As of 3/31/2023

MARKET COMMENTARY

The first quarter of 2023 marked a second consecutive quarter of healthy market gains. U.S equities demonstrated resilience despite the current banking crisis, uncertainty about inflation and the potential for a recession. While the Dow Jones returned 0.4%, the tech-heavy Nasdaq climbed 16.77% and the S&P 500 delivered 7.03%. Investors who remained in the market after an uncertain 2022 were rewarded.

While analysts spent much of 2022 predicting a recession following the Fed raising interest rates—which pushed borrowing costs higher in attempt to tame inflation—that recession has yet to materialize. In fact, with unemployment rates at lows not seen since 1969 and a stabilizing housing market, an increasing number of analysts are now predicting that the growth of the past two quarters may in fact continue. Lower energy and oil prices have contributed to more positive business sentiment, as has the reopening of China following COVID-19 restrictions.

Internationally, despite a continued challenging geopolitical backdrop, with no end in sight to the war in Ukraine and renewed tensions between the U.S. and China, returns were also positive. The MSCI All Country World Index* returned 7.31%, the MSCI EAFE (International) Index* returned 3.62%, and the MSCI Emerging Markets Index* returned 3.96%.

U.S. retail e-commerce sales in the first quarter held steady, accounting for 14.7% of total sales, an increase of 0.1% from the previous quarter. On a net adjusted basis, the estimate of U.S. retail e-commerce sales for the fourth quarter of 2022 totaled $299.1 billion, an increase of 4.1 percent from the third quarter of 2022.[1] IBUY shares delivered strong returns in this environment.
IBUY's top **contributors** to performance for the period were Shutterstock (38.21%), Airbnb (45.50%) and Booking Holdings (31.61%). Click HERE for IBUY's top 10 holdings.

Shutterstock, the online marketplace for royalty-free images and videos, delivered strong returns, hiking its dividend to 12.5% in January and reporting a positive quarterly earnings surprise of 7.14% in February. Shutterstock's strong growth is being driven by multi-asset subscriptions, a series of initiatives that will expand the role of generative AI in the company's product offerings, and expansion of its partnerships with other tech firms to make use of AI capabilities.
Airbnb, a leading marketplace for connecting hosts and guests online or through mobile devices, saw shares rise on positive earnings estimate revisions. Consumers continue to find Airbnb's unique platform attractive, helping to deliver a positive outlook for its top and bottom line.

Also delivering positive returns and earnings surprises during the period was Booking Holdings, which provides travel and restaurant online reservations worldwide, up 31.61%. Improving travel demand and booking trends resulted in the company's top line improving 36% year-over-year on a reported basis. The company also saw its rental car bookings grow 27.6% on a year-over-year basis and its airline tickets unit grow 61.5% year-over-year. Additionally, booked room night numbers surged 39.5% from the prior year quarter's level.

IBUY's top **detractors** on performance for the period include Chegg (-35.50%), Delivery Hero (-28.65%) and JD Com (-22.35%).

After finishing the fourth quarter of 2022 as a top performer, social education platform Chegg fell after the company reported its fourth-quarter results. While Chegg beat Wall Street's top- and bottom-line estimates, the company's management issued 2023 guidance that was lower than expected. Despite the full-year guidance, Chegg's subscription services revenue increased by 4% in the quarter, accounting for 87% of the company's total sales, which is up from 82% in the year-ago quarter.

Shares of German online takeaway food company Delivery Hero also fell after the online food delivery business did not provide key sales guidance in its latest earnings. Two of the company's key competitors (Rivals Deliveroo Holdings and Just Eat Takeaway) also revealed less-than-expected returns in the fourth quarter.

In our view, there are many positive factors contributing to the ongoing performance of online retail companies. An employment rate at its lowest since 1969, combined with rising earnings, should continue to boost online retail sales. Additionally, online retail companies utilizing AI capabilities to boost their services will continue to see increasing results. And while economists have been predicting a recession over the past few years, long-term investors who stayed in the market enjoyed a return to solid returns over the past two quarters.

PERFORMANCE

	CUMULATIVE (%)					ANNUALIZED (%)			
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	5 Yr.	Since Inception
Fund NAV	-0.56%	12.79%	11.43%	12.79%	77.82%	-32.86%	2.11%	-0.26%	8.64%
Closing Price	-0.32%	13.31%	11.74%	13.31%	78.18%	-32.74%	2.28%	-0.24%	8.67%
EQM Online Retail Index	-0.54%	12.97%	11.81%	12.97%	81.57%	-32.79%	2.55%	0.00%	8.96%

IBUY's gross expense ratio is 0.65%.

Fund inception date: 4/20/2016. ***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. For performance data current to the most recent month-end please call 855-267-3837 or visit AmplifyETFs.com/IBUY. Brokerage commissions will reduce returns. Indexes are unmanaged and it's not possible to invest directly in an index.***

Sources:
[1] https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

*Index Definitions: The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. Indexes are unmanaged and 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. The fund is new with limited operating history. 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.

EQM Indexes is the Index Provider for the Fund. EQM Indexes is not affiliated with the Trust, the Investment Adviser or the distributor. The Investment Adviser has entered into a license agreement with EQM Indexes to use the Online Retail Index. The Fund is entitled to use its Index pursuant to a sublicensing arrangement with the Investment Adviser.

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

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