

# IPAY

## Amplify Mobile Payments ETF

### Analyst Report

The ETFMG Prime Mobile Payments ETF invests in companies that stand to benefit from the transition away from cash and credit cards to digital payment technology.

Top holdings include familiar names like Visa and Mastercard, but the index methodology caps the weight of any company at 6%, which keeps those giants from swamping the portfolio. Other top holdings include Paypal, Fleetcor and Square.

The management fee of 75 basis points is high for a passive ETF, but not unusual for niche products. One alternative is the Global X FinTech ETF (FINX), which invests in some of the same companies but comes with a lower fee, and a portfolio that isn't dominated by old-school credit card companies.

One unusual consideration in the case of IPAY is the reputation of ETF Managers Group, the firm that runs the fund. ETFMG is facing lawsuits from former business partners alleging theft of management fees from a handful of ETFs, including IPAY. So far there's little indication that the firm's legal woes have hurt investors in the disputed funds but investors and advisers should be aware of the controversy. In December 2019, a federal judge ordered ETFMG to pay \$80 million to Nasdaq, one former business partner. The judge sharply criticized ETFMG's founder and chief executive. ETFMG has appealed.

### ESG Themes and Scores

6.07/10

ESG Rate

37.42%

Global Percentile

36.45%

Peer Percentile

### Performance Data

|               | IPAY    | ETF Database Category Average | Factset Segment Average |
|---------------|---------|-------------------------------|-------------------------|
| 1 Month       | -12.73% | -12.47%                       | -12.73%                 |
| 3 Month       | -11.94% | -11.40%                       | -11.94%                 |
| YTD Return    | -8.35%  | -6.92%                        | -8.35%                  |
| 1 Year Return | 5.75%   | 5.41%                         | 5.75%                   |
| 3 Year Return | 5.39%   | 5.73%                         | 5.39%                   |
| 5 Year Return | 5.30%   | 7.73%                         | 5.30%                   |

### Top 5 Holdings

| Symbol | Holding                         | % Assets |
|--------|---------------------------------|----------|
| V      | Visa Inc. Class A               | 7.42%    |
| MA     | Mastercard Incorporated Class A | 6.94%    |
| FI     | Fiserv, Inc.                    | 6.92%    |
| ADYEN  | Adyen NV                        | 6.69%    |
| AXP    | American Express Company        | 6.28%    |

### Vitals

|               |  |
|---------------|--|
| Issuer        | Amplify Investments                      |
| Brand         | Amplify                                  |
| Structure     | ETF                                      |
| Expense Ratio | 0.75%                                    |
| Inception     | Jul 15, 2015                             |
| Index Tracked | Nasdaq CTA Global Digital Payments Index |

### ETF Database Themes

|                   |                     |
|-------------------|---------------------|
| Category          | Technology Equities |
| Asset Class       | Equity              |
| Asset Class Size  | Multi-Cap           |
| Asset Class Style | Growth              |
| Region (General)  | Developed Markets   |
| Region (Specific) | Broad               |

### FactSet Classifications

|           |  |
|-----------|--|
| Segment   | Equity: Global Transaction & Payment Processing Services |
| Category  | Sector   |
| Focus     | Financials   |
| Niche     | Transaction & Payment Processing Services                |
| Strategy  | Vanilla  |
| Weighting | Market Cap   |

