatility.

Municipal securities are subject to credit and market risk. Generally, prices of higher quality issues tend to fluctuate more with changes in market interest rates than prices of lower quality issues and prices of longer maturity issues tend to fluctuate more than prices of shorter maturity issues.

Prices and yields on municipal securities are dependent on a variety of factors, including general money market conditions, the financial condition of the issuer, general conditions of the municipal security market, the size of a particular offering, the maturity of the obligation and the rating of the issue. A number of these factors, including the ratings of particular issues, are subject to change from time to time.

Lease obligations may have risks normally not associated with general obligation or other revenue bonds. Leases and installment purchase or conditional sale contracts (which may provide for title to the leased asset to pass eventually to the issuer) have developed as a means for governmental issuers to acquire property and equipment without the necessity of complying with the constitutional statutory requirements generally applicable for the issuance of debt. Certain lease obligations contain “non-appropriation” clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing “non-appropriation” clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property.

The value of municipal securities may be affected by uncertainties in the municipal market related to legislation or litigation involving the taxation of municipal securities or the rights of municipal securities holders in the event of a bankruptcy. Proposals to restrict or eliminate the federal income tax exemption for interest on municipal securities are introduced before Congress from time to time. Proposals also may be introduced before state legislatures that would affect the state tax treatment of a municipal fund’s distributions. If such proposals were enacted, the availability of municipal securities and the value of a municipal fund’s holdings would be affected, and the investment objective and policies of certain underlying funds held by YYY might need to be reevaluated. Municipal bankruptcies are relatively rare, and certain provisions of the U.S. Bankruptcy Code governing such bankruptcies are unclear and remain untested. Further, the application of state law to municipal issuers could produce varying results among the states or among municipal securities issuers within a state. These legal uncertainties could affect the municipal securities market generally, certain specific segments of the market, or the relative credit quality of particular securities. There also is the possibility that as a result of litigation or other conditions, the power or ability of issuers to meet their obligations for the payment of interest and principal on their municipal securities may be materially affected or their obligations may be found to be invalid or unenforceable. Such litigation or conditions may, from time to time, have the effect of introducing uncertainties in the market for municipal securities or certain segments thereof, or

of materially affecting the credit risk with respect to particular bonds. Adverse economic, business, legal or political developments might affect municipal securities in the same manner. Any of these effects could have a significant impact on the prices of such municipal securities

There is no guarantee that any of the income of the underlying funds held by YYY will be exempt from federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the underlying fund held by YYY to its shareholders (such as YYY) to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

Municipal Insurance. A municipal security may be covered by insurance that guarantees the bond's scheduled payment of interest and repayment of principal. This type of insurance may be obtained by either (i) the issuer at the time the bond is issued (primary market insurance), or (ii) another party after the bond has been issued (secondary market insurance).

Both primary and secondary market insurance guarantee timely and scheduled repayment of all principal and payment of all interest on a municipal security in the event of default by the issuer and cover a municipal security to its maturity, thereby enhancing its credit quality and value.

Municipal security insurance does not insure against market fluctuations or fluctuations in the share price of an underlying fund held by YYY. In addition, a municipal security insurance policy will not cover: (i) repayment of a municipal security before maturity (redemption), (ii) prepayment or payment of an acceleration premium (except for a mandatory sinking fund redemption) or any other provision of a bond indenture that advances the maturity of the bond, or (iii) nonpayment of principal or interest caused by negligence or bankruptcy of the paying agent. A mandatory sinking fund redemption may be a provision of a municipal security issue whereby part of the municipal security issue may be retired before maturity.

Because a significant portion of the municipal securities issued and outstanding is insured by a small number of insurance companies, an event involving one or more of these insurance companies could have a significant adverse effect on the value of the securities insured by that insurance company and on the municipal markets as a whole.

### *Real Estate Investment Trusts*

Certain of the Funds, including CNBS and certain of the underlying funds in which YYY invests, may invest in real estate investment trusts ("REITS"). REITS are typically publicly traded corporations or trusts that invest in residential or commercial real estate. A REIT is a corporation or business trust (that would otherwise be taxed as a corporation) which meets the definitional

requirements of the Internal Revenue Code. The Internal Revenue Code permits a qualifying REIT to deduct from taxable income the dividends paid, thereby effectively eliminating corporate level federal income tax and making the REIT a pass-through vehicle for federal income tax purposes. REITs can generally be divided into the following three types: (i) equity REITs which invest the majority of their assets directly in real property and derive their income primarily from rents and capital gains or real estate appreciation; (ii) mortgage REITs which invest the majority of their assets in real estate mortgage loans and derive their income primarily from interest payments; and (iii) hybrid REITs which combine the characteristics of equity REITs and mortgage REITs.

### *Repurchase Agreements*

Certain of the underlying funds in which YYY invests may invest in repurchase agreements with commercial banks, brokers or dealers to generate income from its excess cash balances and to invest securities lending cash collateral. A repurchase agreement is an agreement under which a fund acquires a financial instrument (e.g., a security issued by the U.S. government or an agency thereof, a banker's acceptance or a certificate of deposit) from a seller, subject to resale to the seller at an agreed upon price and date (normally, the next Business Day). A repurchase agreement may be considered a loan collateralized by securities. The resale price reflects an agreed upon interest rate effective for the period the instrument is held by a fund and is unrelated to the interest rate on the underlying instrument. In repurchase agreement transactions, the securities acquired by a fund (including accrued interest earned thereon) must have a total value in excess of the value of the repurchase agreement and are held by the Custodian (as defined below) until repurchased. Investments in repurchase agreements may be subject to a Fund's illiquid investments restrictions.

### *Reverse Repurchase Agreements*

Certain of the underlying funds in which YYY invests may enter into reverse repurchase agreements, which involve the sale of securities with an agreement to repurchase the securities at an agreed-upon price, date and interest payment and have the characteristics of borrowing. The securities purchased with the funds obtained from the agreement and securities collateralizing the agreement will have maturity dates no later than the repayment date. Generally the effect of such transactions is that a party can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while in many cases such party is able to keep some of the interest income associated with those securities. Such transactions are only advantageous if a fund has an opportunity to earn a greater rate of interest on the cash derived from these transactions than the interest cost of obtaining the same amount of cash. Opportunities to realize earnings from the use of the proceeds equal to or greater than the interest required to be paid may not always be available and certain Funds only intend to use the reverse repurchase technique when its Sub-Adviser believes it will be advantageous to such Fund. The use of reverse repurchase agreements may exaggerate any interim increase or decrease in the value of a Fund's assets. A fund's exposure to reverse repurchase agreements will be covered by securities having a value equal to or greater than such commitments. Under the 1940 Act, reverse repurchase agreements are considered borrowings.

### *Securities Lending*

Each Fund may lend portfolio securities in an amount up to one-third of its total assets to brokers, dealers and other financial institutions. In a portfolio securities lending transaction, a Fund receives from the borrower an amount equal to the interest paid or the dividends declared on the loaned securities during the term of the loan as well as the interest on the collateral securities, less any fees (such as finders or administrative fees) the Fund pays in arranging the loan. A Fund may share the interest it receives on the collateral securities with the borrower. The terms of a Fund's loans permit a Fund to reacquire loaned securities on five business days' notice or in time to vote on any important matter. Loans are subject to termination at the option of a Fund or borrower at any time, and the borrowed securities must be returned when the loan is terminated. Each Fund may pay fees to arrange for securities loans.

The SEC currently requires that the following conditions must be met whenever a Fund's portfolio securities are loaned: (1) the Fund must receive at least 100% cash collateral from the borrower; (2) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (3) the Fund must be able to terminate the loan at any time; (4) the Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities, and any increase in market value; (5) the Fund may pay only reasonable custodian fees approved by the Board in connection with the loan; (6) while voting rights on the loaned securities may pass to the borrower, the Board must terminate the loan and regain the right to vote the securities if a material event adversely affecting the investment occurs, and (7) the Fund may not loan its portfolio securities so that the value of the loaned securities is more than one-third of its total asset value, including collateral received from such loans. These conditions may be subject to future modification. Such loans will be terminable at any time upon specified notice. The Funds might experience the risk of loss if the institution with which it has engaged in a portfolio loan transaction breaches its agreement with such Fund. In addition, the Funds will not enter into any portfolio security lending arrangement having a duration of longer than one year. The principal risk of portfolio lending is potential default or insolvency of the borrower. In either of these cases, the Funds could experience delays in recovering securities or collateral or could lose all or part of the value of the loaned securities. As part of participating in a lending program, each Fund may be required to invest in collateralized debt or other securities that bear the risk of loss of principal. In addition, all investments made with the collateral received are subject to the risks associated with such investments. If such investments lose value, the Funds will have to cover the loss when repaying the collateral.

Any loans of portfolio securities are fully collateralized based on values that are marked-to-market daily. Any securities that a Fund may receive as collateral will not become part of such Fund's investment portfolio at the time of the loan and, in the event of a default by the borrower, the Fund will, if permitted by law, dispose of such collateral except for such part thereof that is a security in which the Fund is permitted to invest. During the time securities are on loan, the borrower will pay the Fund any accrued income on those securities, and such Fund may invest the cash collateral and earn income or receive an agreed-upon fee from a borrower that has delivered cash-equivalent collateral.

### *Short Sales*



Certain of the underlying funds in which YYY invests may engage in short sales that are either “uncovered” or “against the box.” A short sale is “against the box” if at all times during which the short position is open, the underlying fund owns at least an equal amount of the securities or securities convertible into, or exchangeable without further consideration for, securities of the same issue as the securities that are sold short. A short sale against the box is a taxable transaction to such underlying fund with respect to the securities that are sold short.

Uncovered short sales are transactions under which an underlying fund sells a security it does not own. To complete such a transaction, such fund must borrow the security to make delivery to the buyer. The seller then is obligated to replace the security borrowed by purchasing the security at the market price at the time of the replacement. The price at such time may be more or less than the price at which the security was initially sold. Until the security is replaced, the seller is required to pay the lender amounts equal to any dividends or interest that accrue during the period of the loan. A premium may be required in order to borrow the security, which would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out.

Until the short position is closed or replaced, the seller may: (a) segregate cash or liquid securities at such a level that the amount segregated plus the amount deposited with the broker as collateral will equal the current value of the security sold short; or (b) otherwise cover the short position.

#### *Short-Term Instruments and Temporary Investments*

The Funds may invest in short-term instruments, including money market instruments, on an ongoing basis to provide liquidity, in connection with collateral received by the Funds in its securities lending activities, or for other reasons. Money market instruments are generally short-term investments that may include, but are not limited to: (i) shares of money market funds; (ii) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities (including government-sponsored enterprises); (iii) negotiable certificates of deposit, bankers’ acceptances, fixed-time deposits and other obligations of U.S. and non-U.S. banks (including non-U.S. branches) and similar institutions; (iv) commercial paper rated, at the date of purchase, “Prime-1” by Moody’s, “F-1” by Fitch, or “A-1” by S&P, or if unrated, of comparable quality as determined by the Adviser and/or Sub-Adviser; (v) non-convertible corporate debt securities (*e.g.*, bonds and debentures) with remaining maturities at the date of purchase of not more than 397 days and that satisfy the rating requirements set forth in Rule 2a-7 under the 1940 Act; (vi) repurchase agreements; and (vii) short-term U.S. dollar denominated obligations of non-U.S. banks (including U.S. branches) that, in the opinion of the Adviser and/or the applicable Sub-Adviser, are of comparable quality to obligations of U.S. banks that may be purchased by the Funds. Any of these instruments may be purchased on a current or forward-settled basis. Time deposits are non-negotiable deposits maintained in banking institutions for specified periods of time at stated interest rates. Bankers’ acceptances are time drafts drawn on commercial banks by borrowers, usually in connection with international transactions.

#### *Special Purpose Acquisition Companies*

Certain of the Funds, including BLOK and CNBS, may invest on a limited basis in securities of special purpose acquisition companies (each a “SPAC” and collectively, “SPACs”). A SPAC is a special purpose company whose business plan is to raise capital in an initial public offering (“IPO”) and, within a specific period of time, engage in a merger or acquisition with one or more unidentified companies. SPACs are formed by sponsors who believe that their experience, reputations and/or contacts will allow them to identify and complete a business combination transaction with one or more target businesses that will ultimately be a successful public company. Some SPACs focus on acquiring a target in a particular industry while others may pursue a business combination transaction in any business, industry or geographic location, including outside of the United States. The Funds may, from time to time, seek investments in SPACs with a stated purpose to find an acquisition target consistent with such Fund’s investment strategy.

In a SPAC’s IPO, the SPAC typically offers units comprised of a share of common stock and a warrant to purchase a share or less of common stock that is exercisable, with a strike price higher than the offering price of the unit, if the SPAC completes a business combination transaction. Generally, the units offered in a SPAC’s IPO are listed on a national securities exchange and the common stock and warrants comprising the units are listed and trade separately shortly after the IPO. Because SPACs have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s management to identify and complete a profitable acquisition. There is no guarantee that the SPACs in which the Fund may invest will complete an acquisition or that any acquisitions that are completed will be profitable. Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial business combination because certain stockholders, including stockholders affiliated with the management of the SPAC, may have sufficient voting power, and a financial incentive, to approve such a transaction without support from public stockholders. As a result, a SPAC may complete a business combination even though a majority of its public stockholders do not support such a combination. SPACs in which the Fund may invest pursue acquisitions only within a certain industry or industries, which may increase the volatility of their prices.

#### *U.S. Government Securities*

Certain of the Funds, including SWAN, ISWN, QSWN, YYY and/or certain of the underlying funds in which YYY invests, may invest in U.S. government securities. Securities issued or guaranteed by the U.S. government or its agencies or instrumentalities include U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Treasury and which differ only in their interest rates, maturities, and times of issuance. U.S. Treasury bills have initial maturities of one-year or less; U.S. Treasury notes have initial maturities of one to ten years; and U.S. Treasury bonds generally have initial maturities of greater than ten years. Certain U.S. government securities are issued or guaranteed by agencies or instrumentalities of the U.S. government including, but not limited to, obligations of U.S. government agencies or instrumentalities.

Some obligations issued or guaranteed by U.S. government agencies and instrumentalities are supported by the full faith and credit of the U.S. Treasury. Other obligations issued by or guaranteed by federal agencies are supported by the discretionary authority of the U.S. government

to purchase certain obligations of the federal agency, while other obligations issued by or guaranteed by federal agencies are supported by the right of the issuer to borrow from the U.S. Treasury, while the U.S. government provides financial support to such U.S. government-sponsored federal agencies, no assurance can be given that the U.S. government will always do so, since the U.S. government is not so obligated by law. U.S. Treasury notes and bonds typically pay coupon interest semi-annually and repay the principal at maturity.

Receipts. Interests in separately traded interest and principal component parts of U.S. government obligations that are issued by banks or brokerage firms and are created by depositing U.S. government obligations into a special account at a custodian bank. The custodian holds the interest and principal payments for the benefit of the registered owners of the certificates or receipts. The custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register. Treasury Receipts (“TRs”) and Separately Traded Registered Interest and Principal Securities (“STRIPS”) are interests in accounts sponsored by the U.S. Treasury. Receipts are sold as zero-coupon securities.

U.S. Government Agencies. Some obligations issued or guaranteed by agencies of the U.S. government are supported by the full faith and credit of the U.S. Treasury, others are supported by the right of the issuer to borrow from the U.S. Treasury, while still others are supported only by the credit of the instrumentality. Guarantees of principal by agencies or instrumentalities of the U.S. government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of a Fund’s shares.

U.S. Government Zero Coupon Securities. STRIPS and receipts are sold as zero-coupon securities, that is, fixed income securities that have been stripped of their unmatured interest coupons. Zero coupon securities are sold at a (usually substantial) discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. The amount of this discount is accreted over the life of the security, and the accretion constitutes the income earned on the security for both accounting and tax purposes. Because of these features, the market prices of zero coupon securities are generally more volatile than the market prices of securities that have similar maturity but that pay interest periodically. Zero coupon securities are likely to respond to a greater degree to interest rate changes than are non-zero coupon securities with similar maturity and credit qualities.

U.S. Treasury Securities. U.S. Treasury securities are government debt instruments, including bills, notes and bonds, issued by the United States Department of the Treasury that are backed by the full faith and credit of the United States Government.

## **CFTC REGULATION – COMMODITY POOL EXCLUSION AND REGISTRATION**

The 2010 enactment of the Dodd-Frank Act resulted in historic and comprehensive statutory reform of derivatives, including swaps, futures and forward contracts, and the manner in

which they are designed, negotiated, reported, executed, settled (or “cleared”) and regulated. Title VII of the Dodd-Frank Act creates a framework for the regulation of OTC derivatives, such as swaps. In particular, it makes broad changes to the OTC derivatives market and grants significant new authority to the SEC and the CFTC to regulate OTC derivatives and market participants. The legislation and the related regulations developed by the CFTC, SEC, and other federal regulators that have been and may be promulgated in the future may negatively impact a Fund’s ability to meet its investment objective either through investment limits or requirements imposed on it or any of its counterparties. In particular, capital requirements and requirements related to the mandatory clearing of OTC derivatives transactions have impacted and may continue to impact the costs to a Fund of trading these instruments and, as a result, may affect returns to investors in such Fund.

In February 2012, the CFTC announced substantial amendments to the exclusion in its Regulation 4.5 for registered investment companies from registration as a commodity pool operator (“CPO”). Under these amendments, if the Funds use commodity interests (such as CFTC-regulated futures, options on futures and swaps) other than for bona fide hedging purposes (as defined by the CFTC) and seeks to claim the Regulation 4.5 exclusion from registration, the aggregate initial margin and premiums required to establish these positions (after taking into account unrealized profits and unrealized losses on any such positions and excluding the amount by which options are “in-the-money” at the time of purchase) may not exceed 5% of such Fund’s NAV. Alternatively, the aggregate net notional value of these positions, determined at the time the most recent position was established, may not exceed 100% of such Fund’s NAV (after taking into account unrealized profits and unrealized losses on any such positions). YYY, DIVO, SWAN, CNBS, ISWN, QSWN and IDVO intend to comply with the requirements enumerated above to be excluded from registration as a CPO. Amplify also claimed an exclusion from the definition of “commodity pool operator” pursuant to Rule 4.5 under the Commodity Exchange Act (“CEA”) with respect to its management of IWIN. Toroso, IWIN’s sub-adviser, has registered as a commodity pool operator under the CEA with respect to the Subsidiary. As a result, Toroso and the Subsidiary will be subject to regulation by the CFTC with respect to IWIN.

**PORTFOLIO TURNOVER**

The Funds buy and sell portfolio securities in the normal course of its investment activities. The proportion of each Fund’s investment portfolio that is bought and sold during a year is known as the Fund’s portfolio turnover rate, and provides insight into such Fund’s trading activity. A turnover rate of 100% would occur, for example, if a fund bought and sold securities valued at 100% of its net assets within one year. A high portfolio turnover rate could result in the payment by the Funds of increased brokerage costs, expenses and taxes. Significant variations in portfolio turnover from year-to-year are generally the result of fluctuations in the size of a Fund or changes to a Fund’s portfolio holdings. The following table sets forth each Fund’s portfolio turnover rate for the indicated period.

**Portfolio Turnover Rate**

Fund	Fiscal Year Ended October 31, 2021	Fiscal Year/Period Ended October 31, 2022
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Amplify High Income ETF	90%	59%
Amplify Online Retail ETF	61%	57%
Amplify CWP Enhanced Dividend Income ETF	89%	87%
Amplify Transformational Data Sharing ETF	41%	39%
Amplify Lithium & Battery Technology ETF	51%	42%
Amplify BlackSwan Growth & Treasury Core ETF	194%	286%
Amplify Emerging Markets FinTech ETF	69%	176%
Amplify Seymour Cannabis ETF	124%	27%
Amplify BlackSwan ISWN ETF	123%	221%
Amplify Thematic All-Stars ETF	48%	70%
Amplify Digital & Online Trading ETF	7%	54%
Amplify BlackSwan Tech & Treasury ETF <sup>1</sup>	-	153%
Amplify Inflation Fighter ETF <sup>2</sup>	-	61%
Amplify Natural Resources Dividend Income ETF <sup>3</sup>	-	31%
Amplify International Enhanced Dividend Income ETF <sup>4</sup>	-	12%

1. QSWN commenced operations on December 8, 2021.
2. IWIN commenced operations on February 1, 2022.
3. NDIV commenced operations on August 23, 2022.
4. IDVO commenced operations on September 7, 2022

## SUBLICENSE AGREEMENTS

### **IBUY, BATT, EMFQ AND NDIV**

The Trust, on behalf of IBUY, BATT, EMFQ and NDIV, relies on a product license agreement (the “Master License Agreement”) by and between EQM Indexes, LLC (“EQM”) and Amplify Investments and related sublicense agreements for each of IBUY, BATT, EMFQ and NDIV with Amplify Investments that grants the Trust, on behalf of IBUY, BATT, EMFQ and NDIV a non-exclusive and non-transferable sublicense to use certain intellectual property of EQM in connection with the issuance, distribution, marketing and/or promotion of each Fund. Pursuant to the applicable sublicense agreement, IBUY, BATT, EMFQ and NDIV have agreed to be bound by the provisions of the Master License Agreement relating to Amplify Investments.

### **YYY**

The Trust, on behalf of YYY, relies on a product license agreement (the “YYY Master License Agreement”) by and between Nasdaq, Inc. and YieldShares LLC (“YieldShares”) and Amplify Investments and a related index sublicense agreement with Amplify Investments that grants the Trust, on behalf of YYY, a non-exclusive and non-transferable sublicense to use certain intellectual property of the YieldShares, in connection with the issuance, distribution, marketing and/or promotion of the Fund. Pursuant to this sublicense agreement, YYY has agreed to be bound by the provisions of the YYY Master License Agreement relating to Amplify Investments.

YieldShares is a privately held business focused on analysis and product design within the income investment segment. YieldShares’ mission is to expand investor access to income investment strategies. YieldShares is affiliated with the Adviser and the Fund, as YieldShares is a wholly owned subsidiary of Amplify Holding Co. LLC, the parent company of the Adviser.

YieldShares is not affiliated with Penserra. Initially, YieldShares research was used in the creation of the YYY Index, which the Fund tracks.

YieldShares does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to YYY. Additionally, YieldShares is not involved in the maintenance of the YYY Index, or otherwise act in the capacity of an index provider. YieldShares will provide marketing support for YYY including, but not limited to, distributing YYY's materials and providing YYY with access to and the use of YieldShares' other marketing capabilities, including communications through print and electronic media discussing YYY Index and the benefits of tracking the performance of closed-end funds.

YYY may be deemed to be "self-indexing," and pursuant to its Exemptive Order, YYY has adopted procedures pursuant to Rule 17j-1 of the 1940 Act, Rule 204(A)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 206(4)-7 of the Advisers Act. Further, YYY will be fully transparent, and will post on its website before commencement of trading YYY shares on the Exchange each Business Day (meaning each day the Exchange and the Trust are open for business, including any day that the Fund is required to be open under Section 22(e) of the 1940 Act), the identities and quantities of the portfolio holdings held by YYY that will form the basis for YYY's calculation of NAV at the end of the Business Day.

#### **SWAN, ISWN AND QSWN**

The Trust, on behalf of SWAN, ISWN and QSWN, relies on a product license agreement (the "S-Network Master License Agreement") by and between S-Network Global Indexes, Inc. ("S-Network") and Amplify Investments and related sublicense agreements for each of SWAN, ISWN and QSWN, with Amplify Investments that grants the Trust, on behalf of SWAN, ISWN and QSWN, a non-exclusive and non-transferable sublicense to use certain intellectual property of S-Network, in connection with the issuance, distribution, marketing and/or promotion of SWAN, ISWN and QSWN. Pursuant to the applicable sublicense agreements, each of the Funds have agreed to be bound by the provisions of the S-Network Master License Agreement relating to Amplify Investments.

#### **MVPS**

The Trust, on behalf of MVPS, relies on a license agreement (the "MVPS License Agreement") by and between ETF Action, Inc. ("ETF Action") and Amplify Investments and a related index sublicense agreement with Amplify Investments that grants the Trust, on behalf of MVPS, a non-exclusive and non-transferable sublicense to use certain intellectual property of the ETF Action, in connection with the issuance, distribution, marketing and/or promotion of the Fund. Pursuant to this sublicense agreement, MVPS has agreed to be bound by the provisions of the MVPS Master License Agreement relating to Amplify Investments.

#### **BIDS**

The Trust, on behalf of BIDS, relies on a license agreement (the "BIDS License Agreement") by and between MV Index Solutions GmbH ("MVIS") and Amplify Investments and

a related index sublicense agreement with Amplify Investments that grants the Trust, on behalf of BIDS, a non-exclusive and non-transferable sublicense to use certain intellectual property of the MVIS, in connection with the issuance, distribution, marketing and/or promotion of the Fund. Pursuant to this sublicense agreement, BIDS has agreed to be bound by the provisions of the BIDS Master License Agreement relating to Amplify Investments.

## **INVESTMENT RISKS**

An investment in any of the Funds should be made with an understanding of the risks that an investment in such Fund's shares entails, including the risk that the financial condition of the issuers of the equity securities or the general condition of the securities markets may worsen and the value of the securities and therefore the value of the Funds may decline. The Funds may not be an appropriate investment for those who are unable or unwilling to assume the risks involved generally with such an investment. The past market and earnings performance of any of the securities included in a Fund is not predictive of their future performance.

### **RISKS APPLICABLE TO THE FUNDS**

#### *Borrowing and Leverage Risk*

When a Fund borrows money, it must pay interest and other fees, which will reduce such Fund's returns if these costs exceed the returns on the portfolio securities purchased or retained with such borrowings. Any such borrowings are intended to be temporary. However, under certain market conditions, including periods of low demand or decreased liquidity, a Fund's borrowings might be outstanding for longer periods of time. As prescribed by the 1940 Act, each Fund will be required to maintain specified asset coverage of at least 300% with respect to any bank borrowing immediately following such borrowing. A Fund may be required to dispose of assets on unfavorable terms if market fluctuations or other factors reduce the Fund's asset coverage to less than the prescribed amount.

#### *Cyber Security Risk*

As the use of Internet technology has become more prevalent in the course of business, the Funds have become more susceptible to potential operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Funds to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to a Fund's digital information systems through "hacking" or malicious software coding, but may also result from outside attacks such as denial-of-service attacks through efforts to make network services unavailable to intended users. In addition, cyber security breaches of a Fund's third party service providers, such as its administrator, transfer agent, custodian, or sub-adviser, or issuers in which a Fund invests, can also subject a Fund to many of the same risks associated with direct cyber security breaches. The Funds have established risk management systems designed to reduce the risks associated with cyber

security. However, there is no guarantee that these efforts will succeed, especially because the Funds do not directly control the cyber security systems of issuers or third party service providers.

### *Derivatives Risk*

Certain Funds, and certain of the underlying funds in which YYY invests, may utilize derivatives instruments. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include: (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss. The use of leverage may also cause a Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify potential for gain or loss and, therefore, amplify the effects of market volatility on share price. To the extent a Fund enters into derivatives transactions, it is required to do so pursuant to Rule 18f-4 of the 1940 Act. Rule 18f-4 requires, among other things, a fund to comply with limitations on risks relating to its derivatives transactions. To the extent a Fund is noncompliant with Rule 18f-4, such Fund may be required to adjust its investment portfolio which may, in turn, negatively impact such Fund's ability to pursue its investment objective

Covered Call Options Risk. DIVO and IDVO utilize covered call options, which subjects DIVO to certain risks. Writing covered call options entails greater than ordinary investment risks. When selling a call option, DIVO and IDVO will receive a premium; however, this premium may not be enough to offset a loss incurred by DIVO and IDVO if the price of the underlying stock is above the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller, and will be affected by changes in the value and dividend rates of the stock subject to the option, an increase in interest rates, a change in the actual and perceived volatility of the stock market and the common stock and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying stock(s). DIVO's and IDVO's use of options may reduce its ability to profit from increases in the value of the underlying stock(s).

All call options written by DIVO and IDVO are covered. A written call option may be covered by: (i) maintaining cash or liquid securities in a segregated account with a value at least equal to DIVO's and IDVO's obligation under the option; (ii) entering into an



offsetting forward commitment; and/or (iii) purchasing an offsetting option or any other option which, by virtue of its exercise price or otherwise, reduces DIVO's and IDVO's net exposure on its written option position. A written call option on securities is typically covered by maintaining the securities that are subject to the option in a segregated account.

Futures Contracts Risk. Certain of the Funds, including IWIN, and certain of the underlying funds in which YYY invests may invest in futures contracts. Positions in futures contracts may be closed out only on an exchange which provides a secondary market therefore. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Fund or an underlying fund in which YYY invests would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Fund or the underlying fund in which YYY invests has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund or the underlying fund in which YYY invests may be required to make delivery of the instruments underlying futures contracts it has sold.

The risk of loss in trading futures contracts in some strategies (e.g., selling uncovered index futures contracts) is potentially unlimited. The risk of a futures position may still be large as traditionally measured due to the low margin deposits required. In many cases, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the investor relative to the size of a required margin deposit.

Utilization of futures transactions by a underlying fund held by YYY involves the risk of imperfect or even negative correlation to the YYY Index if the index underlying the futures contracts differs from the YYY Index. There is also the risk of loss by the underlying fund held by YYY of margin deposits in the event of bankruptcy of a broker with whom the such underlying fund has an open position in the futures contract.

Certain financial futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of contract, no trades may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and therefore does not limit potential losses, because the limit may prevent the liquidation of unfavorable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses.

Options Contracts Risk. Certain of the Funds, including SWAN, ISWN and QSWN and certain of the underlying funds in which YYY invests, may invest in options contracts. The use of options involves investment strategies and risks which differ from those associated with ordinary portfolio securities transactions. Investing in options, LEAP Options, and other instruments with option-type elements may increase the volatility and/or transaction

expenses of the Fund. The prices of options are influenced by, among other things, actual and anticipated changes in the value of the underlying instrument, or in interest or currency exchange rates, including anticipated volatility, which in turn are affected by fiscal and monetary policies and by national and international political and economic events. As a seller (writer) of a put option, the seller will tend to lose money if the value of the reference index or security falls below the strike price. As the seller (writer) of a call option, the seller will tend to lose money if the value of the reference index or security rises above the strike price. As the buyer of a put or call option, the buyer risks losing the entire premium invested in the option if the buyer does not exercise the option. An option may expire without value, resulting in a loss of the Fund's initial investment and may be less liquid and more volatile than an investment in the underlying securities. In addition, there may at times be an imperfect correlation between the movement in values of options and their underlying securities and there may at times not be a liquid secondary market for certain options. Options may also involve the use of leverage, which could result in greater price volatility than other markets.

Swap Agreements Risk. CNBS and certain of the underlying funds in which YYY invests, may invest in swap agreements. The risk of loss with respect to swaps generally is limited to the net amount of payments that a party is contractually obligated to make. Swap agreements are subject to the risk that the swap counterparty will default on its obligations. If such a default occurs, the non-defaulting party will have contractual remedies pursuant to the agreements related to the transaction, but such remedies may be subject to bankruptcy and insolvency laws which could affect the such party's rights as a creditor (e.g., the non-defaulting party may not receive the net amount of payments that it contractually is entitled to receive).

Certain of the underlying funds in which YYY invests may invest in interest-rate and index swaps. The use of interest-rate and index swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. These transactions generally do not involve the delivery of securities or other underlying assets or principal.

CNBS may invest in, and certain of the underlying funds held by YYY may invest in, total return swaps. Total return swaps could result in losses if the underlying asset or reference does not perform as anticipated. Total return swaps can have the potential for unlimited losses. A party may lose money in a total return swap if the counterparty fails to meet its obligations.

### *Equity Securities Risk*

Certain of the Funds, including YYY, IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, IWIN, NDIV and IDVO, invest in equity securities. The value of a Fund's shares will fluctuate with changes in the value of the equity securities in which it invests. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant equity market, such as market volatility, or when political or economic events affecting the issuers occur. Common stock prices

may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market. Additionally, holders of an issuer's common stock may be subject to greater risks than holders of its preferred stock and debt securities because common stockholders' claims are subordinated to those of holders of preferred stocks and debt securities upon the bankruptcy of an issuer.

Common Stock Risk. Common stocks are especially susceptible to general market movements and to volatile increases and decreases of value as market confidence in and perceptions of the issuers change. These perceptions are based on unpredictable factors including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic or banking crises. Amplify Investments cannot predict the direction or scope of any of these factors. Shareholders of common stocks have rights to receive payments from the issuers of those common stocks that are generally subordinate to those of creditors of, or holders of debt obligations or preferred stocks of, such issuers.

Shareholders of common stocks of the type held by the Funds have a right to receive dividends only when and if, and in the amounts, declared by the issuer's board of directors and have a right to participate in amounts available for distribution by the issuer only after all other claims on the issuer have been paid. Common stocks do not represent an obligation of the issuer and, therefore, do not offer any assurance of income or provide the same degree of protection of capital as do debt securities. The issuance of additional debt securities or preferred stock will create prior claims for payment of principal, interest and dividends which could adversely affect the ability and inclination of the issuer to declare or pay dividends on its common stock or the rights of holders of common stock with respect to assets of the issuer upon liquidation or bankruptcy. The value of common stocks is subject to market fluctuations for as long as the common stocks remain outstanding, and thus the value of the equity securities in the Funds will fluctuate over the life of the Funds and may be more or less than the price at which they were purchased by the Funds. The equity securities held in the Funds may appreciate or depreciate in value (or pay dividends) depending on the full range of economic and market influences affecting these securities, including the impact of the Funds' purchase and sale of the equity securities and other factors.

Holders of common stocks incur more risk than holders of preferred stocks and debt obligations because common stockholders, as owners of the entity, have generally inferior rights to receive payments from the issuer in comparison with the rights of creditors of, or holders of debt obligations or preferred stocks issued by, the issuer. Cumulative preferred stock dividends must be paid before common stock dividends and any cumulative preferred stock dividend omitted is added to future dividends payable to the holders of cumulative preferred stock. Preferred stockholders are also generally entitled to rights on liquidation, which are senior to those of common stockholders.

Convertible Securities Risk. Certain of the Funds, including IWIN, and certain of the underlying funds in which YYY invests may invest in convertible securities. Convertible securities are subject to the same risks as similar securities without the convertible feature. The price of a convertible security is more volatile during times of steady interest rates than other types of debt securities. The price of a convertible security tends to increase as the market value of the underlying stock rises, whereas it tends to decrease as the market value of the underlying common stock declines.

Depository Receipts Risk. Certain Funds, including IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, NDIV and IDVO invest in depository receipts. Investing in depository receipts involves the same risks as direct investments in non-U.S. securities. In addition, the underlying issuers of certain Depository Receipts are under no obligation to distribute shareholder communications or pass through any voting rights with respect to the deposited securities to the holders of such receipts. The Funds may therefore receive less timely information or have less control than if it invested directly in the non-U.S. issuer.

Master Limited Partnerships Risk. Certain of the Funds, including NDIV, and certain of the underlying funds in which YYY invests may invest in MLPs. Investments in securities of MLPs involve certain risks different from or in addition to the risks of investing in common stocks. MLP common units can be affected by macro-economic factors and other factors unique to the partnership or company and the industry or industries in which the MLP operates. Certain MLP securities may trade in relatively low volumes due to their smaller capitalizations or other factors, which may cause them to have a high degree of price volatility and illiquidity. The structures of MLPs create certain risks, including, for example, risks related to the limited ability of investors to control an MLP and to vote on matters affecting the MLP, risks related to potential conflicts of interest between an MLP and the MLP's general partner, the risk that an MLP will generate insufficient cash flow to meet its current operating requirements, the risk that an MLP will issue additional securities or engage in other transactions that will have the effect of diluting the interests of existing investors, and risks related to the general partner's right to require unit-holders to sell their common units at an undesirable time or price.

Preferred Stocks Risk. Certain of the underlying funds in which YYY invests may invest in preferred stocks. Preferred stocks are subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. Many preferred stocks pay dividends at a fixed rate; therefore, a preferred stock's market price may be sensitive to changes in interest rates in a manner similar to bonds - that is, as interest rates rise, the value of the preferred stock is likely to decline. Many preferred stocks and trust preferred securities also allow holders to convert the preferred stock into common stock of the issuer; the market price of such preferred stocks may be sensitive to changes in the value of the issuer's common stock. In addition, the ability of an issuer of preferred stock to pay dividends may deteriorate or the issuer may default (i.e., fail to make scheduled dividend payments on the preferred stock or scheduled interest payments on other

obligations of the issuer), which would negatively affect the value of any such holding. Dividend payments on a preferred stock typically must be declared by the issuer's board of directors. An issuer's board of directors is generally not under any obligation to pay a dividend (even if such dividends have accrued), and may suspend payment of dividends on preferred stock at any time. Preferred stock is also subject to market volatility and the price of preferred stock will fluctuate based on market demand. Preferred stock often has a call feature which allows the issuer to redeem the security at its discretion. Therefore, preferred stocks having a higher than average yield may be called by the issuer, which may cause a decrease in the yield of a Fund that invested in the preferred stock.

#### *Failure to Qualify as a Regulated Investment Company Risk*

If, in any year, a Fund fails to qualify as a regulated investment company under applicable tax law, such Fund would be taxed as an ordinary corporation. In such circumstances, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before requalifying as a regulated investment company that is accorded special tax treatment. If a Fund fails to qualify as a regulated investment company, distributions to such Fund's shareholders generally would be eligible for the dividends received deduction in the case of corporate shareholders.

#### *Fixed Income Securities Risk*

High Yield Debt Securities Risk. Certain of the underlying funds in which YYY invests may invest in high yield debt securities. Investing in high yield debt securities involves risks that are greater than the risks of investing in higher quality debt securities. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; and (iii) greater price variability and credit risks of certain high yield debt securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater volatility.

Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. The market values of certain of these lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield debt securities.

The secondary market on which high yield debt securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading market could adversely affect the price at which a high yield debt security could be sold. When secondary markets for high yield debt securities are less liquid than the market for higher grade securities, it may be more difficult to value the securities because there is less reliable, objective data available.

The use of credit ratings as a principal method of selecting high yield debt securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield debt securities. Also, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was last rated.

### *Foreign Securities Risk*

Certain of the Funds, IBUY, DIVO, BLOK, BATT, EMFQ, CNBS, MVPS, BIDS, NDIV and IDVO as well as the underlying funds in which YYY invests, may have exposure to non-U.S. securities. The Funds' non-U.S. investments may be adversely affected by political and social instability, changes in economic or taxation policies, difficulty in enforcing obligations, decreased liquidity or increased volatility. Non-U.S. investments also involve the risk of the possible seizure, nationalization or expropriation of the issuer or non-U.S. deposits (in which an underlying fund could lose its entire investments in a certain market) and the possible adoption of non-U.S. governmental restrictions such as exchange controls. Unless a Fund has hedged its non-U.S. securities risk, non-U.S. securities risk also involves the risk of negative non-U.S. currency rate fluctuations, which may cause the value of securities denominated in such non-U.S. currency (or other instruments through which an underlying fund has exposure to non-U.S. currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. Currency hedging strategies, if used, are not always successful.

### *Illiquid Securities Risk*

The Funds may, on a limited basis, invest in illiquid securities (any investment that a Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the asset). No one can guarantee that a liquid trading market will exist for any security. A Fund may make investments that may become less liquid in response to market developments or adverse investor perceptions. When there is no willing buyer and investments cannot be readily sold at an inopportune time or price, a Fund may have to accept a lower price or may not be able to sell the instrument at all. An inability to sell a portfolio position can adversely affect a Fund's value or prevent such Fund from being able to take advantage of other investment opportunities. Securities that lack liquidity may also be difficult to value.

### *Initial Public Offering Risk*

Certain Funds, including BLOK, CNBS and BIDS, may, on a limited basis, participate in IPOs. The market value of IPO shares may fluctuate considerably and is often subject to speculative trading due to factors such as the absence of a prior public market, unseasoned trading, a smaller number of shares available for trading and limited information available about the issuer, its business model, the quality of management, earnings growth potential and other criteria used to evaluate its investment prospects. Such stocks may have exhibited price appreciation in connection with the IPO that is not sustained, and it is not uncommon for stocks to decline in value in the period following the IPO. Additionally, the market for IPO shares can be speculative and/or

inactive for extended periods of time. There is no assurance that the Funds will be able to obtain allocable portions of IPO shares. The limited number of shares available for trading in some IPOs may make it more difficult for the Funds to buy or sell significant amounts of shares without an unfavorable impact on prevailing prices. Investors in IPO shares can be affected by substantial dilution in the value of their shares, by sales of additional shares and by concentration of control in existing management and principal shareholders.

### *Interest Rate Risk*

As interest rates rise, the value of a fixed income security held by SWAN or ISWN is likely to decrease. Securities with longer durations tend to be more sensitive to interest rate changes, usually making their prices more volatile than those of securities with shorter durations. To the extent SWAN or ISWN invests a substantial portion of its assets in fixed-income securities with longer-term durations, rising interest rates may cause the value of SWAN's investments or ISWN's investments to decline significantly. An increase in interest rates may lead to heightened volatility in the fixed income markets and adversely affect the liquidity of certain fixed income investments. In addition, decreases in fixed income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed income markets.

The historically low interest rate environment was created in part by the U.S. Board of Governors of the Federal Reserve and certain foreign central banks keeping the federal funds and equivalent foreign rates at or near zero percent. Policy set by the Federal Reserve is uncertain moving forward and dependent, in part, on market conditions.

### *Investment Companies Risk*

The Funds may invest in securities of other investment companies. As a shareholder in securities of another investment company, the Funds will bear its ratable share of that investment company's expenses, and would be subject to payment of the Fund's advisory and administrative fees with respect to assets so invested. Shareholders would therefore be subject to duplicative expenses to the extent the Funds invest in other investment companies. In addition, the Funds will incur brokerage costs when purchasing and selling shares of exchange-traded investment companies.

Closed-End Funds Risk. Certain of the Funds, including YYY, may invest in closed-end funds. Shares of closed-end funds trade on exchanges at market prices rather than net asset value and cannot be redeemed on demand. Accordingly, closed-end funds shares may trade at a price greater than net asset value (premium) or less than net asset value (discount). There can be no assurance that a discount on shares of closed-end fund purchased by a Fund will not decrease further or that when a Fund seeks to sell shares of a closed-end fund it can receive the net asset value for those shares. As a shareholder in a closed-end fund, a Fund bears its ratable share of the fund's expenses, subjecting Fund shareholders to additional expenses. Additionally, closed-end funds may utilize leverage. As a result, a Fund may be exposed indirectly to leverage through an investment in such securities. An investment in the shares of closed-end funds that utilize leverage may expose a Fund to higher volatility in the market value of such securities and the possibility that the Fund's

long-term return on such securities will be diminished. Closed-end funds may also issue senior securities (including preferred stock and debt obligations) for the purpose of leveraging the closed-end fund's assets in an attempt to enhance the closed-end fund's return. The organizational documents of certain closed-end funds may include provisions that could inhibit the ability of other entities or persons to acquire control of the closed-end fund or to change the composition of its board of directors, which could limit the ability of shareholders to sell their shares at a premium over the prevailing market prices by discouraging a third party from seeking to obtain control of the closed-end fund.

### *Issuer Risk*

The value of an investment may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

### *Legislation and Litigation Risk*

From time to time, various legislative initiatives are proposed in both the United States and in other countries which may have a negative impact on certain companies to which a Fund has exposure. Additionally, litigation regarding any of the any of the issuers of securities to which a Fund has exposure either directly or indirectly through the use of derivatives, or industries represented by these issuers, may have a negative impact on the value of these securities. Such legislation or litigation may cause a Fund to lose value.

### *Listing Standards Risk*

Each Fund is required by the Exchange to comply with certain listing standards (which includes certain investment parameters) in order to maintain its listing on the Exchange. Compliance with these listing standards may compel the Fund to sell securities at an inopportune time or for a price other than the security's then-current market value. The sale of securities in such circumstances could limit the Funds' profit or require such Fund to incur a loss, and as a result, such Fund's performance could be impacted. Non-compliance with the listing standards of the Exchange may result in a Fund's shares being delisted by the Exchange. Any resulting liquidation of a Fund could cause such Fund to incur elevated transaction costs and could result in negative tax consequences for its shareholders.

### *Market Events Risk*

The value of the securities in which the Funds invest may go up or down due to changes in, among other items, general market conditions, economic trends or events that may or may not be specifically related to a particular issuer, or factors that affect a particular issuer or issuers, exchange, country, region, market, industry, sector or asset class. Price changes may be temporary or last for extended periods of time. Turbulence in the economic, political and financial system has historically resulted, and may continue to result, in an unusually high degree of volatility in



the capital markets. Reduced liquidity in equity, credit and fixed-income markets may adversely affect many issuers worldwide. This reduced liquidity may result in less money being available to purchase raw materials, goods and services from emerging markets, which may, in turn, bring down the prices of these economic staples. It may also result in small or emerging market issuers having more difficulty obtaining financing, which may, in turn, cause a decline in their security prices. These events and possible continued market turbulence may have an adverse effect on the Funds.

In addition, local, regional or global events such as war, acts of terrorism, spread of infectious diseases or other public health issues, recessions, or other events could have a significant negative impact on each Fund and its investments. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Such events could adversely affect the prices and liquidity of a Fund's portfolio securities or other instruments and could result in disruptions in the trading markets. Any of such circumstances could have a materially negative impact on the value of a Fund's shares and result in increased market volatility. During any such events, a Fund's shares may trade at increased premiums or discounts to their NAV.

Health crises caused by the outbreak of infectious diseases or other public health issues, may exacerbate other pre-existing political, social, economic, market and financial risks. The impact of any such events, could negatively affect the global economy, as well as the economies of individual countries or regions, the financial performance of individual companies, sectors and industries, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which a Fund invests and negatively impact a Fund's investment return.

For example, an outbreak of a respiratory disease designated as "COVID-19" was first detected in China in December 2019 and subsequently spread internationally. The transmission of COVID-19 and efforts to contain its spread resulted in international, national and local border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and customer activity, event cancellations and restrictions, service cancellations, reductions and other changes, significant challenges in healthcare service preparation and delivery, and quarantines, as well as general concern and uncertainty that has negatively affected the economic environment. The COVID-19 pandemic also greatly increased market volatility. Preventative health measures enacted, along with the general uncertainty caused by this pandemic, emerging variants, and the efficacy of vaccines, resulted in, and may result in in the future, a decline in consumer demand, disruptions to healthcare systems and the supply chain, ratings downgrades, defaults and has imposed significant costs on governmental and business entities. The future potential economic impact of the COVID-19 pandemic, or any future public health crisis, is impossible to predict and could result in adverse market conditions which may negatively impact the performance of the Funds. In addition, the operations of the Funds, the Adviser and the Funds' other service providers may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

### *Municipal Securities Risk*

Certain of the underlying funds in which YYY invests may invest in municipal securities. Issuers may be unable to pay their obligations as they come due. The value of municipal securities that depend on a specific revenue source to fund their payment obligations may fluctuate as a result of actual or anticipated changes in the cash flows generated by the revenue source or changes in the priority of the municipal obligation to receive the cash flows generated by such revenue source. Values of municipal securities may be adversely affected by local political and economic conditions and developments. Adverse conditions in an industry significant to a local economy could have a correspondingly adverse effect on the financial condition of local issuers. Additionally, income from municipal securities held by the Fund could be declared taxable because of, among other things, unfavorable changes in tax laws, unfavorable interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of an issuer or other obligated party. Loss of tax-exempt status may cause interest received and distributed to be taxable and may result in a significant decline in the values of municipal securities.

### *Real Estate Investment Trusts Risk*

CNBS, IWIN and certain of the underlying funds in which YYY invests, may invest in REITs. REITs are financial vehicles that pool investors' capital to purchase or finance real estate. REITs may concentrate their investments in specific geographic areas or in specific property types, e.g., hotels, shopping malls, residential complexes and office buildings. The market value of REIT shares and the ability of the REITs to distribute income may be adversely affected by several factors, including but not limited to, rising interest rates; changes in the national, state and local economic climate and real estate conditions; perceptions of prospective tenants of the safety, convenience and attractiveness of the properties; the ability of the owners to provide adequate management, maintenance and insurance; increased competition from new properties; the impact of present or future environmental legislation and compliance with environmental laws; changes in real estate taxes and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; and other factors beyond the control of the issuers of the REITs. REITs may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent such REIT may concentrate investments in particular geographic regions or property types. In addition, distributions received from REITs may consist of dividends, capital gains and/or return of capital. Many of these distributions however will not generally qualify for favorable treatment as qualified dividend income.

Certain REITs have relatively small market capitalization, which may tend to increase the volatility of the market price of securities issued by such REITs. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. In addition to these risks, equity REITs may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs may be affected by the quality of any credit extended. Further, equity and mortgage REITs are dependent upon management skills and generally may not be diversified. Equity and mortgage REITs are also subject to heavy cash flow dependency defaults by borrowers and self-liquidation. In addition, equity and mortgage REITs could possibly fail to qualify for tax free pass-through of income under the Internal Revenue Code or to maintain their

exemptions from registration under the 1940 Act. The above factors may also adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments.

#### *Repurchase Agreements Risk*

Certain of the underlying funds in which YYY invests may enter into repurchase agreements. Repurchase agreements are subject to the risk of failure. If the fund's counterparty defaults on its obligations and the fund is delayed or prevented from recovering the collateral, or if the value of the collateral is insufficient, the fund may realize a loss. The investment return on such transactions will depend on the counterparty's willingness and ability to perform its obligations under a repurchase agreement. Additionally, if the other party to the agreement becomes insolvent and subject to liquidation or reorganization under the U.S. Bankruptcy Code or other laws, a court may determine that the underlying security is collateral for a loan by an underlying fund held by YYY, not within control of such party, and therefore, the fund may not be able to substantiate its interest in the underlying security and may be deemed an unsecured creditor of the other party to the agreement.

#### *Reverse Repurchase Agreements Risk*

Certain of the underlying funds in which YYY invests may enter into reverse repurchase agreements. Reverse repurchase agreements involve the risk that the other party may fail to return the securities in a timely manner or at all. YYY or an underlying fund held by YYY could lose money if it is unable to recover the securities and the value of the collateral held by such fund, including the value of the investments made with cash collateral, is less than the value of the securities. These events could also trigger adverse tax consequences for YYY or the underlying fund held by YYY. In addition, reverse repurchase agreements involve the risk that the interest income earned in the investment of the proceeds will be less than the interest expense.

#### *Securities Lending Risk*

A Fund may engage in securities lending. Securities lending involves the risk that a Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. A Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for a Fund.

#### *Short Sales Risk*

Certain of the underlying funds held by YYY may engage in short sales. In connection with a short sale of a security or other instrument, the underlying fund is subject to the risk that instead of declining, the price of the security or other instrument sold short will rise. If the price of the security or derivative that is the subject of a short sale increases, such fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums

and interest paid to a third party in connection with the short sale. The risk of loss on a shorted position arises from the increase in value of the security sold short and is potentially unlimited unlike the risk of loss on a long position, which is limited to the amount paid for the investment plus transaction costs. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the underlying fund (and therefore YYY). The underlying fund (and therefore YYY) may incur significant losses on short sales.

#### *Small- and Medium-Sized Companies Risk*

Investors in small- and medium-sized companies typically take on greater risk and price volatility than they would by investing in larger, more established companies. This increased risk may be due to the greater business risks of their small or medium size, limited markets and financial resources, narrow product lines and frequent lack of management depth. The securities of small- and medium-sized companies are often traded in the over-the-counter market and might not be traded in volumes typical of securities traded on a national securities exchange. Thus, the securities of small and medium capitalization companies are likely to be less liquid, and subject to more abrupt or erratic market movements, than securities of larger, more established companies.

#### *Special Purpose Acquisition Companies Risk*

Certain Funds, including BLOK and CNBS, may invest on a limited basis in SPACs. Shares of a SPAC purchased in an initial public offering will generally bear a sales commission, which may be significant. The shares of a SPAC are often issued in “units” that include one share of common stock and one right or warrant (or partial right or warrant) conveying the right to purchase additional shares or partial shares. In some cases, the rights and warrants may be separated from the common stock at the election of the holder, after which they may become freely tradeable. After going public and until a transaction is completed, a SPAC generally invests the proceeds of its initial public offering (less a portion retained to cover expenses) in U.S. Government securities, money market securities and cash. To the extent the SPAC is invested in cash or similar securities, this may impact BLOK and/or CNBS’ ability to meet its respective investment objective. If a SPAC does not complete a transaction within a specified period of time after going public, the SPAC is typically dissolved, at which point the invested funds are returned to the SPAC’s shareholders (less certain permitted expenses) and any rights or warrants issued by the SPAC expire worthless. SPACs generally provide their investors with the option of redeeming an investment in the SPAC at or around the time of effecting a transaction. In some cases, a holder may forfeit its right to receive additional warrants or other interests in the SPAC if it redeems its interest in the SPAC in connection with a transaction. Because SPACs often do not have an operating history or ongoing business other than seeking a transaction, the value of their securities may be particularly dependent on the quality of its management and on the ability of the SPAC’s management to identify and complete a profitable transaction. Some SPACs may pursue transactions only within certain industries or regions, which may increase the volatility of an investment in them. In addition, the securities issued by a SPAC, which may be traded in the over-the-counter market, may become illiquid and/or may be subject to restrictions on resale. Other risks of investing in SPACs include that a significant portion of the monies raised by the SPAC

may be expended during the search for a target transaction; an attractive transaction may not be identified at all (or any requisite approvals may not be obtained) and the SPAC may be required to return any remaining monies to shareholders; a transaction once identified or effected may prove unsuccessful and an investment in the SPAC may lose value; the warrants or other rights with respect to the SPAC may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price; and an investment in a SPAC may be diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC.

#### *U.S. Government Securities Risk*

Certain of the Funds, including SWAN, ISWN, QSWN, YYY and/or certain of the underlying funds in which YYY invests, may invest in U.S. government securities. U.S. government securities are subject to interest rate risk but generally do not involve the credit risks associated with investments in other types of debt securities. As a result, the yields available from U.S. government securities are generally lower than the yields available from other debt securities. U.S. government securities are guaranteed only as to the timely payment of interest and the payment of principal when held to maturity. While securities issued or guaranteed by U.S. federal government agencies are backed by the full faith and credit of the U.S. Department of the Treasury, securities issued by government sponsored entities are solely the obligation of the issuer and generally do not carry any guarantee from the U.S. government.

#### *When-Issued Securities Risk*

Certain of the underlying funds in which YYY invests may engage in when-issued transactions. When a fund engages in when-issued transactions, it relies on the other party to consummate the sale. If the other party fails to complete the sale, a fund may miss the opportunity to obtain the security at a favorable price or yield.

When purchasing a security on a when-issued basis, a fund assumes the rights and risks of ownership of the security, including the risk of price and yield changes. At the time of settlement, the market value of the security may be more or less than the purchase price. The yield available in the market when the delivery takes place also may be higher than those obtained in the transaction itself. Because a fund does not pay for the security until the delivery date, these risks are in addition to the risks associated with its other investments.

## **MANAGEMENT OF THE TRUST**

### **TRUSTEES AND OFFICERS**

The general supervision of the duties performed for the Funds under the Investment Management Agreements (as defined below) is the responsibility of the Board of Trustees. There are five Trustees of the Trust, two of whom are “interested persons” (as the term is defined in the 1940 Act) (“Interested Trustees”) and three of whom are Trustees who are not officers or employees of Amplify Investments or any of its affiliates (each an “Independent Trustee” and

collectively the “Independent Trustees”). The Trustees set broad policies for each Fund, choose the Trust’s officers and hire each Fund’s investment adviser. The Trustees serve for indefinite terms until their resignation, death or removal. The Trust has not established a lead Independent Trustee position. Each Trustee, except for Christian Magoon and John Phillips, is an Independent Trustee. Mr. Magoon is deemed an Interested Trustee of the Trust due to his positions as Chief Executive Officer and President of Amplify Investments and the Trust. Mr. Phillips is deemed an Interested Trustee due to his positions as Head of ETF Operations of Amplify Investments and Secretary of the Trust. The officers of the Trust manage the Trust’s day-to-day operations, are responsible to the Trust’s Board of Trustees, and serve indefinite terms. The following is a list of the Trustees and executive officers of the Trust, as well as a statement of their present positions and principal occupations during the past five years, the number of portfolios each Trustee oversees, and the other directorships they have held during the past five years, if applicable.

NAME, ADDRESS AND YEAR OF BIRTH	POSITION AND OFFICES WITH TRUST	TERM OF OFFICE AND YEAR FIRST ELECTED OR APPOINTED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN THE AMPLIFY INVESTMENTS FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIPS OR DIRECTORSHIPS HELD BY TRUSTEE DURING THE PAST 5 YEARS
Interested Trustees					
Christian Magoon <sup>(1)</sup> c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1974	Chairman of the Board of Trustees; Chief Executive Officer and President	<ul style="list-style-type: none"> <li>• Indefinite term</li> <li>• Since inception</li> </ul>	Chief Executive Officer, Magoon Capital (2010 - present); Chief Executive Officer, YieldShares, LLC (2013 – present); Chief Executive Officer, Amplify Investments LLC (2015 – present); President of Amplify Investments LLC (2015 – 2018).	15	None
John Phillips <sup>(2)</sup> c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1958	Secretary	<ul style="list-style-type: none"> <li>• Indefinite term</li> <li>• Since inception</li> </ul>	Head of ETF Operations, Amplify Investments LLC (2023- present); Chief Operating Officer and Head of Product Development, Amplify Investments LLC (2015 - 2023)	15	None
Independent Trustees					
Michael DiSanto c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1979	Trustee	<ul style="list-style-type: none"> <li>• Indefinite term</li> <li>• Since inception</li> </ul>	Attorney, City of Naperville, Illinois (2007 - present); Member, Elder Board of the Compass Church, (2013 - present)	15	None
Rick Powers c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1957	Trustee	<ul style="list-style-type: none"> <li>• Indefinite term</li> <li>• Since inception</li> </ul>	Director, Department of Public Works, City of Peoria, Illinois (2019 – Present); Deputy Commissioner, Transportation, State of Indiana (2014 - 2019)	15	None

NAME, ADDRESS AND YEAR OF BIRTH	POSITION AND OFFICES WITH TRUST	TERM OF OFFICE AND YEAR FIRST ELECTED OR APPOINTED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN THE AMPLIFY INVESTMENTS FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER TRUSTEESHIPS OR DIRECTORSHIPS HELD BY TRUSTEE DURING THE PAST 5 YEARS
Mark Tucker c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1963	Trustee	<ul style="list-style-type: none"> <li>Indefinite term</li> <li>Since inception</li> </ul>	Sole member, Aspen Equity Partners, LLC (2009 - present); New Liberty Popcorn, LLC (2015 - present)	15	None
Officers of the Trust					
Ed Keiley c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1965	Chief Compliance Officer	<ul style="list-style-type: none"> <li>Indefinite term</li> <li>Since inception</li> </ul>	Chief Compliance Officer, Amplify Investments LLC (2016 - present); Trader Compliance, Inc. (2003 - present)	N/A	N/A
Bradley H. Bailey c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1967	Chief Financial Officer	<ul style="list-style-type: none"> <li>Indefinite term</li> <li>2016</li> </ul>	Chief Financial Officer, Amplify Investments LLC (2016 - present)	N/A	N/A
William H. Belden c/o Amplify Investments LLC 3333 Warrenville Road Suite 350 Lisle, IL 60532 Y.O.B.: 1965	Vice President	<ul style="list-style-type: none"> <li>Indefinite term</li> <li>2020</li> </ul>	President, Amplify Investments LLC (2018 – present); Managing Director, Guggenheim Investments (2009 – 2018)	N/A	N/A

- (1) Mr. Magoon is deemed an “interested person” of the Trust due to his position as Chief Executive Officer of Amplify Investments LLC and Chief Executive Officer and President of the Trust.
- (2) Mr. Phillips is deemed an “interested person” of the Trust due to his positions as Head of ETF Operations of Amplify Investments LLC and Secretary of the Trust.

## UNITARY BOARD LEADERSHIP STRUCTURE

It is anticipated that each Trustee will serve as a trustee of all funds in the Amplify Investments Fund Complex (as defined below), which is known as a “unitary” board leadership structure. Each Trustee currently serves as a trustee of each of the Funds, and is anticipated to serve as a trustee for future Funds advised by Amplify Investments (each, an “Amplify Fund” and collectively, the “Amplify Investments Fund Complex”). None of the Trustees who are not “interested persons” of the Trust, nor any of their immediate family members, have ever been a director, officer or employee of, or consultant to, Amplify Investments or any of its affiliates. Mr. Magoon, an Interested Trustee, serves as the Chair of the Board for each Fund in the Amplify Investments Fund Complex.

The same five persons serve as Trustees on the Trust’s Board and are anticipated to serve on the Boards of all other Amplify Funds. The unitary board structure was adopted for the Amplify Funds because of the efficiencies it achieves with respect to the governance and oversight of the Amplify Funds. Each Amplify Fund is subject to the rules and regulations of the 1940 Act (and other applicable securities laws), which means that many of the Amplify Funds face similar issues

with respect to certain of their fundamental activities, including risk management, portfolio liquidity, portfolio valuation and financial reporting. Because of the similar and often overlapping issues facing the Amplify Funds, including among any such exchange-traded funds, the Board of the Amplify Funds believes that maintaining a unitary board structure promotes efficiency and consistency in the governance and oversight of all Amplify Funds and reduces the costs, administrative burdens and possible conflicts that may result from having multiple boards. In adopting a unitary board structure, the Trustees seek to provide effective governance through establishing a board that the overall composition of which, as a body, possesses the appropriate skills, diversity, independence and experience to oversee the Fund's business.

Annually, the Board of Trustees will review its governance structure and the committee structures, its performance and functions and any processes that would enhance board governance over the business of the Amplify Funds. The Board of Trustees has determined that its leadership structure, including the unitary board and committee structure, is appropriate based on the characteristics of the funds it serves and the characteristics of the Amplify Investments Fund Complex as a whole.

## **BOARD COMMITTEES**

The Board of Trustees has established two standing committees (as described below) and has delegated certain of its responsibilities to those committees. The Board of Trustees and its committees meet frequently throughout the year to oversee the activities of the Fund, review contractual arrangements with and the performance of service providers, oversee compliance with regulatory requirements and review Fund performance. The Independent Trustees are represented by independent legal counsel at all Board and committee meetings. Generally, the Board of Trustees acts by majority vote of the Trustees present at a meeting, assuming a quorum is present, unless otherwise required by applicable law.

The two standing committees of the Board of Trustees are the Nominating and Governance Committee and the Audit Committee.

The Nominating and Governance Committee is responsible for appointing and nominating non-interested persons to the Board of Trustees. Messrs. DiSanto, Powers and Tucker are members of the Nominating and Governance Committee. If there is no vacancy on the Board of Trustees, the Board of Trustees will not actively seek recommendations from other parties, including shareholders. The Nominating and Governance Committee will not consider new trustee candidates who are 70 years of age or older or will turn 70 years old during the initial term. When a vacancy on the Board of Trustees occurs and nominations are sought to fill such vacancy, the Nominating and Governance Committee may seek nominations from those sources it deems appropriate in its discretion, including shareholders of the Fund. To submit a recommendation for nomination as a candidate for a position on the Board of Trustees, shareholders of the Fund should mail such recommendation to John Phillips, Secretary of the Trust, at the Trust's address, 3333 Warrenville Road, Suite 350, Lisle, Illinois 60532. Such recommendation shall include the following information: (i) a statement in writing setting forth (A) the name, age, date of birth, business address, residence address and nationality of the person or persons to be nominated; (B) the class or series and number of all shares of the Fund owned of record or beneficially by



each such person or persons, as reported to such shareholder by such nominee(s); (C) any other information regarding each such person required by paragraphs (a), (d), (e) and (f) of Item 401 of Regulation S-K or paragraph (b) of Item 22 of Rule 14a-101 (Schedule 14A) under the 1934 Act; (D) any other information regarding the person or persons to be nominated that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of trustees or directors pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder; and (E) whether such shareholder believes any nominee is or will be an “interested person” of the Fund (as defined in the 1940 Act) and, if not an “interested person,” information regarding each nominee that will be sufficient for the Fund to make such determination; and (ii) the written and signed consent of any person to be nominated to be named as a nominee and to serve as a trustee if elected. In addition, the Trustees may require any proposed nominee to furnish such other information as they may reasonably require or deem necessary to determine the eligibility of such proposed nominee to serve as a Trustee. The Nominating and Governance Committee met one time during the fiscal year ended October 31, 2022.

The Audit Committee is responsible for overseeing the Fund’s accounting and financial reporting process, the system of internal controls and audit process and for evaluating and appointing independent auditors (subject also to approval of the Board of Trustees). Messrs. DiSanto, Powers and Tucker serve on the Audit Committee. The Audit Committee met four times during the fiscal year ended October 31, 2022.

## **RISK OVERSIGHT**

As part of the general oversight of the Funds, the Board of Trustees is involved in the risk oversight of each Fund. The Board of Trustees has adopted and periodically reviews policies and procedures designed to address the Funds’ risks. Oversight of investment and compliance risk, including, if applicable, oversight of any Sub-Adviser, is performed primarily at the Board level in conjunction with the Adviser’s investment oversight group and the Trust’s Chief Compliance Officer (“CCO”), Ed Keiley.

Oversight of other risks also occurs at the committee level. The Adviser’s investment oversight group reports to the Board of Trustees at quarterly meetings regarding, among other things, Fund performance and the various drivers of such performance as well as information related to the Adviser and its operations and processes. The Board of Trustees reviews reports on the Fund’s and the service providers’ compliance policies and procedures at each quarterly Board meeting and receives an annual report from the CCO regarding the operations of the Fund’s and the service providers’ compliance programs. In addition, the Independent Trustees meet privately each quarter with the CCO. The Audit Committee reviews with the Adviser the Fund’s major financial risk exposures and the steps the Adviser has taken to monitor and control these exposures, including the Fund’s risk assessment and risk management policies and guidelines. The Audit Committee also, as appropriate, reviews in a general manner the processes other Board committees have in place with respect to risk assessment and risk management. The Nominating and Governance Committee monitors all matters related to the corporate governance of the Trust.

Not all risks that may affect a Fund can be identified nor can controls be developed to eliminate or mitigate their occurrence or effects. It may not be practical or cost effective to eliminate or mitigate certain risks, the processes and controls employed to address certain risks may be limited in their effectiveness, and some risks are simply beyond the reasonable control of the Funds or the Adviser or other service providers. Moreover, it is necessary to bear certain risks (such as investment-related risks) to achieve a Fund's goals. As a result of the foregoing and other factors, the Funds' ability to manage risk is subject to substantial limitations.

## **BOARD DIVERSIFICATION AND TRUSTEE QUALIFICATIONS**

As described above, the Nominating and Governance Committee of the Board of Trustees oversees matters related to the nomination of Trustees. The Nominating and Governance Committee seeks to establish an effective Board with an appropriate range of skills and diversity, including, as appropriate, differences in background, professional experience, education, vocations, and other individual characteristics and traits in the aggregate. Each Trustee must meet certain basic requirements, including relevant skills and experience, time availability and, if qualifying as an Independent Trustee, independence from the Adviser, the Sub-Advisers, underwriters or other service providers, including any affiliates of these entities.

Listed below for each current Trustee are the experiences, qualifications and attributes that led to the conclusion, as of the date of this SAI, that each current Trustee should serve as a Trustee in light of the Trust's business and structure.

### *Independent Trustees*

Michael DiSanto has served as an attorney with the City of Naperville, Illinois since 2007, and currently serves as the City Attorney of Naperville. In this capacity, Mr. DiSanto oversees municipal matters for the city. Since 2013, Mr. DiSanto has served on the Elder Board of the Compass Church. Additionally, in 2012, Mr. DiSanto held the position of adjunct professor at Aurora University in Aurora, Illinois. Mr. DiSanto has served as a College Scholarship Board Member for the National Student Leadership Conference since 2018. Mr. DiSanto has served as a Trustee of the Amplify Funds since 2015. He currently serves as Chair of the Nominating and Governance Committee (since 2015) of the Amplify Funds.

Rick Powers is the Director, Department of Public Works, City of Peoria, Illinois, a position he has held since 2019. Previously, from 2014 to 2019, Mr. Powers served as Deputy Commissioner, Transportation with the State of Indiana, a position he has held since 2014. Additionally, from 2001 to 2014, Mr. Powers served as Director, Code Enforcement with the City of Indianapolis, Indiana. Mr. Powers has served as a Trustee of the Amplify Funds since 2015.

Mark Tucker is the sole member of Aspen Equity Partners, LLC, a company he founded in 2009 to serve as the managing member of several single-purpose limited liability companies that own and operate commercial property in Illinois, Wisconsin and Minnesota. Mr. Tucker has served as a Trustee of the Amplify Funds since 2015. He currently serves as Chair of the Audit Committee (since 2015) of the Amplify Funds.

### *Interested Trustees*

Christian Magoon is Chair of the Board of Trustees of the Amplify Funds and Chief Executive Officer and President of Amplify Investments. Mr. Magoon has served as Chief Executive Officer of Magoon Capital and YieldShares, LLC, which he participated in founding in 2010 and 2013, respectively. Mr. Magoon has served as a Trustee of the Amplify Funds since 2015.

John Phillips is the Head of ETF Operations of Amplify Investments since February 2023. Previously, Mr. Phillips worked as the Chief Operating Officer and Head of Product Development of Amplify Investments since 2015. Prior to that, Mr. Phillips was the Managing Director responsible for the Product Development Group at White, Weld & Co., LLC since 2007 and prior to that served as a Managing Director at Guggenheim Partners LLC. Mr. Phillips has worked in the financial services industry since 1990.

### **TRUSTEE COMPENSATION AND OWNERSHIP OF SHARES OF THE FUNDS**

#### *Independent Trustee Compensation*

For the 2020 calendar year, each Independent Trustee was paid a fixed annual retainer of \$15,000. The fixed annual retainer was allocated equally among each Fund in the Amplify Investments Fund Complex. Beginning with the calendar year 2021, each Independent Trustee is compensated based upon on the average assets under management in the Amplify Investments Fund Complex over trailing six month periods (ending the prior November 30 and May 31, respectively). Payments are calculated by multiplying the Trust's assets under management (in millions) by \$15.84, then dividing this number by two for the six month retainer payment. The six-month retainer will be allocated equally among each Fund in the Amplify Investments Fund Complex. Trustees are also reimbursed for travel and out-of-pocket expenses incurred in connection with all meetings.

The following table sets forth the compensation earned by each Independent Trustee (including reimbursement for travel and out-of-pocket expenses) for services to the Funds and the aggregate compensation paid to them for services to the Amplify Investments Fund Complex, for the fiscal year ended October 31, 2022. The Trust has no retirement or pension plans. The officers and Trustees who are "interested persons" as designated above serve without any compensation from the Trust. The Trust has no employees. Its officers are compensated by Amplify Investments.

<b>NAME OF TRUSTEE</b>	<b>COMPENSATION FROM THE FUNDS</b>	<b>TOTAL COMPENSATION FROM THE AMPLIFY INVESTMENTS FUND COMPLEX</b>
Michael DiSanto	\$53,630	\$68,413
Rick Powers	\$53,630	\$68,413
Mark Tucker	\$53,630	\$68,413

### *Ownership of Fund Shares*

The following table sets forth the dollar range of equity securities beneficially owned by the Interested Trustees in the Funds and all funds overseen by the Trustees in the Amplify Investments Fund Complex as of December 31, 2022:

<b>FUND</b>	<b>MAGOON</b>	<b>PHILLIPS</b>
Amplify High Income ETF	A	A
Amplify Online Retail ETF	-	A
Amplify CWP Enhanced Dividend Income ETF	B	A
Amplify Transformational Data Sharing ETF	-	A
Amplify Lithium & Battery Technology ETF	-	A
Amplify BlackSwan Growth & Treasury Core ETF	-	A
Amplify Emerging Markets FinTech ETF	-	A
Amplify Seymour Cannabis ETF	-	-
Amplify BlackSwan ISWN ETF	-	A
Amplify Thematic All-Stars ETF	-	A
Amplify Digital & Online Trading ETF	-	-
Amplify BlackSwan Tech & Treasury ETF	-	-
Amplify Inflation Fighter ETF	-	-
Amplify Natural Resources Dividend Income ETF	D	A
Amplify International Enhanced Dividend Income ETF	-	A
<b>Aggregate Holdings in Amplify Investments Fund Complex</b>	D	B

*Ownership Codes:*

*A: \$1 – \$10,000*

*B: \$10,001 – \$50,000*

*C: \$50,001 – \$100,000*

*D: Over \$100,000*

The following table sets forth the dollar range of equity securities beneficially owned by the Independent Trustees in the Funds and all funds overseen by the Trustees in the Amplify Investments Fund Complex as of December 31, 2022:

FUND	DiSANTO	POWERS	TUCKER
Amplify High Income ETF	A	-	-
Amplify Online Retail ETF	A	-	-
Amplify CWP Enhanced Dividend Income ETF	A	-	-
Amplify Transformational Data Sharing ETF	A	-	-
Amplify Lithium & Battery Technology ETF	A	-	-
Amplify BlackSwan Growth & Treasury Core ETF	A	-	-
Amplify Emerging Markets FinTech ETF	A	-	-
Amplify Seymour Cannabis ETF	A	-	-
Amplify BlackSwan ISWN ETF	A	-	-
Amplify Thematic All-Stars ETF	A	-	-
Amplify Digital & Online Trading ETF	A	-	-
Amplify BlackSwan Tech & Treasury ETF	A	-	-
Amplify Inflation Fighter ETF	-	-	-
Amplify Natural Resources Dividend Income ETF	-	-	-
Amplify International Enhanced Dividend Income ETF	-	-	-
<b>Aggregate Holdings in Amplify Investments Fund Complex</b>	A	-	-

*Ownership Codes:*

*A: \$1 – \$10,000*

*B: \$10,001 – \$50,000*

*C: \$50,001 – \$100,000*

*D: Over \$100,000*

As of December 31, 2022, the Independent Trustees of the Trust and immediate family members did not own beneficially or of record any class of securities of an investment adviser or principal underwriter of the Fund or any person directly or indirectly controlling, controlled by, or under common control with an investment adviser or principal underwriter of the Fund.

As of February 1, 2023, the officers and Trustees, in the aggregate, owned less than 1% of the shares of YYY, IBUY, DIVO, BLOK, BATT, SWAN, CNBS, ISWN, MVPS, QSWN, IWIN and IDVO. As of February 1, 2023, the officers and Trustees, in the aggregate, own approximately 1.3% of the shares of EMFQ. As of February 1, 2023, the officers and Trustees, in the aggregate, own approximately 2.5% of the shares of BIDS. As of February 1, 2023, the officers and Trustees, in the aggregate, own approximately 17.4% of the shares of NDIV.

### **CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES**

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a Fund. A control person is one who owns, either directly or indirectly, more than 25% of the voting securities of a company or acknowledges the existence of control. The tables set forth in Exhibit B show the percentage ownership of each person or “group” (as that term is used in Section 13(d) of the 1934 Act) who, as of February 8, 2023, owned of record, or is known by the Trust to have owned of record or beneficially, 5% or more of the shares of a Fund.

## INVESTMENT ADVISER AND OTHER SERVICE PROVIDERS

### INVESTMENT ADVISER

Amplify Investments LLC, 3333 Warrenville Road, Suite 350, Lisle, Illinois 60532, serves as the investment adviser to the Funds. Amplify Investments is a Delaware limited liability company with a sole member, Amplify Holding Company LLC. Amplify Investments discharges its responsibilities subject to the policies of the Board of Trustees. Amplify Investments also administers the Trust’s business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services, and permits any of its officers or employees to serve without compensation as Trustees or officers of the Trust if elected to such positions.

Pursuant to an investment management agreement between Amplify Investments and the Trust, on behalf of each Fund except CNBS (the “Investment Management Agreement”), Amplify Investments oversees the investment of each Fund’s assets and is responsible for paying all expenses of the Fund, excluding the fee payments under the Investment Management Agreement, interest, taxes, brokerage commissions, acquired fund fees and expenses and other expenses connected with the execution of portfolio transactions, distribution and service fees payable pursuant to a Rule 12b-1 plan, if any, and extraordinary expenses. Each Fund has agreed to pay Amplify Investments an annual management fee equal to a percentage of its daily net assets, as detailed in the below table.

#### *Management Fee*

Fund	Fee
Amplify High Income ETF	0.50%
Amplify Online Retail ETF	0.65%
Amplify CWP Enhanced Dividend Income ETF	0.55%
Amplify Transformational Data Sharing ETF	0.70%
Amplify Lithium & Battery Technology ETF	0.59%
Amplify BlackSwan Growth & Treasury Core ETF	0.49%
Amplify Emerging Markets FinTech ETF	0.69%
Amplify BlackSwan ISWN ETF	0.49%
Amplify Thematic All-Stars ETF	0.49%
Amplify Digital & Online Trading ETF	0.59%
Amplify BlackSwan Tech & Treasury ETF	0.49%
Amplify Inflation Fighter ETF	0.85%
Amplify Natural Resources Dividend Income ETF	0.59%
Amplify International Enhanced Dividend Income ETF	0.65%

Pursuant to an investment management agreement between Amplify Investments and the Trust, on behalf of CNBS (the “CNBS IMA” and collectively with the Investment Management Agreement, the “Investment Management Agreements”), Amplify Investments oversees the investment of the CNBS’ assets and is responsible for paying all expenses of the CNBS, excluding the fee payments under the Investment Management Agreement, interest, taxes, brokerage commissions, acquired fund fees and expenses and other expenses connected with the execution

of portfolio transactions, distribution and service fees payable pursuant to a Rule 12b-1 plan, if any, and extraordinary expenses. The Funds have agreed to pay Amplify Investments an annual management fee equal to a percentage of its daily net assets, as detailed in the below table. Amplify Investments has entered into a Fee Waiver Agreement with CNBS under which it has agreed to waive or reduce CNBS' management fee and/or reimburse expenses of the Fund in an amount that limits the Fund's "Total Annual Fund Operating Expenses" (excluding taxes, interest, all brokerage commissions, other normal charges incident to the purchase and sale of portfolio securities, distribution of service fees payable pursuant to any applicable Rule 12b-1 plan, and other extraordinary expenses) to not more than 0.75% of the daily net assets of CNBS, until March 1, 2024. Amplify Investments may also terminate the agreement at the end of the term upon 60 days' written notice to CNBS. In addition, pursuant to its expense limitation agreement with CNBS, the Adviser is entitled to recoup any fees that it waived and/or CNBS expenses that it paid for a period of three years following such fee waivers and/or expense payments. CNBS may only make such repayment to the Adviser if, after the recoupment payment has been taken into account, it does not cause CNBS' expense ratio to exceed either the expense cap in place at the time the expenses were waived or CNBS' current expense cap.

***Management Fee***

Fund	Fee
Amplify Seymour Cannabis ETF	0.65%

For services rendered during the fiscal periods set forth below, the following table sets forth the management fees paid by the Funds to Amplify Investments.

### *Management Fees*

Fund	Fiscal Year Ended October 31, 2020	Fiscal Period/Year Ended October 31, 2021	Fiscal Period/Year Ended October 31, 2022
Amplify High Income ETF	\$1,108,156	\$1,836,118	\$1,830,352
Amplify Online Retail ETF	\$3,030,049	\$8,698,519	\$2,527,341
Amplify CWP Enhanced Dividend Income ETF	\$200,263 <sup>1</sup>	\$2,210,298 <sup>2</sup>	\$7,254,133
Amplify Transformational Data Sharing ETF	\$691,837 <sup>3</sup>	\$6,698,183 <sup>4</sup>	\$6,111,734
Amplify Lithium & Battery Technology ETF	\$38,429 <sup>5</sup>	\$829,169	\$1,230,448
Amplify BlackSwan Growth & Treasury Core ETF	\$1,664,486	\$3,892,185	\$2,894,453
Amplify Emerging Markets FinTech ETF (EMFQ)	\$31,472	\$143,043	\$33,873
Amplify Seymour Cannabis ETF <sup>6</sup>	\$0 <sup>7</sup>	\$450,496 <sup>8</sup>	\$200,238 <sup>9</sup>
Amplify BlackSwan ISWN ETF <sup>10</sup>	N/A	\$127,552	\$205,515
Amplify Thematic All-Stars ETF <sup>11</sup>	N/A	\$9,622	\$47,018
Amplify Digital & Online Trading ETF <sup>12</sup>	N/A	\$414	\$2,750
Amplify BlackSwan Tech & Treasury ETF <sup>13</sup>	N/A	N/A	\$10,281
Amplify Inflation Fighter ETF <sup>14</sup>	N/A	N/A	\$90,057
Amplify Natural Resources Dividend Income ETF <sup>15</sup>	N/A	N/A	\$1,341
Amplify International Enhanced Dividend Income ETF <sup>16</sup>	N/A	N/A	\$1,594

1. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$188,002 in management fees during this period.
2. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$273,759 in management fees during this period.
3. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$197,668 in management fees during this period.
4. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$297,974 in management fees during this period.
5. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$9,907 in management fees during this period.
6. CNBS commenced operations on July 22, 2019.
7. This figure represents the management fees earned by Amplify Investments \$31,496, net of the fee waiver. In addition to the management fees waived, Amplify Investments reimbursed \$132,786 in fund expenses during this period.
8. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$227,383 in management fees during this fiscal period.
9. This figure represents the management fees paid to Amplify Investments, net of the fee waiver. Amplify Investments waived \$204,674 in management fees during this period.
10. ISWN commenced operations on January 25, 2021.
11. MVPS commenced operations on July 20, 2021.
12. BIDS commenced operations on September 21, 2021.
13. QSWN commenced operations on December 8, 2021.



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14. IWIN commenced operations on February 1, 2022.
  15. NDIV commenced operations on August 23, 2022.
  16. IDVO commenced operations on September 7, 2022.

Under the Investment Management Agreements, Amplify Investments shall not be liable for any loss sustained by reason of the purchase, sale or retention of any security, whether or not such purchase, sale or retention shall have been based upon the investigation and research made by any other individual, firm or corporation, if such recommendation shall have been selected with due care and in good faith, except loss resulting from willful misfeasance, bad faith, or gross negligence on the part of Amplify Investments in the performance of its obligations and duties, or by reason of its reckless disregard of its obligations and duties. The Investment Management Agreements are in place for the original initial two-year term, and thereafter only if approved annually by the Board of Trustees, including a majority of the Independent Trustees. The Investment Management Agreements terminate automatically upon assignment and are terminable at any time without penalty as to the Fund by the Board of Trustees, including a majority of the Independent Trustees, or by vote of the holders of a majority of such Fund's outstanding voting securities on 60 days' written notice to Amplify Investments, or by Amplify Investments on 60 days' written notice to the Fund.

#### **INVESTMENT SUB-ADVISERS**

The Adviser has retained the Sub-Advisers to each act as a sub-adviser to the Funds pursuant to the applicable sub-advisory agreement (collectively, the "Sub-Advisory Agreements"). Penserra Capital Management LLC serves as investment sub-adviser to YYY, IBUY, DIVO, EMFQ, CNBS, and BIDS. Capital Wealth Planning, LLC, along with Penserra, serves as an investment sub-adviser to DIVO and IDVO. Toroso Investments, LLC serves as the investment sub-adviser to BLOK, BATT, SWAN, ISWN, MVPS, QSWN, IWIN and NDIV.

Penserra is a New York limited liability company located at 4 Orinda Way, Suite 100-A, Orinda, California 94563. Penserra is controlled by George Madrigal, who serves as Managing Partner, and Dustin Lewellyn, who serves as Managing Director, who together own a majority interest in Penserra. Penserra's affiliated broker-dealer, Penserra Securities LLC ("Penserra Securities"), also holds a minority interest in Penserra.

CWP is located at 1016 Collier Center Way, Suite 101, Naples, Florida 34100. CWP is controlled by Kevin Simpson and JoAnna Irons, both of whom serve as Managing Members of CWP and equally share full voting control in the company.

Toroso is located at 898 North Broadway, Suite 2, Massapequa, New York 11578. Toroso Investments LLC is controlled by Michael Venuto and Guillermo Trias, both serving as Managing Partners, who together own a voting majority interest in Toroso.

Pursuant to the Sub-Advisory Agreements, Amplify Investments has agreed to pay for the services provided by the Sub-Advisers through sub-advisory fees. Amplify Investments is responsible for paying the entire amount of each Sub-Adviser's fee for the Funds. The Funds do not directly pay the Sub-Advisers.

## YYY

Penserra is paid a sub-advisory fee that is equal to 0.03% per annum of the average daily net assets of YYY, calculated daily and paid monthly. During the fiscal years ended December 31, 2016 through the fiscal period ended October 31, 2019, Amplify Investments served as a sub-adviser to Predecessor YYY and received no compensation in connection with its sub-advisory services. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

### *Sub-Advisory Fees — Amplify High Income ETF*

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>
October 31, 2020	\$66,489
October 31, 2021	\$110,167
October 31, 2022	\$117,206

## IBUY

Penserra is paid a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.05% per annum of the average daily net assets of IBUY on the first \$500 million, 0.04% on the next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

### *Sub-Advisory Fees — Amplify Online Retail ETF*

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>
October 31, 2020	\$220,985
October 31, 2021	\$550,698
October 31, 2022	\$189,524

## DIVO

Penserra is paid a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.05% per annum of the average daily net assets of DIVO on the first \$500 million, 0.04% on the next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. CWP is paid a sub-advisory fee equal to (i) 0.285% multiplied by the Fund's total assets under management ("AUM") for AUM up to \$25,000,000, (ii) 0.25% multiplied by the Fund's AUM for AUM from \$25,000,000 to \$50,000,000, (iii) 0.22% multiplied by the Fund's AUM for AUM from \$50,000,000 to \$100,000,000 and (iii) 0.2% multiplied by the Fund's AUM for AUM above \$100,000,000, calculated daily and paid monthly. Kevin Simpson and Josh Smith, each a portfolio manager of CWP, serve as portfolio managers of DIVO and are primarily responsible for the day-to-day management of DIVO. Dustin Lewellyn, CFA, Chief Investment Officer of Penserra, has primary responsibility for implementing the Fund's investment program and for the overall day-to-day management of DIVO. Ernesto Tong, CFA and Anand Desai, each a portfolio manager of Penserra, serve as portfolio managers of DIVO and assist with the day-to-day management of

DIVO. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify CWP Enhanced Dividend Income ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>	<b>Sub-Advisory Fees Paid to CWP</b>
October 31, 2020	\$24,883	\$93,960
October 31, 2021	\$199,569	\$860,479
October 31, 2022	\$546,640	\$2,681,617

**BLOK**

Prior to September 16, 2020, the Adviser retained Toroso and Exponential to serve as sub-advisers to BLOK. As of September 16, 2020, the investment sub-advisory agreement with Exponential was terminated, and Toroso remained as the sole sub-adviser for BLOK. Prior to the termination of the Sub-Advisory Agreement with Exponential, Exponential was paid a fee that is equal to 0.02% per annum of the average daily net assets of BLOK, calculated daily and paid monthly. Prior to September 16, 2020, Toroso was paid a sub-advisory fee that is equal to the greater of (1) \$20,000 per annum or (2) 0.03% per annum of the average daily net assets of BLOK, calculated daily and paid monthly. After September 16, 2020, Toroso is paid a sub-advisory fee that is equal to the greater of (1) \$12,500 per annum or (2) 0.05% per annum of the average daily net assets of BLOK, calculated daily and paid monthly. In addition to the compensation for sub-advisory services, Amplify Investments, Toroso and Emerita Capital Indices, Inc. have entered into a profit and expense sharing arrangement, whereby each party will share equally in the expenses and profits, if any, of BLOK. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Transformational Data Sharing ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Toroso</b>	<b>Sub-Advisory Fees Paid to Exponential</b>
October 31, 2020	\$35,178	\$16,574 <sup>1</sup>
October 31, 2021	\$478,442	N/A
October 31, 2022	\$436,552	N/A

1. Effective on or about September 16, 2020, the investment sub-advisory agreement with Exponential was terminated.

**BATT**

Prior to September 16, 2020, the Adviser retained Toroso and Exponential to serve as sub-advisers to BATT. As of September 16, 2020, the investment sub-advisory agreement with Exponential was terminated, and Toroso remained as the sole sub-adviser for BATT. Prior to September 16, 2020, Exponential was paid a fee that was equal to the greater of (1) \$12,500 per annum or (2) 0.03% per annum of the average daily net assets of BATT, calculated daily and paid monthly. Prior to September 16, 2020, Toroso was paid a fee that was equal to the greater of (1)

\$12,500 per annum or (2) 0.03% per annum of the average daily net assets of BATT, calculated daily and paid monthly. After September 16, 2020, but before October 14, 2020, Toroso was paid a fee that is equal to the greater of (1) \$12,500 per annum or (2) 0.06% per annum of the average daily net assets of BATT, calculated daily and paid monthly. Effective October 14, 2020, in connection with the change in investment strategy of BATT, Toroso is paid a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.03% per annum of the average daily net assets of BATT, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Lithium and Battery Technology ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Toroso</b>	<b>Sub-Advisory Fees Paid to Exponential</b>
October 31, 2020	\$17,576	\$10,929 <sup>1</sup>
October 31, 2021	\$43,174	N/A
October 31, 2022	\$62,565	N/A

1. Effective on or about September 16, 2020, the investment sub-advisory agreement with Exponential was terminated.

**SWAN**

Prior to September 16, 2020, the Adviser retained ARG I Investment Services, LLC (“ARG I”) and Exponential to serve as sub-advisers to SWAN. As of September 16, 2020, the investment sub-advisory agreement with Exponential was terminated and Toroso was appointed to serve as an investment sub-adviser to SWAN, along with ARG I. Effective January 10, 2023, the investment sub-advisory agreement for SWAN with ARG I was terminated. For the fiscal year ended October 31, 2022, ARG I was entitled to receive an annual sub-advisory fee of \$10,000. In addition to this sub-advisory fee, ARG I and Amplify have entered into a profit and expense sharing arrangement whereby ARG I is paid a fee based upon the Fund’s average daily net assets (excluding assets that are held or owned by clients of ARG I, according to the schedule set forth below. Prior to September 16, 2020, Exponential received a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.045% per annum of the average daily net assets of SWAN, calculated daily and paid monthly. After September 16, 2020, Toroso receives a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.045% per annum of the average daily net assets of the Fund on the first \$250 million, 0.035% on the next \$250 million, 0.03% on the next \$500 million, and 0.02% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

*ARG I Profit-Sharing Schedule*

<b>Assets Under Management</b>	<b>Fee</b>
\$0 – \$49,999,999	0 basis points per quarter
\$50,000,000 – \$99,999,999	2 basis points per quarter
\$100,000,000 – \$249,999,999	2.5 basis points per quarter
\$250,000,000 – \$499,999,999	4 basis points per quarter
\$500,000,000 and up	5 basis points per quarter

***Sub-Advisory Fees — Amplify BlackSwan Growth & Treasury Core ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Toroso</b>	<b>Sub-Advisory Fees Paid to Exponential</b>	<b>Sub-Advisory Fees Paid to ARG I</b>
October 31, 2020	\$31,171	\$115,530 <sup>1</sup>	\$0
October 31, 2021	\$288,297	N/A	\$0
October 31, 2022	\$224,719	N/A	\$0

1. Effective on or about September 16, 2020, the investment sub-advisory agreement with Exponential was terminated.

**EMFQ**

Penserra receives a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.05% per annum of the average daily net assets of the EMFQ on the first \$500 million, 0.04% on the next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Emerging Markets FinTech ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>
October 31, 2020	\$20,000
October 31, 2021	\$20,000
October 31, 2022	\$20,000

**CNBS**

Penserra receives a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.05% per annum of the average daily net assets of CNBS on the first \$500 million, 0.04% on the next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Seymour Cannabis ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>
October 31, 2020	\$20,000
October 31, 2021	\$54,084
October 31, 2022	\$31,156

**ISWN**

Effective January 10, 2023, the investment sub-advisory agreement for ISWN with ARG I was terminated. For the fiscal year ended October 31, 2022, ARG I received an annual sub-advisory fee of \$10,000, to be paid on a calendar quarter basis. In addition, ARG I and Amplify have entered into a profit and expense sharing arrangement whereby ARG I is paid a fee based upon the Fund's average daily net assets (excluding assets that are held or owned by clients of ARG I) according to the schedule set forth below.

*ARGI Profit-Sharing Schedule*

Assets Under Management	Fee
\$0 – \$49,999,999	0 basis points per quarter
\$50,000,000 – \$99,999,999	2 basis points per quarter
\$100,000,000 – \$249,999,999	2.5 basis points per quarter
\$250,000,000 – \$499,999,999	4 basis points per quarter
\$500,000,000 and up	5 basis points per quarter

Toroso receives a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.035% per annum of the average daily net assets of ISWN on the first \$250 million in assets, 0.0325% on the next \$250 million in assets, 0.0275% on the next \$500 million in assets, and 0.02% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify BlackSwan ISWN ETF***

Fiscal Period Ended	Sub-Advisory Fees Paid to ARGI	Sub-Advisory Fees Paid to Toroso
October 31, 2021 <sup>1</sup>	\$0	\$11,466
October 31, 2022	\$0	\$15,298

1. ISWN commenced operations on January 25, 2021

**MVPS**

Toroso receives a sub-advisory fee equal to the greater of (1) \$15,000 per annum or (2) 0.04% per annum of the average daily net assets of MVPS on the first \$250 million, 0.035% on the next \$250 million, 0.03% on the next \$500 million, and 0.02% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Thematic All-Stars ETF***

Fiscal Period Ended	Sub-Advisory Fees Paid to Toroso
October 31, 2021 <sup>1</sup>	\$4,233
October 31, 2022	\$15,000

1. MVPS commenced operations on July 20, 2021

**BIDS**

Penserra receives a sub-advisory fee equal to the greater of (1) ) \$15,000 per annum or (2) 0.05% per annum of the average daily net assets of BIDS on the first \$500 million, 0.04% on the

next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Digital & Online Trading ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>
October 31, 2021 <sup>1</sup>	\$1,644
October 31, 2022	\$15,000

1. BIDS commenced operations on September 21, 2021

**QSWN**

Effective January 10, 2023, the investment sub-advisory agreement for QSWN with ARGI was terminated. For the fiscal year ended October 31, 2022, ARGI received an annual sub-advisory fee of \$10,000, to be paid on a calendar quarter basis. In addition, ARGI and Amplify have entered into a profit and expense sharing arrangement whereby ARGI is paid a fee based upon the Fund's average daily net assets (excluding assets that are held or owned by clients of ARGI) according to the schedule set forth below.

*ARGI Profit-Sharing Schedule*

<b>Assets Under Management</b>	<b>Fee</b>
\$0 – \$49,999,999	0 basis points per quarter
\$50,000,000 – \$99,999,999	2 basis points per quarter
\$100,000,000 – \$249,999,999	2.5 basis points per quarter
\$250,000,000 – \$499,999,999	4 basis points per quarter
\$500,000,000 and up	5 basis points per quarter

Toroso receives a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.035% per annum of the average daily net assets of QSWN on the first \$250 million in assets, 0.0325% on the next \$250 million in assets, 0.0275% on the next \$500 million in assets, and 0.02% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify BlackSwan Tech & Treasury ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to ARGI</b>	<b>Sub-Advisory Fees Paid to Toroso</b>
October 31, 2022 <sup>1</sup>	\$7,500	\$13,438

1. QSWN commenced operations on December 8, 2021

**IWIN**

Toroso receives a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.10% per annum of the average daily net assets of IWIN, calculated daily and paid monthly.

Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Inflation Fighter ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Toroso</b>
October 31, 2022 <sup>1</sup>	\$12,375

1. IWIN commenced operations on February 1, 2022

**NDIV**

Toroso receives a sub-advisory fee that is equal to the greater of (1) \$15,000 per annum or (2) 0.035% per annum of the average daily net assets of NDIV on the first \$250 million in assets, 0.0325% on the next \$250 million in assets, 0.0275% on the next \$500 million in assets, and 0.02% on assets over \$1 billion, calculated daily and paid monthly. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify Natural Resources Dividend Income ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Toroso</b>
October 31, 2022 <sup>1</sup>	\$2,835

1. NDIV commenced operations on August 23, 2022

**IDVO**

Penserra is paid a sub-advisory fee equal to the greater of (1) \$20,000 per annum or (2) 0.05% per annum of the average daily net assets of IDVO on the first \$500 million, 0.04% on the next \$500 million and 0.03% on assets over \$1 billion, calculated daily and paid monthly. CWP is paid a sub-advisory fee equal to (i) 0.285% multiplied by the Fund's total assets under management ("AUM") for AUM up to \$25,000,000, (ii) 0.25% multiplied by the Fund's AUM for AUM from \$25,000,000 to \$50,000,000, (iii) 0.22% multiplied by the Fund's AUM for AUM from \$50,000,000 to \$100,000,000 and (iii) 0.2% multiplied by the Fund's AUM for AUM above \$100,000,000, calculated daily and paid monthly. Kevin Simpson and Josh Smith, each a portfolio manager of CWP, serve as portfolio managers of IDVO and are primarily responsible for the day-to-day management of IDVO. Dustin Lewellyn, CFA, Chief Investment Officer of Penserra, has primary responsibility for implementing the Fund's investment program and for the overall day-to-day management of IDVO. Ernesto Tong, CFA and Anand Desai, each a portfolio manager of Penserra, serve as portfolio managers of IDVO and assist with the day-to-day management of IDVO. Pursuant to the above, the following sub-advisory fees were paid by the Adviser for the relevant periods.

***Sub-Advisory Fees — Amplify International Enhanced Dividend Income ETF***

<b>Fiscal Period Ended</b>	<b>Sub-Advisory Fees Paid to Penserra</b>	<b>Sub-Advisory Fees Paid to CWP</b>
October 31, 2022 <sup>1</sup>	\$2,219	\$833



## **PORTFOLIO MANAGERS**

The portfolio managers are primarily responsible for the day-to-day management of the Funds. The portfolio managers for YYY, IBUY, EMFQ and BIDS are Dustin Lewellyn, Ernesto Tong and Anand Desai. The portfolio managers for DIVO are Kevin Simpson, Josh Smith, Dustin Lewellyn, Ernesto Tong and Anand Desai. The portfolio managers for BLOK are Charles A. Ragauss, Michael Venuto, and Daniel Weiskopf. The portfolio managers for BATT and NDIV are Charles A. Ragauss and Michael Venuto. The portfolio managers for SWAN and ISWN are Charles A. Ragauss, Michael Venuto, Dan Cupkovic, Dr. Indu Chhachhi and Matt Westfall. The portfolio managers for CNBS are Timothy Seymour, Dustin Lewellyn, Ernesto Tong and Anand Desai. The portfolio managers for MVPS are Charles A. Ragauss and Qiao Duan. The portfolio managers for QSWN are Charles A. Ragauss, Qiao Duan, Dan Cupkovic, Dr. Indu Chhachhi and Matt Westfall. The portfolio managers for IWIN are Michael Venuto, Qiao Duan and David Dziekanski. The portfolio managers for IDVO are Kevin Simpson, Josh Smith, Ryland Matthews, Dustin Lewellyn, Ernesto Tong and Anand Desai

Dustin Lewellyn, CFA. Mr. Lewellyn has extensive background in institutional investment process with a specific focus on ETFs, such as the Funds. Mr. Lewellyn was a portfolio manager at BGI (now part of Blackrock), and he managed a number of international equity funds. Mr. Lewellyn also was head of ETF product management and product development at Northern Trust where he oversaw the build out and management of all areas of a new ETF business, including primary responsibility for the portfolio management process surrounding the ETFs. Mr. Lewellyn also built and ran a new ETF business for Charles Schwab, including having primary responsibility for the technology and investment process to support portfolio management for the ETFs. Mr. Lewellyn started a consulting business with a focus on ETFs and helped numerous new ETF sponsors, as well as service providers, understand the resource requirements to participate in the industry utilizing current best practices. Mr. Lewellyn holds a B.A. from University of Iowa and is a CFA Charterholder. He also holds security licenses 7, 63, 66 and 24.

Ernesto Tong, CFA. Mr. Tong worked for Barclays Global Investors and Blackrock prior to joining the Sub-Adviser. During his time at Blackrock, Mr. Tong spent two years as an Index Research Analyst and seven years as a portfolio manager for a number of funds. As an Index Research Analyst, he was responsible for performing independent research and analysis to incorporate into Portfolio Management and Trading strategies and also developing and launching new indices and investment products, particularly in Latin America. As a portfolio manager, Mr. Tong managed \$40 billion in global ETF assets and was responsible for all aspects of portfolio management across domestic and international portfolios. Mr. Tong was also responsible for launching, managing, and driving the local Latin American ETF products for the portfolio management group, focusing on Brazil, Colombia and Mexico. Mr. Tong holds a B.A. from the University of California, Davis and is a CFA Charterholder. He holds security licenses 7 and 63.

Anand Desai. Prior to joining the Sub-Adviser in 2015, Mr. Desai was an officer at State Street, where he had roles in portfolio accounting and client operations.

Michael Venuto. Mr. Venuto is a co-founder and has been the Chief Investment Officer of Toroso since 2012. Mr. Venuto is also currently a Managing Director of Tidal Growth Consultants. Mr. Venuto is an ETF industry veteran with over a decade of experience in the design and implementation of ETF-based investment strategies. Previously, he was Head of Investments at Global X Funds where he provided portfolio optimization services to institutional clients. Before that, he was Senior Vice President at Horizon Kinetics where his responsibilities included new business development, investment strategy and client and strategic initiatives.

Charles A. Ragauss, CFA. Mr. Ragauss serves as Portfolio Manager at Toroso, having joined the firm in September 2020. Prior to joining Toroso, Mr. Ragauss served as Chief Operating Officer and Director of Portfolio Management at CSAT Investment Advisory, L.P., doing business as Exponential ETFs, from April 2016 to September 2020. Previously, Mr. Ragauss was Assistant Vice President at Huntington National Bank (“Huntington”), where he was Product Manager for the Huntington Funds and Huntington Strategy Shares ETFs, a combined fund complex of almost \$4 billion in assets under management. At Huntington, he led ETF development bringing to market some of the first actively managed ETFs. Mr. Ragauss joined Huntington in 2010. Mr. Ragauss attended Grand Valley State University where he received his Bachelor of Business Administration in Finance and International Business, as well as a minor in French. He is a member of both the National and Detroit CFA societies and holds the CFA designation.

Daniel Weiskopf. Mr. Weiskopf serves as Portfolio Manager at Toroso, having joined the firm in May 2018. Mr. Weiskopf has been an ETF Strategist since 2003, and was the portfolio manager and founder of MH Capital Partners, a small cap hedge fund from 1995 until 2003 which focused on asset light business models. Firms that Mr. Weiskopf has been affiliated with include, Investment Planners, Forefront Capital, UBS Financial and American Diversified Enterprises, an affiliated of Allen & Company. Mr. Weiskopf graduated with an MBA from Fordham University Gabelli School of Business, and holds a series 7 and 65 license.

Qiao Duan. Ms. Duan serves as Portfolio Manager at Toroso focusing on strategy implementation and trade execution, having joined the firm in October 2020. From February 2017 to October 2020, she was an execution Portfolio Manager at Exponential ETFs, where she managed research and analysis relating to all Exponential ETF strategies. Ms. Duan received a Master of Science in Quantitative Finance and Risk Management from the University of Michigan in 2016 and a Bachelor of Science in Mathematics and Applied Mathematics from Xiamen University in 2014. She holds the CFA designation.

David Dziekanski. Mr. Dziekanski is a portfolio manager and member of the Toroso investment Committee. Before joining Toroso, he was Vice President and Portfolio Strategist at Ladenburg Thalmann Asset Management (LTAM), working on over \$1.8 billion in ETF and mutual fund assets. Previously, he held positions in wealth management,

fixed income, and securities trading in world leading organizations such as Morgan Stanley, Bear Stearns, AIM Securities and Smith Barney. David was a triple major in mathematics, finance and economics at Washington University in St Louis and earned a MS in Finance.

Kevin Simpson. Mr. Simpson has been the President of Capital Wealth Planning, LLC since establishing the firm in 2005. Mr. Simpson has been investing in options since he began his career at W.H. Newbold's Son & Co. in 1992. After his time at W.H. Newbold's Son & Co, Mr. Simpson spent 7 years with Wheat First Butcher Singer (subsequently Wells Fargo) where he helped institutions and high-net worth individuals plan and achieve their financial goals through option-centered strategies. Following his time at Wheat First Butcher Singer, Mr. Simpson spent several years at Sterling Financial before establishing Capital Wealth Planning. Mr. Simpson is a graduate of The George Washington University with a major in Finance.

Josh Smith. Mr. Smith is the Senior Portfolio Manager of Capital Wealth Planning, LLC, in which capacity he is responsible for the oversight and management of the firm's investment strategies. Mr. Smith joined CWP in 2011. Prior to joining CWP, he spent 6 years with First Financial Capital Advisors, the internal asset management arm of First Financial Bank. Mr. Smith received his B.S. in Finance from Miami University of Ohio. He is a CFA charter holder.

Ryland Matthews, CFA. Mr. Matthews is an Associate Trader at Capital Wealth Planning, LLC with responsibility over trade execution, analytics, and reconciliation. He has 7 years' experience in quantitative and rules-based trading. Prior to joining CWP, Mr. Matthews worked as a trader for a systematic commodity pool in Windermere, Florida, where he was responsible for trade execution and modeling. Mr. Matthews attended the University of Florida where he obtained a B.S. degree in Finance. Mr. Matthews is also a CFA charter holder.

Timothy J. Seymour. Mr. Seymour is a portfolio manager at Amplify Investments. Mr. Seymour has over 24 years of investment experience as a portfolio manager, allocator, and capital markets professional across multiple asset classes. Mr. Seymour has been an early stage investor in the cannabis industry and serves as a board member or in an advisory role for several private cannabis companies. Mr. Seymour is also a Senior Consultant to the JWAM Growth Fund, a cannabis hedge fund. In addition, Mr. Seymour is a frequent and long-time contributor on CNBC, including over a decade of appearances on the show "Fast Money." Mr. Seymour is the founder and Chief Investment Officer of Seymour Asset Management ("SAM"). SAM provides both asset management and wealth management services for its clients, including direct investment and allocation to private equity and alternative assets. Prior to SAM, Mr. Seymour was the Chief Investment Officer and co-founder of Triogem Asset Management ("Triogem"), where he helped run the firm's flagship fund, a long/short fund with an emphasis on global emerging markets.

## *Compensation*

Mr. Lewellyn’s portfolio management compensation includes a salary and discretionary bonus based on the profitability of the Penserra. No compensation is directly related to the performance of the underlying assets. Mr. Tong receives from Penserra a fixed base salary and discretionary bonus, and he is also eligible to participate in a retirement plan and to receive an equity interest in Penserra. Mr. Tong’s compensation is based on the performance and profitability of Penserra and his individual performance with respect to following a structured investment process. Mr. Desai receives from Penserra a fixed base salary and discretionary bonus, and is also eligible to participate in a retirement plan. Mr. Desai’s compensation is based on the performance and profitability of Penserra and his individual performance with respect to following a structured investment process.

Messrs. Venuto, Ragauss and Weiskopf, Dziekanski and Ms. Duan are each compensated by Toroso with a fixed salary and discretionary bonus based on the financial performance and profitability of Toroso and not based on the performance of the Funds for which each acts as portfolio manager. Each is also eligible for deferred compensation.

Messrs. Simpson, Smith and Matthews are compensated by CWP. Mr. Simpson’s, Mr. Smith’s and Mr. Matthew’s compensation includes a salary and discretionary bonus based on the profitability of CWP.

Mr. Seymour is compensated by Amplify Investments. Mr. Seymour’s portfolio management compensation includes a salary and discretionary bonus. No compensation is directly related to the performance of the underlying assets.

*Ownership of Fund Securities*

The following tables set forth the dollar range of equity securities beneficially owned by each of the portfolio managers for the Funds for which each acted as portfolio manager as of October 31, 2022:

YYY

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None

IBUY

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None

DIVO

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	\$1-\$10,000
Kevin Simpson	\$1-\$10,000
Josh Smith	\$1-\$10,000

BLOK

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Michael Venuto	\$1-\$10,000
Daniel Weiskopf	\$10,001-\$50,000

BATT

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Michael Venuto	None

SWAN

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Michael Venuto	\$1-\$10,000

EMFQ

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None

CNBS

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Timothy J. Seymour	\$1-\$10,000
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None

ISWN

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Michael Venuto	None

MVPS

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Qiao Duan	None

BIDS

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None

QSWN

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Qiao Duan	None

IWIN

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Michael Venuto	\$1-\$10,000
David Dziekanski	None
Qiao Duan	None

NDIV

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Charles A. Ragauss	None
Michael Venuto	None

IDVO

<b>PORTFOLIO MANAGER</b>	<b>DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND</b>
Dustin Lewellyn	None
Ernesto Tong	None
Anand Desai	None
Kevin Simpson	None
Josh Smith	\$1–\$10,000
Ryland Matthews	None

*Accounts Managed by the Portfolio Managers*

In addition to the Funds, the portfolio managers are responsible for the day-to-day management of certain other accounts, as listed below. The information below is provided as of October 31, 2022.

<b>PORTFOLIO MANAGERS</b>	<b>REGISTERED INVESTMENT COMPANIES NUMBER OF ACCOUNTS (\$ ASSETS)</b>	<b>OTHER POOLED INVESTMENT VEHICLES NUMBER OF ACCOUNTS (\$ ASSETS)</b>	<b>OTHER ACCOUNTS NUMBER OF ACCOUNTS (\$ ASSETS)</b>
Dustin Lewellyn	31 (\$2.1 billion)	0 (\$0)	0 (\$0)
Ernesto Tong	31 (\$2.1 billion)	0 (\$0)	0 (\$0)
Anand Desai	31 (\$2.1 billion)	0 (\$0)	0 (\$0)
Charles A. Ragauss	41 (\$2.92 million)	0 (\$0)	0 (\$0)
Michael Venuto	40 (\$2.94 million)	0 (\$0)	568 (\$297 million)
Daniel Weiskopf	0 (\$0)	0 (\$0)	31 (\$10 million)
Qiao Duan	2 (\$45 million)	0 (\$0)	0 (\$0)
David Dziekanski	1 (\$ 7 million)	0 (\$0)	518 (\$202 million)
Kevin Simpson	2 (\$2.503 billion)	0 (\$0)	9,120 (\$5.074 billion)
Josh Smith	2 (\$2.503 billion)	0 (\$0)	9,120 (\$5.074 billion)



Ryland Matthews	2 (\$2.503 billion)	0 (\$0)	9,120 (\$5.074 billion)
Timothy J. Seymour	0 (\$0)	0 (\$0)	25 (\$25 million)

### *Conflicts*

The portfolio managers have day-to-day management responsibilities with respect to other investments accounts and, accordingly, may be presented with potential or actual conflicts of interest.

The management of other accounts may result in the portfolio manager devoting unequal time and attention to the management of each Fund and/or other accounts. In approving the Investment Advisory Agreements and respective Sub-Advisory Agreements, the Board was satisfied that the portfolio managers would be able to devote sufficient attention to the management of each Fund and that the Adviser and Sub-Advisers seek to manage such competing interests for the time and attention of the portfolio managers.

With respect to securities transactions for each Fund, the applicable Sub-Adviser determines which broker to use to execute each transaction, consistent with its duty to seek best execution of the transaction. For buy or sell transactions considered simultaneously for a Fund and other accounts, orders are placed at the same time. Each Sub-Adviser uses its best efforts to ensure that no client is treated unfairly in relation to any other client over time in the allocation of securities or the order of the execution of transactions. Each Sub-Adviser generally allocates trades on the basis of assets under management so that the securities positions represent equal exposure as a percentage of total assets of each client. The Funds and client accounts are not generally invested in thinly traded or illiquid securities; therefore, conflicts in fulfilling investment opportunities are to some extent minimized. If an aggregated trade order is not substantially filled, it will generally be allocated pro rata.

## **FUND ADMINISTRATION**

### *General Information*

The administrator, fund accountant and transfer agent for the Funds is U.S. Bancorp Fund Services, LLC (“USBFS”, “Administrator”, “Fund Accountant” or “Transfer Agent”), which has its principal office at 615 East Michigan Street, Milwaukee, Wisconsin 53202 and is primarily in the business of providing administrative, fund accounting and stock transfer services to retail and institutional mutual funds. USBFS performs these services pursuant to three separate agreements, a fund administration servicing agreement, a fund accounting servicing agreement and a transfer agent servicing agreement.

### *Administration Agreement*

Pursuant to the fund administration servicing agreement with the Trust (“Administration Agreement”), USBFS provides all administrative services necessary for the Funds, other than

those provided by Amplify Investments, subject to the supervision of the Board of Trustees. USBFS employees generally will not be officers of the Funds for which they provide services.

The Administration Agreement is terminable by the Board or Amplify Investments on ninety (90) days' written notice and may be assigned provided the non-assigning party provides prior written consent. The Administration Agreement initially remains in effect for three years from the date of its initial approval, unless amended, and its continued renewal is subject to approval of the Board for periods thereafter. The Administration Agreement provides that in the absence of the USBFS' refusal or willful failure to comply with the Agreement or bad faith, negligence or willful misconduct on the part of USBFS, USBFS shall not be liable for any action or failure to act in accordance with its duties thereunder.

Under the Administration Agreement, USBFS provides all administrative services, including, without limitation: (i) providing services of persons competent to perform such administrative and clerical functions as are necessary to provide effective administration of the Funds; (ii) overseeing the performance of administrative and professional services to the Funds by others, including the Funds' custodian, as applicable; (iii) preparing, but not paying for, the periodic updating of the Funds' Registration Statement, Prospectus and Statement of Additional Information in conjunction with Fund counsel, including the printing of such documents for the purpose of filings with the SEC and state securities administrators, preparing each Fund's tax returns, and preparing reports to each Fund's shareholders and the SEC; (iv) calculation of yield and total return for the Funds; (v) monitoring and evaluating daily income and expense accruals, and sales and redemptions of shares of the Funds; (vi) preparing in conjunction with Fund counsel, but not paying for, all filings under the securities or "Blue Sky" laws of such states or countries as are designated by the Distributor, which may be required to register or qualify, or continue the registration or qualification, of the Funds and/or its shares under such laws; (vii) preparing notices and agendas for meetings of the Funds' Board and minutes of such meetings in all matters required by the 1940 Act to be acted upon by the Board; and (viii) monitoring periodic compliance with respect to all requirements and restrictions of the 1940 Act, the Internal Revenue Code and the Prospectus.

#### *Accounting Agreement*

Pursuant to the fund accounting servicing agreement with the Trust (the "Fund Accounting Agreement"), USBFS provides the Funds with all accounting services, including, without limitation: (i) daily computation of NAV; (ii) maintenance of security ledgers and books and records as required by the 1940 Act; (iii) production of the Fund's listing of portfolio securities and general ledger reports; (iv) reconciliation of accounting records; and (v) maintaining certain books and records described in Rule 31a-1 under the 1940 Act, and reconciling account information and balances among the custodian and Amplify Investments.

#### *Compensation*

For the administrative and fund accounting services rendered to the Funds by USBFS, USBFS is paid an annual fee based on the average net assets of the Funds, subject to a minimum annual fee. For all of the Funds except CNBS, pursuant to each Fund's unitary management fee

structure, Amplify Investments is responsible for paying for the services provided by USBFS. The Funds, except CNBS, do not directly pay USBFS. CNBS does not utilize a unitary fee arrangement and therefore pays USBFS for administrative and fund accounting services an annual fee based on its net assets, subject to a minimum annual fee. Prior to April 17, 2020, The Nottingham Company (“Nottingham”) served as the fund accountant and administrator for CNBS. For its services, Nottingham was paid an annual fee based on the average net assets of CNBS, subject to a minimum annual fee. The below table sets forth the fees paid by CNBS to USBFS and Nottingham for the specified periods.

### Fund Administration and Accounting Fees

Fiscal period ended	Fund Administration and Accounting Fees Paid
October 31, 2020 <sup>1</sup>	\$44,304 <sup>2</sup>
October 31, 2021	\$64,732
October 31, 2022	\$45,211

1. On April 17, 2020, USBFS replaced Nottingham as CNBS' Administrator and Fund Accountant.
2. This includes fees of \$24,451 paid to USBFS for the fiscal period ended October 31, 2020 and \$19,853 paid to The Nottingham Company while it served as administrator during the fiscal year ended October 31, 2020.

#### *Transfer and Dividend Agent*

USBFS acts as the Funds' transfer and dividend agent. The Funds, except CNBS, do not pay any fees to USBFS as Amplify Investments have assumed responsibility for payment of these fees as part of the unitary management fee. CNBS pays USBFS for its services as its transfer and dividend agent.

#### **CUSTODIAN**

*YYY, IBUY, DIVO, BLOK, BATT, SWAN, EMFQ, ISWN, MVPS, BIDS, QSWN, IWIN, NDIV and IDVO*

U.S. Bank National Association, 1555 North Rivercenter Drive, Suite 302, Milwaukee, WI 53212, serves as custodian (the "Custodian") for the Fund's cash and securities. Pursuant to a custodian servicing agreement with the Fund (the "Custodian Agreement"), it is responsible for maintaining the books and records of the Fund's portfolio securities and cash. The Custodian does not assist in, and is not responsible for, investment decisions involving assets of the Fund.

#### *CNBS*

Cowen Execution Services, LLC ("Cowen"), which has its principal offices at 599 Lexington Avenue, 21<sup>st</sup> Floor, New York, NY 10022, serves as custodian for the Fund's cash and securities. Pursuant to a Custodian Servicing Agreement with the Trust, Cowen is responsible for maintaining the books and records of CNBS' portfolio securities and cash. Cowen does not assist in, and is not responsible for, investment decisions involving assets of CNBS.

## SECURITIES LENDING AGENTS

*YYY, IBUY, DIVO, BLOK, BATT, SWAN, EMFQ, ISWN, MVPS, BIDS, QSWN, IWIN, NDIV and IDVO*

The Funds may participate in securities lending arrangements whereby a Fund lends certain of its portfolio securities to brokers, dealers, and financial institutions (not with individuals) to receive additional income and increase the rate of return of its portfolio. U.S. Bank, N.A. serves as the Funds' securities lending agent and is responsible for (i) negotiating the fees (rebates) of securities loans within parameters approved by the Board; (ii) delivering loaned securities to the applicable borrower(s), a list of which has been approved by the Board; (iii) investing any cash collateral received for a securities loan in investments pre-approved by the Board; (iv) receiving the returned securities at the expiration of a loan's term; (v) daily monitoring of the value of the loaned securities and the collateral received; (vi) notifying borrowers to make additions to the collateral, when required; (vii) accounting and recordkeeping services as necessary for the operation of the securities lending program, and (viii) establishing and operating a system of controls and procedures to ensure compliance with its obligations under the Funds' securities lending program. The following table sets forth information regarding the Funds' securities lending activities during the fiscal year ended October 31, 2022.

	Amplify High Income ETF	Amplify Online Retail ETF	Amplify CWP Enhanced Dividend Income ETF
<b>Gross income from securities lending activities</b>	\$555,617	\$2,936,035	\$21,882
Fees and/or compensation for securities lending activities and related services			
Fees paid to securities lending agent from a revenue split	(87,088)	(427,632)	(494)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(8,315)	(51,378)	(1,610)
Administrative fees not included in revenue split	—	—	—
Indemnification fee not included in revenue split	—	—	—
Rebate (paid to borrower)	—	(166,947)	(17,418)
Other fees not included in revenue split (specify)	—	—	—
<b>Aggregate fees/compensation for securities lending activities</b>	(95,403)	(645,957)	(19,522)
<b>Net income from securities lending activities</b>	\$460,214	\$2,290,078	\$2,360

	Amplify Transformational Data Sharing ETF	Amplify Lithium & Battery Technology ETF	Amplify BlackSwan Growth & Treasury Core ETF
<b>Gross income from securities lending activities</b>	\$8,960,290	\$2,381,803	—
Fees and/or compensation for securities lending activities and related services			
Fees paid to securities lending agent from a revenue split	(1,401,027)	(359,727)	—
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(171,274)	(32,783)	—
Administrative fees not included in revenue split	—	—	—
Indemnification fee not included in revenue split	—	—	—
Rebate (paid to borrower)	(202,273)	(83,389)	—
Other fees not included in revenue split (specify)	—	—	—
<b>Aggregate fees/compensation for securities lending activities</b>	(1,744,574)	(475,899)	—
<b>Net income from securities lending activities</b>	\$7,185,716	\$1,905,904	—

	Amplify Emerging Markets FinTech ETF	Amplify BlackSwan ISWN ETF	Amplify Thematic All- Stars ETF
<b>Gross income from securities lending activities</b>	\$46,301	—	\$1,856
Fees and/or compensation for securities lending activities and related services			
Fees paid to securities lending agent from a revenue split	(6,919)	—	(196)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(414)	—	(129)
Administrative fees not included in revenue split	—	—	—
Indemnification fee not included in revenue split	—	—	—
Rebate (paid to borrower)	(483)	—	(565)
Other fees not included in revenue split (specify)	—	—	—
<b>Aggregate fees/compensation for securities lending activities</b>	(7,816)	—	(890)
<b>Net income from securities lending activities</b>	\$38,485	—	\$966

	Amplify Digital & Online Trading ETF	Amplify BlackSwan Tech & Treasury ETF	Amplify Inflation Fighter ETF
<b>Gross income from securities lending activities</b>	\$458	—	\$6,873
Fees and/or compensation for securities lending activities and related services			
Fees paid to securities lending agent from a revenue split	(75)	—	(790)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	(11)	—	(301)
Administrative fees not included in revenue split	—	—	—
Indemnification fee not included in revenue split	—	—	—
Rebate (paid to borrower)	(69)	—	(2,477)
Other fees not included in revenue split (specify)	—	—	—
<b>Aggregate fees/compensation for securities lending activities</b>	(155)	—	(3,568)
<b>Net income from securities lending activities</b>	\$303	—	\$3,305
	Amplify Natural Resources Dividend Income ETF	Amplify International Enhanced Dividend Income ETF	
<b>Gross income from securities lending activities</b>	—	—	
Fees and/or compensation for securities lending activities and related services			
Fees paid to securities lending agent from a revenue split	—	—	
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	—	—	
Administrative fees not included in revenue split	—	—	
Indemnification fee not included in revenue split	—	—	
Rebate (paid to borrower)	—	—	
Other fees not included in revenue split (specify)	—	—	
<b>Aggregate fees/compensation for securities lending activities</b>	—	—	
<b>Net income from securities lending activities</b>	—	—	

## CNBS

CNBS may participate in securities lending arrangements whereby CNBS lends certain of its portfolio securities to brokers, dealers, and financial institutions (not with individuals) to receive additional income and increase the rate of return of its portfolio. Cowen Execution Services, LLC serves as CNBS' securities lending agent and is responsible for (i) negotiating the fees (rebates) of securities loans within parameters approved by the Board; (ii) delivering loaned securities to the applicable borrower(s), a list of which has been approved by the Board; (iii) investing any cash collateral received for a securities loan in investments pre-approved by the Board; (iv) receiving the returned securities at the expiration of a loan's term; (v) daily monitoring of the value of the loaned securities and the collateral received; (vi) notifying borrowers to make additions to the collateral, when required; (vii) accounting and recordkeeping services as necessary for the operation of the securities lending program, and (viii) establishing and operating a system of controls and procedures to ensure compliance with its obligations under the Fund's securities lending program. The following table sets forth information regarding the Fund's securities lending activities during the fiscal year ended October 31, 2022.

	<u>Amplify Seymour Cannabis ETF</u>
<b>Gross income from securities lending activities</b>	\$150,207
Fees and/or compensation for securities lending activities and related services	
Fees paid to securities lending agent from a revenue split	(37,579)
Fees paid for any cash collateral management service (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split	—
Administrative fees not included in revenue split	—
Indemnification fee not included in revenue split	—
Rebate (paid to borrower)	—
Other fees not included in revenue split (specify)	—
<b>Aggregate fees/compensation for securities lending activities</b>	(37,579)
<b>Net income from securities lending activities</b>	\$112,628

## DISTRIBUTOR

### *General*

Forside Fund Services, LLC (the "Distributor") serves as distributor and principal underwriter of the Creation Units of the Funds. Its principal address is Three Canal Plaza, Suite 100, Portland, ME 04101. The Distributor has entered into a Distribution Agreement with the Trust pursuant to which it distributes Fund shares. Shares are continuously offered for sale by the Funds through the Distributor only in Creation Units, as described below under the heading "Creation and Redemption of Creation Units."

Amplify Investments may, from time to time and from its own resources, pay, defray or absorb costs relating to distribution, including payments out of its own resources to the Distributor, or to otherwise promote the sale of shares. Amplify Investments' available resources to make



these payments include profits from advisory fees received from the Funds. The services Amplify Investments may pay for include, but are not limited to, advertising and attaining access to certain conferences and seminars, as well as being presented with the opportunity to address investors and industry professionals through speeches and written marketing materials.

Since the inception of the Funds, there have been no underwriting commissions with respect to the sale of Fund shares, and the Distributor did not receive compensation on redemptions for the Fund for that period.

### *12b-1 Plan*

The Trust has adopted a Plan of Distribution pursuant to Rule 12b-1 under the 1940 Act (the “Plan”) pursuant to which the Funds may reimburse the Distributor up to a maximum annual rate of 0.25% of its average daily net assets. Each Fund does not currently pay, and each Fund has no current intention to pay, 12b-1 fees.

However, in the event 12b-1 fees are charged in the future, under the Plan and as required by Rule 12b-1, the Trustees will receive and review after the end of each calendar quarter a written report provided by the Distributor of the amounts expended under the Plan and the purpose for which such expenditures were made. With the exception of the Distributor and its affiliates, no “interested person” of the Trust (as that term is defined in the 1940 Act) and no Trustee of the Trust has a direct or indirect financial interest in the operation of the Plan or any related agreement.

### *Aggregations*

Shares of a Fund in less than Creation Units are not distributed by the Distributor. The Distributor will deliver the Prospectus and, upon request, this SAI to Authorized Participants purchasing Creation Units and will maintain records of both orders placed with it and confirmations of acceptance furnished by it. The Distributor is a broker-dealer registered under the 1934 Act and a member of the Financial Industry Regulatory Authority (“FINRA”).

The Distribution Agreement provides that it may be terminated at any time, without the payment of any penalty, on at least 60 days’ written notice by the Trust to the Distributor (i) by vote of a majority of the Independent Trustees; or (ii) by vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund. The Distribution Agreement will terminate automatically in the event of its assignment (as defined in the 1940 Act).

The Distributor may also enter into agreements with participants that utilize the facilities of the Depository Trust Company (the “DTC Participants”), which have international, operational, capabilities and place orders for Creation Units of a Fund’s shares. Participating Parties (as defined in “Procedures for Creation of Creation Units” below) shall be DTC Participants (as defined in “DTC Acts as Securities Depository for Fund Shares” below).

## **INDEX PROVIDERS AND DISCLAIMERS**

*EQM Indexes, LLC*

EQM is not affiliated with IBUY, BATT, EMFQ nor NDIV, the Adviser, Penserra, Toroso, the Custodian, transfer agent, or Distributor, or any of their respective affiliates. The Funds are entitled to use the IBUY Index, BATT Index, EMFQ Index and NDIV Index (each an “EQM Index” and collectively the “EQM Indexes”) pursuant to sublicensing arrangements by and between the Trust, on behalf of the Funds, and Amplify Investments, which in turn has a license agreement with EQM.

The index provider of the EQM Indexes is EQM Indexes, LLC. The EQM Indexes are compiled and calculated by EQM and are products of EQM. Neither Amplify Investments nor any affiliate of Amplify Investments has any rights to influence the selection of securities in the EQM Indexes. Amplify Investments has entered into a license agreement with EQM pursuant to which Amplify Investments pays a fee to use the EQM Indexes and the use of EQM’s marketing names and licensed trademarks. The Funds are entitled to use the EQM Indexes pursuant to the sub-licensing agreements with Amplify Investments, detailed above. Amplify Investments LLC (also known as the “EQM Licensee”) has entered into a license agreement with EQM pursuant to which the EQM Licensee pays a fee to use the EQM Indexes and the marketing names and licensed trademarks of EQM (the “EQM Index Trademarks”). The EQM Licensee is sub-licensing rights to the respective EQM Index to the applicable Fund. EQM has no obligation to take the needs of the EQM Licensee or the owners of the Fund into consideration in determining, composing or calculating each EQM Index. EQM will apply all necessary means to ensure the accuracy of each EQM Index. However, EQM shall not be liable (whether in negligence or otherwise) to any person for any error in a EQM Index and shall not be under any obligation to advise any person of any error therein. All copyrights in a EQM Index values and constituent lists vest in EQM. Neither the publication of an EQM Index by EQM nor the granting of a license of rights relating to a EQM Index or to the EQM Index Trademarks for the utilization in connection with the Funds, represents a recommendation by EQM for a capital investment or contains in any manner a warranty or opinion by EQM with respect to the attractiveness of an investment in a Fund. The Funds are not sponsored, endorsed, or sold by EQM or its respective affiliates. EQM and its respective affiliates make no representation or warranty, express or implied, to the owners of the Funds or any member of the public regarding the advisability of trading in such Fund. EQM and its respective affiliates are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of a Fund to be sold or in the determination or calculation of the equation by which a Fund is to be converted into cash. EQM and its respective affiliates have an obligation in connection with the administration and marketing of the Funds but have no obligations or liabilities in connection with the trading of the Funds. Notwithstanding the foregoing, EQM and its affiliates may independently issue and/or sponsor financial products unrelated to the Funds currently being issued by the EQM Licensee, but which may be similar to and competitive with the Funds. In addition, EQM and its affiliates may trade financial products which are linked to the performance of each EQM Index. It is possible that this trading activity will affect the value of such EQM Index and applicable Fund.

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## *Nasdaq, Inc.*

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The ISE High Income™ Index is a product of Nasdaq. YieldShares LLC has entered into a license agreement pursuant to which YieldShares pays a fee to use the YYY Index and the marketing names and licensed trademarks of Nasdaq (the “YYY Index Trademarks”). YieldShares is sub-licensing rights to the YYY Index to the Adviser who is sub-licensing the YYY Index to the Fund. The YYY Index is compiled and calculated by Nasdaq. Nasdaq has no obligation to take the needs of the licensee or the owners of YYY into consideration in determining, composing or calculating the YYY Index. Nasdaq will apply all necessary means to ensure the accuracy of the YYY Index. However, Nasdaq shall not be liable (whether in negligence or otherwise) to any person for any error in the YYY Index and shall not be under any obligation to advise any person of any error therein. All copyrights in the YYY Index values and constituent lists vest in Nasdaq. Neither the publication of the YYY Index by Nasdaq nor the granting of a license of rights relating to the YYY Index or to the YYY Index Trademarks for the utilization in connection with YYY, represents a recommendation by Nasdaq for a capital investment or contains in any manner a warranty or opinion by Nasdaq with respect to the attractiveness of an investment in YYY. YYY is not sponsored, endorsed, or sold by Nasdaq or its respective affiliates. Nasdaq and its respective affiliates make no representation or warranty, express or implied, to the owners of YYY or any member of the public regarding the advisability of trading in YYY. Nasdaq and its respective affiliates are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of YYY to be sold or in the determination or calculation of the equation by which YYY is to be converted into cash. Nasdaq and its respective affiliates have an obligation in connection with the administration and marketing of YYY but have no obligations or liabilities in connection with the trading of YYY. Notwithstanding the foregoing, Nasdaq and its affiliates may independently issue and/or sponsor financial products unrelated to YYY, but which may be similar to and competitive with YYY. In addition, Nasdaq and its affiliates may trade financial products which are linked to the performance of the YYY Index. It is possible that this trading activity will affect the value of the YYY Index and YYY.

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#### SWAN

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#### *MV Index Solutions GmbH*

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#### **EXCHANGE**

The only relationship that the Exchange has with Amplify Investments or the Distributor of the Funds in connection with the Funds is that the Exchange lists the shares of each Fund pursuant to its listing agreement with the Trust. The Exchange is not responsible for and has not participated in the determination of pricing or the timing of the issuance or sale of the shares of the Funds or in the determination or calculation of the net asset value of the Funds. The Exchange



has no obligation or liability in connection with the administration, marketing or trading of the Funds.

## **BROKERAGE ALLOCATIONS**

### **GENERAL**

The Sub-Advisers are responsible for decisions to buy and sell securities for its respective Fund and for the placement of such Fund's securities business, the negotiation of the commissions to be paid on brokered transactions, the prices for principal trades in securities, and the allocation of portfolio brokerage and principal business. Penserra is responsible for the execution of trades for YYY, IBUY, DIVO, EMFQ, CNBS, BIDS and IDVO. Toroso is responsible for the execution of trades for BLOK, BATT, SWAN, ISWN, MVPS, QSWN, IWIN and NDIV. It is the policy of Amplify Investments to seek the best execution at the best security price available with respect to each transaction, and with respect to brokered transactions in light of the overall quality of brokerage and research services provided to Amplify Investments and its clients. The best price to each Fund means the best net price without regard to the mix between purchase or sale price and commission, if any. Purchases may be made from underwriters, dealers, and, on occasion, the issuers. Commissions will be paid on a Fund's futures transactions, if any. The purchase price of portfolio securities purchased from an underwriter or dealer may include underwriting commissions and dealer spreads. A Fund may pay mark-ups on principal transactions. In selecting broker/dealers and in negotiating commissions, the Sub-Advisers consider, among other things, the firm's reliability, the quality of its execution services on a continuing basis and its financial condition.

Section 28(e) of the 1934 Act permits an investment adviser, under certain circumstances, to cause an account to pay a broker or dealer who supplies brokerage and research services a commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting the transaction. Brokerage and research services include (i) furnishing advice as to the value of securities, the advisability of investing, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (ii) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (iii) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). Such brokerage and research services are often referred to as "soft dollars." Amplify Investments has advised the Board of Trustees that it does not currently intend to use soft dollars.

Notwithstanding the foregoing, in selecting brokers, the Sub-Advisers may in the future consider investment and market information and other research, such as economic, securities and performance measurement research, provided by such brokers, and the quality and reliability of brokerage services, including execution capability, performance, and financial responsibility. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if such Sub-Adviser determines in good faith that the amount of such commissions is reasonable in relation to the value of the research information and brokerage services provided by such broker to such Sub-Adviser or the Trust. In addition, the Sub-Adviser must determine that the research information received in this manner provides the Fund with

benefits by supplementing the research otherwise available to the Fund. The Investment Management Agreements provide that such higher commissions will not be paid by the Funds unless the Adviser determines in good faith that the amount is reasonable in relation to the services provided. The investment advisory fees paid by the Funds to Amplify Investments under the Investment Management Agreements would not be reduced as a result of receipt by Amplify Investments of research services.

The applicable Sub-Adviser places portfolio transactions for other advisory accounts advised by it, and research services furnished by firms through which a Fund effects securities transactions may be used by such Sub-Adviser in servicing all of its accounts; not all of such services may be used by such Sub-Adviser in connection with the Fund. The Sub-Advisers each believe it is not possible to measure separately the benefits from research services to each of the accounts (including the Fund) advised by it. Because the volume and nature of the trading activities of the accounts are not uniform, the amount of commissions in excess of those charged by another broker paid by each account for brokerage and research services will vary. However, each Sub-Adviser believes such costs to the applicable Fund will not be disproportionate to the benefits received by such Fund on a continuing basis. Each applicable Sub-Adviser seeks to allocate portfolio transactions equitably whenever concurrent decisions are made to purchase or sell securities by a Fund and another advisory account. In some cases, this procedure could have an adverse effect on the price or the amount of securities available to such Fund. In making such allocations between a Fund and other advisory accounts, the main factors considered by the applicable Sub-Adviser are the respective investment objectives, the relative size of portfolio holding of the same or comparable securities, the availability of cash for investment and the size of investment commitments generally held.

## **BROKERAGE COMMISSIONS**

The following tables set forth the amount each Fund paid in brokerage commissions for the specified periods.

### *Brokerage Commissions*

<b>Fund</b>	<b>Fiscal Period/Year Ended October 31, 2020</b>	<b>Fiscal Period/Year Ended October 31, 2021</b>	<b>Fiscal Period/Year Ended October 31, 2022</b>
Amplify High Income ETF	\$172,601	\$611,202 <sup>1</sup>	\$416,944
Amplify Online Retail ETF	\$117,114	\$489,374 <sup>2</sup>	\$300,499
Amplify CWP Enhanced Dividend Income ETF	\$34,350	\$166,757 <sup>3</sup>	\$662,782 <sup>4</sup>
Amplify Transformational Data Sharing ETF	\$89,895	\$515,324 <sup>5</sup>	\$257,403
Amplify Lithium & Battery Technology ETF	\$35,931 <sup>6</sup>	\$178,536 <sup>7</sup>	\$170,971
Amplify BlackSwan Growth & Treasury Core ETF	\$20,029 <sup>8</sup>	\$18,179	\$25,445 <sup>9</sup>
Amplify Emerging Markets FinTech ETF (EMFQ)	\$6,422	\$24,162	\$18,448
Amplify Seymour Cannabis ETF	\$16,255	\$130,190 <sup>10</sup>	\$75,801
Amplify BlackSwan ISWN ETF <sup>11</sup>	N/A	\$2,456	\$10,784 <sup>12</sup>
Amplify Thematic All-Stars ETF <sup>13</sup>	N/A	\$486	\$2,837
Amplify Digital & Online Trading ETF <sup>14</sup>	N/A	\$11	\$376
Amplify BlackSwan Tech & Treasury ETF <sup>15</sup>	N/A	N/A	\$335
Amplify Inflation Fighter ETF <sup>16</sup>	N/A	N/A	\$36,614
Amplify Natural Resources Dividend Income ETF <sup>17</sup>	N/A	N/A	\$360

Amplify International Enhanced Dividend Income ETF <sup>18</sup>	N/A	N/A	\$637
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1. YYY's brokerage commissions increased during the fiscal year due to changes in the YYY Index and an increase in assets.
2. IBUY's brokerage commissions increased during the fiscal year due to changes in net assets throughout the period and higher portfolio turnover in connection with the IBUY Index semi-annual rebalance.
3. DIVO's brokerage commissions increased during the fiscal year due to an increase in assets.
4. DIVO's brokerage commissions increased during the fiscal year due to an increase in assets.
5. BLOK's brokerage commissions increased during the fiscal year due to an increase in assets.
6. BATT's brokerage commissions increased during the fiscal year due to an increase in assets.
7. BATT's brokerage commissions increased during the fiscal year due to an increase in assets.
8. SWAN's brokerage commissions increased during the fiscal year due to an increase in assets.
9. SWAN's brokerage commissions increased during the fiscal year due to an increase in assets.
10. CNBS' brokerage commissions increased during the fiscal year due to an increase in assets and change in composition of assets included in CNBS' portfolio.
11. ISWN commenced operations January 25, 2021.
12. ISWN's brokerage commissions increased during the fiscal year due to an increase in assets.
13. MVPS commenced operations July 20, 2021.
14. BIDS commenced operations September 21, 2021.
15. QSWN commenced operations on December 8, 2021.
16. IWIN commenced operations on February 1, 2022.
17. NDIV commenced operations on August 23, 2022.
18. IDVO commenced operations on September 7, 2022.

### *Affiliated Brokers' Commissions*

The below sets forth information regarding brokerage commissions paid by each Fund to affiliated brokers for the specified periods.

#### YYY

For the fiscal periods ended December 31, 2018, and October 31, 2019, Predecessor YYY did not pay any commissions to any affiliated brokers. For the fiscal period ended October 31, 2019 and the fiscal years ended October 31, 2020, October 31, 2021 and October 31, 2022, YYY did not pay any commissions to any affiliated brokers.

#### IBUY

	<b>Affiliated Broker</b>	<b>Commissions Paid</b>	<b>% of Commissions Paid</b>	<b>% of Dollar Amount of Transactions Effected Through Affiliated Broker</b>
Fiscal year ended October 31, 2020	Penserra Securities LLC	\$6,392	5%	43%
Fiscal year ended October 31, 2021	Penserra Securities LLC	\$23,040	5%	1%

For the fiscal year ended October 31, 2022, IBUY did not pay any commissions to any affiliated brokers.

DIVO

	<u>Affiliated Broker</u>	<u>Commissions Paid</u>	<u>% of Commissions Paid</u>	<u>% of Dollar Amount of Transactions Effected Through Affiliated Broker</u>
Fiscal year ended October 31, 2020	Penserra Securities LLC	\$5,717	17%	82%
Fiscal year ended October 31, 2021	Penserra Securities LLC	\$49,335	30%	81%
Fiscal year ended October 31, 2022	Penserra Securities LLC	\$48,666	7%	30%

BLOK

For the fiscal years ended October 31, 2020, October 31, 2021 and October 31, 2022, BLOK did not pay any commissions to any affiliated brokers.

BATT

For the fiscal years ended October 31, 2020, October 31, 2021 and October 31, 2022, BATT did not pay any commissions to any affiliated brokers.

SWAN

For the fiscal years ended October 31, 2020, October 31, 2021 and October 31, 2022, SWAN did not pay any commissions to any affiliated brokers.

EMFQ

	<u>Affiliated Broker</u>	<u>Commissions Paid</u>	<u>% of Commissions Paid</u>	<u>% of Dollar Amount of Transactions Effected Through Affiliated Broker</u>
Fiscal year ended October 31, 2020	Penserra Securities LLC	\$27	0%	0%

For the fiscal years ended October 31, 2021 and October 31, 2022, EMFQ did not pay any commissions to any affiliated brokers.

#### CNBS

For the fiscal years ended October 31, 2020, October 31, 2021 and October 31, 2022, ISWN did not pay any commissions to any affiliated brokers.

#### ISWN

For the fiscal period ended October 31, 2021 and the fiscal year ended October 31, 2022, ISWN did not pay any commissions to any affiliated brokers.

#### MVPS

For the fiscal period ended October 31, 2021 and the fiscal year ended October 31, 2022, MVPS did not pay any commissions to any affiliated brokers.

#### BIDS

For the fiscal period ended October 31, 2021 and the fiscal year ended October 31, 2022, BIDS did not pay any commissions to any affiliated brokers.

#### QSWN

For the fiscal period ended October 31, 2022, QSWN did not pay any commissions to any affiliated brokers.

#### IWIN

For the fiscal period ended October 31, 2022, IWIN did not pay any commissions to any affiliated brokers.

#### NDIV

For the fiscal period ended October 31, 2022, NDIV did not pay any commissions to any affiliated brokers.

#### IDVO

For the fiscal period ended October 31, 2022, IDVO did not pay any commissions to any affiliated brokers.

## *Research Services*

During the fiscal periods/years ended October 31, 2020, October 31, 2021 and October 31, 2022, the Funds did not pay commissions to brokers in return for research services.

## **ADDITIONAL INFORMATION**

### *Book Entry Only System*

The following information supplements and should be read in conjunction with the Prospectus.

### *DTC Acts as Securities Depository for Fund Shares*

Shares of each Fund are represented by securities registered in the name of The Depository Trust Company (“DTC”) or its nominee, Cede & Co., and deposited with, or on behalf of, DTC.

DTC, a limited-purpose trust company, was created to hold securities of its participants (the “DTC Participants”) and to facilitate the clearance and settlement of securities transactions among the DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities, certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. More specifically, DTC is owned by a number of its DTC Participants and by the New York Stock Exchange (the “NYSE”) and FINRA. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the “Indirect Participants”).

Beneficial ownership of shares is limited to DTC Participants, Indirect Participants and persons holding interests through DTC Participants and Indirect Participants. Ownership of beneficial interests in shares (owners of such beneficial interests are referred to herein as “Beneficial Owners”) is shown on, and the transfer of ownership is effected only through, records maintained by DTC (with respect to DTC Participants) and on the records of DTC Participants (with respect to Indirect Participants and Beneficial Owners that are not DTC Participants). Beneficial Owners will receive from or through the DTC Participant a written confirmation relating to their purchase and sale of shares.

Conveyance of all notices, statements and other communications to Beneficial Owners is effected as follows. Pursuant to a letter agreement between DTC and the Trust, DTC is required to make available to the Trust upon request and for a fee to be charged to the Trust a listing of the shares of each Fund held by each DTC Participant. The Trust shall inquire of each such DTC Participant as to the number of Beneficial Owners holding shares, directly or indirectly, through such DTC Participant. The Trust shall provide each such DTC Participant with copies of such notice, statement or other communication, in such form, number and at such place as such DTC Participant may reasonably request, in order that such notice, statement or communication may be

transmitted by such DTC Participant, directly or indirectly, to such Beneficial Owners. In addition, the Trust shall pay to each such DTC Participants a fair and reasonable amount as reimbursement for the expenses attendant to such transmittal, all subject to applicable statutory and regulatory requirements.

Distributions of a Fund's shares shall be made to DTC or its nominee, as the registered holder of all Fund shares. DTC or its nominee, upon receipt of any such distributions, shall immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in shares of such Fund as shown on the records of DTC or its nominee. Payments by DTC Participants to Indirect Participants and Beneficial Owners of shares held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in a "street name," and will be the responsibility of such DTC Participants.

The Trust has no responsibility or liability for any aspect of the records relating to or notices to Beneficial Owners, or payments made on account of beneficial ownership interests in such shares, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests, or for any other aspect of the relationship between DTC and the DTC Participants or the relationship between such DTC Participants and the Indirect Participants and Beneficial Owners owning through such DTC Participants.

DTC may decide to discontinue providing its service with respect to shares at any time by giving reasonable notice to the Trust and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trust shall take action to find a replacement for DTC to perform its functions at a comparable cost.

#### *Policy Regarding Disclosure of Portfolio Holdings*

The Trust has adopted a policy regarding the disclosure of information about the Fund's portfolio holdings. The Board of Trustees must approve all material amendments to this policy. Each Fund's portfolio holdings are publicly disseminated each day the Fund is open for business through financial reporting and news services, including publicly accessible Internet websites. In addition, a basket composition file, which includes the security names and share quantities to deliver in exchange for Fund shares, together with estimates and actual cash components, is publicly disseminated each day the NYSE is open for trading via the National Securities Clearing Corporation ("NSCC"). Each Fund's current portfolio holdings are also available on a daily basis at <http://www.amplifyetfs.com>. The Trust, Amplify Investments and the Distributor will not disseminate non-public information concerning the Trust.

#### *Quarterly Portfolio Schedule*

The Trust is required to disclose on a quarterly basis the complete schedule of the Fund's portfolio holdings with the SEC on Form N-PORT. Form N-PORT for the Trust is available on the SEC's website at <https://www.sec.gov>. The Funds' Form N-PORT may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Trust's Forms

N-PORT are available without charge, upon request, by calling 1-855-267-3837 or by writing to Amplify ETF Trust, 3333 Warrenville Road, Suite 350, Lisle, Illinois 60532.

### *Codes of Ethics*

In order to mitigate the possibility that a Fund will be adversely affected by personal trading, the Trust, Amplify Investments, the Sub-Advisers and the Distributor have adopted Codes of Ethics under Rule 17j-1 of the 1940 Act. These Codes of Ethics contain policies restricting securities trading in personal accounts access persons, Trustees and others who normally come into possession of information on portfolio transactions. Personnel subject to the Codes of Ethics may invest in securities that may be purchased or held by the Fund; however, the Codes of Ethics require that each transaction in such securities be reviewed by the Compliance Department. These Codes of Ethics are on public file with, and are available from, the SEC.

### **PROXY VOTING POLICIES AND PROCEDURES**

The Trust has adopted a proxy voting policy that seeks to ensure that proxies for securities held by the Funds are voted consistently with the best interests of the Funds.

The Board has delegated to Amplify Investments the proxy voting responsibilities for the Funds and has directed Amplify Investments to vote proxies consistent with a Fund's best interests. In order to facilitate the proxy voting process, Broadridge Investor Communication Solutions, Inc. ("Broadridge") has been retained to provide access to a selection of third-party providers that are available to provide proxy vote recommendations and research. Votes are cast through the Broadridge ProxyEdge® platform ("ProxyEdge"). With the assistance of Broadridge, Egan-Jones Proxy Services ("Egan-Jones") has been selected to provide vote recommendations based on its own internal guidelines. The services provided to Amplify Investments through Egan-Jones include access to Egan-Jones' research analysis and their voting recommendations. Services provided to Amplify Investments through ProxyEdge include receipt of proxy ballots, vote execution based upon the recommendations of Egan-Jones, access to the voting recommendations of Egan-Jones, as well as reporting, auditing, working with custodian banks, and consulting assistance for the handling of proxy voting responsibilities. ProxyEdge also maintains proxy voting records and provides Amplify Investments with reports that reflect the proxy voting activities of client portfolios.

The fundamental guideline followed by Amplify Investments in voting proxies is to make every effort to confirm that the manner in which shares are voted is in the best interest of clients and the value of the investment. Absent special circumstances of the types described below, it is the policy of Adviser to exercise its proxy voting discretion in accordance with the Egan-Jones Proxy Voting Principles and Guidelines set forth in Exhibit A.

Information regarding how each Fund voted proxies (if any) relating to portfolio securities during the most recent 12-month period ended June 30 is available upon request and without charge on the Fund's website at <https://www.amplifyetfs.com>, by calling 1-855-267-3837 or by accessing the SEC's website at <https://www.sec.gov>.



## CREATION AND REDEMPTION OF CREATION UNITS

### *General*

ETFs, such as the Funds, generally issue and redeem their shares in primary market transactions through a creation and redemption mechanism and do not sell or redeem individual shares. Instead, financial entities, known as “Authorized Participants,” have contractual arrangements with an ETF or one of the ETF’s service providers to purchase and redeem ETF shares directly with the ETF in large blocks of shares known as “Creation Units.” Prior to start of trading on each business day, an ETF publishes through the NSCC the “basket” of securities, cash or other assets that it will accept in exchange for a Creation Unit of the ETF’s shares. An Authorized Participant that wishes to effectuate a creation of an ETF’s shares deposits with the ETF the “basket” of securities, cash or other assets identified by the ETF that day, and then receives the Creation Unit of the ETF’s shares in return for those assets. After purchasing a Creation Unit, the Authorized Participant may continue to hold the ETF’s shares or sell them in the secondary market. The redemption process is the reverse of the purchase process: the authorized participant redeems a Creation Unit of ETF shares for a basket of securities, cash or other assets. The combination of the creation and redemption process with secondary market trading in ETF shares and underlying securities provides arbitrage opportunities that are designed to help keep the market price of ETF shares at or close to the NAV per share of the ETF.

An “Authorized Participant” is a member or participant of a clearing agency registered with the SEC that has a written agreement with a Fund or one of its service providers that allows the Authorized Participant to place orders for the purchase or redemption of Creation Units (a “Participant Agreement”). Orders to purchase Creation Units must be delivered through an Authorized Participant that has executed a Participant Agreement and must comply with the applicable provisions of such Participant Agreement. Investors wishing to purchase or sell shares generally do so on an exchange. Institutional investors other than Authorized Participants are responsible for making arrangements for a redemption request to be made through an Authorized Participant.

A “Business Day” is generally any day on which the NYSE, the Exchange and the Trust are open for business. As of the date of this SAI, the NYSE observes the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Business Day on which an order to purchase or redeem Creation Units is received in proper form is referred to as the “Transmittal Date.”

### *Basket Composition and Custom Baskets*

Rule 6c-11(c)(3) under of the 1940 Act requires an ETF relying on the exemptions offered by Rule 6c-11 to adopt and implement written policies and procedures governing the construction of baskets and the process that the ETF will use for the acceptance of baskets. In general, in connection with the construction and acceptance of baskets, the Adviser may consider various factors, including, but not limited to: (1) whether the securities, assets and other positions comprising a basket are consistent with the ETF’s investment objective(s), policies and disclosure;

(2) whether the securities, assets and other positions can legally and readily be acquired, transferred and held by the ETF and/or Authorized Participant(s), as applicable; (3) whether to utilize cash, either in lieu of securities or other instruments or as a cash balancing amount; and (4) in the case of an ETF that tracks an index, whether the securities, assets and other positions aid index tracking.

Each Fund may utilize a pro-rata basket or a custom basket in reliance on Rule 6c-11. A “pro-rata basket” is a basket that is a pro rata representation of the ETF’s portfolio holdings, except for minor deviations when it is not operationally feasible to include a particular instrument within the basket, except to the extent that the Fund utilized different baskets in transactions on the same Business Day.

Rule 6c-11 defines “custom baskets” to include two categories of baskets. First, a basket containing a non-representative selection of the ETF’s portfolio holdings would constitute a custom basket. These types of custom baskets include, but are not limited to, baskets that do not reflect: (i) a pro rata representation of the Fund’s portfolio holdings; (ii) a representative sampling of an ETF’s portfolio holdings; or (iii) changes due to a rebalancing or reconstitution of an ETF’s securities market index, if applicable. Second, if different baskets are used in transactions on the same Business Day, each basket after the initial basket would constitute a custom basket. For example, if an ETF exchanges a basket with either the same or another Authorized Participant that reflects a representative sampling that differs from the initial basket, that basket (and any such subsequent baskets) would be a custom basket. Similarly, if an ETF substitutes cash in lieu of a portion of basket assets for a single Authorized Participant, that basket would be a custom basket. The Adviser’s Rule 6c-11 Committee defines any deviation from a pro-rata basket to be a “custom basket.” Rebalancing and reconstitution baskets do not constitute custom baskets. All cash baskets that are the initial basket on a Business Day also do not constitute custom baskets.

Under a variety of circumstances, an ETF and its shareholders may benefit from the flexibility afforded by custom baskets. In general terms, the use of custom baskets may reduce costs, increase efficiency and improve trading. Because utilizing custom baskets provides a way for an ETF to add, remove and re-weight portfolio securities without transacting in the market, it may help the ETF to avoid transaction costs and adverse tax consequences. Rule 6c-11 provides an ETF with flexibility to use “custom baskets” if the ETF has adopted written policies and procedures that: (1) set forth detailed parameters for the construction and acceptance of custom baskets that are in the best interests of the ETF and its shareholders, including the process for any revisions to, or deviations from, those parameters; and (2) specify the titles or roles of employees of the ETF’s investment adviser who are required to review each custom basket for compliance with those parameters.

The use of baskets that do not correspond to pro rata to an ETF’s portfolio holdings has historically created concern that an Authorized Participant could take advantage of its relationship with an ETF and pressure the ETF to construct a basket that favors an Authorized Participant to the detriment of the ETF’s shareholders. For example, because ETFs rely on Authorized Participants to maintain the secondary market by promoting an effective arbitrage mechanism, an Authorized Participant holding less liquid or less desirable securities potentially could pressure an ETF into accepting those securities in its basket in exchange for liquid ETF shares (i.e., dumping). An Authorized Participant also could pressure the ETF into including in its basket certain desirable

securities in exchange for ETF shares tendered for redemption (i.e., cherry-picking). In either case, the ETF's other investors would be disadvantaged and would be left holding shares of an ETF with a less liquid or less desirable portfolio of securities. The Adviser has adopted policies and procedures designed to mitigate these concerns but there is ultimately no guarantee that such policies and procedures will be effective.

#### *Basket Dissemination*

Basket files are published for consumption through the NSCC, a subsidiary of Depository Trust & Clearing Corporation, and can be utilized for pricing, creations, redemptions, rebalancing and custom scenarios. In most instances, pro rata baskets are calculated and supplied by the ETF's custodial bank based on ETF holdings, whereas non-pro rata, custom and forward-looking pro rata baskets are calculated by a fund's investment adviser and disseminated by the ETF's custodial bank through the NSCC process. Prior to the opening of business of the Exchange (currently 9:30 a.m., Eastern Time), each Fund publishes this information for the day (subject to correction of any errors) and is made available through the NSCC to effectuate creations or redemptions of Creation Units of a Fund until the next list is announced on the next Business Day.

#### *Placement of Creation or Redemption Orders*

All orders to purchase or redeem Creation Units are to be governed according to the applicable Participant Agreement that each Authorized Participant has executed. In general, all orders to purchase or redeem Creation Units must be received by the transfer agent in the proper form required by the Participant Agreement no later than the closing time of the regular trading session of the NYSE (ordinarily 4:00 p.m. Eastern Time) on each day the NYSE is open for business (the "Closing Time") in order for the purchase or redemption of Creation Units to be effected based on the NAV of shares of a Fund as next determined on such date after receipt of the order in proper form. At its discretion, a Fund may also require an Authorized Participant to submit orders to purchase or redeem Creation Units be placed earlier in the day (such as instances where an applicable market for a security comprising a creation or redemption basket closes earlier than usual).

All orders from investors who are not Authorized Participants to create Creation Units shall be placed with an Authorized Participant, in the form required by such Authorized Participant. In addition, the Authorized Participant may request the investor to make certain representations or enter into agreements with respect to the order, e.g., to provide for payments of cash, when required. Investors should be aware that their particular broker may not have executed a Participant Agreement and that, therefore, orders to create Creation Units of a Fund have to be placed by the investor's broker through an Authorized Participant that has executed a Participant Agreement. In such cases there may be additional charges to such investor. At any given time, there may be only a limited number of broker-dealers that have executed a Participant Agreement. Those persons placing orders should ascertain the deadlines applicable to DTC and the Federal Reserve Bank wire system by contacting the operations department of the broker or depository institution effectuating such transfer of Deposit Instruments (as defined below) and Cash Component (as defined below). Those placing orders for Creation Units through the Clearing Process should afford sufficient time to permit proper submission of the order to the Distributor

prior to the end of the Order Window. Order for Creation Units that are effected outside of the Clearing Process are likely to require transmittal by the DTC Participant earlier on the Transmittal Date than orders effected using the Clearing Process. The delivery of Creation Units created through the Clearing Process will occur no later than the second Business Day following the Transmittal Date (T+2).

A “Deposit Instrument” (an in-kind deposit of a designated portfolio of securities and other instruments) must be delivered to the Trust through DTC or NSCC, and Deposit Instruments which are non-U.S. securities, if applicable, must be delivered to an account maintained at the applicable local subcustodian of the Trust on or before the International Contractual Settlement Date, as defined below. If a Deposit Security is an ADR or similar domestic instrument, it may be delivered to the Custodian. Deposit Instruments must be delivered to the Fund through the applicable processes set forth in the Participant Agreement.

Beneficial Owners of a Fund’s shares may sell their shares in the secondary market, but must accumulate enough shares to constitute a Creation Unit to redeem through such Fund. The Funds will not redeem shares in amounts less than Creation Units and there can be no assurance that there will be sufficient liquidity in the public trading market at any time to permit assembly of a Creation Unit. Investors should expect to incur customary brokerage and other costs in connection with assembling a sufficient number of a Fund’s shares to constitute a redeemable Creation Unit. Redemption requests must be placed by or through an Authorized Participant. Creation Units will be redeemable at their NAV per Creation Unit next determined after receipt of a request for redemption by the Fund.

In connection with taking delivery of shares of non-U.S. Fund Securities, if applicable, upon redemption of shares of a Fund, a redeeming Beneficial Owner, or Authorized Participant acting on behalf of such Beneficial Owner, must maintain appropriate security arrangements with a qualified broker-dealer, bank or other custody provider in each jurisdiction in which any of the Fund Securities are customarily traded, to which account such Fund Securities will be delivered.

To the extent contemplated by an Authorized Participant’s agreement, in the event the Authorized Participant has submitted a redemption request in proper form but is unable to transfer all or part of the Creation Unit to be redeemed to the Funds’ transfer agent, the transfer agent will nonetheless accept the redemption request in reliance on the undertaking by the Authorized Participant to deliver the missing shares as soon as possible. Such undertaking shall be secured by the Authorized Participant’s delivery and maintenance of collateral consisting of cash having a value (marked to market daily) at least equal to 102% (105% for international securities), which Amplify Investments may change from time to time, of the value of the missing shares.

#### *Purchase and Issuance of Creation Units*

The consideration for purchase of a Creation Unit of shares of each Fund generally consists of Deposit Instruments and an amount of cash computed as described below (the “Cash Component” sometimes also referred to as the “Balancing Amount”). Together, the Deposit Instruments (and/or any cash with respect to cash purchases and cash-in-lieu amounts) and the Cash Component constitute the “Fund Deposit,” which represents the minimum initial and

subsequent investment amount for a Creation Unit of a Fund. The Cash Component serves the function of compensating for any differences between the NAV per Creation Unit and the “Deposit Amount” (an amount equal to the aggregate market value of the Deposit Instruments and/or cash in lieu of all or a portion of the Deposit Instruments)

A Creation Unit will generally not be issued until the transfer of good title to the applicable Fund of the Deposit Instruments and the payment of the Cash Component, the Creation Transaction Fee (as discussed below) and any other required cash amounts have been completed. To the extent contemplated by the applicable Participant Agreement, Creation Units of a Fund will be issued to such Authorized Participant notwithstanding the fact that the corresponding Fund Deposits have not been received in part or in whole, in reliance on the undertaking of the Authorized Participant to deliver the missing Deposit Instruments as soon as possible, which undertaking shall be secured by such Authorized Participant’s delivery and maintenance of collateral consisting of cash in the form of U.S. dollars in immediately available funds having a value (marked to market daily) at least equal to 102% (105% for international securities) which Amplify Investments may change from time to time of the value of the missing Deposit Instruments. Such cash collateral must be delivered no later than 2:00 p.m., Eastern Time, on the contractual settlement date. The Participant Agreement will permit the Funds to use such collateral to buy the missing Deposit Instruments at any time and will subject the Authorized Participant to liability for any shortfall between the cost to the applicable Fund of purchasing such securities and the value of the collateral.

#### *Delivery of Redemption Proceeds*

Deliveries of securities to Authorized Participants in connection with redemption orders are generally expected to be made within two Business Days. Due to the schedule of holidays in certain countries, however, the delivery of in-kind redemption proceeds for a Fund may take longer than two Business Days after the day on which the redemption request is received in proper form. Section 22(e) of the 1940 Act generally prohibits a registered open-end management investment company from postponing the date of satisfaction of redemption requests for more than seven days after the tender of a security for redemption. This prohibition can cause operational difficulties for ETFs that hold foreign investments and exchange in-kind baskets for Creation Units. For example, local market delivery cycles for transferring foreign investments to redeeming investors, together with local market holiday schedules, can sometimes require a delivery process in excess of seven days. However, Rule 6c-11 grants relief from Section 22(e) to permit an ETF to delay satisfaction of a redemption request for more than seven days if a local market holiday, or series of consecutive holidays, or the extended delivery cycles for transferring foreign investments to redeeming Authorized Participants, or the combination thereof prevents timely delivery of the foreign investment included in the ETF’s basket. Under this exemption, an ETF must deliver foreign investments as soon as practicable, but in no event later than 15 days after the tender to the ETF. The exemption therefore will permit a delay only to the extent that additional time for settlement is actually required, when a local market holiday, or series of consecutive holidays, or the extended delivery cycles for transferring foreign investments to redeeming authorized participants prevents timely delivery of the foreign investment included in the ETF’s basket. If a foreign investment settles in less than 15 days, Rule 6c-11 requires an ETF to deliver it pursuant to the standard settlement time of the local market where the investment trades. Rule 6c-11 defines “foreign

investment” as any security, asset or other position of the ETF issued by a foreign issuer (as defined by Rule 3b-4 under the 1934 Act), and that is traded on a trading market outside of the United States. This definition is not limited to “foreign securities,” but also includes other investments that may not be considered securities. Although these other investments may not be securities, they may present the same challenges for timely settlement as foreign securities if they are transferred in kind.

The redemption proceeds for a Creation Unit generally consist of the Deposit Instruments—as announced on the Business Day of the request for redemption received in proper form—plus or minus cash in an amount equal to the difference between the net asset value of the Fund shares (per Creation Unit) being redeemed, as next determined on the Transmittal Date after receipt of a request in proper form on the Submission Date, and the aggregate market value of the Deposit Instruments (the “Cash Redemption Amount”), less the applicable Redemption Transaction Fee (as described below) and, if applicable, any operational processing and brokerage costs, transfer fees or stamp taxes. In the event that the Deposit Instruments have an aggregate market value greater than the net asset value of the Fund’s shares (per Creation Unit), a compensating cash payment equal to the difference plus the applicable Redemption Transaction Fee and, if applicable, any operational processing and brokerage costs, transfer fees or stamp taxes, is required to be made by or through an Authorized Participant by the redeeming shareholder.

#### *Creation and Redemption Orders Outside the Clearing Process*

As described above, the Clearing Process is the process of creating or redeeming Creation Units through the Continuous Net Settlement System of the NSCC. Fund Deposits made outside the Clearing Process must be delivered through a DTC Participant that has executed a Participant Agreement with the Trust, the Distributor and the Administrator. A DTC Participant who wishes to place an order creating Creation Units to be effected outside the Clearing Process need not be a Participating Party, but such orders must state that the DTC Participant is not using the Clearing Process and that the creation of Creation Units will instead be effected through a transfer of securities and cash directly through DTC. A Fund Deposit transfer must be ordered by the DTC Participant on the Submission Date in a timely fashion so as to ensure the delivery of the requisite number of Deposit Securities through DTC to the account of the Trust by no later than 11:00 a.m., Eastern Time, of the next Business Day immediately following the Transmittal Date. All questions as to the number of Deposit Instruments to be delivered, and the validity, form and eligibility (including time of receipt) for the deposit of any tendered securities, will be determined by the Trust, whose determination shall be final and binding. The cash equal to the Cash Component must be transferred directly to the Administrator through the Federal Reserve wire system in a timely manner so as to be received by the Administrator no later than 2:00 p.m., Eastern Time, on the next Business Day immediately following the Transmittal Date. An order to create Creation Units outside the Clearing Process is deemed received by the Distributor on the Transmittal Date if (i) such order is received by the Distributor during the Order Window on the Submission Date; and (ii) all other procedures set forth in the Participant Agreement are properly followed. However, if the Administrator does not receive both the requisite Deposit Securities and the Cash Component by 11:00 a.m. and 2:00 p.m., respectively, on the next Business Day immediately following the Transmittal Date, such order will be cancelled. Upon written notice to the Distributor, such cancelled order may be resubmitted the following Business Day using a Fund

Deposit as newly constituted to reflect the then current NAV of the Fund. The delivery of Creation Units so created will occur no later than the second Business Day following the Transmittal Date (T+2).

Creation Units may be created in advance of receipt by the Trust of all or a portion of the applicable Deposit Instruments as described below. In these circumstances, the initial deposit will have a value greater than the NAV of the shares on the Transmittal Date in proper form since in addition to available Deposit Instruments, cash must be deposited in an amount equal to the sum of (i) the Cash Component, plus (ii) 102% (105% for international securities) of the market value of the undelivered Deposit Securities (the “Additional Cash Deposit”). The order shall be deemed to be received on the Submission Date provided that the order is placed in proper form during the Order Window on such date and federal funds in the appropriate amount are deposited with the Administrator by 11:00 a.m., Eastern Time, on the Business Day following the Transmittal Date. If the order is not placed in proper form during the Order Window on the Submission Date or federal funds in the appropriate amount are not received by 11:00 a.m. on the Business Day following the Transmittal Date, then the order may be deemed to be rejected and the investor shall be liable to the Trust for losses, if any, resulting therefrom. An additional amount of cash shall be required to be deposited with the Trust, pending delivery of the missing Deposit Instruments to the extent necessary to maintain the Additional Cash Deposit with the Trust in an amount at least equal to 102% (105% for international securities) of the daily marked to market value of the missing Deposit Instruments. To the extent that missing Deposit Instruments are not received by 1:00 p.m., Eastern Time, on the second Business Day following the Transmittal Date or in the event a mark to market payment is not made within one Business Day following notification by the Distributor that such a payment is required, the Trust may use the cash on deposit to purchase the missing Deposit Instruments. Authorized Participants will be liable to the Trust for the costs incurred by the Trust in connection with any such purchases. These costs will be deemed to include the amount by which the actual purchase price of the Deposit Instruments exceeds the market value of such Deposit Instruments on the Transmittal Date by the Distributor plus the brokerage and related transaction costs associated with such purchases. The Trust will return any unused portion of the Additional Cash Deposit once all of the missing Deposit Instruments have been properly received by the Administrator or purchased by the Trust and deposited into the Trust. In addition, a transaction fee will be charged in all cases. The delivery of Creation Units of the applicable Fund so created will occur no later than the second Business Day following the Transmittal Date. However, as discussed in the section below, such Fund reserves the right to settle Creation Unit transactions on a basis other than the second Business Day following the Transmittal Date to accommodate foreign market holiday schedules, to account for different treatment among foreign and U.S. markets of dividend record dates and ex-dividend dates (that is the last day the holder of a security can sell the security and still receive dividends payable on the security), and in certain other circumstances. The Authorized Participant shall be liable to the applicable Fund for losses, if any, resulting from unsettled orders.

Orders to redeem Creation Units outside the Clearing Process must be delivered through a DTC Participant that has executed the Participant Agreement. A DTC Participant who wishes to place an order for redemption of Creation Units to be effected outside the Clearing Process need not be a Participating Party, but such orders must state that the DTC Participant is not using the Clearing Process and that redemption of Creation Units will instead be effected through transfer

of shares directly through DTC. An order to redeem Creation Units outside the Clearing Process is deemed received by the Administrator on the Transmittal Date if (i) such order is received by the Administrator during the Order Window on the Submission Date; (ii) such order is accompanied or proceeded by the requisite number of shares of the applicable Fund and/or the Cash Redemption Amount specified in such order, which delivery must be made through DTC to the Administrator no later than 11:00 a.m. and 2:00 p.m., respectively, Eastern Time, on the next Business Day following the Transmittal Date (the “DTC Cut-Off-Time”); and (iii) all other procedures set forth in the Participant Agreement are properly followed.

After the Administrator has deemed an order for redemption outside the Clearing Process received, the Administrator will initiate procedures to transfer the requisite Fund Securities, which are expected to be delivered within two Business Days, and/or the Cash Redemption Amount to the Authorized Participant, on behalf of the redeeming Beneficial Owner, by the second Business Day following the Transmittal Date on which such redemption order is deemed received by the Administrator.

The calculation of the value of the Fund Securities and the Cash Redemption Amount to be delivered upon redemption will be made by the Administrator according to such Fund’s established evaluation procedures computed on the Transmittal Date. Therefore, if a redemption order in proper form is submitted to the Administrator by a DTC Participant during the Order Window on the Submission Date, and the requisite number of shares of such Fund are delivered to the custodian prior to the DTC Cut-Off-Time, then the value of the Fund Securities and/or the Cash Redemption Amount to be delivered will be determined by the Administrator on such Transmittal Date. If, however, a redemption order is submitted to the Administrator by a DTC Participant during the Order Window on the Submission Date, but either (1) the requisite number of shares of such Fund are not delivered by the DTC Cut-Off-Time as described above on the next Business Day following the Transmittal Date or (2) the redemption order is not submitted in proper form, then the redemption order will not be deemed received as of the Submission Date. In such case, the value of the Fund Securities and the Cash Redemption Amount to be delivered will be computed on the Business Day that such order is deemed received by the Administrator, i.e., the Business Day on which the shares of such Fund are delivered through DTC to the Administrator by the DTC Cut-Off-Time on such Business Day pursuant to a properly submitted redemption order.

If it is not possible to effect deliveries of the Fund Securities, the Trust may in its discretion exercise its option to redeem such shares in cash, and the redeeming Beneficial Owner will be required to receive its redemption proceeds in cash. In addition, an investor may request a redemption in cash which a Fund may, in its sole discretion, permit. In either case, the investor will receive a cash payment equal to the NAV of its shares based on the NAV of shares of such Fund next determined on the Transmittal Date (minus a redemption transaction fee and additional charge for requested cash redemptions specified above, to offset the Trust’s brokerage and other transaction costs associated with the disposition of Fund Securities). A Fund may also, in its sole discretion, upon request of a shareholder, provide such redeemer a portfolio of securities which differs from the exact composition of the Fund Securities but does not differ in NAV.



Redemptions of shares for Fund Securities will be subject to compliance with applicable federal and state securities laws and a Fund (whether or not it otherwise permits cash redemptions) reserves the right to redeem Creation Units for cash to the extent that a Fund could not lawfully deliver specific Fund Securities upon redemptions or could not do so without first registering the Fund Securities under such laws. An Authorized Participant or an investor for which it is acting subject to a legal restriction with respect to a particular stock included in the Fund Securities applicable to the redemption of a Creation Unit may be paid an equivalent amount of cash. The Authorized Participant may request the redeeming Beneficial Owner of shares of a Fund to complete an order form or to enter into agreements with respect to such matters as compensating cash payment, beneficial ownership of shares or delivery instructions. The Trust also reserves the right to offer an “all cash” option for redemptions of Creation Units for a Fund.

### *Creation Transaction Fees*

Each Fund imposes fees in connection with the purchase of Creation Units. These fees may vary based upon various facts-based circumstances, including, but not limited to, the composition of the securities included in the Creation Unit or the countries in which the transactions are settled. The price for each Creation Unit will equal the daily NAV per share of a Fund times the number of shares in a Creation Unit, plus the fees described above and, if applicable, any operational processing and brokerage costs, transfer fees, stamp taxes and part or all of the spread between the expected bid and offer side of the market related to the securities comprising the creation basket. The creation transaction fee charged by each Fund in connection with purchases of Creation Units is detailed below. The creation transaction fee listed below for each Fund is current as of the date of this SAI and is subject to change. In addition to this fee, each Fund may also charge up to a 2% variable fee on the creation of Creation Units.

#### ***Creation Transaction Fee***

<b>Fund</b>	<b>Fee</b>
Amplify High Income ETF	\$500
Amplify Online Retail ETF	\$500
Amplify CWP Enhanced Dividend Income ETF	\$500
Amplify Transformational Data Sharing ETF	\$500
Amplify Lithium & Battery Technology ETF	\$1,000
Amplify BlackSwan Growth & Treasury Core ETF	\$300
Amplify Emerging Markets Fintech ETF	\$750
Amplify Seymour Cannabis ETF	\$500
Amplify BlackSwan ISWN ETF	\$300
Amplify Thematic All-Stars ETF	\$1,500
Amplify Digital & Online Trading ETF	\$750
Amplify BlackSwan Tech & Treasury ETF	\$300
Amplify Inflation Fighter ETF	\$500
Amplify Natural Resources Dividend Income ETF	\$300
Amplify International Enhanced Dividend Income ETF	\$300

### *Redemption Transaction Fees*

Each Fund imposes fees in connection with the redemption of Creation Units. These fees may vary based upon various facts-based circumstances, including, but not limited to, the composition of the securities included in the Creation Unit or the countries in which the transactions are settled. The price received for each Creation Unit will equal the daily NAV per share of a Fund times the number of shares in a Creation Unit, minus the fees described above and, if applicable, any operational processing and brokerage costs, transfer fees, stamp taxes and part or all of the spread between the expected bid and offer side of the market related to the securities comprising the redemption basket. Investors who use the services of a broker or other such intermediary in addition to an Authorized Participant to effect a redemption of a Creation Unit may also be assessed an amount to cover the cost of such services. The redemption fee charged by a Fund will comply with Rule 22c-2 of the 1940 Act which limits redemption fees to no more than 2% of the value of the shares redeemed. The redemption transaction fee charged in connection with redemptions of Creation Units for each Fund is detailed below. The redemption transaction fee listed below for each Fund is current as of the date of this SAI and is subject to change. In addition to this fee, each Fund may also charge up to a 2% variable fee on the redemption of Creation Units.

***Redemption Transaction Fee***

Fund	Fee
Amplify High Income ETF	\$500
Amplify Online Retail ETF	\$500
Amplify CWP Enhanced Dividend Income ETF	\$500
Amplify Transformational Data Sharing ETF	\$500
Amplify Lithium & Battery Technology ETF	\$1,000
Amplify BlackSwan Growth & Treasury Core ETF	\$300
Amplify Emerging Markets Fintech ETF	\$750
Amplify Seymour Cannabis ETF	\$500
Amplify BlackSwan ISWN ETF	\$300
Amplify Thematic All-Stars ETF	\$1,500
Amplify Digital & Online Trading ETF	\$750
Amplify BlackSwan Tech & Treasury ETF	\$300
Amplify Inflation Fighter ETF	\$500
Amplify Natural Resources Dividend Income ETF	\$300
Amplify International Enhanced Dividend Income ETF	\$300

*Suspension of Creations*

The SEC has stated its position that an ETF generally may suspend the issuance of Creation Units only for a limited time and only due to extraordinary circumstances, such as when the markets on which the ETF's portfolio holdings are traded are closed for a limited period of time. The SEC has also stated that an ETF could not set transaction fees so high as to effectively suspend the issuance of Creation Units. A Fund will accept all orders for Creation Units that are in good order. Circumstances under which a Fund may not accept a creation order include, but are not limited to: (i) the order is not in proper form; (ii) the purchaser or group of related purchasers, upon obtaining the Creation Units of Fund shares ordered, would own 80% or more of the currently outstanding shares of a Fund; (iii) the required consideration is not delivered; (iv) the acceptance

of the Fund Deposit would, in the opinion of a Fund, be unlawful; or (v) there exist circumstances outside the control of a Fund that make it impossible to process orders of Creation Units for all practical purposes. Examples of such circumstances include: acts of God or public service or utility problems such as fires, floods, extreme weather conditions and power outages resulting in telephone, telecopy and computer failures; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting a Fund, the Adviser, the Distributor, DTC, NSCC, the transfer agent, the custodian, any sub-custodian or any other participant in the purchase process; and similar extraordinary events. The Transfer Agent shall notify a prospective creator of a Creation Unit and/or the Authorized Participant acting on behalf of such prospective creator of the rejection of the order of such person. The Trust, a Fund, the Transfer Agent, the custodian, any sub-custodian and the Distributor are under no duty, however, to give notification of any defects or irregularities in the delivery of Fund Deposits, nor shall any of them incur any liability for the failure to give any such notification.

### *Suspension of Redemptions*

An ETF may suspend the redemption of Creation Units only in accordance with Section 22(e) of the 1940 Act. Section 22(e) stipulates that no registered investment company shall suspend the right of redemption, or postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with its terms for more than seven days after the tender of such security to the company or its agent designated for that purpose for redemption, except (1) for any period (A) during which the NYSE is closed other than customary week-end and holiday closings or (B) during which trading on the NYSE is restricted; (2) for any period during which an emergency exists as a result of which (A) disposal by the investment company of securities owned by it is not reasonably practicable or (B) it is not reasonably practicable for such company fairly to determine the value of its net assets; or (3) for such other periods as the SEC may by order permit for the protection of security holders of the investment company.

### *Exceptions to Use of Creation Units*

Under Rule 6c-11 of the 1940 Act, ETFs are permitted to sell or redeem individual shares on the day of consummation of a reorganization, merger, conversion, or liquidation. In these limited circumstances, an ETF may need to issue or redeem individual shares and may need to transact without utilizing Authorized Participants.

## **REGULAR HOLIDAYS**

Each Fund generally intends to effect deliveries of Creation Units and securities in its portfolio (“Portfolio Securities”) on a basis of “T” plus two Business Days (i.e., days on which the NYSE is open). A Fund may effect deliveries of Creation Units and portfolio securities on a basis other than “T” plus two in order to accommodate local holiday schedules, to account for different treatment among foreign and U.S. markets of dividend record dates and ex-dividend dates, or under certain other circumstances. The ability of a Fund to effect in-kind creations and redemptions within two Business Days of receipt of an order in good form is subject, among other things, to the condition that, within the time period from the date of the order to the date of delivery of the securities, there are no days that are holidays in the applicable foreign market. For every

occurrence of one or more intervening holidays in the applicable foreign market that are not holidays observed in the U.S. equity market, the redemption settlement cycle will be extended by the number of such intervening holidays. In addition to holidays, other unforeseeable closings in a foreign market due to emergencies may also prevent a Fund from delivering securities within the normal settlement period.

The longest redemption cycle for each Fund is a function of the longest redemption cycle among the countries whose securities comprise such Fund. The securities delivery cycles currently practicable for transferring Portfolio Securities to redeeming investors, coupled with foreign market holiday schedules, will require a delivery process longer than seven calendar days for a Fund in certain circumstances. Although certain holidays may occur on different dates in subsequent years, the number of days required to deliver the redemption proceeds in any given year is not expected to exceed 14 days. The proclamation of new holidays, the treatment by market participants of certain days as “informal holidays” (e.g., days on which no or limited securities transactions occur, as a result of substantially shortened trading hours), the elimination of existing holidays, or changes in local securities delivery practices, could affect the information set forth herein at some time in the future.

#### **FEDERAL TAX MATTERS**

This section summarizes some of the main U.S. federal income tax consequences of owning shares of the Funds. This section is current as of the date of this SAI. Tax laws and interpretations change frequently, and these summaries do not describe all of the tax consequences to all taxpayers. For example, these summaries generally do not describe your situation if you are a corporation, a non-U.S. person, a broker-dealer, or other investor with special circumstances. In addition, this section does not describe your state, local or non-U.S. tax consequences.

This federal income tax summary is based in part on the advice of counsel to the Funds. The Internal Revenue Service could disagree with any conclusions set forth in this section. In addition, our counsel may not have been asked to review, and may not have reached a conclusion with respect to the federal income tax treatment of the assets to be deposited in the Funds. This may not be sufficient for prospective investors to use for the purpose of avoiding penalties under federal tax law.

As with any investment, prospective investors should seek advice based on their individual circumstances from their own tax advisor.

Each Fund intends to continue to qualify annually and to elect to be treated as a regulated investment company under the Code.

To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, each Fund must, among other things, (i) derive in each taxable year at least 90% of its gross income from dividends, interest, payments with respect to securities loans and gains from the sale or other disposition of stock, securities or foreign currencies or other income derived with respect to its business of investing in such stock, securities or currencies, or net income derived from interests in certain publicly traded partnerships; (ii) diversify its holdings

so that, at the end of each quarter of the taxable year, (a) at least 50% of the market value of the Fund's assets is represented by cash and cash items (including receivables), U.S. government securities, the securities of other regulated investment companies and other securities, with such other securities of any one issuer generally limited for the purposes of this calculation to an amount not greater than 5% of the value of the Fund's total assets and not greater than 10% of the outstanding voting securities of such issuer, and (b) not more than 25% of the value of its total assets is invested in the securities (other than U.S. government securities or the securities of other regulated investment companies) of any one issuer, or two or more issuers which the Fund controls which are engaged in the same, similar or related trades or businesses, or the securities of one or more of certain publicly traded partnerships; and (iii) distribute at least 90% of its investment company taxable income (which includes, among other items, dividends, taxable interest and net short-term capital gains in excess of net long-term capital losses) and at least 90% of its net tax-exempt interest income each taxable year. There are certain exceptions for failure to qualify if the failure is for reasonable cause or is de minimis, and certain corrective action is taken and certain tax payments are made by the applicable Fund.

As a regulated investment company, each Fund generally will not be subject to U.S. federal income tax on its investment company taxable income (as that term is defined in the Code, but without regard to the deduction for dividends paid) and net capital gain (the excess of net long-term capital gain over net short-term capital loss), if any, that it distributes to shareholders. Each Fund intends to distribute to its shareholders, at least annually, substantially all of its investment company taxable income and net capital gain. If a Fund retains any net capital gain or investment company taxable income, it will generally be subject to federal income tax at regular corporate rates on the amount retained. In addition, amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% excise tax unless, generally, such Fund distributes during each calendar year an amount equal to the sum of (1) at least 98% of its ordinary income (not taking into account any capital gains or losses) for the calendar year, (2) at least 98.2% of its capital gains in excess of its capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 of the calendar year, and (3) any ordinary income and capital gains for previous years that were not distributed during those years. In order to prevent application of the excise tax, each Fund intends to make its distributions in accordance with the calendar year distribution requirement. A distribution will be treated as paid on December 31 of the current calendar year if it is declared by the Fund in October, November or December with a record date in such a month and paid by such Fund during January of the following calendar year. Such distributions will be taxable to shareholders in the calendar year in which the distributions are declared, rather than the calendar year in which the distributions are received.

Subject to certain reasonable cause and de minimis exceptions, if a Fund fails to qualify as a regulated investment company or fails to satisfy the 90% distribution requirement in any taxable year, such Fund would be taxed as an ordinary corporation on its taxable income (even if such income were distributed to its shareholders) and all distributions out of earnings and profits would be taxed to shareholders as ordinary income.

## *Distributions*

Dividends that qualify as “exempt-interest dividends” generally are excluded from gross income for federal income tax purposes. Some or all of the exempt-interest dividends, however, may be taken into account in determining the alternative minimum tax on individuals and may have other tax consequences (e.g., they may affect the amount of a shareholder’s social security benefits that are taxed). For tax years beginning after December 31, 2022, exempt-interest dividends may affect the corporate alternative minimum tax for certain corporations. Other dividends paid out of a Fund’s investment company taxable income are generally taxable to a shareholder as ordinary income to the extent of such Fund’s earnings and profits, whether paid in cash or reinvested in additional shares. However, certain ordinary income distributions received from a Fund may be taxed at capital gains tax rates. In particular, ordinary income dividends received by an individual shareholder from a regulated investment company such as each Fund are generally taxed at the same rates that apply to net capital gain, provided that certain holding period requirements are satisfied and provided the dividends are attributable to qualifying dividends received by each Fund itself. The presence of covered call options in the portfolio may reduce the amount of dividends that are eligible for capital gains rates. In addition, dividends received by a Fund from REITs are qualifying dividends eligible for this lower tax rate only in certain circumstances.

Each Fund will provide notice to its shareholders of the amount of any distributions that may be taken into account as a dividend, which is eligible for the capital gains tax rates. The Funds cannot make any guarantees as to the amount of any distribution which will be regarded as a qualifying dividend. Some portion of the ordinary income distributions that are attributable to dividends received by a Fund from shares in certain real estate investment trusts may be designated by the Fund as eligible for a deduction for qualified business income, provided certain holding period requirements are satisfied.

Income from the Funds may also be subject to a 3.8% “Medicare tax.” This tax generally applies to net investment income if the taxpayer’s adjusted gross income exceeds certain threshold amounts, which are \$250,000 in the case of married couples filing joint returns and \$200,000 in the case of single individuals. Interest that is excluded from gross income and exempt-interest dividends from a Fund are generally not included in net investment income for purposes of this tax.

A corporation that owns shares generally will not be entitled to the dividends received deduction with respect to many dividends received from a Fund because the dividends received deduction is generally not available for distributions from regulated investment companies. However, certain ordinary income dividends on shares that are attributable to qualifying dividends received by a Fund from certain domestic corporations may be reported by such Fund as being eligible for the dividends received deduction. The presence of covered call options in the portfolio may reduce the amount of dividends that are treated as qualifying dividends.

Distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss), if any, properly reported as capital gain dividends are taxable to a shareholder as long-term capital gains, regardless of how long the shareholder has held the Fund shares. The

presence of covered call options in the portfolio may reduce the amount of dividends that would otherwise be treated as capital gain dividends. An election may be available to you to defer recognition of the gain attributable to a capital gain dividend if you make certain qualifying investments within a limited time. You should talk to your tax advisor about the availability of this deferral election and its requirements. Shareholders receiving distributions in the form of additional shares, rather than cash, generally will have a tax basis in each such share equal to the value of a share of the Fund on the reinvestment date. A distribution of an amount in excess of the Fund's current and accumulated earnings and profits will be treated by a shareholder as a return of capital which is applied against and reduces the shareholder's basis in his or her shares. To the extent that the amount of any such distribution exceeds the shareholder's basis in his or her shares, the excess will be treated by the shareholder as gain from a sale or exchange of the shares.

Shareholders will be notified annually as to the U.S. federal income tax status of distributions, and shareholders receiving distributions in the form of additional shares will receive a report as to the value of those shares.

#### *Sale or Exchange of Fund Shares*

Upon the sale or other disposition of shares of a Fund, which a shareholder holds as a capital asset, such a shareholder may realize a capital gain or loss, which will be long-term or short-term, depending upon the shareholder's holding period for the shares. Generally, a shareholder's gain or loss will be a long-term gain or loss if the shares have been held for more than one year. An election may be available to shareholders to defer recognition of capital gain if they make certain qualifying investments within a limited time. Shareholders should talk to their tax advisor about the availability of this deferral election and its requirements.

Any loss realized on a sale or exchange will be disallowed to the extent that shares disposed of are replaced (including through reinvestment of dividends) within a period of 61 days beginning 30 days before and ending 30 days after disposition of shares or to the extent that the shareholder, during such period, acquires or enters into an option or contract to acquire, substantially identical stock or securities. In such a case, the basis of the shares acquired will be adjusted to reflect the disallowed loss. Any loss realized by a shareholder on a disposition of Fund shares held by the shareholder for six months or less will be disallowed to the extent of the exempt-interest dividends the shareholder received, except in the case of a regular dividend paid by a Fund if the Fund declares exempt-interest dividends on a daily basis in an amount equal to at least 90 percent of its net tax-exempt interest and distributes such dividends on a monthly or more frequent basis. To the extent, if any, it is not disallowed, it will be recharacterized as long-term capital loss to the extent of any capital gain dividend received.

#### *Taxes on Purchase and Redemption of Creation Units*

If a shareholder exchanges securities for Creation Units the shareholder will generally recognize a gain or a loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time and the shareholder's aggregate basis in the securities surrendered and the Cash Component paid. If a shareholder exchanges Creation Units for securities, then the shareholder will generally recognize a gain or loss equal to the difference

between the shareholder's basis in the Creation Units and the aggregate market value of the securities received and the Cash Redemption Amount. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units or Creation Units for securities cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position.

### *Nature of Fund Investments*

Certain of the Funds' investment practices are subject to special and complex federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (ii) convert lower taxed long-term capital gain into higher taxed short-term capital gain or ordinary income; (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (iv) cause such Fund to recognize income or gain without a corresponding receipt of cash; (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur; and (vi) adversely alter the characterization of certain complex financial transactions.

### *Futures Contracts and Options*

The Funds' transactions in futures contracts and options will be subject to special provisions of the Code that, among other things, may affect the character of gains and losses realized by such Fund (i.e., may affect whether gains or losses are ordinary or capital, or short-term or long-term), may accelerate recognition of income to the Fund and may defer such Fund losses. These rules could, therefore, affect the character, amount and timing of distributions to shareholders. These provisions also (a) will require a Fund to mark-to-market certain types of the positions in its portfolio (i.e., treat them as if they were closed out), and (b) may cause the Fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy the 90% distribution requirement for qualifying to be taxed as a regulated investment company and the distribution requirements for avoiding excise taxes.

### *Investments in Certain Non-U.S. Corporations*

If a Fund holds an equity interest in any "passive foreign investment companies" ("PFICs"), which are generally certain non-U.S. corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties or capital gains) or that hold at least 50% of their assets in investments producing such passive income, such Fund could be subject to U.S. federal income tax and additional interest charges on gains and certain distributions with respect to those equity interests, even if all the income or gain is timely distributed to its shareholders. Funds will not be able to pass through to its shareholders any credit or deduction for such taxes. The Funds may be able to make an election that could ameliorate these adverse tax consequences. In this case, such Fund would recognize as ordinary income any increase in the value of such PFIC shares, and as ordinary loss any decrease in such value to the extent it did not exceed prior increases included in income. Under this election, a Fund might be required to recognize in a year income in excess of its distributions from PFICs and its proceeds from dispositions of PFIC stock during that year, and such income would nevertheless



be subject to the distribution requirement and would be taken into account for purposes of the 4% excise tax (described above). Dividends paid by PFICs are not treated as qualified dividend income.

### *Backup Withholding*

The Funds may be required to withhold U.S. federal income tax from all taxable distributions and sale proceeds payable to shareholders who fail to provide a Fund with their correct taxpayer identification number or fail to make required certifications, or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Corporate shareholders and certain other shareholders specified in the Code generally are exempt from such backup withholding. This withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability.

### *Non-U.S. Shareholders*

U.S. taxation of a shareholder who, as to the United States, is a nonresident alien individual, a foreign trust or estate, a foreign corporation or foreign partnership ("non-U.S. shareholder") depends on whether the income of the Fund is "effectively connected" with a U.S. trade or business carried on by the shareholder.

In addition to the rules described in this section concerning the potential imposition of withholding on distributions to non-U.S. persons, distributions to non-U.S. persons that are "financial institutions" may be subject to a withholding tax of 30% unless an agreement is in place between the financial institution and the U.S. Treasury to collect and disclose information about accounts, equity investments, or debt interests in the financial institution held by one or more U.S. persons or the institution is resident in a jurisdiction that has entered into such an agreement with the U.S. Treasury. For these purposes, a "financial institution" means any entity that (i) accepts deposits in the ordinary course of a banking or similar business; (ii) holds financial assets for the account of others as a substantial portion of its business; or (iii) is engaged (or holds itself out as being engaged) primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities or any interest (including a futures contract or option) in such securities, partnership interests or commodities. This withholding tax is also currently scheduled to apply to the gross proceeds from the disposition of securities that produce U.S. source interest or dividends. However, proposed regulations may eliminate the requirement to withhold on payments of gross proceeds from dispositions.

Distributions to non-financial non-U.S. entities (other than publicly traded foreign entities, entities owned by residents of U.S. possessions, foreign governments, international organizations, or foreign central banks), will also be subject to a withholding tax of 30% if the entity does not certify that the entity does not have any substantial U.S. owners or provide the name, address and TIN of each substantial U.S. owner. This withholding tax is also currently scheduled to apply to the gross proceeds from the disposition of securities that produce U.S. source interest or dividends. However, proposed regulations may eliminate the requirement to withhold on payments of gross proceeds from dispositions.

Income Not Effectively Connected. If the income from a Fund is not “effectively connected” with a U.S. trade or business carried on by the non-U.S. shareholder, distributions of investment company taxable income will generally be subject to a U.S. tax of 30% (or lower treaty rate), which tax is generally withheld from such distributions.

Distributions of capital gain dividends and any amounts retained by a Fund which are properly reported by such Fund as undistributed capital gains will not be subject to U.S. tax at the rate of 30% (or lower treaty rate) unless the non-U.S. shareholder is a nonresident alien individual and is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements. However, this 30% tax on capital gains of nonresident alien individuals who are physically present in the United States for more than the 182 day period only applies in exceptional cases because any individual present in the United States for more than 182 days during the taxable year is generally treated as a resident for U.S. income tax purposes; in that case, he or she would be subject to U.S. income tax on his or her worldwide income at the graduated rates applicable to U.S. citizens, rather than the 30% U.S. tax. In the case of a non-U.S. shareholder who is a nonresident alien individual, the Fund may be required to withhold U.S. income tax from distributions of net capital gain unless the non-U.S. shareholder certifies his or her non-U.S. status under penalties of perjury or otherwise establishes an exemption. If a non-U.S. shareholder is a nonresident alien individual, any gain such shareholder realizes upon the sale or exchange of such shareholder’s shares of the Fund in the United States will ordinarily be exempt from U.S. tax unless the gain is U.S. source income and such shareholder is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements.

Distributions from a Fund that are properly reported by such Fund as an interest-related dividend attributable to certain interest income received by the Fund or as a short-term capital gain dividend attributable to certain net short-term capital gain income received by the Fund may not be subject to U.S. federal income taxes, including withholding taxes when received by certain non-U.S. shareholders, provided that the Fund makes certain elections and certain other conditions are met. For tax years after December 31, 2022, amounts paid to or recognized by a non-U.S. affiliate that are excluded from tax under the portfolio interest, capital gain dividends, short-term capital gains or tax-exempt interest dividend exceptions or applicable treaties, may be taken into consideration in determining whether a corporation is an “applicable corporation” subject to a 15% minimum tax on adjusted financial statement income.

In addition, capital gain distributions attributable to gains from U.S. real property interests (including certain U.S. real property holding corporations) will generally be subject to United States withholding tax and will give rise to an obligation on the part of the non-U.S. shareholder to file a United States tax return.

Income Effectively Connected. If the income from a Fund is “effectively connected” with a U.S. trade or business carried on by a non-U.S. shareholder, then distributions of investment company taxable income, generally not including exempt-interest dividends, and capital gain dividends, any amounts retained by such Fund which are properly reported

by the Fund as undistributed capital gains and any gains realized upon the sale or exchange of shares of the Fund will be subject to U.S. income tax at the graduated rates applicable to U.S. citizens, residents and domestic corporations. Non-U.S. corporate shareholders may also be subject to the branch profits tax imposed by the Code. The tax consequences to a non-U.S. shareholder entitled to claim the benefits of an applicable tax treaty may differ from those described herein. Non-U.S. shareholders are advised to consult their own tax advisors with respect to the particular tax consequences to them of an investment in a Fund.

*Capital Loss Carryforward*

As of October 31, 2022, for federal income tax purposes, each Fund had capital loss carryforwards available to offset future capital gains as indicated in the table below.

<b>Fund</b>	<b>Short-Term</b>	<b>Long-Term</b>	<b>Expires</b>
Amplify High Income ETF	\$26,047,370	\$21,326,259	Unlimited
Amplify Online Retail ETF	\$97,293,591	\$73,651,084	Unlimited
Amplify CWP Enhanced Dividend Income ETF	-	-	-
Amplify Transformational Data Sharing ETF	\$157,984,189	\$92,038,713	Unlimited
Amplify Lithium & Battery Technology ETF	\$17,609,529	\$5,698,268	Unlimited
Amplify BlackSwan Growth & Treasury Core ETF	\$73,348,662	-	Unlimited
Amplify Emerging Markets FinTech ETF	\$2,806,715	\$2,500,477	Unlimited
Amplify Seymour Cannabis ETF	\$7,110,870	\$8,007,074	Unlimited
Amplify BlackSwan ISWN ETF	\$6,554,094	\$1,790,492	Unlimited
Amplify Thematic All-Stars ETF	\$1,454,155	\$89,498	Unlimited
Amplify Digital & Online Trading ETF	\$70,349	-	Unlimited
Amplify BlackSwan Tech & Treasury ETF	\$491,934	-	Unlimited
Amplify Inflation Fighter ETF	\$134,416	-	Unlimited
Amplify Natural Resources Dividend Income ETF	\$857	-	Unlimited
Amplify International Enhanced Dividend Income ETF	\$6,728	-	Unlimited

### *Other Taxation*

Fund shareholders may be subject to state, local and non-U.S. taxes on their Fund distributions. Shareholders are advised to consult their own tax advisors with respect to the particular tax consequences to them of an investment in a Fund.

### **DETERMINATION OF NET ASSET VALUE**

The following information supplements and should be read in conjunction with the section in each Fund’s Prospectus entitled “Net Asset Value.”

The per share net asset value of each Fund is determined by dividing the total value of the securities and other assets, less liabilities, by the total number of shares outstanding. Market value prices represent last sale or official closing prices from a national or non-U.S. exchange (i.e., a regulated market) and are primarily obtained from third party pricing services. Under normal circumstances, daily calculation of the net asset value will utilize the last closing price of each security held by a Fund at the close of the market on which such security is principally listed. In determining net asset value, portfolio securities for such Fund for which accurate market quotations are readily available will be valued by the Fund accounting agent as follows:

- (1) Common stocks and other equity securities listed on any national or non-U.S. exchange other than NASDAQ and the London Stock Exchange Alternative Investment Market (“AIM”) will be valued at the last sale price on the business day as of which such value is being determined. Securities listed on NASDAQ or AIM are valued at the official closing price on the business day as of which such value is being determined. If there has been no sale on such day, or no official closing price in the case of securities traded on NASDAQ and AIM, the securities are valued at the midpoint between the most recent bid and ask prices on such day. Portfolio securities traded on more than one securities exchange are valued at the last sale price or official closing price, as applicable,

on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities.

(2) Securities traded in the OTC market are valued at the midpoint between the bid and asked price, if available, and otherwise at their closing bid prices.

In addition, the following types of securities will be valued as follows:

(1) Fixed income securities with a remaining maturity of 60 days or more will be valued by the fund accounting agent using a pricing service. When price quotes are not available, fair value is based on prices of comparable securities.

(2) Fixed income securities maturing within 60 days are valued by the fund accounting agent on an amortized cost basis.

The value of any portfolio security held by a Fund for which market quotations are not readily available will be determined by Amplify Investments in a manner that most fairly reflects fair market value of the security on the valuation date, based on a consideration of all available information.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Board of Trustees or its delegate at fair value. Rule 2a-5 under the 1940 Act requires the fair valuation of all portfolio investments for which market quotations are not readily available. Pursuant to Rule 2a-5 under the 1940 Act, the Board has appointed the Advisor as its valuation designee for all portfolio investments. These securities generally include but are not limited to, restricted securities (securities which may not be publicly sold without registration under the 1933 Act) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of Fund net asset value (as may be the case in foreign markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security's "fair value." As a general principle, the current "fair value" of an issue of securities would appear to be the amount, that the owner might reasonably expect to receive for them upon their current sale. A variety of factors may be considered in determining the fair value of such securities.

Valuing a Fund's investments using fair value pricing will result in using prices for those investments that may differ from current market valuations. Use of fair value prices and certain current market valuations could result in a difference between the prices used to calculate a Fund's net asset value and the prices used by other third parties, the YYY Index, the IBUY Index, the BATT Index, the SWAN Index, the EMFQ Index, the QSWN Index, the ISWN Index and the NDIV Index (which, in turn, could result in a difference between a Fund's performance and the performance of such index), or in secondary market transactions.

Because foreign markets may be open on different days than the days during which a shareholder may purchase shares of the Funds, the value of a Fund's investments may change on the days when shareholders are not able to purchase the shares of the Fund.

Each Fund may suspend the right of redemption for such Fund only under the following unusual circumstances: (i) when the NYSE is closed (other than weekends and holidays) or trading is restricted; (ii) when trading in the markets normally utilized is restricted, or when an emergency exists as determined by the SEC so that disposal of the Fund's investments or determination of its net assets is not reasonably practicable; or (iii) during any period when the SEC may permit.

## **DIVIDENDS AND DISTRIBUTIONS**

The following information supplements and should be read in conjunction with the section in each Prospectus entitled "Dividends, Distributions and Taxes."

### *General Policies*

Dividends from net investment income of a Fund, if any, are declared and paid at least annually. Distributions of net realized securities gains, if any, generally are declared and paid once a year, but the Trust may make distributions on a more frequent basis. The Trust reserves the right to declare special distributions if, in its reasonable discretion, such action is necessary or advisable to preserve the status of a Fund as a regulated investment company or to avoid imposition of income or excise taxes on undistributed income.

Dividends and other distributions of a Fund's shares are distributed, as described below, on a pro rata basis to Beneficial Owners of such shares. Dividend payments are made through DTC Participants and Indirect Participants to Beneficial Owners then of record with proceeds received from the Fund.

### *Dividend Reinvestment Service*

No reinvestment service is provided by the Trust. Broker-dealers may make available the DTC book-entry Dividend Reinvestment Service for use by Beneficial Owners of the Funds for reinvestment of their dividend distributions. Beneficial Owners should contact their brokers in order to determine the availability and costs of the service and the details of participation therein. Brokers may require Beneficial Owners to adhere to specific procedures and timetables. If this service is available and used, dividend distributions of both income and realized gains will be automatically reinvested in additional whole shares of the Fund purchased in the secondary market.

## MISCELLANEOUS INFORMATION

### *Counsel*

Chapman and Cutler LLP, 320 South Canal Street, Chicago, Illinois 60606, is counsel to the Trust.

### *Independent Registered Public Accounting Firm*

Cohen & Company, Ltd., 342 North Water Street, Suite 830, Milwaukee, Wisconsin 53202, serves as the Funds' independent registered public accounting firm. The firm audits each Fund's financial statements and performs other related audit and non-audit services.

## PERFORMANCE INFORMATION

To obtain a Fund's most current performance information, please call (855) 267-3837 or visit the Funds' website at [www.amplifyetfs.com](http://www.amplifyetfs.com). From time to time, a Fund's performance information, such as yield or total return, may be quoted in advertisements or in communications to present or prospective shareholders. Performance quotations represent a Fund's past performance and should not be considered as representative of future results. Each Fund will calculate its performance in accordance with the requirements of the rules and regulations under the 1940 Act, as they may be revised from time to time.

## FINANCIAL STATEMENTS

The audited financial statements and notes thereto in [each Fund's Annual Report](#) to Shareholders for the fiscal year ended October 31, 2022 (the "Annual Report") are incorporated by reference into this SAI. No other parts of the Annual Report are incorporated by reference herein. The financial statements included in the Annual Report have been audited by Cohen & Company, Ltd., each Fund's independent registered public accounting firm, whose report thereon also appears in the Annual Report and is incorporated by reference into this SAI. A copy of the Annual Report for the fiscal year ended October 31, 2022 may be obtained upon request and without charge by writing or calling Amplify Investments at 3333 Warrenville Road, Suite 350, Lisle, Illinois 60532 or by calling 1-855-267-3837.

## **EXHIBIT A - PROXY VOTING GUIDELINES**

### **EGAN-JONES PROXY SERVICES STANDARD PROXY VOTING PRINCIPLES AND GUIDELINES**

#### **Egan-Jones Proxy Voting Principles**

##### **Introduction**

Our Proxy Voting Principles serve as the background for our Proxy Voting Guidelines, which, in turn, act as general guidelines for the specific recommendations that we make with respect to proxy voting. It is important to recognize that such principles are not intended to dictate but guide. Certain of the principles may be inappropriate for a given Company, or in a given situation. Additionally, the principles are evolving and should be viewed in that light. Our principles are and will be influenced by current and forthcoming legislation, rules and regulations, and stock exchange rules. Examples include:

- the Sarbanes-Oxley Act of 2002 and implementing rules promulgated by the U.S. Securities & Exchange Commission
- revised corporate governance listing standards of the New York Stock Exchange and resulting SEC rules
- corporate governance reforms and subsequent proposed rule filings made with the SEC by The NASDAQ Stock Market, Inc. and resulting SEC rules

In general:

- Directors should be accountable to shareholders, and management should be accountable to directors.
- Information on the Company supplied to shareholders should be transparent.
- Shareholders should be treated fairly and equitably according to the principle of one share, one vote.

#### **PRINCIPLES**

##### **A. Director independence It**

is our view that:

- A two-thirds majority of the board should be comprised of independent directors.
- Independent directors should meet alone at regularly scheduled meetings, no less frequently than semi-annually, without the Chief Executive Officer or other non-independent directors present.



- When the Chairman of the Board also serves as the Company's Chief Executive Officer, the board should designate one independent director to act as a leader to coordinate the activities of the other independent directors.
- Committees of the board dealing with the following responsibilities should consist only of independent directors: audit, compensation, nomination of directors, corporate governance, and compliance.
- No director should serve as a consultant or service provider to the Company.
- Director compensation should be a combination of cash and stock in the Company, with stock constituting a significant component.

In our opinion, an independent director, by definition, has no material relationship with the Company other than his or her directorship. This avoids the potential for conflict of interest. Specifically such director:

- should not have been employed by the Company or an affiliate within the previous five years.
- should not be an immediate family member of an individual who is, or at any time during the past five years was, employed by the Company as an executive officer.
- should not be the founder of the Company.
- should not be a director of the Company serving in an ex officio capacity.
- should not be a member of the Company's Board of Directors for 10 years or more, however, a director who is a diverse nominee may be exempted from this rule on the case-by-case basis. Furthermore, a nominee whose tenure on the Board hasn't reached 10 years by the date of the meeting or up to 90 days after and provided the Company discloses exact appointment date, will be exempted from this rule.
- should have no services contract regarding such matters as aircraft rental contract, real property lease or similar contract with the Company or affiliate, or with a member of the Company's senior management or provide legal or consulting services to the Company within the previous three years.
- should not be employed by a public company at which an executive officer of the Company serves as a director, and thereby be part of an interlocking relationship.
- should not be a member of the *immediate family* (spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone other than domestic employees who share such person's home) of any director described above.
- a director who receives, or whose immediate family member receives, more than \$120,000 per year in *direct compensation* (base salary plus cash bonus) from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$120,000 per year in such compensation.
- a director who is an executive officer or an employee, or whose immediate family member is an executive officer, of another company (other than a utility) or non-profit organization that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of the recipient company's consolidated gross revenues, is not "independent" until three years after falling below such threshold. However, the existence of a credit agreement between a bank and the Company shall not affect the independence of a director who is an executive of that bank within the previous three years.

Alternate members of key committees will be subject to the same independence criteria as regular members.

#### B. Board operating procedures

- The board should adopt a written statement of its governance principles, and regularly re-evaluate them.
- Independent directors should establish performance criteria and compensation incentives for the Chief Executive Officer, and regularly review his or her performance against such criteria. Such criteria should align the interests of the CEO with those of shareholders, and evaluate the CEO against peer groups.
- The independent directors should be provided access to professional advisers of their own choice, independent of management.
- The board should have a CEO succession plan, and receive periodic reports from management on the development of other members of senior management.
- Directors should have access to senior management through a designated liaison person.
- The board should periodically review its own size, and determine a set number of directors between 5 and 15, instead of a range.

#### C. Requirements for individual directors

We recommend that:

- The board should provide guidelines for directors serving on several Boards addressing competing commitments.
- The board should establish performance criteria for itself and for individual directors regarding director attendance, preparedness, and participation at meetings of the board and of committees of the board, and directors should perform satisfactorily in accordance with such criteria in order to be re-nominated.

#### D. Shareholder rights

- A simple majority of shareholders should be able to amend the Company's bylaws, call special meetings, or act by written consent.
- "Greenmail" should be prohibited.
- Shareholder approval should be required to enact or amend a "poison pill" (i.e., "shareholder rights") plan
- Directors should be elected annually.
- The board should ordinarily implement a shareholder proposal that is approved by a majority of proxy votes.
- Shareholders should have effective access to the director nomination process

## **Egan-Jones Proxy Voting Guidelines**

Consistent with the above-listed principles, the proxy voting guidelines outlined below are written to guide the specific recommendations that we make to our clients. Ordinarily, we do not recommend that clients ABSTAIN on votes; rather, we recommend that they vote FOR or AGAINST proposals (or, in the case of election of directors, that they vote FOR ALL nominees, AGAINST the nominees, or that they WITHHOLD votes for certain nominees). In the latter instance, the recommendation on our report takes the form ALL, EXCEPT FOR and lists the nominees from whom votes should be withheld.

Whether or not the guideline below indicates “case-by-case basis,” every case is examined to ensure that the recommendation is appropriate.

### **BOARD OF DIRECTORS**

#### **Election of Directors in Uncontested Elections**

Case-by-case basis, examining composition of board and key board committees, attendance history, corporate governance provisions and takeover activity, long-term company financial performance relative to a market index, directors' investment in the Company, etc..

WITHHOLD votes from nominees who:

- are affiliated outside directors and sit on the Audit, Compensation, or Nominating committees.
- are inside directors and sit on the Audit, Compensation, or Nominating committees.
- are inside directors and the Company does not have Audit, Compensation, or Nominating committees.
- are identified as not independent by the Company and sit on the Audit, Compensation, or Nominating committees.
- attend less than 75 percent of the board and committee meetings. Participation by phone is acceptable.
- ignore a shareholder proposal that is approved by a majority of the shares outstanding.
- ignore a shareholder proposal that is approved by a majority of the votes cast for two consecutive years.
- fail to act on takeover offers where the majority of the shareholders have tendered their shares.
- implement or renew a “dead-hand” or modified “dead-hand” poison pill.
- sit on more than five other public boards.
- serve as both Chairmen of the Board and CEOs and the Company receives a poor Board Score.

- serve as CEOs and hold more than one outside public directorship<sup>^</sup>.
- serve as Chairmen of the Board and hold more than one outside public directorship<sup>^</sup>.
- sit on the existing board, which has failed to respond adequately to a say-on-pay vote in which the majority of votes cast voted AGAINST.
- sit on the existing board, which has implemented a less frequent say-on-pay vote than the frequency option which received a majority of votes cast in the previous frequency vote.

<sup>^</sup> CEO/CHAIRMAN over-boarding exemption

*If CEO or Chairman of the Company holds more than one other public company directorship, but one of these companies is a SPAC, he/she will be exempted from the Egan-Jones over-boarding rule.*

## **Underperforming Board Policy**

WITHHOLD votes from Compensation Committee members in cases when the Company obtains a questionable result on the Egan-Jones Compensation Score.\*

*\*Recommendation is based on available data and subject to the analysts' discretion to override in cases when a nominee has served as a member of the Compensation Committee for less than 6 months.*

WITHHOLD votes from Compensation Committee members in cases when the Company's Compensation Plans (Cash Bonus Plan or Stock Option Plan) receive an AGAINST recommendation from Egan-Jones.

WITHHOLD votes from Chairman of the Board in cases when the Company obtains the lowest score of *Needs Attention* on the Cyber Security Risk Score.\*\*

*\*\*Recommendation is based on available data and subject to the analysts' discretion to override in cases when the Chairman has served in this capacity for less than 6 months.*

WITHHOLD votes from Compensation Committee members due to insufficient disclosure on executive compensation.\*\*\*

*\*\*\*Including cases when the Company has no employees or none of the executive officers are compensated by the Company and no management fees have been provided.*

WITHHOLD votes from Chairman of the Nominating Committee when there are no women, ethnically or racially diverse directors on the Board.

WITHHOLD from the Board Chair if the company or its board adopted a classified board structure or supermajority vote requirements to amend the bylaws or charter.

## **Board Accountability**

Case-by-case basis for the following:

- Evidence or belief of failure of the board to properly account and prepare for risk (i.e. carbon or cyber issues)

- A low board score, coupled with poor performance
- Legal or ethical problems in the Company or its management

In cases in which the Company has engaged in the practice commonly referred to as “options backdating,” Egan-Jones may recommend that votes be withheld from nominees serving on the Company’s compensation committee, the Company’s entire board of directors, and/or its chief executive officer. Such recommendations will be made on a case-by-case basis, taking into consideration such matters as intent of the individuals involved, scope and timing of the practice, significance of financial restatement required, and corrective action taken.

Furthermore, we may recommend withholding votes from either members of the Company’s compensation committee, its entire board of directors and/or its chief executive officer where the Company has engaged in what we judge to be other unsatisfactory compensation practices. Considerations may include such factors as “pay-for-failure” executive severance provisions, change-in-control payments which are either excessive or which are not tied to loss of job or significant reduction in duties, excessive executive perquisites, unjustified changes in the performance standards applied to performance-based compensation, and executive compensation out of proportion to performance of the Company.

FOR shareholder proposals calling for the Company to name as directors only those who receive a majority of shareholder votes.

### **Separating Chairman and CEO**

FOR shareholder proposals requiring that positions of Chairman and CEO be held separately.

### **Independent Directors**

FOR shareholder proposals asking that a two-thirds majority of directors be independent.

FOR shareholder proposals asking that the board’s Audit, Compensation, and/or Nominating committees be composed exclusively of independent directors.

FOR shareholder proposals that the Chairman OR lead director be independent.

### **Stock Ownership Requirements**

AGAINST shareholder proposals requiring directors to own a minimum amount of the Company stock in order to qualify as a director or to remain on the board.

### **Term Limits**

AGAINST shareholder proposals to limit tenure of outside directors.

Egan-Jones strongly encourages diversity and Board turnover without embracing the controversial and problematic approach of term limits or a retirement age. As long as a

director nominee, whose tenure exceeds 10 years, is not a member of a key committee we will not recommend a vote to withhold from the nominee.

### **Retirement Age Limits**

AGAINST shareholder proposals to impose a mandatory retirement age for outside directors.

FOR management proposals requesting the approval to remove the mandatory retirement age for directors and trustees.

AGAINST management and shareholder proposals that request placing age limit for a person to be elected or appointed as a director.

### **Director and Officer Indemnification and Liability**

Case-by-case basis on management proposals regarding director and officer indemnification and liability, using Delaware law as the standard.

AGAINST management proposals to eliminate entirely directors and officers liability for monetary damages for violating the duty of care.

AGAINST management indemnification proposals that would expand coverage beyond legal expenses to acts, such as negligence, that are more serious violations of fiduciary obligation than mere carelessness.

FOR proposals authorizing exculpation of officers only in connection with direct claims brought by stockholders, including class actions, but without eliminating monetary liability of officers for breach of fiduciary duty arising out of claims brought by the corporation itself or for derivative claims brought by stockholders in the name of the corporation.

FOR management proposals providing such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if (1) the director was found to have acted in good faith and in a manner that he or she reasonably believed was in the best interests of the Company, and (2) only if the director's legal expenses would be covered.

### **Charitable Contributions**

AGAINST shareholder proposals regarding disclosure of charitable contributions.

### **Political Contributions**

AGAINST shareholder proposals regarding disclosure of political contributions.

FOR management proposals regarding approval of political contributions.

## **Lobbying Expenditures**

AGAINST shareholder proposals for disclosure of lobbying expenditures.

AGAINST shareholder proposals requesting a report of climate lobbying.

AGAINST shareholder proposal requesting a third party review and report on lobbying activities alignment with position on universal health coverage.

## **PROXY CONTESTS AND OTHER CONTESTED ELECTIONS**

### **Election of Directors in Contested Elections**

Case-by-case basis for voting for directors in contested elections, considering long-term financial performance of the target Company relative to its industry, management's track record, background to the proxy contest, qualifications of director nominees on both slates, evaluation of what each side is offering shareholders as well as likelihood that proposed objectives and goals will be met, and stock ownership positions.

FOR plurality voting standard in contested elections.

### **Universal Proxy Card in a Contested Election**

FOR proposals requesting that the Company require the use of a universal proxy card in contested elections.

### **Reimbursement of Proxy Solicitation Expenses**

Case-by-case basis for shareholder proposals for reimbursement of proxy solicitation expenses. FOR reimbursing proxy solicitation expenses where EGAN-JONES recommends in favor of the dissidents.

## **AUDITORS**

### **Ratifying Auditors**

FOR management proposals to ratify appointment of independent auditor unless:

- Auditor obtains a questionable result on the Egan-Jones Auditor Score which takes into account a number of factors including but not limited to:
  - Auditor rotation every seven years
  - Non-audit fees exceeding 50% of total fees
  - Significant and material disciplinary actions taken against the Company's Auditor
- Auditor has a financial interest in or association with the Company, and is therefore not independent; or there is reason to believe that the independent auditor has

rendered an opinion which is neither accurate nor indicative of the Company's financial position.

## **PROXY CONTEST DEFENSES**

### **Classified Board vs. Annual Election**

AGAINST management proposals to classify the board.

FOR shareholder proposals to repeal (“de-stagger”) classified boards and to elect all directors annually.

### **Removal of Directors**

AGAINST management proposals that provide that directors may be removed only for cause.

FOR shareholder proposals to restore shareholder ability to remove directors with or without cause.

CASE-BY-CASE basis for shareholder proposal to remove a director, usually AGAINST unless there are compelling reasons to remove a director or a director does not fulfill Egan-Jones criteria examining independence, meetings attendance, other board memberships, then in such cases FOR.

AGAINST management proposals that provide that only continuing directors may elect replacements to fill board vacancies.

FOR shareholder proposals that permit shareholders to elect directors to fill board vacancies.

FOR shareholder proposals requesting multiple candidate elections.

### **Authorization of the Board to Fill (casual) Vacancies**

FOR management proposals requesting that vacancies in the number of directors be designated as casual vacancies and that the Board of Directors be authorized to fill such vacancies as and when it deems fit. On condition that director appointed to fill such a casual vacancy shall hold office until the next annual meeting following his or her election or until his or her election or until his or her successor is elected.

### **Cumulative Voting**

FOR management proposals to eliminate cumulative voting.

AGAINST shareholder proposals to provide for cumulative voting.

### **Calling Special Meetings**

AGAINST management proposals to restrict or prohibit shareholder ability to call special meetings.



FOR management proposals asking to permit shareholders of record who own at least 10% of the Company's shares, have the ability to call a special meeting.

FOR shareholder proposals to allow shareholders holding at least 10% or more of the Company's shares, to call a special shareholder meeting.

### **Acting by Written Consent**

Case by case for management proposals to restrict or prohibit shareholder ability to take action by written consent.

FOR shareholder proposals to allow or make easier shareholder action by written consent.

### **Altering Size of the Board**

Management proposals regarding any Board size changes must require shareholder approval.

FOR management proposals to fix the size of the board as long as the number of directors is between 5 and 15.

FOR management proposals to set range of directors as long as there are not less than 5 and more than 15 directors on the board.

AGAINST management proposals that give management the ability to alter size of the board without shareholder approval.

AGAINST management proposals to allow the Board to fix number of directors without shareholder approval.

AGAINST management proposals to allow the Board to set range of directors without shareholder approval.

Case-by-case management proposals to approve unusual board size.

### **Virtual-only Meeting**

FOR management proposals to conduct virtual-only annual meeting, considering shareholders' rights to participate electronically as they would have during an in-person meeting.

FOR proposals asking to allow the Company to hold a virtual meeting of shareholders along with an in-person meeting at a designated location.

### **Quorum Requirements**

FOR proposals seeking approval of a lower quorum requirement if the reduced quorum is at least one-third of shares entitled to vote, either in person or by proxy.

## **TENDER OFFER DEFENSES**

### **Poison Pills**

FOR shareholder proposals that ask the Company to submit its “poison pill” for shareholder ratification.

AGAINST shareholder proposal requesting the Board authorize a self-tender offer.

Case-by-case basis for shareholder proposals to redeem the Company's existing “poison pill”.

Case-by-case basis for management proposals to ratify a “poison pill”.

### **Fair Price Provisions**

Case-by-case basis for adopting fair price provisions, considering vote required to approve the proposed acquisition, vote required to repeal the fair price provision, and mechanism for determining the fair price.

AGAINST fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.

### **Greenmail**

FOR proposals to adopt anti-“greenmail” charter or bylaw amendments or otherwise restrict the Company's ability to make “greenmail” payments.

Case-by-case basis for anti-“greenmail” proposals which are bundled with other charter or bylaw amendments.

### **Pale Greenmail**

Case-by-case basis for restructuring plans that involve the payment of pale greenmail.

### **Unequal Voting Rights**

AGAINST dual-class exchange offers and dual-class recapitalizations.

### **Supermajority Requirement to Amend Certificate of Incorporation or Bylaws**

FOR management proposals requesting elimination of supermajority voting provisions for amendments to the certificate of incorporation and bylaws.

AGAINST management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments.

FOR shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.

FOR shareholder proposals asking that each bylaw amendment adopted by the board of directors not become effective until approved by shareholders.

### **Supermajority Requirement to Approve Mergers**

AGAINST management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

FOR shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

## **OTHER GOVERNANCE PROPOSALS**

### **Confidential Voting**

FOR shareholder proposals that request that the Company adopt confidential voting, use independent tabulators, and use independent inspectors of election as long as the proposals include clauses for proxy contests as follows: In the case of a contested election, management should be permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents do not agree, the confidential voting policy is waived.

FOR management proposals to adopt confidential voting.

### **Equal Access**

AGAINST shareholder proposals that would allow significant Company shareholders equal access to management's proxy material in order to evaluate and propose voting recommendations on proxy proposals and director nominees, and in order to nominate their own candidates to the board.

### **Proxy Access**

FOR binding shareholder proxy access proposals considering the following criteria:

- 0.5% ownership threshold
- Number of board members that may be elected - cap of 1/3 of board or minimum 2 nominees, if the board size is being lowered the calculation is based upon the original board size, if it is being increased the calculation would be based upon the original board size, with each new slot added to the total, so two plus six if six new board positions are being created
- We prefer no limit or caps on the number of shareowners in the nominations group
- Loaned securities will count towards total
- We prefer that all participants affirm that they intend to be “long term shareholders” of the Company with at least 6 month ownership duration requirement

- Proposals with no re-nominations restrictions are preferred.

FOR shareholder proposals to improve Catch-22 Proxy Access to remove the shareholder group limit - to enable as many shareholders as may be needed to combine their shares to equal 3% of the stock owned continuously for 3-years in order to enable shareholder proxy access.

### **Bundled Proposals**

Case-by-case basis for bundled or "conditioned" proxy proposals. Where items are conditioned upon each other, examine benefits and costs. AGAINST in instances when the joint effect of the conditioned items is not in shareholders' best interests. FOR if the combined effect is positive.

### **Shareholder Advisory Committees**

Case-by-case basis for shareholder proposals establishing a shareholder advisory committee.

## **CAPITAL STRUCTURE**

### **Common Stock Authorization**

AGAINST management proposals increasing the number of authorized shares of the class of stock that has superior voting rights in companies that have dual-class capitalization structures.

AGAINST management proposals to increase the number of authorized shares of common stock, or equivalents, that exceeds 50 percent of share capital, without a specified legitimate purpose.

FOR management proposals to increase the number of authorized shares of common stock more than 50 percent of currently issued common share capital, if tied to a specific transaction or financing proposal or if the share pool was used up due to equity plans.

Case-by-case basis on other such management proposals considering the specified purposes of the proposed increase, any explanation of risks to shareholders of failing to approve the request, potential dilution, and recent track record for using authorized shares, in which case judgment is applied to weigh such factors. Factors which are normally weighed in making such judgments include prior performance of the issuer, changes within the industry, relative performance within the industry, client preferences and overall good corporate governance. In general, we view the authorization of additional common shares to be ordinary and necessary and in the best long-term interests of the issuer and its shareholders.

## **Stock Distributions: Splits and Dividends**

FOR management proposals to increase common share authorization for a stock split, provided that the increase in authorized shares would not result in an excessive number of shares available for issuance, considering the industry and the Company's returns to shareholders.

## **Reverse Stock Splits**

FOR management proposals to implement a reverse stock split when the number of shares will be proportionately reduced to avoid delisting.

Case-by-case basis on management proposals to implement a reverse stock split that do not proportionately reduce the number of shares authorized for issuance taking into consideration stock price at the record date.

## **Preferred Stock**

AGAINST management proposals authorizing creation of new classes of "blank check preferred stock" (i.e., classes with unspecified voting, conversion, dividend distribution, and other rights

Case-by-case basis on management proposals to increase the number of "blank check preferred shares" after analyzing the number of preferred shares available for issuance considering the industry and Company's returns to shareholders.

## **Blank Check Preferred Stock**

FOR shareholder proposals to have placements of "blank check preferred stock" submitted for shareholder approval, except when those shares are issued for the purpose of raising capital or making acquisitions in the normal course.

## **Adjustments to Par Value of Common Stock**

FOR management proposals to reduce the par value of common stock.

## **Preemptive Rights**

Case-by-case basis on shareholder proposals that seek preemptive rights, considering size of the Company and shareholder characteristics.

## **Debt Restructurings**

Case-by-case basis on management proposals to increase number of common and/or preferred shares and to issue shares as part of a debt restructuring plan, considering dilution, any resulting change in control

FOR management proposals that facilitate debt restructurings except where signs of self-dealing exist.

### **Share Repurchase Programs**

FOR management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.

### **Tracking Stock**

Case-by-case basis for management proposals for creation of tracking stock, considering the strategic value of the transaction vs. adverse governance changes, excessive increases in authorized stock, inequitable distribution method, diminution of voting rights, adverse conversion features, negative impact on stock option plans, and other alternatives, such as spin-offs.

### **Stock buybacks**

Case-by-case on management proposals requesting stock buybacks. AGAINST in cases when the Company receives a poor Board or Compensation score or when there is insufficient data to generate these scores. FOR otherwise.

## **COMPENSATION OF OFFICERS AND DIRECTORS**

### **Compensation of Officers and Directors**

FOR compensation plans that result in an amount of dilution (or the equivalent value in cash) that is less than the maximum dilution determined by the Compensation Score.

AGAINST compensation plans that result in an excess amount of dilution (or the equivalent value in cash) that is more than the maximum dilution determined by the Compensation Score.

AGAINST compensation plans involving “pay for failure,” such as excessively long contracts, guaranteed compensation, excessive severance packages, or other problematic practice not accounted for in the Egan-Jones compensation Score.

Case-by-case (but generally FOR) plans that are completely “decoupled” from the CEOs compensation and thus have no impact on the CEO’s current or future total compensation.

### **Compensation Plan other than a Qualified ESPP at Special Purpose Acquisition Company**

FOR compensation plans of the newly formed Company arising from a business combination with a special purpose acquisition Company (SPAC), unless the authorized share pool exceeds 3% of the newly formed Company's authorized shares.

### **Advisory Votes on Executive Compensation (“Say-on-Pay”)**

Case-by-case basis on advisory votes on executive compensation (“Say-on-Pay”), based on the result obtained by the Company in Egan-Jones Compensation Score. AGAINST a non-binding compensation advisory vote when the Company obtains a questionable result on the Egan-Jones Compensation Score, FOR otherwise.\*

*\*In cases when the Company doesn't have a CEO position Egan-Jones will use the Total Compensation and Salary paid to the highest paid NEO of the Company to calculate a Compensation Rating.*

AGAINST say-on-pay proposal and compensation committee members when executive employment agreements include tax gross-ups.

Relative Compensation is based upon a number of quantitative and qualitative metrics which produce a final score that is both forward looking and based upon the prior performance metrics of the Company's wealth creation and market capitalization as compared to the CEO's total compensation package. Higher wealth creation, market capitalization and lower CEO compensation all contribute to a higher compensation score. Additional qualitative measures such as 162m compliance, executive pension plan status and other relevant factors are then used to calculate the final score.

### **Advisory Votes Regarding Frequency of Advisory Votes on Executive Compensation**

FOR management proposals that recommend that advisory votes on executive compensation take place annually.

AGAINST management proposals that recommend that advisory votes on executive compensation take place every two years or triennially.

### **Management Proposals Seeking Approval to Re-price Options**

Case-by-case basis on management proposals seeking approval to re-price options.

### **Director Compensation**

Case-by-case basis on stock-based plans for directors.

AGAINST shareholder proposals regarding advisory vote on directors' compensation.

### **Employee Stock Purchase Plans**

Case-by-case basis on employee stock purchase plans.

## **Amendments that Place a Maximum Limit on Annual Grants or Amend Administrative Features**

FOR plans that amend shareholder-approved plans to include administrative features or place maximum limit on annual grants that any participant may receive to comply with the provisions of Section 162(m) of the Omnibus Budget Reconciliation Act (OBRA).

## **Amendments to Added Performance-Based Goals**

FOR amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of OBRA.

## **Amendments to Increase Shares and Retain Tax Deductions under OBRA**

Case-by-case basis on amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m).

## **Approval of Cash or Cash & Stock Bonus Plans**

Case-by-case basis on cash or cash & stock bonus plans to exempt compensation from taxes under the provisions of Section 162(m) of OBRA.

## **Limits on Director and Officer Compensation**

FOR shareholder proposals requiring additional disclosure of officer and director compensation.

Case-by-case basis for all other shareholder proposals seeking limits on officer and director compensation.

## **Golden Parachutes and Tin Parachutes**

FOR shareholder proposals to have “golden and tin parachutes” submitted for shareholder ratification.

Case-by-case basis on proposals to ratify or cancel “golden or tin parachutes.”

## **Employee Stock Ownership Plans (ESOPs)**

FOR proposals that request shareholder approval in order to implement an ESOP or to increase authorized number of shares for existing ESOPs, except in cases when the number of shares allocated to the ESOP is "excessive" (i.e., greater than five percent of outstanding shares).



## **401(k) Employee Benefit Plans**

FOR proposals to implement a 401(k) savings plan for employees.

## **STATE OF INCORPORATION**

### **State Takeover Statutes**

Case-by-case basis on proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freeze-out provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, anti-“greenmail” provisions, and disgorgement provisions).

## **Reincorporation Proposals**

Case-by-case basis on proposals to change the Company's state of incorporation.

## **BUSINESS COMBINATIONS AND CORPORATE RESTRUCTURINGS**

### **Charter Modification**

Case-by-case basis for changes to the charter, considering degree of change, efficiencies that could result, state of incorporation, and regulatory standards and implications.

FOR approval of the amendments to the Company’s bylaws to adopt an exclusive forum for internal corporate claims.

### **Change of Domicile**

Case-by-case basis for changes in state of domicile, considering state regulations of each state, required fundamental policies of each state; and the increased flexibility available.

## **Mergers and Acquisitions**

Case-by-case basis on mergers and acquisitions, considering projected financial and operating benefits, offer price, prospects of the combined companies, negotiation process, and changes in corporate governance.

## **Corporate Restructuring**

Case-by-case basis on corporate restructurings, including minority squeeze-outs, leveraged buyouts, spin-offs, liquidations, and asset sales.

## **Spin-offs**

Case-by-case basis on spin-offs, considering tax and regulatory advantages, planned use of proceeds, market focus, and managerial incentives.

## **Asset Sales**

Case-by-case basis on asset sales, considering impact on the balance sheet and working capital, and value received.

## **Liquidations**

Case-by-case basis on liquidations considering management's efforts to pursue alternatives, appraisal value, and compensation for executives managing the liquidation.

## **Appraisal Rights**

FOR providing shareholders with appraisal rights.

## **MUTUAL FUND PROXIES**

### **Election of Directors**

Case-by-case basis for election of directors, considering board structure, director independence, director qualifications, compensation of directors within the fund and the family of funds, and attendance at board and committee meetings.

WITHHOLD votes for directors who:

- are interested directors and sit on key board committees (Audit or Nominating committees)
- are interested directors and the Company does not have one or more of the following committees: Audit or Nominating.
- attend less than 75 percent of the board and committee meetings. Participation by phone is acceptable.
- ignore a shareholder proposal that is approved by a majority of shares outstanding
- ignore a shareholder proposal that is approved by a majority of the votes cast for two consecutive years

- serve as Chairman but are not independent (e.g. serve as an officer of the fund's advisor)

### **Converting Closed-end Fund to Open-end Fund**

Case-by-case basis for conversion of closed-end fund to open-end fund, considering past performance as a closed-end fund, market in which the fund invests, measures taken by the board to address the market discount, and past shareholder activism, board activity, and votes on related proposals.

### **Change from Diversified to Non-Diversified Fund**

FOR approval of change from diversified to non-diversified fund.

### **Proxy Contests**

Case-by-case basis on proxy contests, considering past performance, market in which fund invests, and measures taken by the board to address issues raised, past shareholder activism, board activity, and votes on related proposals.

### **Investment Advisory Agreements**

Case-by-case basis on investment advisory agreements, considering proposed and current fee schedules, fund category and investment objective, performance benchmarks, share price performance relative to that of peers; and magnitude of any fee increase.

### **New Classes or Series of Shares**

FOR creating new classes or series of shares.

### **Preferred Stock Authorization**

Case-by-case basis for authorization for or increase in preferred shares, considering financing purpose and potential dilution for common shares.

### **1940 Act Policies**

Case-by-case basis for 1940 Act policies, considering potential competitiveness, regulatory developments, current and potential returns, and current and potential risk.

### **Changing Fundamental Restriction to Non-fundamental**

AGAINST on changing fundamental restriction to non-fundamental restriction.

### **Changing Fundamental Investment Objective to Non-fundamental**

AGAINST proposals to change the fund's fundamental investment objective to non-fundamental.

### **Changing Fundamental Investment Policy to Non-Fundamental**

AGAINST proposals to change the fund's fundamental investment policy to non-fundamental.

### **Name Rule Proposals**

Case-by-case basis for name rule proposals, considering the following factors: political/economic changes in target market; bundling with quorum requirements or with changes in asset allocation, and consolidation in the fund's target market.

### **Disposition of Assets, Termination, Liquidation**

Case-by-case basis for disposition of assets, termination or liquidation, considering strategies employed, Company's past performance, and terms of liquidation.

### **Change in Sub-classification**

Case-by-case basis for change in sub-classification, considering potential competitiveness, current and potential returns, risk of concentration, and industry consolidation in the target industry.

### **Authorizing Board to Hire and Terminate Sub-advisors without Shareholder Approval - “Manager of Managers” Structure**

FOR approval of the use of a “Manager of Managers” structure to appoint and replace sub-advisers without obtaining prior shareholder approval, if proposal is asking to appoint and replace subadvisers that are not affiliated with the Fund.

### **Distribution Agreements**

Case-by-case basis for approving distribution agreements, considering fees charged to comparably sized funds with similar objectives, proposed distributor's reputation and past performance, and competitiveness of fund in industry.

## **Master-Feeder Structure**

FOR establishment of a master-feeder structure.

## **Mergers**

Case-by-case basis for proposed merger, considering resulting fee structure, performance of each fund, and continuity of management.

## **Advisory Vote on Merger Related Compensation**

AGAINST “golden parachutes” which are abusive,

- such as those that exceed 3x of the cash severance or
- if the cash severance multiple is greater than 2.99x or
- contain tax gross-ups or
- provide for accelerated vesting of equity awards, (however, pro-rata vesting of awards based on past service is acceptable) or
- are triggered prior to completion of the transaction or
- if the payouts are not contingent on the executive’s termination.

## **MISCELLANEOUS SHAREHOLDER PROPOSALS**

### **Independent Directors**

FOR shareholder proposals asking that a three-quarters majority of directors be independent.

FOR shareholder proposals asking that board’s Audit, Compensation, and/or Nominating committees be composed exclusively of independent directors.

FOR shareholder proposals that the Chairman OR lead director be independent.

### **Statement of the Purpose of a Corporation Review**

AGAINST shareholder proposals requesting a review of the statement of the purpose of a corporation and make recommendations to shareholders on how the purpose of a corporation signed by the Chairman and Chief Executive Officer can be fully implemented.

### **Majority Voting in the Election of Directors**

FOR shareholder proposals regarding majority voting in the election of Directors in uncontested meetings.

### **Election of Non-executive Directors**

AGAINST shareholder proposals requesting election of non-executive directors.

### **Employee Representation on the Board of Directors**

AGAINST shareholder proposals on employee representation on the Board of Directors.

### **Reimbursement of Shareholder for Expenses Incurred**

CASE-BY-CASE for proposals for reimbursing proxy solicitation expenses in contested meetings.

FOR proposals for reimbursing proxy solicitation expenses in contested meetings in cases where EGAN-JONES recommends in favor of the dissidents.

### **Terminate the Investment Advisor**

CAS-BY-CASE basis for proposals for terminating the investment advisor, considering fund's performance and history of shareholder relations.

### **Tax Payments on Restricted Awards**

AGAINST shareholder proposals to adopt a policy that the Company will pay the personal taxes owed on restricted stock awards on behalf of named executive officers.

### **Recovery of Unearned Management Bonuses**

AGAINST shareholder proposals to adopt an executive compensation recoupment policy.

### **Senior Executive Stock Retention**

FOR shareholder proposals that request adoption of a policy requiring senior executives to retain a significant percentage of shares.

### **Deferral Period for Certain Compensation of Senior Executives**

Shareholder proposals that request that the Compensation committee make the following changes to any annual cash incentive program ("Bonus Program"), as applicable to senior executives, in order to promote a longer-term perspective: an award to a senior executive under a Bonus Program that is based on one or more financial measurements whose performance measurement period is one year or shorter shall not be paid in full for a period following the award; and, the Committee shall develop a methodology for (a) determining the length of the Deferral Period and what proportion of a Bonus should be paid immediately; (b) adjusting the remainder of the Bonus over the Deferral Period in a manner that (i) allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and (ii) allows the Company to recoup Bonus compensation pursuant to its clawback policy; and (c) paying out the remainder of the Bonus at the end of the Deferral Period. Based on the Compensation Score: FOR when the Company receives one of the lowest two results on the Compensation Score; AGAINST otherwise.

### **Sustainability Metrics and Executive Compensation**

Shareholder proposals requesting a report on sustainability metrics and executive compensation. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Deduct Impact of Stock Buybacks from Executive Pay**

Shareholder proposals that request the board of directors adopt a policy that the board will not utilize “earnings per share” (“EPS”) or its variations (e.g., diluted or operating EPS) or financial ratios (return on assets or net assets or equity) in determining a senior executive’s incentive compensation or eligibility for such compensation, unless the Board utilizes the number of outstanding shares on the beginning date of the performance period and excludes the effect of stock buybacks that may have occurred between that date and the end of the performance period. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Government Service Golden Parachute**

AGAINST shareholder proposals on policy prohibiting the vesting of equity-based awards (including stock options, restricted stock and other stock awards granted under an equity incentive plan), for senior executives due to a voluntary resignation to enter government service.

### **Nonqualified Savings Plan Earnings**

AGAINST shareholder proposals to adopt a policy that prohibits the practice of paying above-market earnings on the non-tax-qualified retirement saving or deferred income account balances of senior executive officers.

### **GAAP Financial Metrics for Purposes of Determining Executive Compensation.**

Shareholder proposals asking to adopt a policy that when using performance metrics to calculate senior executive compensation, the Company shall not adjust performance metrics that are calculated in accordance with generally accepted accounting principles (GAAP). Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Stockholder proposals on non-GAAP measures disclosure, to adopt a policy that when the Company adjusts or modifies any generally accepted accounting principles (“GAAP”) financial performance metric for determining senior executive compensation, it should include a specific explanation for each adjustment and a reconciliation of the adjusted metric to GAAP. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Legal and Compliance Costs in Executive Compensation metrics**

Shareholder proposals requesting that financial performance metrics should not be adjusted to exclude legal or compliance costs in evaluating performance for incentive payouts to senior executives. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting inclusion of legal and compliance costs in incentive compensation metrics. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Tax Transparency**

Shareholder proposals on tax transparency request that the Company issue a tax transparency report to shareholders, at reasonable expense and excluding confidential information, prepared in consideration of the indicators and guidelines set forth in the Global Reporting Initiative's (GRI) Tax Standard. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores on the Governance Rating; AGAINST otherwise

### **ESG Metrics and Executive Compensation**

Shareholder proposals asking that the Company prepare a report, at reasonable cost and omitting proprietary information, describing if, and how, it plans to integrate ESG metrics into the performance measures of named executive officers under the Company's compensation incentive plans. Based on the overall Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Community Impacts and Company's Executive Compensation Program**

Shareholder proposals asking that the Board of directors publish a report, at reasonable expense, within a reasonable time, and omitting confidential or proprietary information, assessing the feasibility of integrating community stakeholder concerns and impacts into the Company's executive compensation program. Based on the overall Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Target Amounts for CEO Compensation – Pay Disparity**

Shareholder proposals requesting that the Company take into consideration the pay grades and/or salary ranges of all classifications of Company employees when setting target amounts for CEO compensation. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Equity Ratio Disclosure in Executive Compensation**

Shareholder proposals requesting that the Company disclose equity ratio disclosure used by the compensation committee to set executive compensation. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposal on reform of executive compensation policy with social responsibility.

FOR shareholder proposals asking to ensure greater independence of compensation advisors.

FOR shareholder proposals to discontinue professional services allowance for NEOs.



Shareholder proposals on cessation of Stock Option and Bonus Programs. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores on the Governance Rating; AGAINST otherwise

### **Executive Perquisites**

Shareholder proposals requesting that payments and/or reimbursements to current and former Named Executive Officers (NEOs) for personal expenses be discontinued. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Incentive Compensation and Risks of Material Losses**

Shareholder proposals asking that the Company prepare a report, at reasonable cost, disclosing whether and how the Company has identified employees or positions, individually or as part of a group, who are eligible to receive incentive-based compensation that is tied to metrics that could have the ability to expose the Company to possible material losses, as determined in accordance with generally accepted accounting principles. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Advisory Vote on Executive Compensation**

Shareholder proposals on adoption of advisory vote on executive compensation. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise. Change from overall Governance Score.

### **Drug Pricing Strategies in Incentive Compensation Plans**

AGAINST shareholder proposals requesting report on the extent to which risks related to public concern over drug pricing strategies are integrated into incentive compensation arrangements. The report should include, but need not be limited to, discussion of whether incentive compensation arrangements reward, or not penalize, senior executives for (i) adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) considering risks related to drug pricing when allocating capital.

### **Executive Pay Confidential Voting**

FOR shareholder proposals to adopt a bylaw provision restricting management's access to vote tallies prior to the annual Meeting with respect to certain executive pay matters.

### **Clawback Provision Amendment**

AGAINST shareholder proposals that request the board of directors amend the Company's clawback policy for executive compensation.

### **Quantifiable Performance Metrics**

CASE-BY-CASE on shareholder proposals that request the board adopt the policy regarding quantifiable performance metrics. Based on the Compensation Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Accelerated Vesting**

FOR shareholder proposals to implement double triggered with pro-rata vesting of awards.

### **Dividends**

CASE-BY-CASE basis for shareholder proposals to increase dividends, but generally AGAINST in the absence of a compelling reason for.

### **Vote Tabulation**

FOR shareholder proposals that request all matters presented to shareholders, other than the election of directors, shall be decided by a simple majority of the shares voted 'For' and 'Against' an item and abstentions from the vote count be excluded.

### **Proxy Voting Review**

Shareholder proposal regarding proxy voting review report. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Disclosure of Voting Results**

FOR shareholder proposals requesting separate disclosure of voting results by classes of shares.

### **Right to Convert a Limited Amount of Class B Common Stock into Class A Common Stock**

FOR shareholder proposals on annual right to convert a limited amount of class B Common Stock (10 votes per share) into Class A Common Stock (1 vote per share).

### **Maryland's Unsolicited Takeover Act**

FOR shareholder proposals requesting that the Board opt out of MUTA, which allows the board of directors to make changes by board resolution only, without shareholder approval, to the Company's capital structure and charter/bylaws. These include, but are not limited to:

- › the ability to re-classify a board;
- › the exclusive right to set the number of directors;
- › limiting shareholders' ability to call special meetings to a threshold of at least a majority of shares.

### **Certification of Sound Commercial Practices Related to the Selling of Financial Products and Services**

Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Risk Oversight Committee / Public Policy Committee**

Shareholder proposals requesting a report, at reasonable cost, omitting proprietary or legally privileged information, discussing the merits of establishing a risk oversight board committee to oversee the Company's policies including human rights, environment, domestic governmental regulations, foreign affairs and international relations affecting the Company's business. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Creation of a New Technology Committee**

Shareholder proposal that requests that the Company create a new technology committee. Based on the Cybersecurity Risk Score, FOR in cases when the Company receives one of the lowest two scores; AGAINST otherwise.

### **The Board's Nominee Disclosure Policy/ True Diversity Board Policy**

Shareholder proposal requesting a policy to disclose to shareholders the following: a description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise

### **Content Management Report/Content Enforcement Policies**

Shareholder proposals requesting a report reviewing the efficacy of its enforcement of its terms of service related to content policies and assessing the risks posed by content management controversies. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Political Advertising and Posts**

Shareholder proposals asking that the Board of Directors prepare, at a reasonable cost and excluding proprietary information, a report on the controversy surrounding political advertising and posts. Such report should evaluate the implications of the Company's policies that may exempt politicians' posts and political advertisements from elements of platform rules such as the Company's Community Standards and its fact-checking process. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Algorithm Disclosure**

Shareholder proposals requesting that the Company provide more quantitative and qualitative information on how algorithm systems are used to target and deliver ads, error rates, and the impact these systems had on user speech and experiences. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Anticompetitive Practices**

Shareholder proposal regarding a report on board oversight of risks related to anticompetitive practices. Based on the Governance Rating score: FOR when the Company receives one of the lowest two scores on the Governance Rating; AGAINST otherwise.

### **Report on Takedown Requests**

Shareholder proposals regarding a report (within a reasonable time frame, at reasonable cost, and excluding confidential information) assessing the feasibility of public disclosing on an annual basis, by jurisdiction, the list of delisted, censored, downgraded, proactively penalized, or blacklisted terms, queries or sites that the Company implements in response to government requests. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Report on Whistleblower Policies and Practices**

Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

### **Competitiveness and Protection of Personal Information**

AGAINST shareholder proposals requesting that the Board of directors inform the shareholders of the investments the bank/company intends to make to update its computer systems so as to increase its competitiveness while enhancing privacy protection.

### **Facial Recognition Technology**

Shareholder proposals on prohibition on sales of facial recognition technology to all government entities. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise. Change from AGAINST.

### **Mandatory Arbitration Bylaw**

AGAINST shareholder proposals requesting that the Company adopt to a mandatory arbitration bylaw.

Shareholder proposal regarding a report on the impact of the use of mandatory arbitration on employees and workplace culture. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting additional reporting on risks associated with the use of certain concealment clauses. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that shareholders be allowed the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favor a particular approach to corporate policy and that the Company constitution should include the clause: "The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively

vested in the Directors has been or should be exercised. Such a resolution must relate to a material risk identified by the Directors or the Company and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company”. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

## **SHAREHOLDER PROPOSALS ON SOCIAL AND ENVIRONMENTAL ISSUES**

### **Energy, Environment and Health Issues**

AGAINST shareholder proposals asking the Company to issue a report in support of circular economy.

AGAINST shareholder proposals that request companies to follow the CERES Principles. Generally AGAINST proposals requesting reports that seek additional information, unless it appears that the Company has not adequately addressed shareholders' relevant environmental concerns but FOR shareholder proposals requesting additional disclosure regarding hydraulic fracturing.

AGAINST shareholder proposals that requests that the Company develop and implement a comprehensive sustainable palm oil sourcing policy.

AGAINST shareholder proposals requesting that the Company issue an annual report to shareholders, at reasonable cost and omitting proprietary information, on plastic pollution.

AGAINST shareholder proposals promoting recycling.

AGAINST shareholder proposals requesting a report on recyclable packaging. AGAINST shareholder proposals requesting a report on electronic waste.

AGAINST shareholder proposals on proper disposal of pharmaceuticals.

AGAINST shareholder proposals requesting a report on nanomaterials.

Shareholder proposals requesting that the Company adopt GHG emissions reductions goals and issue a report at reasonable cost and omitting proprietary information, on its plans to achieve these goals. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals to encourage energy conservation and the development of alternate renewable and clean energy resources and to reduce or eliminate toxic wastes and

greenhouse gas emissions. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on renewable energy adoption. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on distributed - scale clean electricity. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals that request that the Board prepare, at reasonable expense and omitting proprietary information, a sustainability report. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company nominate environmental expert to the Board of Directors. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals on establishing a climate change committee. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on climate change. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company establish an annual advisory vote policy with respect to its environmental and climate change action plan and objectives. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting environmental and social due diligence. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on 2-degree scenario. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company suspend memberships of industry associations that are involved in lobbying inconsistent with the goals of the Paris agreement. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on deforestation impacts in supply chain. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on climate change and business model. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting a report on investment of retirement funds in companies contributing to climate change. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on public advocacy on climate change and energy by relevant industry associations. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on stranded assets due to climate change. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on risks of petrochemical investments. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals on new fossil fuel financing requesting adoption of a policy in which the Company takes available actions to help ensure that its financing does not contribute to new fossil fuel supplies.

Shareholder proposals requesting a report on reduction of water pollution. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting a report on quantitative metrics identified by the Sustainability Accounting Standards Board (SASB) as providing material information on water resource risks for the meat, poultry and dairy sector at reasonable expense and excluding confidential information. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on environmental expenditures (voluntary climate-related activities) including incurred costs and associated significant and actual benefits that have accrued to shareholders, the public health and the environment, including the global climate, from the Company's environment-related activities that are voluntary and that exceed U.S. and foreign compliance and regulatory requirements. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals requesting a report on electrification of the transportation sector.

AGAINST shareholder proposals requesting a report on sugar and public health.

AGAINST shareholder proposals regarding cage free egg progress disclosure.

Shareholder proposals requesting a report on antibiotics in livestock. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals to adopt a policy to phase out the routine use of antibiotics in the meat and poultry supply chain.

AGAINST shareholder proposals on protein diversification.

AGAINST shareholder proposal on disclosure of pesticide management data, requesting that the Company disclose, at reasonable expense and omitting proprietary information, quantitative metrics demonstrating measurable progress toward the reduction of synthetic chemical pesticide use in the Company's supply chain.

AGAINST shareholder proposals requesting that the Company voluntarily label genetically engineered (GE) ingredients in its products.

AGAINST shareholder proposals that request the Company prepare a report, at reasonable expense and omitting proprietary information, assessing actual and potential material financial risks or operational impacts on the Company related to these genetically modified organisms (GMO issues).

Shareholder proposals that request the Company prepare a report, on the social, health, and environmental effects of genetically modified organisms (GMOs). Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals to eliminate GE ingredients from the Company's products, or proposals asking for reports outlining the steps necessary to eliminate GE ingredients from the Company's products.

Shareholder proposals that request the Company prepare a report disclosing the governance measures the Company has implemented to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the U.S. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals that request the Compensation committee prepare a report on drug pricing. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholders proposals that request fair distribution and access to life-sustaining drugs and vaccines in affordable prices in both the United States and in low- income countries.

Shareholder proposal requesting a report on transfer of intellectual property to potential COVID- 19 manufacturers. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting report on government financial support and access to COVID-19 vaccines and therapeutics. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requestion a report on public health costs of protecting vaccine technology. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.



Shareholder proposals requesting that the Company discontinue global sales of baby powder containing talc. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals requesting a report on health risks of continued in-store tobacco sales.

AGAINST shareholder resolutions to move away from the production, marketing, or distribution of addictive or other harmful materials like opioids and tobacco.

AGAINST shareholder proposals seeking support for the descheduling of Cannabis.

AGAINST shareholders proposal requesting that the Company create a committee to prepare a report regarding the impact of plant closure on communities and alternatives to help mitigate the effects.

AGAINST shareholder proposals requesting a report on the Company's efforts, to identify and reduce environmental and health hazards associated with past, present and future handling of coal combustion residuals and how those efforts may reduce legal, reputational and financial risks to the Company.

AGAINST shareholder proposals on transition to a public benefit corporation.

AGAINST shareholder proposals on financial initiatives that promote and strengthen communities, focusing on not only their economic effect but their social impact as well.

## **Northern Ireland**

AGAINST proposals related to the MacBride Principles.

## **Military Business**

Proposals on defense issues. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Proposals requesting reports that seek additional information on military related operations, unless the Company has been unresponsive to shareholder relevant requests. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on policies regarding military and militarized policing agencies. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise. Change from AGAINST.

Shareholder proposals requesting a report on development of products for military. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise. Change from AGAINST.

## **Human Rights, Labor Issues and International Operations Policies**

Shareholder proposals on establishing a human rights committee. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company nominate for election at least one director with human/civil rights expertise. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals seeking a human rights report or human rights due diligence process to assess, identify, prevent and mitigate actual and potential adverse human rights impacts. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report evaluating the efficacy of the Company's existing policies and practices to address the human rights impacts of its content management policies to address misinformation and disinformation across its platforms. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals on policies of freedom of expression - to report annually to shareholders, at reasonable expense and excluding confidential and proprietary information, regarding the Company's policies on freedom of expression and access to information, including whether it has publicly committed to respect freedom of expression as a human right; the oversight mechanisms for formulating and administering policies on freedom of expression and access to information.

Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal regarding adoption of policy on the Company's commitment to respect the rights to freedom of association and collective bargaining in its operations. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals seeking reports on the Company's activities affecting indigenous peoples. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposal regarding human and indigenous peoples' rights and asking the Company to modify its committee charters, bylaws and/or articles of incorporation, to articulate the fiduciary duties of Board and management to ensure due diligence on human and indigenous peoples' rights.

AGAINST shareholder proposals requesting the Board institute transparent procedures to avoid holding investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights.

AGAINST shareholder proposals requesting report on business with conflict-complicit governments.

AGAINST shareholder proposals requesting a report on the Company's activities related to safety measures and mitigation of harm associated with Company products.

Shareholder proposals requesting workplace safety reports: Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company issue a report, at reasonable cost and omitting proprietary information, to include key performance indicators on human capital management related to the Company's portfolio, including reporting on the number and types of complaints received from employees, including contractors and temporary workers, the remedies offered under its grievance mechanism and the percentage of complaints resolved. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals to report to shareholders on the Company's minimum requirements and standards related to workforce practices. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals regarding a slavery and human trafficking report.

Shareholder proposals requesting a report assessing the risk of increased sexual exploitation of children as the Company develops and offers additional privacy tools. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company prepare an annual report regarding sexual harassment complaints. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the Company issue a report on prison labor in supply chain. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST on proposals relating to the Maquiladora Standards and international operating policies.

AGAINST proposals requesting reports on international operating policy issues, unless it appears the Company has not adequately addressed shareholder relevant concerns.

AGAINST shareholder proposals requesting a report, omitting confidential and privileged information and at reasonable expense, detailing any known or potential risks and costs to the company caused by enacted or proposed state policies severely restricting reproductive rights, and detailing any strategies beyond litigation and legal compliance that the company may deploy to minimize or mitigate these risks.

AGAINST shareholder proposals supporting activities that include abortion, euthanasia or assisted suicide.

AGAINST shareholder proposals promoting in vitro fertilization for either assisting conception or for research.

## **World Debt Crisis**

AGAINST proposals dealing with Third World debt.

AGAINST proposals requesting reports on Third World debt issues, unless it appears the Company has not adequately addressed shareholder relevant concerns.

## **Equal Employment Opportunity and Discrimination**

Shareholder proposals asking the Company to set a diversity target (of min of 40%) for the composition of its Board. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals relating to diversity report or policy. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting establishment of equal employment opportunity policy. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting that the board of directors oversee a third party racial justice audit. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a racial equity audit or a report on progress toward eliminating racial discrimination at the Company. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals regarding assessing inclusion in the workplace and requesting a report to shareholders on whether written policies or unwritten norms at the Company reinforce racism in the Company culture. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals on gender pay gap. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposal requesting paid sick leave for all employees. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

Shareholder proposals requesting a report on worker misclassification. Based on the overall Governance Score: FOR when the Company receives one of the lowest two scores; AGAINST otherwise.

AGAINST shareholder proposals requesting that the Company issue a report on ethical recruitment in global supply chains.

AGAINST proposals requesting reports that seek additional information about affirmative action efforts, unless the Company has a past history of issues.

AGAINST shareholder proposal requesting disclosure of languages in which the directors are fluent in the skills and expertise matrix of the circular.

## **Holy Land Principles**

AGAINST shareholder proposals to approve the implementation of the Holy Land Principles.

## **Animal Rights**

AGAINST proposals that deal with animal rights.

AGAINST shareholder proposal supply chain practices report focusing on animal welfare.

## **Product Integrity and Marketing**

AGAINST proposals on ceasing production of socially questionable products.

AGAINST proposals requesting reports that seek additional information regarding product integrity and marketing issues, unless it appears the Company has been unresponsive to shareholder relevant requests.

## **Fair Practice/Business Ethics**

Shareholder proposals requesting a policy to pause sourcing of cotton and other raw materials from China. Based on the Governance Rating score: FOR when the Company receives one of the lowest two scores on the Governance Rating; AGAINST otherwise.

Shareholder proposals requesting a report on external costs of disinformation in digital advertising. Based on the Governance Rating score: FOR when the Company receives one of the lowest two scores on the Governance Rating; AGAINST otherwise.

## **Cybersecurity**

Shareholder proposals requesting a report on cyber risk. Based on the Cyber Security Risk Score: FOR when the Company receives one of the lowest two scores ; AGAINST otherwise.

***In rare cases, Egan-Jones may choose to override the documented guideline recommendation when we believe it to be in the best long-term financial interest of shareholders.***



**EXHIBIT B - PRINCIPAL HOLDERS TABLE**

**Amplify High Income ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	21.76%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	17.80%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	15.70%
Pershing LLC 1 Pershing Plaza Jersey City, New Jersey 07399-0002	6.60%
Morgan Stanley Smith Barney LLC 1300 Thames Street, 6th Floor Baltimore, Maryland 21231	5.20%
LPL Financial 9785 Towne Centre Drive San Diego, California 92121-1968	5.18%

**Amplify Online Retail ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	17.04%
JP Morgan Chase Bank, National Association 14201 Dallas Parkway, Chase International Plaza Dallas, TX 75254-2916	11.63%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	11.62%
The Bank of New York Mellon One Wall Street, 5 <sup>th</sup> Floor New York, New York 10286-0001	10.17%

Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	9.46%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12 Tampa, Florida 33610	8.36%
Pershing LLC 1 Pershing Plaza Jersey City, New Jersey 07399-0002	6.45%

**Amplify CWP Enhanced Dividend Income ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
Raymond James 880 Carillon Parkway St. Petersburg, Florida 33716-1100	36.88%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	14.28%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	13.09%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	7.45%
LPL Financial 9785 Towne Centre Drive San Diego, California 92121-1968	7.06%

**Amplify Transformational Data Sharing ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	21.57%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	12.97%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	12.33%



LPL Financial 9785 Towne Centre Drive San Diego, California 92121-1968	6.25%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12 Tampa, Florida 33610	5.18%

**Amplify Lithium & Battery Technology ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	18.35%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	12.80%
American Enterprise Investment Services, Inc. 707 2nd Avenue South Minneapolis, MN 55402-2405	10.52%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	9.46%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12 Tampa, Florida 33610	5.56%

**Amplify BlackSwan Growth & Treasury Core ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	43.33%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	21.15%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	11.05%

**Amplify Emerging Markets FinTech ETF**

Name and Address of Owner	Percentage of Record Ownership
J.P. Morgan Securities LLC/JPMC 14201 Dallas Parkway	25.07%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	20.12%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	14.96%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	8.83%

**Amplify Seymour Cannabis ETF**

Name and Address of Owner	Percentage of Record Ownership
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	25.00%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	13.98%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	13.01%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12 Tampa, Florida 33610	7.84%
Pershing LLC 1 Pershing Plaza Jersey City, New Jersey 07399-0002	7.24%
JP Morgan Chase Bank, National Association 14201 Dallas Parkway, Chase International Plaza Dallas, TX 75254-2916	6.44%

**Amplify BlackSwan ISWN ETF**

Name and Address of Owner	Percentage of Record Ownership
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TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	85.64%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	7.31%

**Amplify Thematic All-Stars ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	20.35%
J.P. Morgan Securities LLC/JPMC 14201 Dallas Parkway Dallas, Texas 75254	20.02%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	17.74%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	8.86%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12	7.61%
Pershing LLC 1 Pershing Plaza Jersey City, New Jersey 07399-0002	5.95%
BOFA Securities, Inc. 4804 Deer Lake Dr. E Jacksonville, Florida 32246	5.09%

**Amplify Digital & Online Trading ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
J.P. Morgan Securities LLC/JPMC 14201 Dallas Parkway Dallas, Texas 75254	46.79%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	15.04%

BOFA Securities, Inc. 4804 Deer Lake Dr. E Jacksonville, Florida 32246	12.92%
Vanguard Brokerage Services PO Box 1170 Valley Forge, Pennsylvania 19482-1170	6.08%
Citibank 3801 Citibank Center B/3RD Floor/Zone 12	5.67%

**Amplify BlackSwan Tech & Treasury ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
BOFA Securities, Inc. 4804 Deer Lake Dr. E Jacksonville, Florida 32246	63.26%
Goldman Sachs & Co. LLC 30 Hudson Street Jersey City, New Jersey 07302	11.64%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	10.15%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	5.39%

**Amplify Inflation Fighter ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	26.61%
Goldman Sachs & Co. LLC 30 Hudson Street Jersey City, New Jersey 07302	21.04%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	15.01%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	14.87%

BOFA Securities, Inc. 4804 Deer Lake Dr. E Jacksonville, Florida 32246	7.11%
J.P. Morgan Securities LLC/JPMC 14201 Dallas Parkway Dallas, Texas 75254	6.64%

**Amplify Natural Resources Dividend Income ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	44.83%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	13.58%
Goldman Sachs & Co. LLC 30 Hudson Street Jersey City, New Jersey 07302	11.71%
BOFA Securities, Inc. 4804 Deer Lake Dr. E Jacksonville, Florida 32246	10.58%
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	6.98%

**Amplify International Enhanced Dividend Income ETF**

<b>Name and Address of Owner</b>	<b>Percentage of Record Ownership</b>
TD Ameritrade Clearing, Inc. 200 South 108th Avenue Omaha, Nebraska 68103	37.95%
J.P. Morgan Securities LLC/JPMC 14201 Dallas Parkway Dallas, Texas 75254	14.71%
Charles Schwab & Co Inc. 211 Main Street San Francisco, California 94105-1905	13.57%
National Financial Services LLC 499 Washington Boulevard Jersey City, New Jersey 07310-1995	13.18%

LPL Financial 9785 Towne Centre Drive San Diego, California 92121-1968	5.31%
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