Amplify ETFs

BLOK

Amplify Transformational Data Sharing ETF

Why blockchain?

While many are familiar with the term "blockchain" due to its bitcoin connection, this is just the tip of the investment iceberg. This technology makes it possible to create secure cryptocurrencies for all types of online transactions, but its reach also extends deeply into traditional corporate concerns like security, record- keeping, food safety, insurance, global banking, and virtually all manner of business operations. Then consider how blockchain forms the foundation of recreational and household applications in gaming, personal banking, healthcare data, and the fast-growing, alternative 3D world known as the metaverse.

Corporate and government investment in blockchain technology is exploding because new uses are being created and built every day. It is impossible to know how massive this market will become, but current predictions of $1.43 trillion by 2030 are attracting the interest of long- term investors.

87.7%

CAGR[1]

Global blockchain market estimated to grow from $17.46B in 2023 to $1.43T by 2030[1]

The Blockchain Market

Blockchain is an encrypted digital database shared by different parties in a distributed (decentralized) network. This allows digital records to be accurately and reliably maintained and updated in global commerce. The applications for this technology are just beginning to be explored, but experts agree it has the potential to benefit thousands of companies in hundreds of industries, such as:

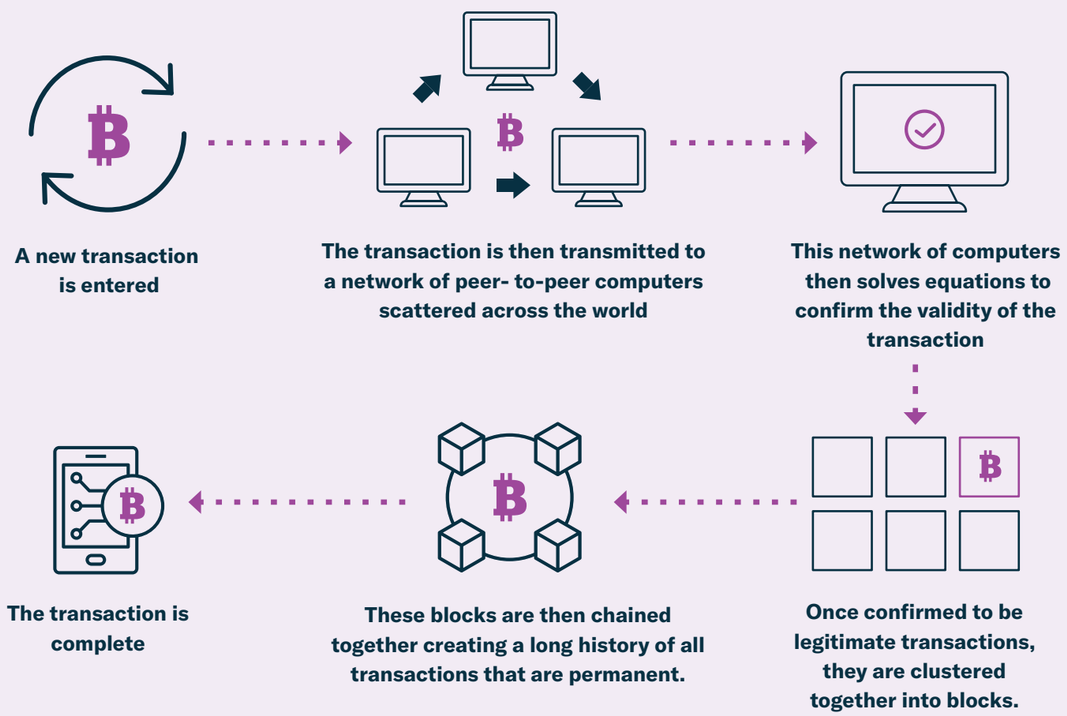
- **Banking / Payments**
- **Security** (cyber, election, etc.)
- **Human Resources**
- **Internet of Things**
- **Real Estate**
- **Retail**
- **Government**
- **Digital Payments** (NFTs, etc.)
- **Healthcare**
- **Gaming**
- **Supply Chain**
- **Insurance**
- **The Metaverse & Web 3.0**
- **Food Safety**
- **Education**

[1] *Grand View Research, Feb. 2022, Blockchain Technology Market Size, Share & Trends Analysis: 2023-2030.*

How Does Blockchain Work?

The key to understanding how blockchain functions is based on its decentralized nature. By allowing digital information to be recorded and widely distributed, blockchain eliminates the possibility of fraudulent activity. As shown in the diagram, a new transaction is transmitted throughout the network and authenticated mathematically. Then, it is added (or "chained") to the previous authenticated transaction in a sequential "block." To validate the addition of a new transaction to a block, a majority of the decentralized network computers would need to agree it is a valid transaction.

This same reason also renders it impossible to hack the blockchain – because a majority of network computers would have to agree to any changes. Clearly, this is a revolutionary advancement in security.



Source: Investopedia

How to Invest in Blockchain

Before discussing how to invest in the future of blockchain, it is essential to identify who and why. Who is already committing capital and credence to those meteoric growth projections? The list of companies is long and growing, and it contains a virtual who's who of modern technology and finance giants.

The next question is why – why are these companies wagering billions (and their business models and reputations) on the virtues of blockchain? Because growth projections are strong, early movers gain the potential advantage.

Companies Committed to Blockchain:

Accenture	Advanced Micro Devices	Amazon
CME Group	Coinbase Global	IBM
Mastercard	Beyond	Paypal Holdings

For illustrative purposes only. Accenture (1.85%), Advanced Micro Devices (1.75%), Amazon (0.00%), CME Group (1.98%), Coinbase Global (3.96%), IBM (2.63%), Mastercard (1.09%), Beyond (2.01%), and Paypal Holdings (2.96%) are holdings in the BLOK ETF as of 6/30/2024. See bloketf.com for holding information.

Amplify Transformational Data Sharing ETF - BLOK

New technology transforms lives and businesses – remember what life was like before the Apple iPod, voice assistants, and Bluetooth? We believe blockchain is one of these transformative technologies, and as evidenced by the table on the previous page, we are in good company. The Amplify Transformational Data Sharing ETF was designed to provide investors with an efficient means to participate in the adoption and growth of blockchain.

BLOK seeks to provide investors with total return by investing at least 80% of its assets in companies developing and utilizing blockchain technologies.

Reasons to Invest

- Global equity portfolio of professionally-selected companies involved in blockchain technology
- Active management allows portfolio managers to make timely decisions on risks and opportunities in this fast-moving sector
- Convenience and transparency: access the blockchain and crypto ecosystem without complicated and burdensome K-1 tax reporting.[7]

[6] *The Fund's performance is not guaranteed.*

[7] *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.*

BLOK Portfolio Management Process

Portfolio managers begin the portfolio-building process by first identifying publicly traded companies that are:

- Actively engaged in research and development and/ or implementation of blockchain technologies
- Profiting from the existing demand for blockchain applications
- Partnering with or investing in other blockchain companies
- Acting as a member of multiple blockchain consortiums

Classify as:

"CORE"
Deriving significant revenue from blockchain-related business

- OR -

"SECONDARY"
Directly invests or partners with blockchain-related business

Manage
Managers adjust portfolio based on variables including: company fundamentals, valuation, and assessment of business risks.

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The launch of BLOK in January 2018 is consistent with our value proposition to bring first-to-market products across growth and income segments. With the blockchain market poised to expand by 40x in the next seven years, BLOK allows investors to participate in this surging sector easily. For more information, please visit **bloketf.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 prospectuses, which may be obtained at AmplifyETFs.com. Read the prospectus carefully before investing.

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. Brokerage commissions will reduce returns. 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 will invest 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.

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.

Not FDIC Insured | No Bank Guarantee | May Lose Value