

HCOW

Amplify Cash Flow High Income ETF

Fund Description

HCOW is an actively managed fund-of-fund, that invests in US stocks of large- and mid-cap companies while using a naked call option writing strategy to potentially generate additional income.

FactSet Analyst Report

HCOW invests in the COWS ETF, combined with employing a naked call writing strategy. The underlying ETF tracks a broad index of US large- and mid-cap stocks perceived to have high cash flows and dividend growth. The fund holds shares of COWS and writes call options on the S&P 500 Index, targeting strike prices that produce a 10% annualized gross income from the option contract premiums. The level of income received depends on market prices and volatility of the S&P 500 Index at the time of the option sale. The option writing strategy is executed by entering into one or more swap agreements that go out 13 months. The fund may hold collateral for the swaps, which decreases the exposure to the COWS ETF. The funds active management wrapper allows the fund manager to have full discretion to buy, hold, and sell securities at any time. Investors should be aware that selling naked index call options carries a high level of risk.

