

BLOK

AMPLIFY TRANSFORMATIONAL
DATA SHARING ETF

The BLOK-Chain Monthly

Staying Up-to-date with the Rapidly Evolving
Blockchain and Crypto Ecosystem

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Sharing ETF (BLOK)

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THE MANDATE

The Amplify Transformational Data Sharing ETF (BLOK) is an actively managed fund, seeking to identify the leading companies focused on the transformation and development of the blockchain and cryptocurrency markets. The managers focus on how companies can capture the growth, innovation and disruption of the blockchain paradigm shift. The evolution of the internet has changed how people communicate. We believe growth companies that embrace blockchain evolution will capture secular growth trends that are accelerating and disrupting core processes in business. We think this is an important secular trend, as Gartner forecasts business value generated by the blockchain could be \$176 billion by 2025, and \$3.1 trillion by 2030.¹

TOP 10 HOLDINGS *As Of 4/29/2022*

Ticker	Company	% Weight
SI	SILVERGATE CAP CORP	4.97%
CME	CME GROUP INC	4.81%
8473 JP	SBI HOLDINGS INC	4.66%
NVDA	NVIDIA CORPORATION	4.11%
9449 JP	GMO INTERNET INC	4.08%
MSTR	MICROSTRATEGY INC	3.72%
4819 JP	DIGITAL GARAGE	3.69%
IBM	INTERNATIONAL BUSINESS MACHINE	3.66%
GLXY CN	GALAXY DIGITAL HOLDINGS LTD	3.53%
CORESCIENCE	CORE SCIENTIFIC CONV NOTE	3.42%

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

APRIL MONTHLY HIGHLIGHTS

During the month we sold Twitter (TWTR) and invested the proceeds in Marathon Digital (MARA), RIOT blockchain (RIOT), Coinbase Global Inc (COIN) and Roblox Corp (RBLX). Like Elon Musk, we at Toroso are heavy users of Twitter, and look forward to the necessary changes and innovations ahead for the platform. However, based upon an internal risk analysis, we sold shortly before the stock was halted and the \$54.20 deal was confirmed. Thank you Elon. We look forward to seeing what you will do with Twitter.

BLOK PORTFOLIO UPDATES

Pursuant of a disciplined approach, we add incrementally to positions as due diligence validates long-term trends that are supported by a combination of fundamental and industry research around a position. On a long-term basis, we are looking to invest in companies that will lead with business models that have a competitive advantage in terms of scalability in large scale total addressable markets (TAMS). To this point, while we let the exposure to the crypto mining space shrink from 28% to a low of about 20%, we chose to increase the portfolio exposure by 1% because their access to capital will continue to enable them to secure the bitcoin network. We also favor these two companies because they have positioned their operations in the United States where capital costs and energy costs are very favorable.

The attribution analysis below highlights the diversity of the portfolio in that almost every holding was down dramatically. However, in isolating the crypto miners, we also note that in April about 1/3rd of the 21.28% drawdown (or 7.37%) came from the continued price decline in the value of crypto miners. Mining for Bitcoin is capital intensive, but fundamentally essential to making the Bitcoin infrastructure work securely and efficiently. As such, the mining category is at the core of our investor mandate, and despite periods of time where the economics work against the stocks, the moves on the upswing are equally parabolic. Dramatic declines from core positions such as Coinbase Global Inc (1.74%), Galaxy Digital Holdings (1.67%), Nvidia (1.48%), MicroStrategy Inc (1.08%) and Silvergate Capital (1.06%) in aggregate contributed to another 7.03% of the decline. Indirectly, the decline in the price of Bitcoin (16%) and investor sentiment towards growth as a factor overall contributed much to the negative return.

¹ <https://www.gartner.com/en/doc/3855708-digital-disruption-profile-blockchains-radical-promise-spans-business-and-society#:~:text=Gartner%20forecasts%20that%20the%20business,and%20%243.1%20trillion%20by%202030.>

THE CRYSTAL BALL AND MANAGING RISK

Innovation rises to the top in periods of economic change, crisis and arguably, even chaos. We think that is what is happening now. Speaking to venture capital firms, we often hear that they have much dry powder on the sidelines for “down rounds.” We think this is important. The companies we invest in are targeting the blockchain because they expect to realize direct benefits to their business, or see the blockchain as a massive long term opportunity. Given market conditions over this past year we have focused on companies traded in North America and developed markets in general. This does not mean that we expect that the Blockchain is limited to those regions, but rather we are conservative on how we view the need for liquidity and transparency.

We are now entering a period where relationships matter in the ecosystem. Going back to 2017, we always knew this would be important. In the near-term, markets will do what they will do regarding valuation, but the blockchain trend will continue to accelerate through whatever crisis is in front of us. The blockchain is about the lack of “trust” in the system, and the purity of verification through a sequence of blocks on a chain, verified by math. Errors, fraud and cyber-security will be an issue in the world we live in. However, the purity of math structured on a blockchain as a way to validate work by independent entities is why the blockchain has great utility value. This is the importance of the blockchain offering, regardless of whether the utility value is as an asset class or a transfer of data formatted on a “smart” contract.

EDUCATION

For those who just want to get educated on the Blockchain, here are some links:

- What is Blockchain and How Blockchain Works, By Crypto Casey <https://open.spotify.com/episode/4vQ9O9XMTYd1AFz0VxaWuj?si=YkTPSkjQjyuGyPASDcLvA&nd=1>
- What is Ethereum and How It Works, By Crypto Casey <https://open.spotify.com/episode/2lnb0pHh9WaWnGHRoVAAC7>
- From the Bitcoin Mining Counsel: An Open Letter to the EPA, May 2, 2022 https://bitcoinminingcouncil.com/wp-content/uploads/2022/05/Bitcoin_Letter_to_the_Environmental_Protection_Agency.pdf
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System <https://bitcoin.org/bitcoin.pdf>

SUMMARY

The fund declined 21.28% in April as a result of a broad decline in growth stocks. Weakness in its allocation to crypto miners contributed to 1/3rd of the drawdown, and 5 additional core holdings made up for another 1/3rd of the weakness. Broadly speaking, all other names were weak except Twitter, which was sold based upon the team’s analysis of risk/reward. Despite the sale, we as avid users are excited about Elon Musk’s approach. His action reminds us all that companies always need to be accelerating their pace of innovation to transform their future business opportunities.

BLOK PERFORMANCE

Month end as of 4/30/2022	Cumulative (%)					Annualized (%)		
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	Since Inception
Fund NAV	-21.28%	-17.95%	-44.57%	-32.91%	61.69%	-42.11%	21.12%	11.87%
Closing Price	-21.76%	-18.74%	-44.87%	-33.41%	60.97%	-42.21%	21.07%	11.75%
Quarter end as of 3/31/2022	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	Since Inception
Fund NAV	2.05%	-14.77%	-13.02%	-14.77%	105.40%	-29.95%	31.89%	18.68%
Closing Price	2.24%	-14.89%	-12.45%	-14.89%	105.74%	-30.01%	32.19%	18.73%

Fund inception date: (1/17/2018). 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. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. For performance data current to the most recent month-end please call 855-267-3837 or visit BLOKETF.com. Brokerage commissions will reduce returns. BLOK's gross expense ratio is 0.71%.

APPENDIX A: Monthly Detailed Performance Contribution Chart *For period 3/31/22 - 4/30/22*

	Average Weight (%)	Total Return (%)	Contribution to Return (%)
AMPLIFY TRANSFORMATIONAL DATA SHARING ETF	100.00	-21.98	-21.98
Information Technology	55.71	-24.55	-13.94
NVIDIA CORP	4.57	-32.03	-1.48
MICROSTRATEGY INC-CL A	4.35	-27.17	-1.08
GMO INTERNET INC	3.68	-12.23	-0.48
DIGITAL GARAGE INC	3.43	-12.01	-0.46
INTL BUSINESS MACHINES CORP	3.37	1.68	0.04
RIOT BLOCKCHAIN INC	3.36	-52.10	-2.04
HIVE BLOCKCHAIN TECHNOLOGIES	3.33	-30.56	-1.23
ACCENTURE PLC-CL A	3.25	-10.67	-0.34
MARATHON DIGITAL HOLDINGS IN	2.82	-44.19	-1.34
BITFARMS LTD/CANADA	2.64	-23.22	-0.87
HUT 8 MINING CORP	2.56	-35.03	-1.11
BLOCK INC	2.31	-26.59	-0.59
ARGO BLOCKCHAIN PLC	2.26	-12.43	-0.30
ADVANCED MICRO DEVICES	2.01	-21.79	-0.41
PAYPAL HOLDINGS INC	1.70	-23.97	-0.43
VOYAGER DIGITAL LTD	1.40	-37.95	-0.64
CANAAN INC	1.24	-30.02	-0.40
TAIWAN SEMICONDUCTOR-SP ADR	1.23	-10.87	-0.10
COMPOSECURE INC	1.16	1.58	0.05
CORE SCIENTIFIC INC	1.15	-28.19	-0.30
INTEL CORP	0.98	-12.05	-0.11
MASTERCARD INC - A	0.97	1.82	0.03
VISA INC-CLASS A SHARES	0.94	-3.90	-0.03
STRONGHOLD DIGITAL MINING-A	0.63	-33.33	-0.18
BIGG DIGITAL ASSETS INC	0.37	-33.59	-0.15
Financials	31.07	-21.68	-6.70
SILVERGATE CAPITAL CORP-CL A	5.12	-22.32	-1.06
CME GROUP INC	4.76	-7.79	-0.31
SBI HOLDINGS INC	4.29	-11.96	-0.46
COINBASE GLOBAL INC -CLASS A	4.03	-40.64	-1.74
GALAXY DIGITAL HOLDINGS LTD	3.87	-35.53	-1.67
WISDOMTREE INVESTMENTS INC	1.78	-0.68	0.00
SIGNATURE BANK	1.63	-17.28	-0.25
MOGO INC	1.39	-35.11	-0.57
VONTOBEL HOLDING AG-REG	1.25	-9.52	-0.11
CUSTOMERS BANCORP INC	1.22	-19.31	-0.22
NEW YORK COMMUNITY BANCORP	0.99	-13.81	-0.12
ROBINHOOD MARKETS INC - A	0.72	-27.42	-0.19

APPENDIX A: Monthly Detailed Performance Contribution Chart *For period 3/31/22 - 4/30/22*

	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Not Classified	5.74	-11.71	-0.60
PURPOSE BITCOIN ETF	1.89	-14.77	-0.24
3IQ COINSHARES BITCOIN ETF	1.79	-15.92	-0.34
STIT GOVT & AGENCY-INST	1.33	0.03	0.00
NOCTURNE ACQUISITION CORP	0.44	2.76	0.01
BITCOIN ETF-USD	0.27	-16.05	-0.04
US DOLLAR	0.03	0.00	0.00
CHINA RENMINBI	0.00	-1.73	0.00
Communication Services	4.34	-0.87	-0.07
Z HOLDINGS CORP	2.39	-10.12	-0.26
TWITTER INC	1.48	28.41	0.34
ROBLOX CORP -CLASS A	0.47	-33.40	-0.14
Consumer Discretionary	3.15	-21.93	-0.67
OVERSTOCK.COM INC	2.69	-23.74	-0.62
RAKUTEN GROUP INC	0.46	-11.06	-0.06

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



Carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and additional information can be found in Amplify Funds statutory and summary prospectus, which may be obtained above or by calling 855-267-3837, or by visiting 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, including through an investment in the Bitcoin Investment Trust ("GBTC"), a privately offered, open-end investment vehicle. Even when held indirectly, investment vehicles like GBTC may be affected by the high volatility associated with cryptocurrency exposure. Holding a private-

ly 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.

Amplify ETFs are distributed by Foreside Fund Services, LLC.



QUESTIONS?

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