

Order Anything Online Today?

E-Commerce Trend Continues to Grow

Ordering dinner, household supplies, or just about anything has never been easier – just click and it appears on your computer or arrives on your doorstep. Some e-commerce names are well established, but for others, growth trajectories are just beginning. E-commerce is still in its adolescence (Amazon¹ sold its first book in 1995), and experts agree decades of solid growth lie ahead. The pandemic accelerated what we already knew – for billions worldwide, shopping online is a must.

More Growth Ahead

Selling events have become more fluid. If it seems like there's always something to shop for, well, there is.



In 2021, 38%
shopped online for
Valentine's Day²



Amazon moved its
Prime Day sale-a-thon
to June to reach its
locked-down audience



Singles Day 2020
(held in China) rang up
\$74 billion – double the
previous year's record³



U.S. Black Friday sales
hit arecord \$9 billion but
beat it (\$10.8 billion) on
Cyber Monday⁴



Total U.S. retail sales
in December 2020
jumped over 32% to a
record \$188 billion⁵

Trends Supporting E-Commerce

Many business and demographic trends support the continued growth of e-commerce:

1

The shift from
lockdowns to "work
from home" will drive
online retail sales

2

As many as 100,000
brick and mortar
stores could close in the
next five years⁶

3

Mobile shopping is
expected to jump from
\$2.7 trillion (2020)
to \$3.8 trillion in 2022⁶

4

The number of
mobile devices is
anticipated to exceed
18 billion by 2025⁷

5

Nearly 67% of younger
consumers (18-34) are
spending more now
than pre-pandemic⁶

6

Social media (including
TikTok's one billion monthly
users) is increasing its
e-commerce focus

7

New, previously untapped
markets (cannabis, gaming,
etc.) are poised to generate
huge new volumes

8

Personalizing online
shopping (with augmented
reality, etc.) has the potential
to result in increased sales

Sectors Likely to Benefit

- | | | | |
|-------------------|-------------------------------|-------------------------|-----------------|
| Mobile Platforms | Transportation (Drones, etc.) | Online Travel Platforms | Beauty Products |
| Legacy Retailers | Discount Outlet E-Retailers | Auction Sites | Upscale Resale |
| Payment Platforms | Home Improvement | Online Marketplaces | Online Gaming |



How Can Investors Capitalize on the Growth of E-Commerce Companies?

The ongoing pandemic has created hundreds of millions of new online shoppers. For an idea of just how fast e-commerce is growing, the consulting firm McKinsey estimated that at the height of pandemic, ten years of "normal" e-commerce growth happened in just 90 days.⁸ But even now, online retail in the U.S. only comprises about 14% of total retail sales. Industry analysts predict this will rise to 25% by 2025.⁹ One option for investors interested in digital commerce is the Amplify Online Retail ETF (IBUY), an actively managed ETF representing a pure play in the rapidly growing e-commerce sector.

For more information, please visit ibuyetf.com.

¹ As of December 7, 2021, Amazon has a 2.05% weighting in IBUY ETF | ² NRF Valentine's Spending Survey | ³ Alibaba, JD set new records to rack up record \$115 billion of sales on Singles Day as regulations loom, cnbc.com, Nov. 12, 2020 | ⁴ Black Friday sees record online as US shoppers stay home, apnews.com, November 28, 2020 | ⁵ Americans spent a record online over 2020 holidays, and more e-commerce gains are expected, cnbc.com, January 12, 2021 | ⁶ 10 e-commerce trends that you need to know in 2021, oberlo.com, April 3, 2021 | ⁷ Forecast number of mobile devices worldwide from 2020 to 2025 (in billions), statista.com, September 24, 2021 | ⁸ Five Fifty: A quick briefing in five — or a fifty-minute deeper dive, mckinsey.com, 2021 | ⁹ The future of e-commerce — trends to watch, rokt.com, June 29, 2021

Carefully consider the Funds' investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' prospectuses, which may be obtained by calling 855-267-3837. 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. 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 nondiversified, 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.

Amplify Investments LLC is the Investment Adviser to the Funds, and Toroso Investments, LLC serves as the Investment Sub-Adviser.

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Questions?

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