

FEBRUARY 2025

# The BLOK-Chain Monthly

Staying Up-to-date with the Rapidly  
Evolving Blockchain Technology

By Dan Weiskopf and Mike Venuto, Co-Portfolio Managers  
of the Amplify Transformational Data Sharing ETF (BLOK)

BLOK's NAV returns started the year up 11.24% for the month of January and reflects the business momentum and conditions we envision for the year ([see standardized performance](#)). This administration has created appropriate urgency and pent-up inertia around innovation and the need for disruption. The future is no longer about past money, and complacency will no longer be tolerated. Whether you are IBM (IBM), Block (XYZ), Coinbase (COIN) or Beyond (BYON), this is the year of transformation! Investors need to buckle up and be prepared for volatility!

Less is more! Readers should review our outlook for 2025 that was outlined in our [November](#) and [December](#) BLOK blogs and feel free to inquire further. We would like to add 5 points:

- 1) As the sub-adviser, we are proud that BLOK was nominated for the 2025 ETF Thematic Award by ETF.com.<sup>1</sup> BLOK has received a number of accolades in the 7 years since its launch, and we take none of them for granted. We believe we are a great example of how investors can benefit from “active over passive” when capitalizing on innovation and disruption, and we are proud that investors have recognized this thesis. The internet did not stand still in its early development - nor will Blockchain/AI.
- 2) Investors who follow Bloomberg's Eric Balchunas and James Seyffart will appreciate that BLOK was highlighted as #5 in ETFs to watch for 2025.<sup>2</sup> Portfolio managers do not usually highlight media attention, and we promise not to let the accolades go to our head.
- 3) Trump's strategy and policy will lean towards the saying “the best defense is a strong offense” and following what he does over the rhetoric is our policy. We will not get caught up in the media excitement. To this point, we came into the DeepSeek sell-off with a 5-6% weighting towards cash after trimming back some of our higher beta<sup>3</sup> exposures. With this in mind, we reviewed the news objectively and point to the fact that the news had leaked out earlier in the month. For real players, the risk was known. We believe the announcements about the \$500 billion Stargate Project with Oracle, Open-AI and Softbank, the \$5 billion Macquarie commitment with Applied Digital, and the tone from firms like Blackrock, Microsoft, and Meta suggest that spending will likely accelerate in this area. **The fact is that America must lead the transformational technologies trends in the symmetry between AI and Blockchain, and this administration will support businesses that lean in on these trends.**
- 4) The progress around Bitcoin adoption as a form of investment to solve real world problems continues to be reflected through potential adoption by so many US states and sovereign entities. This is well illustrated by the chart below that outlines the US states pursuing a Bitcoin reserve. But before readers get excited about Bitcoin price action, we recommend that they ask about the WHY more than just the PRICE. Bitcoin Blockchain adoption is driven by people looking to solve a problem, such as excess government spending, inflation, purchasing power and transfer of value.
- 5) Venture capital will accelerate in 2025 as policy frameworks and regulations offer greater clarity. Check out Chris Dixon's interview. He is the general partner of A16z, which manages about \$40 billion across 20 funds, including the \$7.2 billion raised back in April 2024. As a leader in the technology venture capital sector, we would expect this firm's example will lead to an acceleration of capital allocation in the space.

*The performance data quoted represents past performance and does not guarantee future results. 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. Current performance may be lower or higher than the performance quoted. For most recent month-end performance, visit [BLOKETF.com](#).*

## State-by-State Race for a Bitcoin (BTC) Strategic Reserve

● Completed Step

○ In-Progress



Note: The included states have public endorsements from state officials regarding a Bitcoin (BTC) strategic reserve through state legislation. Additionally, Michigan and Wisconsin already have Bitcoin (BTC) exposure through state-run funds, despite lacking a public endorsement for establishing a Bitcoin (BTC) strategic reserve through state legislation. Data as of 1/29/2025.

Source: LegiScan.

## TRANSACTIONS AND REPOSITIONING

We are not a tactical strategy, but that does not mean that we aren't proactive at trying to manage market risk. Markets are dynamic and we have strict rules around things like industry classifications, as an example. These rules lead to a weekly review of holdings and investment categories (8). We are also cognizant about sentiment and notice when asymmetry risk has changed or when the risk/reward ratio is, in our opinion, no longer favorable.

As a reminder, we make changes in 50-100 BP\* (basis point) increments and frequently trim when positions scale between 5.00% and 5.50%. While selling our winners may sometimes limit some of the exponential upside, we see so much opportunity in the group that offsetting risk from overexcitement creates discipline around big moves. In January, we trimmed our beta exposure by reducing direct Spot Bitcoin ETF exposure and trading around Marathon Platform (MARA) and HUT8 (HUT). The position in Bitdeer (BTDR) was reduced more significantly by trimming the position back to the original level of +/-1.25% after realizing profits of about 2%. Actively capturing profits in the ETF wrapper is a competitive advantage over other ways some are investing in the space. We also trimmed 125 BPs of Bitcoin indirect exposure. Positions that were scaled back at the 5% level include Galaxy Digital Holdings (GLXY -CN/BRPHF), and Robinhood Markets (ROBN). Roblox (RBLX) was also scaled back after a substantial move on no news.

In the month, we purchased Blackrock (BLK), Block, Inc (XYZ), Nubank Holdings (NU), and Customers Bancorp (CUBI).

Industry disruption and innovation is not a linear or smooth process, so we must be prepared for volatility. We would also expect volatility in the markets to be driven by the new administration's ambitions, agenda, and management style. We hope people will look past some of the short-term volatility.

## ATTRIBUTION

Broadly speaking, the transformational change and adoption of Blockchain and Crypto in the S&P500 Index or Nasdaq index will take years, but it must happen, or America will fall behind. **We highlight this point knowing that our active share over these two indexes is extraordinarily high with an overlap of only 6% in each of these indexes. Arguably, this illustrates how we try to deliver value to our investors, especially in this recent month. Our benchmark is not these indexes, but investor behavior dictates that people will ask. Note these indexes were up 2.7% and 1.6% for the month, respectively.**

Top 5 Leaders in the portfolio represented about half the performance (about 6%) and included Robinhood Markets (HOOD) at 1.82%, Metaplanet (3350 JP) at 1.51%, Beyond (BYON) at 1.22%, Coinbase (COIN) at 0.75% and Galaxy Digital Holdings (GLXY – CN/BRPHF) at 0.73%. These stocks were up approximately 39.42%, 43.64%, 68.15%, 17.32% and 13.18%, respectively. Fortunately, the only stock down big during the month (off 10.6%) was Nvidia (NVDA), and that is a 1.59% position in the portfolio.

## TOP 10 HOLDINGS *(as of 1/31/2025)*

| TICKER  | COMPANY           | % WT. | TICKER | COMPANY         | % WT. |
|---------|-------------------|-------|--------|-----------------|-------|
| HOOD    | Robinhood Markets | 5.22% | XYZ    | Block           | 4.05% |
| COIN    | Coinbase Global   | 4.62% | CORZ   | Core Scientific | 3.85% |
| GLXY CN | Galaxy Digital    | 4.55% | PYPL   | PayPal          | 3.34% |
| 3350 JP | Metaplanet        | 4.50% | CLSK   | Cleantech       | 3.17% |
| MSTR    | MicroStrategy     | 4.05% | NU     | NU              | 3.09% |

*Holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell a security.*

**BLOK PERFORMANCE**

| MONTH END<br>AS OF 1/31/2025    | CUMULATIVE (%) |        |        |        |                    | ANNUALIZED (%) |        |        |                    |
|---------------------------------|----------------|--------|--------|--------|--------------------|----------------|--------|--------|--------------------|
|                                 | 1 MO.          | 3 MO.  | 6 MO.  | YTD    | SINCE<br>INCEPTION | 1 YR.          | 3 YR.  | 5 YR.  | SINCE<br>INCEPTION |
| Fund NAV                        | 11.24%         | 26.53% | 38.36% | 11.24% | 209.23%            | 88.61%         | 16.20% | 25.73% | 17.39%             |
| Closing Price                   | 10.81%         | 26.32% | 38.27% | 10.81% | 208.78%            | 88.59%         | 15.95% | 25.90% | 17.37%             |
| QUARTER END<br>AS OF 12/31/2024 | 1 MO.          | 3 MO.  | 6 MO.  | YTD    | SINCE<br>INCEPTION | 1 YR.          | 3 YR.  | 5 YR.  | SINCE<br>INCEPTION |
|                                 | 1 MO.          | 3 MO.  | 6 MO.  | YTD    | SINCE<br>INCEPTION | 1 YR.          | 3 YR.  | 5 YR.  | SINCE<br>INCEPTION |
| Fund NAV                        | -8.92%         | 21.70% | 28.75% | 52.77% | 177.99%            | 52.77%         | 4.88%  | 23.35% | 15.83%             |
| Closing Price                   | -8.90%         | 22.02% | 29.07% | 53.37% | 178.65%            | 53.37%         | 4.85%  | 23.53% | 15.87%             |

*Fund Inception Date: 1/17/2018. BLOK's total expense ratio is 0.73%. The performance data quoted represents past performance and does not guarantee future results. 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 the original cost. Current performance may be lower or higher than the performance quoted. For most recent month-end performance, visit [AmplifyETFs.com/BLOK](https://amplifyetfs.com/BLOK). Brokerage commissions will reduce returns. NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The closing price is the last price at which the fund traded.*

**SUMMARY**

We are pleased to deliver a strong start in 2025 and hope to carry forward with the momentum knowing with certainty it will be a volatile year. More to the point, while volatility will be a headwind, we feel strongly that evidence of industry adoption of Blockchain as a technology will certainly continue.

**EDUCATION**

For those who just want to get educated about the blockchain, here are some links:

- Podcast: Laurashin of UnChained, Chris Dixon on Why We Will Finally See New App Innovation in Crypto<sup>4</sup> (Chris Dixon is a General Partner and has been at Andreessen Horowitz since 2012. He founded and leads a16z crypto<sup>5</sup>, which invests in web3 technologies)
- Whitepaper from SettleMint, Opportunities for Blockchain Technology in Capital Markets:  
<https://8639589.fs1.hubspotusercontent-na1.net/hubfs/8639589/SettleMint%20-%20Opportunities%20for%20Blockchain%20Technology%20in%20Capital%20Markets%20-%20Updated%202023%20Edition.pdf>
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System [bitcoin.org/bitcoin.pdf](https://bitcoin.org/bitcoin.pdf)

# BLOK

Amplify Transformational Data Sharing ETF

**First & Largest Actively Managed Blockchain Technology ETF**

Learn more: [BLOKETF.com](https://BLOKETF.com)



Global equity portfolio of professionally-selected companies involved in blockchain technology.



Active management approach that we believe enables the Fund to remain flexible, make timely decisions and identify companies that are best positioned to profit from the developing blockchain technology space.



Convenience and Transparency: access the blockchain and crypto ecosystem without K-1 tax reporting.\*\*

\*BPs: A basis point (BP) is a unit that is equal to 1/100th of 1%.

\*\*Schedule K-1 is a federal tax document used to report the income, losses, and dividends of a business' or financial entity's partners or an S corporation's shareholders. This information does not constitute, and should not be considered a substitute for, legal or tax advice.

<sup>1</sup><https://www.etf.com/sections/news/etfcom-announces-nominees-2025-awards>

<sup>2</sup><https://blinks.bloomberg.com/news/stories/SQ4S9NDWLU68>

<sup>3</sup>Beta is a measure of a portfolio's or stock's volatility in relation to the overall market.

<sup>4</sup><https://x.com/laurashin/status/1884323314551963910>

<sup>5</sup><https://a16z.com>

**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 prospectus, which may be obtained at [AmplifyETFs.com](https://AmplifyETFs.com). Read the prospectus carefully before investing.**

Click [HERE](#) for BLOK's top 10 holdings.

Click [HERE](#) for BLOK's prospectus.

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. The Fund's return may not match or achieve a high degree of correlation with the return of the underlying Index.

The Fund is subject to management risk because it is actively managed. Narrowly focused investments typically exhibit higher volatility. A portfolio concentrated in a single industry, such as companies actively engaged in blockchain technology, makes

it vulnerable to factors affecting the companies. The Fund may face more risks than if it were diversified broadly over numerous industries or sectors. Blockchain technology may never develop optimized transactional processes that lead to realized economic returns for any company in which the Fund invests.

The Fund invests at least 80% of the Fund's net assets in equity securities of companies actively involved in the development and utilization of blockchain technologies. Such investments may be subject to the following risks: the technology is new and many of its uses may be untested; theft, loss or destruction; competing platforms and technologies; cybersecurity incidents; developmental risk; lack of liquid markets; possible manipulation of blockchain-based assets; lack of regulation; third party product defects or vulnerabilities; reliance on the Internet; and line of business risk. The investable universe may include companies that partner with or invest in other companies that are engaged in transformational data sharing or companies that participate in blockchain industry consortiums. The Fund will invest in the securities of foreign companies. Securities issued by foreign companies present risks

beyond those of securities of U.S. issuers.

The Fund may have exposure to cryptocurrencies, such as bitcoin, indirectly through investment funds. Investing in cryptocurrency is highly speculative and is only appropriate for investors who understand the associated risks and likelihood of extreme volatility. Investors in cryptocurrency should be prepared to lose their entire investment. The fund does not invest directly in bitcoin. Holding a privately offered investment vehicle in its portfolio may cause the Fund to trade at a premium or discount to NAV. Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrencies are uncertain and such investments, even indirectly, may produce non-qualifying income for purposes of the favorable U.S. federal income tax treatment generally accorded to regulated investment companies.

Amplify Investments LLC is the Investment Adviser to the Fund and Tidal Investments, LLC, serves as the Investment Sub-Adviser.

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