

Monthly Global Online Retail Market Report

December 2022

HANetf & EQM Indexes

Global Online Retail UCITS ETF

IBUY

69bps

IE00BN7JGL35

Product Inception Date: 24/03/21

For Professional Clients Only. Capital at risk.

All data as of 30/11/2022

This report was written by, and is the opinion of, the IBUY index providers EQM Indexes.

Key Takeaways

- **Online Retail Kicks Off Holiday Season with Record Sales** –While Adobe and Salesforce have different Black Friday and Cyber Monday sales totals, both show record increases from last year’s Covid-elevated 2021 shopping season. Why the difference? Adobe measures purchases among 85% of the top U.S. internet retailers while Salesforce measures sales at 24 of the top 30 U.S. online retailers, but regardless of the source, the figures are pretty impressive.¹

U.S. Cyber Monday total online sales

Adobe: \$11.3 billion — 5.8% increase from 2021

Salesforce: \$12.2 billion — 8% increase from 2021

U.S. Black Friday total online sales

Adobe: \$9.1 billion — 2.3% increase from 2021

Salesforce \$15 billion — 12% increase from 2021

Total online U.S. sales from Thanksgiving to Cyber Monday were \$67.5 billion, a 9% increase from last year, according to Salesforce.

- **Online Sales Exceeded In-Store Retail**– Mastercard Spending Pulse data, which tracks spending across all types of payments including cash and credit cards, saw sales at physical stores increase 12%, while online sales were up 14%. The strongest category was Apparel, up 14.4% with Electronics only up 2%. Not only did consumers get their holiday shopping in this weekend but they also dined out with family and friends, with restaurants up 23.3%.²
- **Europe Sees Black Friday Boost** - Retailers across Europe feared the overall Christmas trading season could be the worst in at least a decade as shoppers cut back, hit by double-digit inflation and soaring energy bills. But instead, Europeans snapped up smartphones, Christmas decorations, sweaters and jewellery during a surge in shopping over the Black Friday weekend. Globally, Black Friday sales were up three percent year-on-year. There were however strong regional variations. In the UK & Ireland, online revenues were down 13% on Friday with the number of orders placed down by 11%, while in Germany those figures translated to a 12% and 15% decline respectively. Some consumers may, however, have other priorities

¹ <https://martech.org/online-retail-kicks-off-holiday-season-with-record-sales/>

² <https://www.mastercard.com/news/press/2022/november/mastercard-spendingpulse-u-s-thanksgiving-weekend-retail-insights/>

besides shopping, with Wales, England, the Netherlands and Poland all in action on Friday at the World Cup.³

- **Mobile Shopping and Technology Helping Cash-Strapped Consumers Find Bargains-** Shoppers are relying on smartphones in-store to help them manage the cost-of-living crisis, with more than half of them (54%) using phones to compare costs in-store. 85% of them say they are doing this because of the cost-of-living crisis. Data from 2,400 shoppers across the UK, US, France and Germany shows that shoppers are now accustomed to seeing tech such as QR codes in-store. 61% of shoppers are likely to use QR, with 54% of those who do finding them most appealing when they unlock offers and promotions. Mobile shopping accounted for 67% of Black Friday sales, up from 65% last year. This move to mobile has also seen a significant shift to using mobile for 'conversational commerce', where shoppers are increasingly engaging with the brands and retailers that they want to do business with using mobile messaging such as SMS and WhatsApp.⁴
- To read all of EQM Indexes' Online Retail Holiday Shopping Predictions, [click here](#).

Macro Outlook

Our Online Holiday Shopping Predictions Have Come True

Looking back at last holiday season, most of the globe was in the midst of a pandemic surge, which, along with continued supply chain issues, helped place a big lump of coal in the stocking of in-person shopping. In 2021, global online shopping stood at record levels, with overburdened carriers barely able to keep up with the demand.

Many online retailers ramped up spending on inventory, infrastructure, and hiring, only to be faced with a post-pandemic growth slowdown. Coming off peak pandemic levels, online retail growth slowed to 7.3% in the second quarter of 2022.

While COVID is less of a concern this holiday season, consumers and retailers are facing new financial headwinds such as price inflation, high fuel costs, and economic uncertainty. The situation is particularly dire in Europe due to fallout from the Russia-Ukraine war. European consumers have more to worry about than their holiday shopping list, such as heating their homes for the winter.

But if the pandemic has taught us anything, it is how resilient the consumer is, regardless of the circumstances. And online shopping has proven to be an important tactical tool for cash-strapped consumers. Buy-Now-Pay-Later payment options and M-Commerce have also helped consumers fill their holiday shopping carts.

We believed going into the holidays that investors were underestimating the prospects for online retailers this holiday season, which has turned out to be the case, thus providing upside opportunities for investors.

Please note that all performance figures are showing net data. Past performance is not indicative of future performance and when you invest in ETFs, your capital is at risk.

³ <https://www.cnn.com/2022/11/28/european-retailers-downbeat-despite-black-friday-boost.html>

⁴ <https://internetretailing.net/mobile/shoppers-across-europe-increasingly-using-mobile-in-store-to-find-discounts/>

Global Online Retail Performance Table

As of 30.11.2022

| | 1M | 3M | 6M | YTD | 12M | SI |
|--|-------|---------|---------|---------|---------|---------|
| Global Online Retail UCITS ETF | 2.47% | -18.92% | -25.88% | -68.24% | -72.62% | -77.55% |
| <i>EQM Global Online Retail Growth Index</i> | 2.46% | -18.85% | -25.61% | -67.91% | -72.32% | -77.18% |

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/11/2022. Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs your capital is at risk.

Product Details

Global Online Retail UCITS ETF (IBUY) is a UCITS compliant exchange traded fund domiciled in Ireland.

The fund seeks to provide exposure to the rapidly growing online e-commerce market as competitive pricing, shopping convenience, greater product selection and rapid delivery have made online shopping a disruptive technology that continues to exhibit strong growth characteristics, gain market share, and expand globally.

IBUY is a passive, rules-based fund providing exposure to global companies that derive significant revenue from direct online retail and online marketplace. The index is revenue weighted with a maximum of 20% exposure to Emerging Markets.

Visit the [IBUY Fund Page](#) for more information.

| | | | | | | | |
|-----------------------|---------|---------|--------------|----------|---------|-----|-------|
| London Stock Exchange | IBUY LN | IBUY.L | IE00BN7JGL35 | - | BNG9658 | USD | 0.69% |
| London Stock Exchange | PBUY LN | PBUY.L | IE00BN7JGL35 | - | BNG9670 | GBP | 0.69% |
| Deutsche Boerse Xetra | IB0Y GY | IB0Y.DE | IE00BN7JGL35 | - | BMT6499 | EUR | 0.69% |
| Borsa Italiana | IBUY IM | IBUY.MI | IE00BN7JGL35 | - | BMT64D3 | EUR | 0.69% |
| SIX | IBUY | IBUY.S | IE00BN7JGL35 | 59389362 | BMC7PF2 | CHF | 0.69% |



Jane Edmondson

Co-Founder, EQM Indexes

EQM Indexes LLC is a U.S.-based, woman-owned firm dedicated to creating and supporting innovative indexes that thematic growth opportunities and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with nearly 30 years in the investment industry, the firm's index design expertise spans a wide range of asset classes and financial instruments. EQM Indexes has developed and licensed innovative index product solutions in the following categories: Global and International Online Retail, Blockchain, Global Cannabis, Lithium & Battery Technology, Junior Gold Miners, Risk Parity, and Social Justice.

Important Information

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 - ii. the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority (“FCA”) and the relevant final terms of the carbon securities (together, “FCA Carbon ETC Prospectus”); and
 - iii. the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland (“CBI”) and the final terms of the carbon securities (together, “CBI Carbon ETC Prospectus”).

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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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