Amplify

EXCHANGE TRADED FUNDS

# Amplify ETF Trust (the "Trust")

# Amplify YieldShares Senior Loan and Income ETF

(formerly, Amplify YieldShares Prime 5 Dividend ETF)
(the "Fund")

(Bats BZX Exchange, Inc. — YESR)

# PROSPECTUS

August 29, 2017

The Fund lists and principally trades its shares on Bats BZX Exchange, Inc. ("BATS" or the "Exchange"). Shares of the Fund trade on the Exchange at market prices that may be below, at or above the Fund's net asset value. Unlike mutual funds, the Fund issues and redeems shares at net asset value only in large specified blocks each consisting of 50,000 shares (each such block of shares called a "Creation Unit," and, collectively, the "Creation Units"). The Creation Units are issued for securities in which the Fund invests and/or cash, and redeemed for securities and/or cash, and only to and from broker-dealers and large institutional investors that have entered into participation agreements.

**The Fund is an exchange-traded index fund and except when aggregated in Creation Units, the shares are not redeemable securities of the Fund.**

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.**

**The U.S. Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

# AMPLIFY YIELDSHARES SENIOR LOAN AND INCOME ETF

## Summary Information

### INVESTMENT OBJECTIVE

The Amplify YieldShares Senior Loan and Income ETF (the "Fund") seeks investment results that generally correspond (before fees and expenses) to the price and yield of the Prime Senior Loan and Income CEF Index (the "Index").

### FUND FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund ("Shares"). Investors may pay brokerage commissions on their purchases and sales of Shares, which are not reflected in the table or the example below.

| **Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)** | |
|---|---|
| Management Fees | 0.45% |
| Distribution and Service (12b-1) Fees | 0.00% |
| Other Expenses | 0.00% |
| Acquired Fund Fees and Expenses(1) | 1.70% |
| Total Annual Fund Operating Expenses | 2.15% |

(1) Acquired Fund Fees and Expenses are estimates based on the current composition of the Index. Effective August 29, 2017, the Fund changed its Index and investment objective. As a result of these changes, Acquired Fund Fees and Expenses and Total Annual Fund Operating Expenses have been restated to reflect an estimate of the amount of Acquired Fund Fees and Expenses expected to be incurred in the current fiscal year.

### EXAMPLE

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds.

This example assumes that you invest $10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels until October 31, 2019, and thereafter to represent the imposition of the 12b-1 fee of an additional 0.25% per annum of the Fund's average daily net assets. This example does not include the brokerage commissions that investors may pay to buy and sell Shares. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

| 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
|---|---|---|---|
| $218 | $700 | $1,234 | $2,697 |

### PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Shares are held in a taxable account.

These costs, which are not reflected in Total Annual Fund Operating Expenses or in the example, may affect the Fund's performance. During the fiscal period ended October 31, 2016, the Fund's portfolio turnover rate was 59% of the average value of its portfolio.

### PRINCIPAL INVESTMENT STRATEGIES

The Fund will invest at least 80% of its total assets in the closed-end funds ("CEFs") that comprise the Index. The Fund, using an indexing investment approach, attempts to replicate, before fees and expenses, the performance of the Index. Penserra Capital Management LLC ("Penserra" or the "Sub-Adviser") serves as investment sub-adviser to the Fund. The Sub-Adviser seeks a correlation of 0.95 or better (before fees and expenses) between the Fund's performance and the performance of the Index; a figure of 1.00 would represent perfect correlation. The Index was created and is maintained by Level ETF Ventures LLC ("Level Ventures" or the "Index Provider"). The Index Provider is not affiliated with the Fund, Amplify Investments LLC (the "Adviser") or the Sub-Adviser.

The Index is designed to measure the performance of CEFs that invest in floating rate senior loans or other floating rate debt instruments, pay dividends and are listed in the United States.

*The Selection Universe*. The Index defines its CEF universe based on the following eligibility requirements:

- *Exchange Listing:* Primary listing on the NYSE ARCA, NASDAQ or BATS exchanges.
- *Liquidity Requirement:* $1 million three-month average daily value traded.
- *Assets under Management Requirement:* $100 million or greater; provided, however, the Index components with a public float of less than $150 million shall have an aggregate weighting of no more than 30% of the total Index weight, as described below.
- *Distribution Frequency Requirement:* Monthly or quarterly.
- *CEF Focus Requirement:* CEFs eligible for inclusion include those that invest at least 80% of their portfolio in senior loans or other floating rate instruments.
- *Termed Funds Requirement:* If a CEF has a stated term or liquidation date, the date must be at least one year from the selection for inclusion in the Index.

*Prime Scoring and Selection Criteria.* After defining the CEF Universe, the Index applies the following selection factors (the "Prime Score"):

- The Index ranks each CEF in the universe based on the following four factors:
  - *Distribution Rate, in ascending order (40% weight)*. The distribution rate is calculated by dividing the sum of the CEF's trailing 12-month distributions paid by the share price at the time of calculation. Distributions deemed special or extraordinary by the Index Provider will be excluded from this calculation.
  - *Premium/Discount Rate, in descending order (40% weight)*. The premium/discount rate is calculated by CEF share price premium/discount to net asset value ("NAV").
  - *Total Expense Ratio, in descending order (10% weight)*. Total expense ratio is defined as the total annual fund operating expenses, expressed as a percentage of the assets under management, as publicly disclosed by the CEF.
  - *Liquidity Value, in ascending order (10% weight)*. The liquidity value is defined as the averaged daily value of shares traded over the prior three-month period, and calculated using each day's closing share price and total shares traded, and then averaged over the time period.
- Each of the individual ranks is then multiplied by a corresponding weighting percentage described below.

After multiplying each of the rankings by their respective factors, the four factor-weighted ranks are then summed to compute a final score. Any ties are broken by the higher distribution rate. If, at the annual rebalancing date of the Index on the second Thursday of January, the Fund determines that, pursuant to the Investment Company Act of 1940, as amended (the "1940 Act"), and any rules, regulations or interpretations thereunder, a participation agreement is required in order for the Fund to own an Index constituent, and the Fund is unable to procure such participation agreement, then the Index Provider will, at the annual rebalancing date on the following Thursday, exclude the constituent. The Index Provider will then select the next eligible Index constituent.

As of July 31, 2017, the Index was comprised of 22 constituents

*Index Weightings*. The Prime Scores are summed and each respective constituent's score is divided by the summed total to determine its respective weighting in the Index. No individual constituent of the Index may exceed a 15% weighting of the Index at the time the Index is rebalanced. In addition, at the time of Index reconstitution, the sum of the weights of the Index components that have a public float of less than $150 million will be capped at 30%. The Index is rebalanced annually, but may be adjusted more frequently for specific corporate events.

For more information on the Index, please refer to the Index Provider section later in this prospectus.

*Concentration Policy*. The Fund will concentrate its investments (*i.e.*, invest more than 25% of the value of its total assets) in securities of issuers in any one industry or group of industries only to the extent that the Index reflects a concentration in that industry or group of industries. The Fund will not otherwise concentrate its investments in securities of issuers in any one industry or group of industries.

## PRINCIPAL RISKS OF INVESTING IN THE FUND

You could lose money by investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. There can be no assurance that the Fund's investment objective will be achieved.

**Active Market Risk.** Although the Shares are listed for trading on the Exchange, there can be no assurance that an active trading market for the Shares will develop or be maintained. Shares trade on the Exchange at market prices that may be below, at or above the Fund's net asset value. Securities, including the Shares, are subject to market fluctuations and liquidity constraints that may be caused by such factors as economic, political, or regulatory developments, changes in interest rates, and/or perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**Authorized Participant Concentration Risk.** Only an authorized participant (as defined in "Purchase and Sale of Shares") may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund's net asset value and possibly face delisting.

**Closed-End Funds Risk.** Shares of CEFs tend to trade at a discount from their net asset value and are subject to risks related to factors such as the manager's ability to achieve a fund's objective, market conditions affecting a fund's investments and use of leverage. The Fund and the underlying funds have management and operating expenses. You will bear not only your share of the Fund's expenses, but also the expenses of the underlying funds. By investing in other funds, the Fund incurs greater expenses that you would incur if you invested directly in the funds.

The Fund may be subject to the following risks as a result of investments and strategies pursued by the CEFs:

*Anti-Takeover Provision Risk:* The organizational documents of certain of the CEFs include provisions that could limit the ability of other entities or persons to acquire control of the CEF or to change the composition of its board, which could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the CEF.

*Counterparty Risk:* To the extent that a CEF engages in derivative transactions, it will be subject to credit risk with respect to the counterparties. The CEF may obtain only a limited or no recovery or may experience significant delays in obtaining recovery under derivative contracts if a counterparty experiences financial difficulties and becomes bankrupt or otherwise fails to perform its obligations under a derivative contract.

*Credit Risk:* Credit risk is the risk that issuers or guarantors of debt instruments or the counterparty to a derivatives contract, repurchase agreement or loan of portfolio securities is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. Debt instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings. There is the chance that any of a CEF's portfolio holdings will have its credit ratings downgraded or will default (fail to make scheduled interest or principal payments), potentially reducing the CEF's income level and share price.

*Currency Risk:* A CEF may invest in non-U.S. dollar denominated securities of foreign issuers. Because a CEF's NAV is determined in U.S. dollars, the CEF's NAV could decline if the currency of the non-U.S. market in which a CEF invests depreciates against the U.S. dollar, even if the value of the CEF's holdings, measured in the foreign currency, increases.

*Derivatives Risk:* A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the counterparty to certain derivative transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which the derivative relates, and risks that the derivative instruments may not be liquid.

*Discount Risk:* The shares of many closed-end funds, after their initial public offering, frequently trade at a price per share that is less than the net asset value per share, the difference representing the "market discount" of such shares. This discount may wide if the closed-end fund's portfolio becomes less liquid. The market discount may also be due in part to the investment objective of long-term appreciation, which is sought by many closed-end funds, as well as to the fact that the shares of closed-end funds are not redeemable by the holder upon demand to the issuer at the next determined net asset value, but rather, are subject to supply and demand in the secondary market. A relative lack of secondary market purchasers of closed-end fund shares also may contribute to such shares trading at a discount to their net asset value.

*Floating Rate Risk:* The senior loans and other debt instruments in which the CEFs invest will have floating rates. The market for floating rate loans may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods. Investments in floating rate loans are typically in the form of an assignment or participation. Investors in a loan participation assume the credit risk associated with the borrower and may assume the credit risk associated with an interposed financial intermediary. Accordingly, if a lead lender becomes insolvent or a loan is foreclosed, a CEF could experience delays in receiving payments or suffer a loss. In an assignment, a CEF effectively becomes a lender under the loan agreement with the same rights and obligations as the assigning bank or other financial intermediary. Accordingly, if the loan is foreclosed, a CEF could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. Floating rate loans may be senior or junior loans. Due to their lower place in the borrower's capital structure and possible unsecured status, junior loans involve a higher degree of overall risk than senior loans of the same borrower. In addition, the floating rate feature of loans means that floating rate loans will not generally experience capital appreciation in a declining interest rate environment. Declines in interest rates may also increase prepayments of debt obligations and require the Fund to invest assets at lower yields. Floating rate loans generally are subject to extended settlement periods in excess of seven days, which may impair a CEF's ability to sell or realize the full value of its loans in the event of a need to liquidate such loans.

*Illiquid Securities Risk:* CEFs are not limited in their ability to invest in illiquid securities. Securities with reduced liquidity involve greater risk than securities with more liquid markets. Market quotations for securities not traded on national exchanges may vary over time, and if the credit quality of a fixed-income security unexpectedly declines, secondary trading of that security may decline for a period of time. In the event that a CEF voluntarily or involuntarily liquidates portfolio assets during periods of infrequent trading, it may not receive full value for those assets.

*Interest Rate Risk:* The value of fixed income securities by the CEFs will generally fall if interest rates, in general, rise. Typically, fixed-income securities with longer periods before maturity are more sensitive to interest rate changes. In addition, the duration of a bond will also affect its price sensitivity to interest rate changes. For example, if a bond has a duration of five years and interest rates go up by 1%, it can be expected that the bond price will move down by 5%. A CEF may be subject to greater risk of rising interest rates than would normally be the case due to the current period of historically low rates.

*Leverage Risk:* Leverage may result from ordinary borrowings, or may be inherent in the structure of certain CEF investments such as derivatives. If the prices of those investments decrease, or if the cost of borrowing exceeds any increase in the prices of those investments, the NAV of the CEF's Shares will decrease faster than if the CEF had not used leverage. To repay borrowings, an CEF may have to sell investments at a time and at a price that is unfavorable to the Underlying Fund. Interest on borrowings is an expense the CEF would not otherwise incur. Leverage magnifies the potential for gain and the risk of loss. If a CEF uses leverage, there can be no assurance that the Underlying Fund's leverage strategy will be successful.

*Management Risk:* CEFs are subject to management risk because they are actively managed portfolios. A CEF's investment adviser will apply investment techniques and risk analyses in making investment decisions for the CEF, but there can be no guarantee that the CEF will meet its investment objective.

*Senior Loans Risk:* Senior loans generally are of below investment-grade or "junk" credit quality, may be unrated at the time of investment, may be floating rate instruments in which the interest rate payable on the obligations fluctuates on a periodic basis based upon changes in the base lending rate, generally are not registered with the SEC or any state securities commission, and generally are not listed on any securities exchange. The amount of public information available on senior loans generally will be less extensive than that available for other types of assets. High yield or non-investment grade securities (commonly referred to as "junk bonds") and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations and are generally considered to be speculative. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the non investment grade securities markets generally, real or perceived adverse economic and competitive industry conditions and less secondary market liquidity. If the issuer of non investment grade securities defaults, a CEF may incur additional expenses to seek recovery.

**Cyber Security Risk.** As the use of Internet technology has become more prevalent in the course of business, the Fund has 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 the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund 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 the 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 the Fund's third party service providers, such as its administrator, transfer agent, custodian, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**Equity Securities Risk.** The CEFs in which the Fund invests are equity securities. The value of the Shares will fluctuate with changes in the value of these equity securities. 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 stock market, such as the current market volatility, or when political or economic events affecting the issuers occur.

**Dividends Risk.** There is no guarantee that the CEFs or issuers of the underlying securities will declare dividends in the future and, if declared, whether they will remain at current levels or increase over time.

**Fluctuation of Net Asset Value Risk.** The Fund is generally subject to liquidity risk that may affect the market for Shares as compared to the underlying value of the Fund's investments. The net asset value of Shares will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of Shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for Shares on the Exchange. The Fund cannot predict whether Shares will trade below, at or above their net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. If a shareholder purchases at a time when the market price is at a premium to the net asset value of the Shares, or sells at a time when the market price is at a discount to the net asset value of the Shares, the shareholder may sustain losses.

**Fund of Funds Risk.** Because the Fund is a fund of funds, its investment performance largely depends on the investment performance of the CEFs in which it invests. An investment in the Fund is subject to the risks associated with the CEFs that comprise the Index. The Fund will pay indirectly a proportional share of the fees and expenses of the CEFs in which it invests, including their investment advisory and administration fees, in addition to its own fees and expenses. In addition, at times certain segments of the market represented by constituent CEFs may be out of favor and underperform other segments.

**Index Risk.** The Fund is not actively managed. The Fund invests in securities included in its Index regardless of their investment merit. Unlike many investment companies, the Fund does not utilize an investing strategy that seeks returns in excess of the Index. Therefore, it would not necessarily buy or sell a security unless that security is added or removed, respectively, from the Index, even if that security generally is underperforming. In addition, the Fund will not time the annual rebalancing of the Index with the ex-dividend payment dates of the underlying securities of the CEFs included in the Index.

**Industry Concentration Risk.** The CEFs in which the Fund invests may be concentrated to a significant degree in a single industry or sector. A CEF concentrated in a single industry or sector presents more risks than a fund that is broadly diversified over several industries or sectors. To the extent that the Index concentrates in the securities of issuers in a particular industry or sector, the Fund will also concentrate its investments to approximately the same extent. By concentrating its investments in an industry or sector, the Fund may face more risks than if it were diversified broadly over numerous industries or sectors.

**Market Capitalization Risk.** The CEFs in which the Fund invests may invest in senior loans of large, mid and small capitalization companies. As a result, the Fund may be exposed to additional risk associated with mid and small capitalization companies. Generally, the Fund considers a large capitalization stock to have a market capitalization exceeding $10 billion, a mid capitalization stock to have a market capitalization range of $2 billion to $10 billion, and a small capitalization stock to have a market capitalization range of $300 million to $2 billion. Increased exposure to mid and/or small capitalization companies may cause the Fund to be more vulnerable to adverse general market or economic developments because such securities may be less liquid and subject to greater price volatility than those of larger, more established companies. Such companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. In addition, they may be more vulnerable to adverse general market or economic developments.

**Market Risk.** Market risk is the risk that a particular security owned by the Fund or the Shares in general may fall in value. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall security values could decline generally or could underperform other investments.

**New Fund Risk.** The Fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected. Also, during the initial invest-up period, the Fund may depart from its principal investment strategies and invest a larger amount or all of its assets in cash equivalents, or it may hold cash.

**Non-Correlation Risk.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index, and incurs costs in buying and selling securities, especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Index. In addition, the performance of the Fund and the Index may vary due to asset valuation differences and differences between the Fund's portfolio and the Index resulting from legal restrictions, cost or liquidity constraints.

**Non-Diversification Risk.** Because the Fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund. This may increase the Fund's volatility and cause the performance of a relatively small number of issuers to have a greater impact on the Fund's performance.

**Portfolio Turnover Risk.** During the period of the Fund's transition from the Prime 5 US Dividend ETF Index to the Prime Senior Loan and Income CEF Index, the Fund will likely incur a material increase in portfolio turnover as securities included in the new Index are purchased and securities included in the old index are sold. High portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

**Trading Issues Risk.** Although Shares are listed for trading on BATS, there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on BATS may be halted due to market conditions or for reasons that, in the view of BATS, make trading in Shares inadvisable. In addition, trading in Shares on BATS is subject to trading halts caused by extraordinary market volatility pursuant to BATS "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's Shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of BATS necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on BATS in the event the Fund's assets are small or the Fund does not have enough shareholders.

**The Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective.**

## PERFORMANCE

The Fund commenced operations on September 21, 2016, and therefore does not have performance history for a full calendar year. The Fund's performance information is only shown in the Fund summary when the Fund has had a full calendar year of operations.

## MANAGEMENT OF THE FUND

*Investment Adviser.* Amplify Investments LLC (the "Adviser").

*Sub-Adviser.* Penserra Capital Management LLC ("Penserra" or the "Sub-Adviser").

*Portfolio Managers.* 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 the Fund. Ernesto Tong, CFA and Anand Desai, each a portfolio manager of Penserra, serve as portfolio managers of the Fund and assist with the day-to-day management of the Fund. Messrs. Lewellyn, Tong and Desai have managed the Fund since inception.

*Manager of Managers Structure.* The Fund and the Adviser have received an exemptive order from the SEC to operate under a manager of managers structure that permits the Adviser, with the approval of the Board (as defined below), to appoint and replace sub-advisers, enter into sub-advisory agreements, and materially amend and terminate sub-advisory agreements on behalf of the Fund without shareholder approval (the "Manager of Managers Structure"). Under the Manager of Managers Structure, the Adviser has ultimate responsibility, subject to oversight by the Board, for overseeing the Fund's sub-adviser(s) and recommending to the Board the hiring, termination, or replacement of any such sub-adviser(s)—including Penserra, in its capacity as the Sub-Adviser. The exemptive order does not apply to any sub-adviser that is affiliated with the Fund or the Adviser.

The Manager of Managers Structure enables the Fund to operate with greater efficiency and without incurring the expense and delays associated with obtaining shareholder approvals for matters relating to sub-advisers or sub-advisory agreements. The Manager of Managers Structure does not permit an increase in the overall management and advisory fees payable by the Fund without shareholder approval. Shareholders will be notified of any changes made to sub-advisers or sub-advisory agreements within 90 days of the changes.

## PURCHASE AND SALE OF SHARES

The Fund issues and redeems Shares at net asset value ("NAV") only with authorized participants ("APs") that have entered into agreements with the Fund's distributor and only in Creation Units (large blocks of 50,000 Shares) or multiples thereof ("Creation Unit Aggregations"), in exchange for the deposit or delivery of a basket of securities in which the Fund invests and/or cash. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.

Individual Shares may be purchased and sold only on a national securities exchange through brokers. Shares are expected to be listed for trading on the Exchange and because the Shares will trade at market prices rather than NAV, Shares may trade at prices greater than NAV (at a premium), at NAV, or less than NAV (at a discount).

## TAX INFORMATION

The Fund's distributions will generally be taxable as ordinary income or capital gains. A sale of Shares may result in capital gain or loss.

## PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank), the Adviser and Quasar Distributors LLC, the Fund's distributor, may pay the intermediary for the sale of Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Additional Information About the Fund's Strategies and Risks

## PRINCIPAL INVESTMENT STRATEGIES

The Fund is a series of the Trust, an investment company and an exchange-traded "index fund." The investment objective of the Fund is to seek investment results that correspond to the price and yield (before the Fund's fees and expenses) of the Index. The Fund will invest at least 80% of its total assets in the CEFs that comprise the Index. The Fund's investment objective, the 80% investment strategy and each of the policies described herein are non-fundamental policies that may be changed by the Board of Trustees of the Trust (the "Board") without shareholder approval. As non-fundamental policies, the Fund's investment objective and the 80% investment strategy require 60 days' prior written notice to shareholders before they can be changed. Certain fundamental policies of the Fund are set forth in the Fund's Statement of Additional Information ("SAI") under "Investment Objective and Policies."

The Fund uses an "indexing" investment approach to attempt to replicate, before fees and expenses, the performance of the Index. The Sub-Adviser seeks correlation over time of 0.95 or better between the Fund's performance and the performance of the Index; a figure of 1.00 would represent perfect correlation. Another means of evaluating the relationship between the returns of the Fund and the Index is to assess the "tracking error" between the two. Tracking error means the variation between the Fund's annual return and the return of the Index, expressed in terms of standard deviation. The Fund seeks to have a tracking error of less than 5%, measured on a monthly basis over a one-year period by taking the standard deviation of the difference in the Fund's returns versus the Index's returns.

The Fund generally invests in all of the securities comprising the Index in proportion to the weightings of the securities in the Index. However, under various circumstances, it may not be possible or practicable to purchase all of those securities in those same weightings. In those circumstances, the Fund may purchase a sample of securities in the Index.

Additional information about the construction of the Index is set forth below in the section entitled "Index Provider."

# Fund Investments

## EQUITY SECURITIES

The Fund and the CEFs in which the Fund invests invest in equity securities. Equity securities represent an ownership position in a company. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic, and other conditions.

## INVESTMENT COMPANIES

The Fund will principally invest in securities of CEFs. CEFs are managed registered investment companies which invest in various types of securities. CEFs issue shares of common stock that are traded on a securities exchange. The Fund's ability to invest in other investment companies is limited by the 1940 Act and the related rules and interpretations. CEFs trade on a securities exchange and their shares may, at times, trade at a premium or discount to their net asset value.

As a shareholder in a pooled investment vehicle, the Fund will bear its ratable share of that vehicle's expenses, and would remain 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 Fund invests in other pooled investment vehicles. In addition, the Fund will incur brokerage costs when purchasing and selling shares of CEFs. Securities of other pooled investment vehicles may be leveraged, in which case the value and/or yield of such securities will tend to be more volatile than securities of unleveraged vehicles.

## SENIOR AND FLOATING RATE LOANS

The CEFs in which the Fund invests will invest in floating rate senior loans and other floating rate debt securities. Senior loans represent debt obligations of sub-investment grade corporate borrowers, similar to high yield bonds. High yield or non-investment grade securities (commonly referred to as "junk bonds") and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations and are generally considered to be speculative; however, senior loans are different from traditional high yield bonds in that senior loans are typically senior to other obligations of the borrower and secured by the assets of the borrower.

Senior loans rank at the top of a borrower's capital structure in terms of priority of payment, ahead of any subordinated debt (high yield) or the borrower's common equity. These loans are also secured, as the holders of these loans have a lien on most if not all of the corporate borrower's plant, property, equipment, receivables, cash balances, licenses, trademarks, etc. Furthermore, the corporate borrower of senior loans executes a credit agreement that typically restricts what it can do (debt incurrence, asset dispositions, etc.) without the lenders' approval, and, in addition, may require the borrower to meet certain ongoing financial covenants. Finally, senior loans typically pay interest at rates which are determined periodically on the basis of a floating base lending rate, primarily the LIBOR, plus a premium. Senior loans are typically made to U.S. and, to a lesser extent, non-U.S. corporations, partnerships and other business entities which operate in various industries and geographical regions. Borrowers may obtain these loans to, among other reasons, refinance existing debt and for acquisitions, dividends, leveraged buyouts, and general corporate purposes. Senior floating rate loans are made to companies whose debt is rated below investment grade. Senior floating rate loans typically hold or share a first lien priority and pay interest at rates which are determined periodically on the basis of a floating base lending rate, primarily the LIBOR, plus a premium.

In certain circumstances, senior loans may not be deemed to be securities under certain federal securities laws. Therefore, in the event of fraud or misrepresentation by a borrower or an arranger, lenders and purchasers of interests in senior loans, may not have the protection of the anti-fraud provisions of the federal securities laws as would otherwise be available for bonds or stocks. Instead, in such cases, parties generally would rely on the contractual provisions in the senior loan agreement itself and common-law fraud protections under applicable state law. The amount of public information available with respect to senior loans may be less extensive than that available for registered or exchange-listed securities

## CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

The Fund may invest in securities with maturities of less than one year or cash equivalents, or it may hold cash. The percentage of the Fund invested in such holdings varies and depends on several factors, including market conditions. During the initial invest-up period and for temporary defensive purposes, the Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or it may hold cash. During such periods, the Fund may not be able to achieve its investment objective. For more information on eligible short-term investments, see the SAI.

## PRINCIPAL RISKS OF INVESTING IN THE FUND

The following provides additional information about certain of the principal risks identified under "Principal Risks of Investing in the Fund" in the Fund's "Summary Information" section.

Risk is inherent in all investing. Investing in the Fund involves risk, including the risk that you may lose all or part of your investment. There can be no assurance that the Fund will meet its stated objectives. Before you invest, you should consider the following risks in addition to the Principal Risks set forth above in this prospectus.

**Active Market Risk.** Although the Shares are listed for trading on the Exchange, there can be no assurance that an active trading market for the Shares will develop or be maintained. Shares trade on the Exchange at market prices that may be below, at or above the Fund's net asset value. Securities, including the Shares, are subject to market fluctuations and liquidity constraints that may be caused by such factors as economic, political, or regulatory developments, changes in interest rates, and/or perceived trends in securities prices. Shares of the Fund could decline in value or underperform other investments.

**Authorized Participant Concentration Risk.** Only an authorized participant (as defined in "Purchase and Sale of Shares") may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the Fund and no other authorized participant is able to step forward to create or redeem, in either of these cases, Fund shares may trade at a discount to the Fund's net asset value and possibly face delisting.

**Closed-End Funds Risk.** Shares of CEFs tend to trade at a discount from their net asset value and are subject to risks related to factors such as the manager's ability to achieve a fund's objective, market conditions affecting a fund's investments and use of leverage. The Fund and the underlying funds have management and operating expenses. You will bear not only your share of the Fund's expenses, but also the expenses of the underlying funds. By investing in other funds, the Fund incurs greater expenses that you would incur if you invested directly in the funds. The Fund may be subject to the following risks as a result of investments and strategies pursued by the CEFs:

*Anti-Takeover Provision Risk:* The organizational documents of certain of the CEFs include provisions that could limit the ability of other entities or persons to acquire control of the CEF or to change the composition of its board, which could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the CEF.

*Counterparty Risk:* To the extent that a CEF engages in derivative transactions, it will be subject to credit risk with respect to the counterparties. The CEF may obtain only a limited or no recovery or may experience significant delays in obtaining recovery under derivative contracts if a counterparty experiences financial difficulties and becomes bankrupt or otherwise fails to perform its obligations under a derivative contract.

*Credit Risk:* Credit risk is the risk that issuers or guarantors of debt instruments or the counterparty to a derivatives contract, repurchase agreement or loan of portfolio securities is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. Debt instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings. There is the chance that any of a CEF's portfolio holdings will have its credit ratings downgraded or will default (fail to make scheduled interest or principal payments), potentially reducing the fund's income level and share price.

*Currency Risk:* A CEF may invest in non-U.S. dollar denominated securities of foreign issuers. Because a CEF's NAV is determined in U.S. dollars, the CEF's NAV could decline if the currency of the non-U.S. market in which a CEF invests depreciates against the U.S. dollar, even if the value of the CEF's holdings, measured in the foreign currency, increases.

*Derivatives Risk:* A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the counterparty to certain derivative transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which the derivative relates, and risks that the derivative instruments may not be liquid.

The CEFs may invest in, or enter into, derivatives such as forward contracts, options, futures contracts, options on futures contracts and swap agreements. The CEFs may engage in such derivatives transactions to gain exposure to, for example, certain securities, markets or asset classes, to hedge the CEF's positions in or exposure to securities, currencies or other instruments, to equitize cash positions in the CEF's portfolio, or to enhance the CEF's return. Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as over-the-counter ("OTC") derivatives. Exchange-traded derivatives generally are guaranteed by the clearing agency which is the issuer or counterparty to such derivatives. Each party to an OTC derivative bears the risk that the counterparty will default. OTC derivatives are less liquid than exchange-traded derivatives since the other party to the transaction may be the only investor with sufficient understanding of the derivative to be interested in bidding for it.

Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on a CEF's performance. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Successful use of derivatives also is subject to the ability of the CEF's manager to predict correctly movements in the direction of the relevant market and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the derivatives.

*Discount Risk:* The shares of many closed-end funds, after their initial public offering, frequently trade at a price per share that is less than the net asset value per share, the difference representing the "market discount" of such shares. This discount may wide if the closed-end fund's portfolio becomes less liquid. The market discount may also be due in part to the investment objective of long-term appreciation, which is sought by many closed-end funds, as well as to the fact that the shares of closed-end funds are not redeemable by the holder upon demand to the issuer at the next determined net asset value, but rather, are subject to supply and demand in the secondary market. A relative lack of secondary market purchasers of closed-end fund shares also may contribute to such shares trading at a discount to their net asset value.

*Floating Rate Risk.* The senior loans and other debt instruments in which the CEFs invest will have floating rates. The market for floating rate loans may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods. A CEF's investment in loans may take the form of a participation or an assignment. Loan participations typically represent direct participation in a loan to a borrower, and generally are offered by financial institutions or lending syndicates. A CEF may participate in such syndications, or can buy part of a loan, becoming a part lender. When purchasing loan participations, a CEF assumes the credit risk associated with the borrower and may assume the credit risk associated with an interposed financial intermediary. If the lead lender in a typical lending syndicate becomes insolvent, enters Federal Deposit Insurance Corporation ("FDIC") receivership or, if not FDIC insured, enters into bankruptcy, a CEF may incur certain costs and delays in receiving payment or may suffer a loss of principal and/or interest. When a CEF is a purchaser of an assignment, it succeeds to all the rights and obligations under the loan agreement of the assigning bank or other financial intermediary and becomes a lender under the loan agreement with the same rights and obligations as the assigning bank or other financial intermediary. For example, if a loan is foreclosed, a CEF could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Floating rate loans are also subject to prepayment risk. Borrowers may pay off their loans sooner than expected particularly when interest rates are falling. A CEF investing in such securities will be forced to reinvest this money at lower yields, which can reduce the CEF's returns. Similarly, debt obligations with call features have the risk that an issuer will exercise the right to pay an obligation (such as a mortgage-backed security) earlier than expected. Pre-payment and call risk typically occur when interest rates are declining. Conversely, when interest rates are rising, the duration of such securities tends to extend, making them more sensitive to changes in interest rates. This is sometimes referred to as extension risk.

Floating rate loans generally are subject to restrictions on transfer, and a CEF may be unable to sell its bank loans at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than their fair market value. A CEF may find it difficult to establish a fair value for loans it holds. In addition, floating rate loans generally are subject to extended settlement periods in excess of seven days, which may impair a CEF's ability to sell or realize the full value of its loans in the event of a need to liquidate such loans. A CEF has established a line of credit facility to assist with cash flow management and liquidity.

A loan may not be fully collateralized and can decline significantly in value. In addition, a CEF's access to collateral may be limited by bankruptcy or other insolvency laws. Further, loans held by a CEF may not be considered securities and, therefore, purchasers, such as a CEF, may not be entitled to rely on the anti-fraud protections of the federal securities laws.

If a CEF acquires a participation in a loan, the CEF may not be able to control the exercise of remedies that the lender would have under the loan and likely would not have any rights against the borrower directly. Loans made to finance highly leveraged corporate acquisitions may be especially vulnerable to adverse changes in economic or market conditions. A loan may also be in the form of a bridge loan, which are designed to provide temporary or "bridge" financing to a borrower, pending the sale of identified assets or the arrangement of longer-term loans or the issuance and sale of debt obligations. A borrower's use of a bridge loan involves a risk that the borrower may be unable to locate permanent financing to replace the bridge loan, which may impair the borrower's perceived creditworthiness.

*Illiquid Securities Risk:* No one can guarantee that a liquid trading market will exist for any security. The CEFs may invest in restricted securities and other investments that may be illiquid. Illiquid securities are securities that are not readily marketable and may include some restricted securities, which are securities that may be unregistered or may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. Illiquid investments involve the risk that the securities will not be able to be sold at the time desired by a CEF or at prices approximating the value at which the CEF is carrying the securities on its books.

CEFs are not limited in their ability to invest in illiquid securities. Securities with reduced liquidity involve greater risk than securities with more liquid markets. Market quotations for securities not traded on national exchanges may vary over time, and if the credit quality of a fixed-income security unexpectedly declines, secondary trading of that security may decline for a period of time. In the event that a CEF voluntarily or involuntarily liquidates portfolio assets during periods of infrequent trading, it may not receive full value for those assets.

There may be limited trading in the shares of CEFs. This may make it more difficult to purchase or sell a large number of a CEF's shares at any one time.

*Interest Rate Risk:* The value of fixed income securities held by CEFs will generally fall if interest rates, in general, rise. Typically, fixed income securities with longer periods before maturity are more sensitive to interest rate changes. In addition, the duration of a bond will also affect its price sensitivity to interest rate changes. For example, if a bond has a duration of five years and interest rates go up by 1%, it can be expected that the bond price will move down by 5%. A CEF may be subject to greater risk of rising interest rates than would normally be the case due to the current period of historically low rates.

*Leverage Risk:* Leverage may result from ordinary borrowings, or may be inherent in the structure of certain CEF investments such as derivatives. If the prices of those investments decrease, or if the cost of borrowing exceeds any increase in the prices of those investments, the net asset value of the CEF's shares will decrease faster than if the CEF had not used leverage. To repay borrowings, a CEF may have to sell investments at a time and at a price that is unfavorable to the CEF. Interest on borrowings is an expense the CEF would not otherwise incur. Leverage magnifies the potential for gain and the risk of loss. If a CEF uses leverage, there can be no assurance that the CEF's leverage strategy will be successful.

*Management Risk:* CEFs are subject to management risk because they are actively managed portfolios. A CEF's investment adviser will apply investment techniques and risk analyses in making investment decisions for the CEF, but there can be no guarantee that the CEF will meet its investment objective.

*Senior Loan Risk:* An investment in CEFs investing in loans subjects the Fund to credit risk, which is heightened for bank loans in which the CEFs invests because companies that issue such loans tend to be highly leveraged and thus are more susceptible to the risks of interest deferral, default and/or bankruptcy. Senior loans in which a CEF may invest are usually rated below investment grade but may also be unrated. As a result, the risks associated with these senior loans are similar to the risks of high yield fixed income instruments. An economic downturn would generally lead to a higher non-payment rate, and a senior loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior loan may decline in value or become illiquid, which would adversely affect the senior loan's value. Unlike the securities markets, there is no central clearinghouse for loan trades, and the loan market has not established enforceable settlement standards or remedies for failure to settle. Therefore, portfolio transactions in senior loans may have uncertain settlement time periods. Senior loans are subject to a number of risks described elsewhere in this prospectus, including liquidity risk and the risk of investing in below investment grade fixed income instruments. Furthermore, increases in interest rates may result in greater volatility of senior loans and average duration may fluctuate with fluctuations in interest rates. High yield or non-investment grade securities (commonly referred to as "junk bonds") and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations and are generally considered to be speculative. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the non-investment grade securities markets generally, real or perceived adverse economic and competitive industry conditions and less secondary market liquidity. If the issuer of non-investment grade securities defaults, a CEF may incur additional expenses to seek recovery.

**Cyber Security Risk.** As the use of Internet technology has become more prevalent in the course of business, the Fund has 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 the Fund to lose proprietary information, suffer data corruption or lose operational capacity. Such events could cause the Fund 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 the 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 the Fund's third party service providers, such as its administrator, transfer agent, custodian, or issuers in which the Fund invests, can also subject the Fund to many of the same risks associated with direct cyber security breaches. The Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers or third party service providers.

**Equity Securities Risk.** The CEFs in which the Fund invests are equity securities. The value of the Shares will fluctuate with changes in the value of these equity securities. 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 stock market, such as the current market volatility, or when political or economic events affecting the issuers occur.

**Dividends Risk.** There is no guarantee that the CEFs or issuers of the underlying securities will declare dividends in the future and, if declared, whether they will remain at current levels or increase over time.

**Fluctuation of Net Asset Value Risk.** The Fund is generally subject to liquidity risk that may affect the market for Shares as compared to the underlying value of the Fund's investments. The net asset value of Shares will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of Shares will generally fluctuate in accordance with changes in net asset value as well as the relative supply of and demand for Shares on the Exchange. The Fund cannot predict whether Shares will trade below, at or above their net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the holdings of the Fund trading individually or in the aggregate at any point in time. If a shareholder purchases at a time when the market price is at a premium to the net asset value of the Shares, or sells at a time when the market price is at a discount to the net asset value of the Shares, the shareholder may sustain losses. However, given that Shares can only be purchased and redeemed in Creation Units, and only to and from broker-dealers and large institutional investors that have entered into participation agreements (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Fund believes that large discounts or premiums to the net asset value of Shares should not be sustained.

**Fund of Funds Risk.** Because the Fund is a fund of funds, its investment performance largely depends on the investment performance of the CEFs in which it invests. An investment in the Fund is subject to the risks associated with the CEFs that comprise the Index. The Fund will pay indirectly a proportional share of the fees and expenses of the CEFs in which it invests, including their investment advisory and administration fees, in addition to its own fees and expenses. In addition, at times certain segments of the market represented by constituent CEFs may be out of favor and underperform other segments.

**Index Risk.** The Fund is not actively managed. The Fund invests in securities included in its Index regardless of their investment merit. Unlike many investment companies, the Fund does not utilize an investing strategy that seeks returns in excess of the Index. Therefore, it would not necessarily buy or sell a security unless that security is added or removed, respectively, from the Index, even if that security generally is underperforming. In addition, the Fund will not time the annual rebalancing of the Index with the ex-dividend payment dates of the underlying securities of the CEFs included in the Index.

**Industry Concentration Risk.** The CEFs in which the Fund invests may be concentrated to a significant degree in a single industry or sector. In following its methodology, the Index from time to time may be concentrated to a significant degree in securities of issuers located in a single industry or sector. To the extent that the Index concentrates in the securities of issuers in a particular industry or sector, the Fund will also concentrate its investments to approximately the same extent. By concentrating its investments in an industry or sector, the Fund may face more risks than if it were diversified broadly over numerous industries or sectors. Such industry-based risks, any of which may adversely affect the companies in which the Fund invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect supply and demand in a particular industry competition for resources, adverse labor relations, political or world events; obsolescence of technologies; and increased competition or new product introductions that may affect the profitability or viability of companies in an industry. In addition, at times, such industry or sector may be out of favor and underperform other industries or the market as a whole.

**Market Capitalization Risk.** The CEFs in which the Fund invests may invest in senior loans of large, mid and small capitalization companies. As a result, the Fund may be exposed to additional risk associated with mid and small capitalization companies. Generally, the Fund considers a large capitalization stock to have a market capitalization exceeding $10 billion, a mid capitalization stock to have a market capitalization range of $2 billion to $10 billion, and a small capitalization stock to have a market capitalization range of $300 million to $2 billion. Increased exposure to mid and/or small capitalization companies may cause the Fund to be more vulnerable to adverse general market or economic developments because such securities may be less liquid and subject to greater price volatility than those of larger, more established companies. Such companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. In addition, they may be more vulnerable to adverse general market or economic developments.

**Market Risk.** Securities in the Index are subject to market fluctuations. You should anticipate that the value of the Shares will decline, more or less, in correlation with any decline in value of the securities in the Index. A significant percentage of the Index may be composed of issuers in a single industry or sector of the economy. If the Fund is focused in an industry or sector, the Fund may face more risks than if it were broadly diversified over numerous industries and sectors of the economy. At times, such industry or sector may be out of favor and underperform other industries or sectors or the market as a whole.

**New Fund Risk.** The Fund currently has fewer assets than larger funds, and like other relatively new funds, large inflows and outflows may impact the Fund's market exposure for limited periods of time. This impact may be positive or negative, depending on the direction of market movement during the period affected. Also, during the initial invest-up period, the Fund may depart from its principal investment strategies and invest a larger amount or all of its assets in cash equivalents, or it may hold cash.

**Non-Correlation Risk.** The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs operating expenses not applicable to the Index and incurs costs in buying and selling securities, especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Index. In addition, the performance of the Fund and the Index may vary due to asset valuation differences and differences between the Fund's portfolio and the Index resulting from legal restrictions, cost or liquidity constraints. The Fund may fair value certain of the securities it holds. The Fund may value portfolio securities traded on a foreign exchange using fair value when an event occurs after the close of the exchange that is likely to have changed the value of the securities. To the extent the Fund calculates its NAV based on fair value prices, the Fund's ability to track the Index may be adversely affected. Since the Index is not subject to the tax diversification requirements to which the Fund must adhere, the Fund may be required to deviate its investments from the securities and relative weightings of the Index.

**Non-Diversification Risk.** Because the Fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund. This may increase the Fund's volatility and cause the performance of a relatively small number of issuers to have a greater impact on the Fund's performance.

**Trading Issues Risk.** Although the Shares are listed for trading on BATS, there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on BATS may be halted due to market conditions or for reasons that, in the view of BATS, make trading in Shares inadvisable. In addition, trading in Shares on BATS is subject to trading halts caused by extraordinary market volatility pursuant to BATS "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's Shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. There can be no assurance that the requirements of BATS necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on BATS in the event the Fund's assets are small or the Fund does not have enough shareholders.

## ADDITIONAL RISKS OF INVESTING IN THE FUND

The following section provides additional risk information regarding investing in the Fund.

**Concentration Risk.** The Fund will be concentrated in the securities of an individual industry if the Fund's corresponding Index is concentrated in an individual industry or geographical region. A concentration makes the Fund more susceptible to any single occurrence affecting the industry or region and may subject the Fund to greater market risk than more diversified funds.

**Inflation Risk.** Inflation may reduce the intrinsic value of increases in the value of the Fund. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Fund's assets can decline as can the value of the Fund's distributions.

**Legislation and Litigation Risk.** Legislation or litigation that affects the value of securities held by the Fund may reduce the value of the Fund. From time to time, various legislative initiatives are proposed that may have a negative impact on certain securities in which the Fund invests. In addition, litigation regarding any of the securities owned by the Fund may negatively impact the value of the Shares. Such legislation or litigation may cause the Fund to lose value or may result in higher portfolio turnover if the Adviser determines to sell such a holding.

**Security Issuer Risk.** Issuer-specific attributes may cause a security held by the Fund to be more volatile than the market generally. The value of an individual security or particular type of security may be more volatile than the market as a whole and may perform differently from the value of the market as a whole.

# Tax-Advantaged Structure of ETFs

Unlike interests in conventional mutual funds, which typically are bought and sold only at closing NAVs, the Shares are traded throughout the day in the secondary market on a national securities exchange and are created and redeemed principally in-kind in Creation Units at each day's next calculated NAV. These in-kind arrangements are designed to protect ongoing shareholders from the adverse effects on the portfolio of the Fund that could arise from frequent cash redemption transactions. In a conventional mutual fund, redemptions can have an adverse tax impact on taxable shareholders because of the mutual fund's need to sell portfolio securities to obtain cash to meet fund redemptions. These sales may generate taxable gains for the shareholders of the mutual fund, whereas the Shares' in-kind redemption mechanism generally will not lead to a tax event for the Fund or its ongoing shareholders.

# Portfolio Holdings

A description of the Trust's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Fund's SAI, which is available at www.amplifyetfs.com.

# Management of the Fund

## FUND ORGANIZATION

The Fund is a series of the Trust, an investment company registered under the 1940 Act. The Fund is treated as a separate fund with its own investment objective and policies. The Trust is organized as a Massachusetts business trust. Its Board is responsible for the overall management and direction of the Trust. The Board elects the Trust's officers and approves all significant agreements, including those with the Adviser, Sub-Adviser, custodian and fund administrative and accounting agent.

Amplify Investments LLC (the "Adviser") is a registered investment adviser with its offices at 310 South Hale Street, Wheaton, Illinois 60187.

Penserra Capital Management LLC (the "Sub-Adviser") is a registered investment adviser with its offices at 4 Orinda Way, Suite 100-A, Orinda, California 94563. The Sub-Adviser provides investment advisory services to ten other exchange-traded funds as of the date of this prospectus.

The Sub-Adviser has overall responsibility for selecting and continuously monitoring the Fund's investments. The Adviser has overall responsibility for overseeing the investment of the Fund's assets, managing the Fund's business affairs and providing certain clerical, bookkeeping and other administrative services for the Trust. Dustin Lewellyn, CFA, Chief Investment Officer of the Sub-Adviser, has primary responsibility for the day-to-day management of the Fund. Ernesto Tong, CFA and Anand Desai, each a portfolio manager of the Sub-Adviser, serve as portfolio managers of the Fund and assist with the day-to-day management of the Fund. Messrs. Lewellyn, Tong and Desai have managed the Fund since inception.

*Dustin Lewellyn, CFA.* Mr. Lewellyn has extensive background in institutional investment process with a specific focus on exchange-traded funds ("ETFs"), such as the Fund. Mr. Lewellyn was a portfolio manager at BGI (now part of Blackrock), and he managed a number of international equity funds. Dustin 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, Ernesto managed $40 billion in global ETF assets and was responsible for all aspects of portfolio management across domestic and international portfolios. Ernesto 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. Ernesto 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.

The Fund's SAI provides additional information about the compensation structure for the portfolio managers, other accounts that the portfolio managers manage and the ownership of Shares by the portfolio managers.

Pursuant to an investment advisory agreement, the Fund pays the Adviser an annual management fee equal to 0.45% of its average daily net assets. As compensation for its services for the fiscal period ended October 31, 2016, the Fund was contracted to pay the Adviser a monthly management fee at the annual rate of 0.45% of the Fund's average daily net assets. However, pursuant to a contractual agreement between the Trust, on behalf of the Fund, and the Adviser, the management fee paid to the Adviser was reduced by 0.10% for the fiscal period ended October 31, 2016. This contractual fee reduction agreement was originally scheduled to continue until September 21, 2017; however, the Board approved the termination of the fee reduction effective August 29, 2017. Out of the management fee, the Adviser pays certain of the operating expenses of the Fund, including the cost of transfer agency, custody, fund administration, legal, audit and other service and licensing fees.

Pursuant to an investment sub-advisory agreement, the Sub-Adviser receives an annual fee equal to the greater of $20,000 or 0.05% for the first $500 million, 0.04% for the next $500 million and 0.03% over $1 billion of the average daily net assets of the Fund. The Fund does not directly pay the Sub-Adviser. The Adviser is responsible for paying the entire amount of the Sub-Adviser's fee for the Fund.

The Adviser's management fee is designed to pay the Fund's expenses and to compensate the Adviser for providing services to the Fund.

A discussion regarding the basis for the Board's approval of the Trust's investment advisory agreement and the sub-advisory agreement on behalf of the Fund is available in the Fund's Annual Report to shareholders for the fiscal period ended October 31.

*Manager of Managers Structure.* The Fund and the Adviser have received an exemptive order from the SEC to operate under a manager of managers structure that permits the Adviser, with the approval of the Board, to appoint and replace sub-advisers, enter into sub-advisory agreements, and materially amend and terminate sub-advisory agreements on behalf of the Fund without shareholder approval (the "Manager of Managers Structure"). Under the Manager of Managers Structure, the Adviser has ultimate responsibility, subject to oversight by the Board, for overseeing the Fund's sub-adviser(s) and recommending to the Board the hiring, termination, or replacement of any such sub-adviser(s)—including Penserra, in its capacity as the Sub-Adviser. The exemptive order does not apply to any sub-adviser that is affiliated with the Fund or the Adviser.

The Manager of Managers Structure enables the Fund to operate with greater efficiency and without incurring the expense and delays associated with obtaining shareholder approvals for matters relating to sub-advisers or sub-advisory agreements. The Manager of Managers Structure does not permit an increase in the overall management and advisory fees payable by the Fund without shareholder approval. Shareholders will be notified of any changes made to sub-advisers or sub-advisory agreements within 90 days of the changes.

## How to Buy and Sell Shares

The Fund issues or redeems its Shares at NAV per Share only in Creation Units.

Most investors will buy and sell Shares in secondary market transactions through brokers. Shares will be listed for trading on the secondary market on the Exchange. Shares can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges, and you may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. The Shares trade under the symbol YESR.

Share prices are reported in dollars and cents per Share.

APs may acquire Shares directly from the Fund, and APs may tender their Shares for redemption directly to the Fund, at NAV per Share only in Creation Units or Creation Unit Aggregations, and in accordance with the procedures described in the SAI.

The Fund may liquidate and terminate at any time without shareholder approval.

## BOOK ENTRY

Shares are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ("DTC") or its nominee is the record owner of all outstanding Shares and is recognized as the owner of all Shares for all purposes.

Investors owning Shares are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all Shares. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of Shares, you are not entitled to receive physical delivery of stock certificates or to have Shares registered in your name, and you are not considered a registered owner of Shares. Therefore, to exercise any right as an owner of Shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other stocks that you hold in book entry or "street name" form.

## FUND SHARE TRADING PRICES

The trading prices of Shares on the Exchange may differ from the Fund's daily NAV. Market forces of supply and demand, economic conditions and other factors may affect the trading prices of Shares.

The approximate value of Shares, an amount representing on a per Share basis the sum of the current market price of the securities accepted by the Fund in exchange for Shares and an estimated cash component, will be disseminated every 15 seconds throughout the trading day through the facilities of the Consolidated Tape Association. This approximate value should not be viewed as a "real-time" update of the NAV per Share of the Fund because the approximate value may not be calculated in the same manner as the NAV, which is computed once a day, generally at the end of the business day. The Fund is not involved in, or responsible for, the calculation or dissemination of the approximate value and the Fund does not make any warranty as to its accuracy.

## FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES

Shares may be purchased and redeemed directly from the Fund only in Creation Units by APs that have entered into agreements with the Fund's distributor. The vast majority of trading in Shares occurs on the secondary market and does not involve the Fund directly. In-kind purchases and redemptions of Creation Units by APs and cash trades on the secondary market are unlikely to cause many of the harmful effects of frequent purchases and/or redemptions of Shares. Cash purchases and/or redemptions of Creation Units, however, can result in increased tracking error, disruption of portfolio management, dilution to the Fund and increased transaction costs, which could negatively impact the Fund's ability to achieve its investment objective, and may lead to the realization of capital gains. These consequences may increase as the frequency of cash purchases and redemptions of Creation Units by APs increases. However, direct trading by APs is critical to ensuring that Shares trade at or close to NAV.

To minimize these potential consequences of frequent purchases and redemptions of Shares, the Fund imposes transaction fees on purchases and redemptions of Creation Units to cover the custodial and other costs the Fund incurs in effecting trades. In addition, the Fund reserves the right to not accept orders from APs that the Adviser has determined may be disruptive to the management of the Fund or otherwise are not in the best interests of the Fund. For these reasons, the Board has not adopted policies and procedures with respect to frequent purchases and redemptions of Shares.

# Dividends, Distributions and Taxes

Ordinarily, dividends from net investment income, if any, are declared and paid at least annually by the Fund. The Fund distributes its net realized capital gains, if any, to shareholders annually.

Distributions in cash may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available.

## TAXES

The Fund intends to continue qualify as a "regulated investment company" under the federal tax laws. If the Fund qualifies as a regulated investment company and distributes its income as required by the tax law, the Fund generally will not pay federal income taxes.

As with any investment, you should consider how your investment in Shares will be taxed. The tax information in this prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in Shares.

Unless your investment in Shares is made through a tax-exempt entity or tax-deferred retirement account, such as an IRA plan, you need to be aware of the possible tax consequences when:

- Your Fund makes distributions,

- You sell your Shares listed on the Exchange, and
- You purchase or redeem Creation Units.

### TAXES ON DISTRIBUTIONS

The Fund's distributions are generally taxable. After the end of each year, you will receive a tax statement that separates the distributions of the Fund into two categories, ordinary income distributions and capital gains dividends. Ordinary income distributions are generally taxed at your ordinary tax rate; however, as further discussed below, certain ordinary income distributions received from the Fund may be taxed at the capital gains tax rates. Generally, you will treat all capital gain dividends as long-term capital gains regardless of how long you have owned your Shares. To determine your actual tax liability for your capital gains dividends, you must calculate your total net capital gain or loss for the tax year after considering all of your other taxable transactions, as described below. In addition, the Fund may make distributions that represent a return of capital for tax purposes and thus will generally not be taxable to you; however, such distributions may reduce basis, which could result in you having to pay higher taxes in the future when Shares are sold, even if you sell the Shares at a loss from your original investment. The tax status of your distributions from the Fund is not affected by whether you reinvest your distributions in additional Shares or receive them in cash. The income from the Fund that you must take into account for federal income tax purposes is not reduced by amounts used to pay a deferred sales fee, if any. The tax laws may require you to treat distributions made to you in January as if you had received them on December 31 of the previous year.

Under the "Health Care and Education Reconciliation Act of 2010," income from the Fund may also be subject to a 3.8% "Medicare tax." This tax will generally apply to your net investment income if your 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.

A corporation that owns Shares generally will not be entitled to the dividends received deduction with respect to many dividends received from the 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 the Fund from certain corporations may be reported by the Fund as being eligible for the dividends received deduction.

If you are an individual, the maximum marginal stated federal tax rate for net capital gain is generally 20% for taxpayers in the 39.6% tax bracket, 15% for taxpayers in the 25%, 28%, 33% and 35% tax brackets and 0% for taxpayers in the 10% and 15% tax brackets. Some capital gains dividends may be taxed at a maximum stated tax rate of 25%. Capital gains may also be subject to the Medicare tax described above.

Net capital gain equals net long-term capital gain minus net short-term capital loss for the taxable year. Capital gain or loss is long-term if the holding period for the asset is more than one year and is short-term if the holding period for the asset is one year or less. You must exclude the date you purchase your Shares to determine your holding period. However, if you receive a capital gain dividend from the Fund and sell your Shares at a loss after holding it for six months or less, the loss will be recharacterized as long-term capital loss to the extent of the capital gain dividend received. The tax rates for capital gains realized from assets held for one year or less are generally the same as for ordinary income. The Code treats certain capital gains as ordinary income in special situations.

Ordinary income dividends received by an individual shareholder from a regulated investment company such as the Fund are generally taxed at the same rates that apply to net capital gain (as discussed above), provided certain holding period requirements are satisfied and provided the dividends are attributable to qualifying dividends received by the Fund itself. Distributions with respect to Shares in REITs are qualifying dividends only in limited circumstances. The Fund will provide notice to its shareholders of the amount of any distribution which may be taken into account as a dividend which is eligible for the capital gains tax rates.

### TAXES ON EXCHANGE-LISTED SHARE SALES

If you sell or redeem your Shares, you will generally recognize a taxable gain or loss. To determine the amount of this gain or loss, you must subtract your tax basis in your Shares from the amount you receive in the transaction. Your tax basis in your Shares is generally equal to the cost of your Shares, generally including sales charges. In some cases, however, you may have to adjust your tax basis after you purchase your Shares.

## Distribution Plan

Quasar Distributors LLC (the "Distributor") serves as the distributor of Creation Units for the Fund on an agency basis. The Distributor does not maintain a secondary market in Shares.

The Board has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. In accordance with its Rule 12b-1 plan, the Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year to reimburse the Distributor for amounts expended to finance activities primarily intended to result in the sale of Creation Units or the provision of investor services. The Distributor may also use this amount to compensate securities dealers or other persons that are APs for providing distribution assistance, including broker-dealer and shareholder support and educational and promotional services.

The Fund does not currently pay 12b-1 fees, and the Fund will not pay 12b-1 fees any time before October 31, 2019. However, in the event 12b-1 fees are charged in the future, because these fees are paid out of the Fund's assets, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

## Net Asset Value

The Fund's net asset value is determined as of the close of trading (normally 4:00 p.m., Eastern time) on each day the New York Stock Exchange is open for business. Net asset value is calculated for the Fund by taking the market price of the Fund's total assets, including interest or dividends accrued but not yet collected, less all liabilities, and dividing such amount by the total number of Shares outstanding. The result, rounded to the nearest cent, is the net asset value per Share. All valuations are subject to review by the Trust's Board or its delegate.

The Fund's investments are valued daily in accordance with valuation procedures adopted by the Board, and in accordance with provisions of the 1940 Act. Certain securities in which the Fund may invest are not listed on any securities exchange or board of trade. Such securities are typically bought and sold by institutional investors in individually negotiated private transactions that function in many respects like an over the counter secondary market, although typically no formal market makers exist. Certain securities, particularly debt securities, have few or no trades, or trade infrequently, and information regarding a specific security may not be widely available or may be incomplete. Accordingly, determinations of the fair value of debt securities may be based on infrequent and dated information. Because there is less reliable, objective data available, elements of judgment may play a greater role in valuation of debt securities than for other types of securities. Typically, debt securities are valued using information provided by a third-party pricing service. The third-party pricing service primarily uses broker quotes to value the securities.

The Fund's investments will be valued daily at market value or, in the absence of market value with respect to any investment, at fair value in accordance with valuation procedures adopted by the Board and in accordance with the 1940 Act. Market value prices represent last sale or official closing prices from a national or foreign exchange (*i.e.*, a regulated market) and are primarily obtained from third-party pricing services.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Board or its delegate at fair value. The use of fair value pricing by the Fund is governed by valuation procedures adopted by the Board and in accordance with the provisions of the 1940 Act. These securities generally include, but are not limited to, certain restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended (the "Securities 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 the Fund's net asset value 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 a security would appear to be the amount which the owner might reasonably expect to receive for the security upon its current sale. The use of fair value prices by the Fund generally results in the prices used by the Fund that may differ from current market quotations or official closing prices on the applicable exchange. A variety of factors may be considered in determining the fair value of such securities. Valuing the Fund's securities using fair value pricing will result in using prices for those securities that may differ from current market valuations. See the Fund's SAI for details.

Even when market quotations are available for portfolio securities, they may be stale or unreliable because the security is not traded frequently, trading on the security ceased before the close of the trading market or issuer-specific events occurred after the security ceased trading or because of the passage of time between the close of the market on which the security trades and the close of the Exchange and when the Fund calculates its NAV. Events that may cause the last market quotation to be unreliable include a merger or insolvency, events which affect a geographical area or an industry segment, such as political events or natural disasters, or market events, such as a significant movement in the U.S. market. Where market quotations are not readily available, including where the Adviser determines that the closing price of the security is unreliable, the Adviser will value the security at fair value in good faith using procedures approved by the Board. Fair value pricing involves subjective judgments and it is possible that a fair value determination for a security is materially different than the value that could be realized upon the sale of the security. In addition, fair value pricing could result in a difference between the prices used to calculate the Fund's NAV and the prices used by the Fund's Index. This may adversely affect the Fund's ability to track the Index.

## Fund Service Providers

U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, Wisconsin 53202, is the administrator, custodian and fund accounting and transfer agent for the Fund.

Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, serves as legal counsel to the Trust.

Cohen & Company, Ltd., 1350 Euclid Avenue, Suite 800, Cleveland, Ohio 44115, serves as the Fund's independent registered public accounting firm and is responsible for auditing the annual financial statements of the Fund.

## Index Provider

The Prime Senior Loan and Income CEF Index is a trademark of the Index Provider and has been licensed for use for certain purposes by the Adviser. The Index Provider is not affiliated with the Trust, the Adviser or the Distributor. The Fund is entitled to use the Index pursuant to a sub-licensing agreement with the Adviser.

The Adviser has entered into a license agreement with the Index Provider pursuant to which the Adviser pays a fee to use the Index and the marketing names and licensed trademarks of the Index Provider (the "Index Trademarks"). The Adviser is sub-licensing rights to the Index to the Fund. The Index is compiled and calculated by the Index Provider.

No entity that creates, compiles, sponsors or maintains an index is or will be an affiliated person, as defined in Section 2(a)(3) of the 1940 Act, or an affiliated person of an affiliated person, of the Trust, the Adviser, the Distributor or a promoter of the Fund.

Neither the Adviser nor any affiliate of the Adviser has any rights to influence the selection of the securities in the Index.

### INDEX METHODOLOGY

The Index was created and is maintained by Level ETF Ventures LLC ("Level Ventures" or the "Index Provider"). The Index Provider is not affiliated with the Fund, Amplify Investments LLC (the "Adviser") or the Sub-Adviser.

*The Index.* The Index is designed to measure the performance of closed-end funds ("CEFs") that invest in senior loans or other floating rate instruments, pay dividends and are listed in the United States. The portfolio attempts to replicate, before fees and expenses, the performance and characteristics of the Index.

*The Selection Universe.* The Index defines its CEF universe based on the following eligibility requirements:

- *Exchange Listing:* Primary listing on the NYSE ARCA, NASDAQ or BATS exchanges.
- *Liquidity Requirement:* $1 million three-month average daily value traded.
- *Assets under Management Requirement:* $100 million or greater provided, however, the Index components with a public float of less than $150 million shall have an aggregate weighting of no more than 30% of the total Index weight, as described below.
- *Distribution Frequency Requirement:* Monthly or quarterly.
- *CEF Focus Requirement:* CEFs eligible for inclusion include those that invest at least 80% of their portfolio in senior loans or other floating rate instruments.
- *Termed Funds Requirement:* If a CEF has a stated term or liquidation date, the date must be at least one year from the selection for inclusion in the Index.

*Prime Scoring and Selection Criteria.* After defining the CEF Universe, the Index applies the following selection factors (the "Prime Score"):

- The Index ranks each CEF in the universe based on the following four factors:
  - *Distribution Rate, in ascending order (40% weight)*. The distribution rate is calculated by dividing the sum of the CEF's trailing 12-month distributions paid by the share price at the time of calculation. Distributions deemed special or extraordinary by the Index Provider will be excluded from this calculation.
  - *Premium/Discount Rate, in descending order (40% weight)*. The premium/discount rate is calculated by CEF share price premium/discount to NAV.

- *Total Expense Ratio, in descending order (10% weight)*. Total expense ratio is defined as the total annual fund operating expenses, expressed as a percentage of the assets under management, as publicly disclosed by the CEF.
- *Liquidity Value, in ascending order (10% weight)*. The liquidity value is defined as the averaged daily value of shares traded over the prior three-month period, and calculated using each day's closing share price and total shares traded, and then averaged over the time period.

- Each of the individual ranks is then multiplied by a corresponding weighting percentage described below.

After multiplying each of the rankings by their respective factors, the four factor-weighted ranks are then summed to compute a final score. Any ties are broken by the higher distribution rate.

If, at any annual rebalancing date of the Index on the second Thursday in January, the Fund determines that, pursuant to the 1940 Act, and any rules, regulations or interpretations thereunder, a participation agreement is required in order for the Fund to own an Index constituent, and the Fund is unable to procure such participation agreement, then the Index Provider will, at the annual rebalancing date on the following Thursday, exclude the constituent. The Index Provider will then select the next eligible Index constituent. As of July 31, 2017, the Index was comprised of 22 constituents.

*Index Weightings*. The Prime Scores are summed and each respective constituent's score is divided by the summed total to determine its respective weighting in the Index. No individual constituent of the Index may exceed a 15% weighting of the Index at the time the Index is rebalanced. The Index is rebalanced annually, but may be adjusted more frequently for specific corporate events. If, at the time of the Index reconstitution, any Index component (i) represents a net asset amount in the Fund that exceeds six times the three-month average daily value traded for the Index component and (ii) all such components represent, in aggregate, more than 15% of the Index weight, then the Index Provider may reduce the combined weight of such components accordingly and re-apportion the excess weight proportionally among the other portfolio components. In addition, at the time of the Index reconstitution, the sum of the weights of Index component's that have public float less than $150 million will be capped at 30%. Any Index components that have public float less than $150 million that, as a result of their Prime Scoring and selection factors at the time of adjustment, would have a summed total weighting greater than 30% will have their weight reduced to 30% and the excess weight will be re-apportioned proportionately amongst the other portfolio constituents proportionately. The Adviser seeks to replicate the composition of the Index in the Fund's portfolio to the extent practicable. During the Fund's life, the portfolio will change to reflect any change in the component securities in the Index. The composition of the Index is determined on the second Thursday in January. Adjustments are made to the Index on the following Thursday based on the trading prices of the index components. The Fund's portfolio will generally change to reflect any changes in the components of the Index only at the time that the Index is rebalanced. The Fund will track the Index to the greatest extent possible.

In order to comply with certain of its obligations under the 1940 Act, the Fund will post each day on its website at www.amplifyetfs.com, before the commencement of trading of Shares on the Exchange, the identities and quantities of the Fund's investment holdings that will form the basis for the Fund's calculation of its NAV at the end of the business day.

## Disclaimers

Level ETF Ventures LLC ("Level Ventures" or the "Index Provider") is the index provider for the Fund. The Index is the exclusive property of Level Ventures, which has contracted with Solactive AG for certain assistance with respect to the calculation and maintenance of the Index. Level Ventures is not affiliated with the Trust, the Adviser, the Sub-Adviser, the Fund's administrator, custodian, transfer agent or distributor, or any of their respective affiliates. The Index is a product of Level Ventures. Amplify Investments LLC (the "Adviser" or the "Licensee") has entered into a license agreement with Level Ventures pursuant to which the Licensee pays a fee to use the Index and the marketing names and licensed trademarks of Level Ventures.

The Fund is not sponsored, endorsed, sold or promoted by Level Ventures. Level Ventures makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of trading in the Fund. Level Ventures' only relationship to the Licensee is the licensing of certain trademarks and trade names of Level Ventures and of the the Index which are determined, composed and calculated by Level Ventures without regard to Licensee or the Fund. Licensor has no obligation to take the needs of Licensee or the owners of the Fund into consideration in determining, composing or calculating the Index. Level Ventures is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Fund to be listed. Level Ventures has no obligation or liability in connection with the administration, marketing or trading of the Fund.

LEVEL VENTURES DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND LEVEL VENTURES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. LEVEL VENTURES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. LEVEL VENTURES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH

RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN, WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL LEVEL VENTURES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN LEVEL VENTURES AND LICENSEE.

The Adviser does not guarantee the accuracy and/or the completeness of the Index or any data included therein, and the Adviser shall have no liability for any errors, omissions, restatements, re-calculations or interruptions therein. The Adviser makes no warranty, express or implied, as to results to be obtained by the Fund, owners of the Shares any other person or entity from the use of the Index or any data included therein. The Adviser makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall the Adviser have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) arising out of matters relating to the use of the Index even if notified of the possibility of such damages.

## Premium/Discount Information

The market prices of the Shares generally will fluctuate in accordance with changes in NAV, as well as the relative supply of and demand for Shares on the Exchange. The Adviser cannot predict whether the Shares will trade below, at or above their NAV. The approximate value of the Shares, which is an amount representing on a per share basis the sum of the current market price of the securities (and an estimated cash component) accepted by the Fund in exchange for Shares, will be disseminated every 15 seconds throughout the trading day through the facilities of the Consolidated Tape Association. This approximate value should not be viewed as a "real-time" update of the NAV per Share of the Fund because the approximate value may not be calculated in the same manner as the NAV, which is computed once a day, generally at the end of the business day. The Fund is not involved with, or responsible for, the calculation or dissemination of the approximate value, and the Fund does not make any warranty as to its accuracy.

Information regarding how often the Shares traded on the Exchange at a price above (at a premium) or below (at a discount) the NAV of the Fund during the past four calendar quarters, when available, will be found at www.amplifyetfs.com.

## Financial Highlights

The financial highlights table is intended to help you understand the Fund's financial performance. The total return in the table represents the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). The information for the period ended October 31, 2016 has been derived from the Fund's financial statements, which have been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with this information and additional Fund performance and portfolio information appears in the Fund's 2016 Annual Report. The information for the period November 1, 2016 to April 30, 2017 is unaudited.

| | Period 11/1/2016 - 4/30/2017 (unaudited) | Period Inception - 10/31/2016[1] |
|---|---|---|
| **Net Asset Value, Beginning of Period** | $ 24.86 | $ 25.00 |
| **Income (Loss) from Investment Operations:** | | |
| Net Investment Income (Loss) [2] | 0.34 | 0.06 |
| Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency | 2.60 | (0.20) |
| Total from Investment Operations | 2.94 | (0.14) |
| **Distributions to Shareholders:** | | |
| Net Investment Income | (0.30) | — |
| Total from Distributions | (0.30) | — |
| **Net Asset Value, End of Period** | $ 27.50 | $ 24.86 |
| Total Return on Net Asset Value [3] | 11.82 | (0.55)%[5] |
| **Supplemental Data:** | | |
| Net Assets, End of Period (000's) | $ 1,375 | $ 2,486 |
| Ratio of Expenses to Average Net Assets (Before Advisory Fees Waived) | 0.45%[4,7] | 0.45%[4,7] |
| Ratio of Expenses to Average Net Assets (After Advisory Fees Waived) | 0.35%[4,7] | 0.35%[4,7] |
| Ratio of Net Investment Income (Loss) to Average Net Assets | 2.54%[4,7] | 2.03%[4,7] |
| Portfolio Turnover [6] | 65%[5] | 59%[5] |

1 The Fund commenced operations on September 21, 2016. The information presented is for the period from September 21, 2016 to October 31, 2016.

2 Calculated based on average shares outstanding during the period.

3 Total Return on Net Asset Value is based on the change in net asset value ("NAV") of a share during the period and assumes reinvestment of dividends and distributions at NAV. Total Return on Net Asset Value is for the period indicated and has not been annualized. The return shown does not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

4 Annualized.

5 Not Annualized.

6 Excludes the impact of in-kind transactions.

7 These ratios exclude the impact of expenses of the underlying exchange-traded funds as represented in the Schedule of Investments. Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying exchange-traded funds in which the Fund invests.

# Other Information

## DELIVERY OF SHAREHOLDER DOCUMENTS—HOUSEHOLDING

Householding is an option available to certain investors of the Fund. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Fund is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of the prospectus and other shareholder documents, please contact your broker-dealer. If you currently are enrolled in householding and wish to change your householding status, please contact your broker-dealer.

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## For More Information

For more detailed information on the Trust, Fund and Shares, you may request a copy of the Fund's SAI. The SAI provides detailed information about the Fund and is incorporated by reference into this prospectus. This means that the SAI legally is a part of this prospectus. Additional information about the Fund's investments also will be available in the Fund's Annual and Semi-Annual Reports to Shareholders, when available. In the Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year. If you have questions about the Fund or Shares or you wish to obtain the SAI, Annual Report and/or Semi-Annual Report, when available, free of charge, or to make shareholder inquiries, please:

**Call:** Amplify ETF Trust at 1-855-267-3837
Monday through Friday
8:00 a.m. to 5:00 p.m. Central Time

**Write:** Amplify ETF Trust c/o Amplify Investments LLC
310 South Hale Street
Wheaton, Illinois 60187

**Visit:** www.amplifyetfs.com

Information about the Fund (including the SAI) can be reviewed and copied at the SEC's Public Reference Room, 100 F Street NE, Washington, D.C. 20549, and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at www.sec.gov, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520.

No person is authorized to give any information or to make any representations about the Fund or the Shares not contained in this prospectus, and you should not rely on any other information. Read and keep this prospectus for future reference.

**Dealers effecting transactions in the Shares, whether or not participating in this distribution, generally are required to deliver a prospectus. This is in addition to any obligation of dealers to deliver a prospectus when acting as underwriters.**

The Trust's registration number under the 1940 Act is 811-23108.

PROSPECTUS ETF | Amplify YieldShares Senior Loan and Income ETF

DATED August 29, 2017


**Amplify ETF Trust**
310 South Hale Street
Wheaton, Illinois 60187

Phone: 1-855-267-3837
E-mail: info@amplifyetfs.com