

JULY 2024

The BLOK-Chain Monthly

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

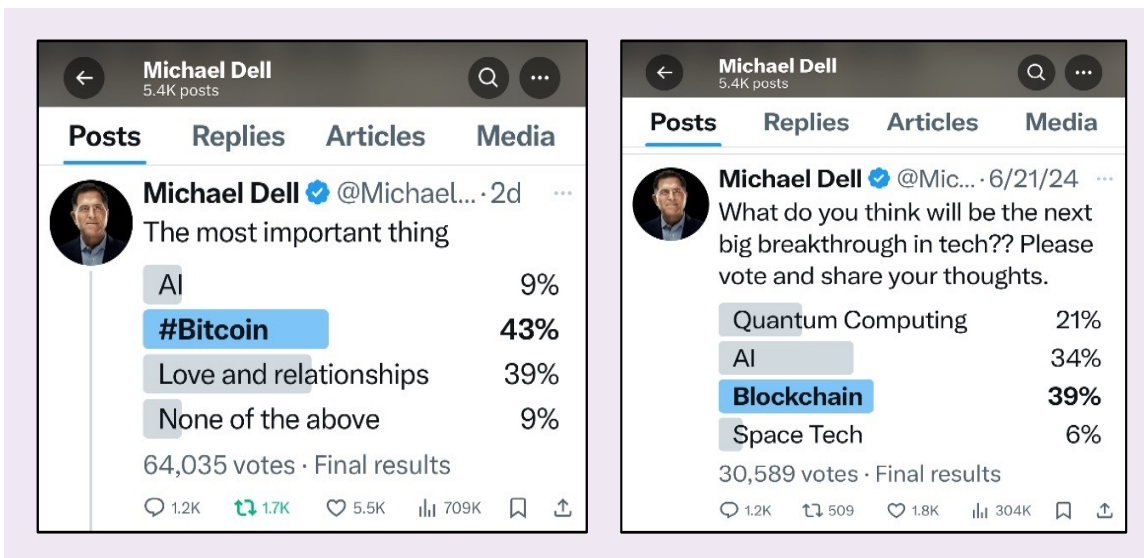
By Dan Weiskopf and Mike Venuto, Co-Portfolio Managers
of the Amplify Transformational Data Sharing ETF (BLOK)

BLOK closed the quarter with a 7.83% (NAV return) rebound in the month of June and year-to-date performance of 18.66%. The portfolio benefited from a massive two part \$4.725 billion transformative 12-year deal with Coreweave that repriced the value of the entire Bitcoin Mining sector. This deal was highlighted in last month's report, but Core Scientific (Core) expanded the deal late in June with an additional \$1.225 billion add on deal. Other companies in the sector with the proper infrastructure to pursue HPC/AI (High Performance Computing and Artificial Intelligence) also now have plans to expand in this direction, but this sweet deal may be the strongest and is probably unique to Core. Given the excitement of the returns coming from the MAG7, Bitcoin and AI we are pleased to report that our focus on transformational companies in Blockchain and Tokenization technology delivered such strong momentum in this first half of 2024. While in this first half we are benefiting from the momentum of Core, we do not think this is a singular exponential situation. Again, investors need to think through the implications, consider the internet when it was in its nascent stage and how it completely changed industries and how people engage as consumers.

TRANSACTIONS AND REPOSITIONING

Pursuant to risk controls we scaled back our exposure to Core into the rally and by now have realized almost all of our capital from the original investment and still sit on an allocation in the portfolio of about 5%. In the Quarter we also added to HIVE Technologies and added a new holding that we mentioned in our last report, Bitdeer (BTDR). Our due diligence in the miners category also led us to increase 50 Bps to both Nvidia (NVDA) and Qualcomm (QCOM).

A new position we added to the portfolio was Dell Technologies. Dell is a truly transformative company and a firm which we have tracked since its founding in 1984. As such, we have been monitoring the activity in Bitcoin since 2014. Moreover, while its servers are not used directly in Bitcoin mining they are used for AI by one particular miner which we follow. Putting together the pieces of the ecosystem as it is in its early stage of formation requires a robust due diligence process and many relationships. We may not be the loudest portfolio management team, but that does not mean that we don't have the boots and ears on the ground. There are rumors, encouraged by a few posts by Michael Dell that the company is looking closely at Bitcoin as an important technology and or possibly as a holder of Bitcoin in its Treasury. Dell is clearly well capitalized and looking to enhance shareholder value in the form of higher dividends, technology leadership and the repositioning of its platform. To this point, it must re-ignite revenue growth which is expected to be low single digits in the near future. For this reason, we give Michael Dell the benefit of the doubt that he has signaled that he wants to leave a legacy as playing a role in the Blockchain evolution. Early company comments about Blockchain¹ suggest that Mr. Dell has been thinking about the synergies between Blockchain and AI. We did not buy DELL simply because of a hope that Michael Dell is now an outspoken Bitcoin advocate, but it cannot be lost on the fact that one of the most important technologists of our time is now openly looking at the digital asset space as part of his strategy to transform the company he founded. See interview with CNBC for further insights directly from Michael Dell.² In addition, here are two recent posts by Mr. Dell in which two of the posts are polls that suggest Blockchain is as important a trend or greater than AI. From the Desk of @MichaelDell:



The performance data quoted represents past performance. Past performance does not guarantee future results. The 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 and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end please visit [BLOKETF.com](https://www.blokETF.com).

ATTRIBUTION

To simplify the discussion around the Fund's performance we offer the following attribution chart. While the portfolio is made up of about 40-60 holdings (currently 53) the Fund's returns are highlighted through these 13 holdings plus some 5% allocations to Bitcoin. Bitcoin price is up \$43.11 YTD, down 15.15% for the second quarter and down 11.17% in June. We should mention that we did shift around our position in Bitcoin ETFs and most recently bought more in this recent pullback after trimming early in the year. Historically, direct Bitcoin spot has been at the range of around 3-5%. Note that the companies in red are those which provided negative returns during the period.

In reviewing the below chart, we would emphasize that while we trimmed back our position in Core pursuant to strict risk controls and we may even be forced to trim further we see this company as purposely and strategically well positioned. It has been a tough road for sure, but the demand for data centers and upfront capital that has been received will position this company with a great deal of flexibility as both an infrastructure company focused on Bitcoin miner and AI/HPC. In addition, the upside run in the stock comes off an extreme lack of awareness from the company coming out bankruptcy. Meaning, we think this company will be in an especially strong position with free cashflow and a solid balance sheet into the Q3 of 2024 and into 2025. As a reminder to our investors, as Portfolio Managers, we played a role in the restructuring of the capital structure as active members of the original Senior convertible bond committee when the company went into bankruptcy in December 2022. CORZ exited bankruptcy in January 2024 with a "pragmatic growth plan" and with about \$400 million less debt, said Adam Sullivan. To this point, we can only say –"pragmatism" with a growth strategy that is well capitalized is probably easier to manage than one that has a lot of capital restrictions. Investors should stay tuned and watch Mr. Sullivan and the Core Team closely. This road has lots of potential!

In anticipation of questions about the potential launch of Ethereum Spot ETFs in early July we would say simply this. The adoption of "Public Digital Property" that leads to tokenization will see increased interest spread to Ethereum and other crypto platforms that provide the security of a "Smart Contract". At the moment, this is a different use case than Bitcoin which is mostly seen as a "store of value", a "digital gold" and a hedge against inflation.

PERFORMANCE CONTRIBUTION CHART *(as of 6/30/2024)*

	Year to Date			2Q 2024			1 Month		
	Average Weight (%)	Total Return (%)	Contribution to Return (%)	Average Weight (%)	Total Return (%)	Contribution to Return (%)	Average Weight (%)	Total Return (%)	Contribution to Return (%)
CORE SCIENTIFIC INC (1)	3.44	242.42	7.19	5.71	237.01	5.97	8.03	139.02	4.79
MICROSTRATEGY INC-CL A	4.70	118.09	5.41	4.14	-19.19	-0.87	4.19	-9.64	-0.38
CLEANSARK INC	3.38	44.61	2.38	2.91	-24.80	-0.94	2.77	-0.75	-0.02
GALAXY DIGITAL HOLDINGS LTD	4.89	49.04	2.15	5.13	9.28	0.47	5.25	14.44	0.77
ROBINHOOD MARKETS INC – A	3.10	78.26	1.89	3.35	12.82	0.37	3.39	8.66	0.29
NU HOLDINGS LTD/CAYMAN ISL-A	2.92	54.74	1.32	3.11	8.05	0.23	3.04	8.50	0.26
COINBASE GLOBAL INC -CLASS A	4.38	27.78	1.24	4.34	-16.18	-0.78	4.25	-1.63	-0.04
TAIWAN SEMICONDUCTOR	1.66	68.32	0.98	1.75	28.16	0.42	1.85	15.44	0.27
HUT 8 CORP	2.00	11.49	0.49	2.14	35.34	0.84	2.46	72.15	1.40
MARATHON DIGITAL HOLDINGS	3.34	-15.50	-0.53	3.04	-12.09	-0.37	3.02	1.69	0.06
HIVE DIGITAL TECHNOLOGIES LT	1.74	-31.46	-0.87	1.47	-7.99	-0.13	1.65	22.79	0.31
RIOT PLATFORMS INC	2.73	-40.92	-1.39	2.44	-25.33	-0.69	2.28	-6.16	-0.14
BEYOND INC	3.52	-52.76	-2.26	2.91	-63.58	-3.10	2.19	-13.55	-0.32

The position in Core Scientific reflect the aggregate values of both the common stock (CORZ) and the Convertible bonds, but does not reflect certain security rights that were sold in June and interest received. The bonds were converted to equity at the end of June and sold.

TOP 10 HOLDINGS *(as of 6/30/2024)*

TICKER	COMPANY	% WT.	TICKER	COMPANY	% WT.
CORZ	Core Scientific	5.24%	NU	NU	3.27%
GLXY CN	Galaxy Digital	5.15%	HUT	HUT 8	3.18%
COIN	Coinbase Global	3.96%	8473 JP	SBI	3.08%
MSTR	MicroStrategy	3.73%	MARA	Marathon Digital	3.00%
HOOD	Robinhood Markets	3.45%	PYPL	PayPal	2.96%

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

QUARTER END AS OF 6/30/2024	CUMULATIVE (%)				ANNUALIZED (%)				
	1 MO.	3 MO.	6 MO.	YTD	SINCE INCEPTION	1 YR.	3 YR.	5 YR.	SINCE INCEPTION
Fund NAV	7.06%	-2.52%	18.66%	18.66%	115.91%	58.24%	-4.84%	18.37%	12.67%
Closing Price	7.16%	-2.66%	18.83%	18.83%	115.89%	57.71%	-4.89%	18.43%	12.67%

Fund inception date: (01/17/2018). BLOK's gross expense ratio is 0.76%. The performance data quoted represents past performance. Past performance does not guarantee future results. The 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 and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end please visit AmplifyETFs.com/BLOK. Brokerage commissions will reduce returns. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The closing price or market price is the most recent price at which the fund was traded.

SUMMARY

The Fund is off to a strong start in 2024 with YTD performance of 18.66% (NAV). In searching for innovative, transformative and disruptive companies we spend a great deal of time building up our database of companies looking for an edge for their future that is aligned with Blockchain and Tokenization. The challenge, of course, in seeking transformative companies is in striking a portfolio balance between their individual stock volatility and the excitement around the evolutionary change ahead of us across industries. We also continue to seek such change in large companies which have strong balance sheets and real cashflows. We expect we found such an opportunity in Dell Technologies.

EDUCATION

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

- Whitepapers and research: McKinsey, "From ripples to waves: The transformational power of tokenization assets."³
- Podcasts: Coin Stories with Natelie Brunell: Juriren Timmer of Fidelity: Bitcoin in a 60/40 Tradfi Portfolio⁴
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System⁵

BLOK

Amplify Transformational Data Sharing ETF

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

Learn more: 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.

¹ www.delltechnologies.com/content/dam/delltechnologies/assets/collaterals/pdf/Connected_Finance_Our_Digital_Solutions_Blockchain.pdf

² www.cnn.com/video/2024/06/17/short-heres-how-dell-is-preparing-for-and-considering-ai.html

³ <https://www.mckinsey.com/industries/financial-services/our-insights/from-ripples-to-waves-the-transformational-power-of-tokenizing-assets>

⁴ <https://open.spotify.com/show/0YOEwxAR1ulx1a15QpqE0I>

⁵ <https://bitcoin.org/bitcoin.pdf>

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. 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 Toroso Investments, LLC serves as the Investment Sub-Adviser.

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