IBUY Quarterly Commentary

Staying Up-To-Date On The Evolving Retail Landscape

U.S. equity markets declined for a third consecutive quarter, hitting a new bear market low on the quarter's final day, down 24.9% so far in 2022. Over the first three quarters of 2022, the S&P 500 cemented its third worst performance since the 1950s while the US Dollar Index (DXY) is having its strongest year on record. While major U.S. equity benchmarks were down between 8% and 11% in September, historically, September has been the worst performing month for U.S. equities. The relative outperformer was the Dow Jones Industrials (-8.8%), while the growth-heavy Nasdaq 100 (-10.5%) was the laggard. The S&P 500 (-9.2%) closed at its lowest level since November 2020.

Recession fears and central-bank tightening drove market volatility, along with continued rising oil and gas prices, new COVID-19 lockdowns in China and an ongoing Russia-Ukraine war. Foreign central banks did their best to keep up with the Federal Reserve's rapid pace of rate hikes to defend their local currencies and restore price stability.

E-commerce sales in the second quarter of 2022 accounted for 14.5% of total sales. On a not-adjusted basis, the estimate of U.S. retail e-commerce sales for the second quarter of 2022 totaled $252.1 billion, an increase of 9.0 percent (±0.7%) from the first quarter of 2022 (results for second quarter were released in August).[1]

IBUY declined during the third quarter due to both the economic environment as well as company-specific factors among holdings.

Among IBUY's top performers for the period were Poshmark (55%), Netflix (34.64%) and Etsy (36.77%). Click here for IBUY's top 10 holdings.

Poshmark reported its best-ever results in the month of September with a shift in consumer spending habits, as consumers also looked to sell some of their own goods. Just after the quarter's end, the company announced it would be acquired by South Korean search and e-commerce platform Naver Corp.

Streaming giant Netflix shares rebounded in the third quarter, jumping 35% and making it the second-best performer in the Nasdaq. Netflix announced during the period it is gearing up to offer an ad-supported tier for users, allowing for a less expensive viewing option.

While online crafts marketplace Etsy saw its revenue growth slow, its business continued to boom due to a pandemic-induced increase in e-commerce sales.

The ETF's most significant detractors in Q3 were Upwork (-34.14%), 1-800-FLOWERS (-31.76%) and IAC Inc (-27.10%). Click here for IBUY's top 10 holdings.

While rising inflation and a slowing economy may set sales for online businesses back in the short term, we maintain that the long-term outlook for e-commerce remains positive. In fact, according to a recent report, the e-commerce industry is expected to grow by almost $11 trillion between 2021 and 2025. The global trend toward digitization continues at lightning speed.[2]

1 *Source: U.S. Census Bureau News. https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf*

2 *Source: https://www.shopify.com/research/future-of-commerce/future-of-ecommerce*

IBUY

AMPLIFY ONLINE RETAIL ETF

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.

FUND FACTS

Ticker	IBUY
CUSIP	032108102
Intraday NAV	IBUYIV
Benchmark	EQM Online Retail Index
Expense Ratio	0.65%
Inception Date	4/20/2016
Exchange	NYSE Arca

INDEX DETAILS

Index Name	EQM Online Retail Index
Index Ticker	IBUYXT
Weighting	Modified Equal Weight
Rebalance	Semi-Annual
Website	eqmindexes.com

PERFORMANCE

Quarter End as of September 30, 2022

	Cumulative (%)					Annualized (%)			
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	5 Yr.	Since Inception
Fund NAV	-13.78%	-5.69%	-39.75%	-55.09%	59.58%	-63.82%	-5.18%	1.85%	7.52%
Closing Price	-13.94%	-5.66%	-39.81%	-55.09%	59.46%	-63.82%	-5.18%	1.80%	7.50%
EQM Online Retail Index	-13.84%	-5.73%	-39.89%	-55.20%	62.39%	-63.94%	-4.98%	2.04%	7.81%

IBUY's gross expense ratio is 0.65%. Fund inception date: 4/20/16. 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.

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. 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.

The EQM Online Retail Index differs substantially from the S&P 500 Index, which is used for comparison purposes as a widely recognized measure of U.S. stock market performance. While the returns of IBUY have exhibited positive (but varying) correlation to the index over time, IBUY may invest in different stocks and in different proportions than in the S&P 500 index. It is not possible to invest directly in an 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. Amplify ETFs are distributed by Foreside Fund Services, LLC

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QUESTIONS?

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