# THE ONLINE RETAIL WRAP-UP

## STAYING UP-TO-DATE ON THE EVOLVING RETAIL LANDSCAPE

IBUY
AMPLIFY ONLINE RETAIL ETF

# Q4 2019 Commentary

The bifurcation of retail between traditional "bricks" and online retail "clicks" continues with a record 9,300 store closures in 2019 as the "retail apocalypse" claims more victims. Meanwhile, online retail is growing at a double-digit pace as consumers prefer the convenience and selection of digital commerce. The latest data from the US Census Bureau saw Q3 ecommerce sales increase to 11.2% of total retail sales, growing an impressive 16.9% year over year.

Pier 1 Imports, Bed, Bath, & Beyond, Chicos, The Gap, Forever21, Macy's and Walgreens are among the latest brick and mortar retailers announcing store closures in the coming year.

However, retail overall experienced a bounce after tariff headwinds were mitigated by a proposed U.S.-China trade deal. Consumer confidence and spending was strong in the fourth quarter, culminating in record holiday retail sales.

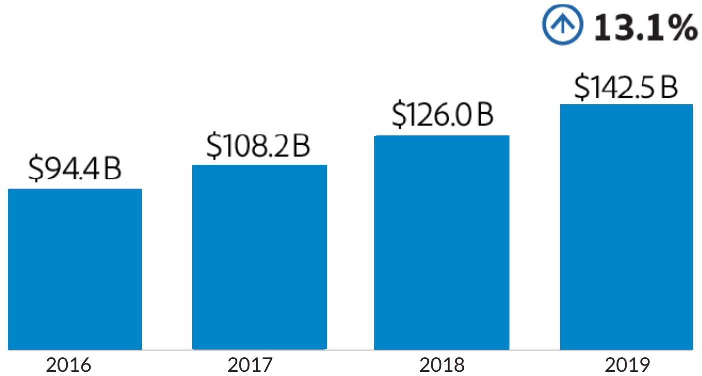
U.S. online sales grew to a record $142.5 billion this holiday season. Cyber Weekend experienced 18% year-over-year growth, providing more evidence that online retail remains the sweet spot of retail and a source of long-term, disruptive growth going forward.

Some of the top contributors during the quarter were Lands' End, who posted strong results as it decouples its partnership with struggling retailer Sears. Online car retailer Carvana continues to post strong revenue growth. Online pet pharmacy PetMed Express gained after blasting past both Q2 earnings and sales estimates.

For the year, online postage stamp retailer Stamps.com was the top performer in IBUY after ditching the USPS for a contract with UPS. Other top performers for the year included online auto auction company Copart, Carvana, and China e-commerce retailers Pinduoduo and VIPShop.

Underperforming names in Q4 included online travel company Expedia, who missed earnings estimates, and Overstock.com, who saw the ousting of its founder as he tried to pivot the company toward crypto and blockchain. For the year, home shopping network Qurate retail was the worst performer, followed by Overstock and online travel company TripAdvisor.

**Online Retail Revenue**
(U.S., Holiday Season: Nov-Dec)




©Adobe Analytics

Amplify ETFs
IBUYETF.com

***IBUY is a portfolio of companies generating significant revenue from online and virtual sales. Portfolio holdings fall into three categories: traditional retail, marketplace and travel. IBUY is an ETF that seeks investment results that correspond generally to the price and yield, before fund fees and expenses, of the EQM Online Retail Index.***

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

IBUY Top 10 Holdings

Investing involves risk, including the possible loss of principal. The fund is new with limited operating history. 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. Brokerage commissions will reduce returns. 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. Information technology companies may be smaller and less experienced companies, with limited product lines, markets or financial resources and fewer experienced management or marketing personnel. Stocks of many internet companies have exceptionally high price-to-earnings ratios with little or no earnings histories. Information technology company stocks, especially those which are internet related, have experienced extreme price and volume fluctuations that are often unrelated to their operating performance.

The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Investments in smaller companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investments in foreign securities involve greater volatility and political, economic, and currency risks and differences in accounting methods. The Fund's return may not match or achieve a high degree of correlation with the return of the underlying Index. To the extent the Fund utilizes a sampling approach, it may experience tracking error to a greater extent than if the Fund had sought to replicate the Index.

Diversification does not assure a profit or protect against a loss in a declining market.

Amplify Investments LLC serves as the investment advisor and Penserra Capital Management LLC serves as sub advisor to the fund.

Amplify ETFs are distributed by Foreside Fund Services, LLC.

**QUESTIONS?**
**Visit AmplifyETFs.com/IBUY**

**ONLINE:** AmplifyETFs.com
**EMAIL:** info@AmplifyETFs.com
**PHONE:** 855-267-3837 | (855-AMP-ETFS)