

Q. How has the COVID crisis impacted online retail sales?

Due to physical restrictions placed on brick-and-mortar retailers and consumers, online retail sales have seen a substantial rise in 2020. The US Census Bureau reports that non-store (online retail) sales have grown from 11% of all US retail sales to just over 14% year-to-date (as of 9/30/20) – a 27% growth rate. This major increase in market share is expected to go even higher in the 2020 holiday shopping season since early estimates point to almost half of all holiday shopping being done online. In short, COVID has accelerated online retail market share penetration by several years and we don't see those gains reversing.



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Q. What has this meant for online retail stocks?

The first and largest ETF tracking a global basket of online retail stocks – the Amplify Online Retail ETF (NYSE: IBUY) – delivered 123.83% in 2020 (as of 12/31/2020), versus the S&P 500 Total Return Index at 18.40%. We are also seeing this type outperformance outside of the U.S. with our Amplify International Online Retail ETF (XBUY). Make no mistake, the rise of online retail stocks is not just a 2020 trend. IBUY launched in April 20, 2016 and has gained 361.07% since inception (cumulative as of 12/31/20) versus the S&P 500 Total Return Index, which has returned 96.24% in that time period.

Q. Online retail stocks go well beyond Amazon, right?

Yes, many people only think of Amazon when they consider investing in this market segment, but that is short-sighted. Amazon's business initiatives outside of online retail – cloud computing, Whole Foods, devices – actually make the stock less levered to the growth of online retail. In contrast, stocks like Etsy, Wayfair, Chewy, Shopify, Peloton and Carvana are examples of lesser known, but more sensitive investments that benefit from the ongoing online retail revolution. Indeed, these firms cited above have all outperformed Amazon in 2020 (as of 12/31/2020), due to having purer exposure to the growth of e-commerce sales. (For top ten holdings, go to [IBUY](#), [XBUY](#))

Q. What's next for online retail?

Perhaps what's most exciting about online retail is that we are still in the early days of this revolution. Some researchers suggest online retail market share will vault to close to 50% of global retail sales in the decade ahead. What could take it there? Augmented reality, more secure payment systems, the increased connectivity of 5G, rising smart device ownership and the growth of the middle class in emerging markets. There are many tailwinds that online retail will likely take advantage of in the years to come and that is why we believe this market segment will likely continue to be a source of outperformance in equity portfolios over the long term.

IBUY Performance (Quarterly Performance as of 12/31/2020)

	Cumulative (%)					Annualized (%)		
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	Since Inception
Fund NAV	8.84%	30.09%	63.74%	123.46%	361.14%	123.46%	41.33%	38.42%
Closing Price	8.79%	30.27%	63.56%	123.83%	361.07%	123.83%	41.27%	38.42%
S&P 500 TR Index	3.84%	12.15%	22.16%	18.40%	96.24%	18.40%	14.18%	15.42%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. For performance data current to the most recent month-end please call 855-267-3837. Brokerage commissions will reduce returns. **The Fund's gross expense ratio is 0.65%**

Note from NYSE Arca:

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Note from IBUY:

The Fund's investment objective and strategy differs substantially from the market indices, which are included for comparison purposes only. The Standard & Poor's (S&P) 500 Total Return Index is an unmanaged, market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value, and assumes distributions are reinvested back into the index. It does not include fees or expenses. It is not possible to invest directly in an index.

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

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Narrowly focused investments typically exhibit higher volatility. A portfolio concentrated in a single industry, such as the online retail industry, makes it vulnerable to factors affecting the industry. The Fund may face more risks than if it were diversified broadly over numerous industries or sectors. Investments in consumer discretionary companies are tied closely to the performance of the overall domestic and international economy, interest rates, competition and consumer confidence. Online retail companies are subject to risks of consumer demand and sensitivity to profit margins. Additionally, technology and Internet companies are subject to rapidly changing technologies; short product life cycles; fierce competition; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; and frequent new product introductions. Additional fund disclosure can be found [here](#).

FURTHER INFORMATION

Please visit AmplifyETFs.com or contact:

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