

# Monthly Global Online Retail Market Report

February 2023

## 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 31/01/2023

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

## Key Takeaways

- **Online Retail Stocks Rally in January** – With inflation easing and interest rate hikes nearing an end, market segments such as online retail rallied sharply in January, with the EQM Global Online Retail Growth Index gaining a whopping 29.12% for the month. IBUY focuses on the fastest growing names in online retail, helping explain its outsized gain relative to other online retail product competitors. Top performing names in January included China's Dada Nexus, which operates a platform for on-demand retail and delivery, and cross-border online platform provider Global-E Online.
- **US Online Retail Spending Surpassed \$1 Trillion** – According to ComScore, US online retail sales surpassed \$1 trillion, making 2022 the highest year for digital commerce ever, and Q4 2022 the highest quarter ever. The achievement of this milestone defies the logic that the return to in-store shopping would come at the expense of online. On the contrary, online retail is now exceeding its pre-pandemic growth trajectory.
- **Top Online Retail Spending Categories for 2022** – Online grocery and apparel were the top spending categories in 2022. Total digital commerce was up 21% in 2022, with grocery comprising \$219 billion of the \$1.09 trillion of US spending, up 59% in Q4 alone, with apparel and accessories taking in \$175 billion. One of the top growing categories were event tickets, which grew 75% over last year. Event ticket sales now occur 88% on mobile phones these days, which represents an amazing industry transformation.
- **Turning Bullish on European Online Retailers** – The analyst community has turned bullish on Europe's battered online shopping companies. While shares in many of these companies endured a brutal 2022, as Covid-time lockdowns ended and inflation surged, BofA has come out as bullish and with cautious optimism on the online retail sector, upgrading online apparel retailers such as Asos Plc, Boohoo Group Plc, and Zalando SE to a BUY rating, and reiterating their positive rating on THG Plc.

## Macro Outlook

### Online Retail Sales Far Exceed Expectations, Growing 20+% in 2022

Online retail set global spending records in 2022 despite multiple economic headwinds. In fact, inflation ended up being a boon for online retail as cost-conscious consumers were able to price comparison shop and find bargains online. The disruption of retail has resumed, with many traditional retail models in jeopardy as they struggle to compete with online. Mobile commerce in particular has been transformative, especially for ticketing events such as concerts and travel. The mobile share of online retail reached a record 38% in 2022. Online grocery has risen to the top digital commerce category, as there has been a 333% increase in online grocery spending over the last 4 years, with a lot of that growth coming from mobile apps. Social commerce has also become a critical component of online retail growth, similar to the retail "end-cap display", creating a massive opportunity for impulse spend. The last year provided important evidence that online retail is alive and well in the post-pandemic world, and will be thriving, growing, and transforming retail for many years to come, as it still represents only a miniscule 20% of global retail spend.

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.

## Global Online Retail Performance Table

As of 31.01.2023

	1M	3M	6M	YTD	12M	SI
Global Online Retail UCITS ETF	28.96%	23.93%	-1.11%	28.96%	-52.13%	-72.84%
<i>EQM Global Online Retail Growth Index</i>	<i>29.12%</i>	<i>24.12%</i>	<i>-0.80%</i>	<i>29.12%</i>	<i>-51.57%</i>	<i>-72.35%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/01/2023. 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.

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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").

Investors should read the latest versions of the relevant ETC prospectus before investing and should refer to the section of the relevant ETC prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the relevant 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](http://www.hanetf.com).

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