

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. New innovations, shopping habits, and categories were born from the pandemic (online grocery, curbside delivery, BOPIS, BNPL) and omnichannel developed from a “concept” to reality. These trends that hit their tipping point during the pandemic have continued to grow in adoption. In fact, e-commerce is estimated to represent 42% of total retail sales growth in 2023.²

Trends Supporting E-Commerce

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

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| <p>1</p> <p>The convenience, ease, and rapid delivery of shopping from home drives online retail sales</p> | <p>2</p> <p>Major sales days, events, and holidays continue to bolster e-commerce sales (Cyber Monday, etc.)</p> | <p>3</p> <p>Mobile shopping in the U.S. grew to \$387 billion in 2022, more than doubling pre-pandemic levels³ and is projected to reach \$710 billion in 2025.⁴</p> | <p>4</p> <p>91% of U.S. adults ages 18-49 report using their smartphones to make online purchases.⁵</p> |
| <p>5</p> <p>Global e-commerce sales are estimated to have surpassed \$5.7 trillion in 2022⁶</p> | <p>6</p> <p>Social media (including TikTok’s one billion monthly users) is increasing its e-commerce focus</p> | <p>7</p> <p>New, previously untapped markets (cannabis, gaming, etc.) are poised to generate huge new volumes</p> | <p>8</p> <p>Personalized online shopping (augmented reality and artificial intelligence [AI]) AI systems provide personally curated products which can increase sales</p> |

Sectors Likely to Benefit

- Mobile Platforms
- Transportation (Drones, etc.)
- Online Travel Platforms
- Beauty Products
- Online Grocery Platforms
- Cybersecurity
- Streaming Services
- Upscale Resale
- Omnichannel Retail
- Home Improvement
- Online Marketplaces
- Online Gaming

IBUY

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

The pandemic 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.⁷ The global e-commerce market is expected to total \$6.3 trillion in 2023⁸ and \$8.1 trillion by 2026.⁹ The U.S. e-commerce market is projected to reach over \$1.1 trillion in sales in 2023, which is up 10% year over year.¹⁰

Predictably, holiday spending is a key time of the year for e-commerce. In 2022, fourth-quarter retail e-commerce sales in the U.S. reached a record-breaking \$332.2 billion, an 18.1% increase from the fourth quarter of 2021.⁸

One option for investors interested in digital commerce is the Amplify Online Retail ETF (IBUY), an actively managed ETF representing online retail, online marketplace, online travel, and omnichannel retail in the rapidly growing e-commerce sector. For more information, please visit ibuyetf.com.

¹ As of 10/30/2023, Amazon has a 2.78% weighting in IBUY ETF. |

² <https://www.fticonsulting.com/about/newsroom/press-releases/fticonsulting-us-online-retail-sales-to-reach-114-trillion-in-2023> | ³ <https://www.statista.com/topics/1185/mobile-commerce/#topicOverview> |

⁴ www.statista.com/statistics/249855/mobile-retail-commerce-revenue-in-the-united-states/ | ⁵ <https://www.pewresearch.org/short-reads/2022/11/21/for-shopping-phones-are-common-and-influencers-have-become-a-factor-especially-for-young-adults/> |

⁶ <https://www.statista.com/topics/871/online-shopping/#topicOverview> |

⁷ Five Fifty: The Quickening, [mckinsey.com](https://www.mckinsey.com), Jun. 06, 2021 | ⁸ <https://www.practicaecommerce.com/actually-ecommerce-excelled-in-2022#> |

⁹ <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/> | ¹⁰ <https://www.retaildive.com/news/united-states-retail-e-commerce-sales-growth-one-trillion/686234/>

Carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This and other information can be found in the Fund's statutory and summary prospectuses, which may be obtained at 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. 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.

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