

BLOK

AMPLIFY TRANSFORMATIONAL
DATA SHARING ETF

The BLOK-Chain Monthly

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

By [Dan Weiskopf](#) and [Mike Venuto](#)

Co-Portfolio Managers of the Amplify Transformational Data
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. We 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. According to MarketsandMarkets, the size of the blockchain market is expected to grow from \$3 billion in 2020 to \$39.7 billion by 2025 – a compound annual growth rate (CAGR) of 67.3%.

TOP 10 HOLDINGS *As Of 3/31/2022*

Ticker	Company	% Weight
SI	SILVERGATE CAP CORP	5.10%
NVDA	NVIDIA CORPORATION	4.76%
GLXY CN	GALAXY DIGITAL HOLDINGS LTD	4.39%
COIN	COINBASE GLOBAL INC	4.24%
8473 JP	SBI HOLDINGS INC	4.17%
CME	CME GROUP INC	4.10%
MSTR	MICROSTRATEGY INC	4.02%
RIOT	RIOT BLOCKCHAIN INC	3.88%
9449 JP	GMO INTERNET INC	3.65%
HIVE CN	HIVE BLOCKCHAIN TECHNOLOGIES	3.51%

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

MARCH MONTHLY HIGHLIGHTS

The fund increased 2.25% in March but was down 15% for First Quarter. During the month we added Intel Corp and Roblox Corporation to the portfolio. We are very excited to see Intel's plans to penetrate the crypto mining oligopoly with potentially better cost and energy consumption per bitcoin (see initial press release for [details](#))¹. We also made other changes to the portfolio, which is diversified and holds 48 positions, but these are the two most recent portfolio additions.

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, was attributable to unusually favorable conditions that are likely not sustainable, and such conditions might not continue to exist. 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 [BLOKETE.com](https://www.blokete.com). Brokerage commissions will reduce returns. BLOK's gross expense ratio is 0.71%.

BLOK PORTFOLIO UPDATES

After speaking to two out of the four buyers of the Intel chips, it seems that the delivery target date is in the third quarter. If all goes well, we would expect that Intel could become a dominant supplier to U.S.-based miners. This could be important in lieu of the dominance of bitcoin mining farms in the U.S. and Intel's ability to deliver chips at a significantly lower price than its foreign competitors. Chips coming from China are taxed at a 25% rate, and most of the chips and/or miners come from China. The crypto mining industry, which represents about 22% of the BLOK holdings, remains a moat-like business in a commodity-like industry. Meaning, the largest miners enjoy great economics. Historically, in times like these where Bitcoin is above \$40,000, the large mining farms can earn paybacks on equipment in the 7-10 month range, and thereafter see free cash flow on that equipment. Second, while operating such businesses have challenges, a unique factor in this business is that as self-miners, there are no accounts receivables to collect, and equipment financing and bitcoin are both hard assets that can be borrowed against. Third, a large operating scale provides purchasing power in terms of two critical facility costs – power and equipment – thus lowers capital costs.

Roblox has an early-mover advantage in the development of the metaverse. The blockchain is about open-source community and incentives. In the case of Roblox, this means that a base of 11 million developers might expand to generate revenue for themselves and Roblox on an active user base that could reach 118 million in 2025 (vs 45 million in 2020). The evolution of video games is a great example of blockchain evolution which, unlike the music industry, has evolved tremendously.

¹ <https://www.coindesk.com/business/2022/04/04/intel-doubles-down-on-esg-with-launch-of-second-gen-bitcoin-mining-chips/>

The attribution analysis below highlights the diversity of the portfolio and some big moves in certain stocks that contributed to the positive March return of 2.25% and to the 15% decline for the first quarter. As believers in the blockchain, truth is validated by numbers, which do not lie. In March, the top 3 big movers were Galaxy Digital Holdings (up 30.85% = 1.17%), Silvergate Capital (up 17.56% = 0.0084%) and RIOT Blockchain (up 22.87% = 0.0078%). Declines in OverStock.com (down 22.66% = 0.008%), Stronghold Digital (down 53.61% = 0.008%) and Voyager Digital (down 32.34% = 0.0078%). We acknowledge that many of the names listed above are companies we have highlighted in this very report. To that point, we remain long term believers in our investment thesis in these companies, but recognize that this is an investment area that has substantial business execution risk. Note that the top performers represented 2.79% of the positive attribution on a 12.65% allocation vs. the month loss of 2.39% on a 6.4% allocation. The math shows that a lot of small victories led to the 2.25% increase.

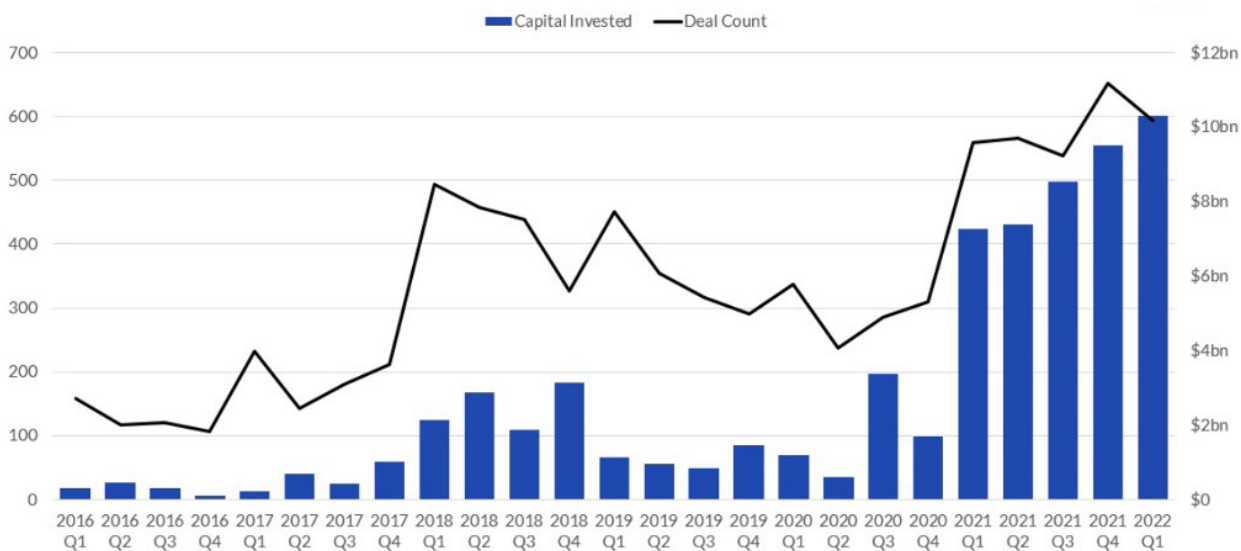
In the first quarter, the decline of 15.03% was attributed to a broad decline in the group with four standout losses. Declines in PayPal (down 38.67% = 0.0114%), Coinbase Global (down 24.77% = 0.0127%), HUT 8 Mining (down 29.81% = 1.09%) and Voyager Digital (down 57.01% = 1.83%) and Bitfarms Ltd (down 25.32% = 0.0089%).

Some investors may review this attribution report and wonder how a company can be considered a good investment when it is down 25% to 57%, and why we are not more active. Our answer: (1) in many of these positions, we have already realized gains into the rally, so their position sizing makes the drawdowns more manageable; (2) the 15% decline conversely reflected growth, and the group simply went down with no winners to offset the decline of 6.52% from the dramatic pull back of the 15.67% in the portfolio; and (3) the fact is that we cannot control the beta in the portfolio which, by design, remains aligned with our blockchain and bitcoin/crypto mandate. We strongly believe the dynamics in the industry remain strongly in driving corporate growth and industry disruption and our core/secondary approach to diversification across seven categories led to outperformance over other passive and more concentrated alternatives. Lastly, while uncontrollable like regulation can be headwinds at times, ultimately they will become tail winds as clarity around the rules of engagement become clear.

THE CRYSTAL BALL AND MANAGING RISK

Venture capital continues to invest in Blockchain companies, but so are large companies. We think capital allocated to this area will drive innovation and disruption, so when we see a record year in 2021 of \$25 billion now running at a run rate of \$40 billion, we can only be excited about the future. Return on capital expenditure is about capital allocation and invested capital, and when it is driven by the need for growth and the threat of disruption, greed and fear can make a dangerous couple. The question is whether this is a couple that is married because of a need to solve a problem or simply cheap access to capital. We believe that companies large and small that embrace this change will mostly find success through a network with incentives that are transparent and fundamentally focused on the basis of foundational change inspired by peer-to-peer trust. At the core, this is inspiration, and benefits of the blockchain and decentralized finance (DeFi) in general and part of the reason we believe growth will continue. Even if we end up having “down-rounds,” it is clear that the infrastructure buildout of the blockchain remains in the very early stages of its evolution or arguably, the revolution.

Crypto/Blockchain VD Deals: Capital Invested & Deal Count



Source: Galaxy Digital Research

EDUCATION

For those who just want to get educated on the Blockchain, here are some resources we feel are helpful.

- Hash Power Ep 1: Understanding Blockchain (<https://open.spotify.com/episode/4gEKzuCAnR9JcomNcZHpQk?si=5802axtATyePstWKBYfQrA>)
- Lyn Alden Schwartzer: Bitcoin Security Modeling (<https://seekingalpha.com/article/4417744-bitcoin-security-modeling>)
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System (<https://bitcoin.org/bitcoin.pdf>)

SUMMARY

The fund increased 2.25% in March, but was still down 15.03% for the first quarter. The decline was across the board in the quarter. To help protect against idiosyncratic risk, the fund remains diversified across 48 investments and a systematic approach to sizing positions across seven categories with a “core” and “secondary” approach. Capital investment continues to accelerate in the blockchain, which ultimately enables the acceleration of the expansion while validating the need for change. We encourage investors to review the details in this report and ask questions. The fact is that even if you are not an investor in the blockchain or don't believe in crypto, ignoring the potential will create risk in your business and investments. Change is a certainty, and ignorance is not bliss.

APPENDIX A: Monthly Detailed Performance Contribution Chart *For period 2/28/22 - 3/31/22*

	% Average Weight	Total Return (%)	Contribution to Return (%)
AMPLIFY TRANSFORMATIONAL DATA SHARING ETF	100.00	2.25	2.25
Information Technology	56.67	0.36	0.27
NVIDIA CORP	4.62	11.92	0.55
GMO INTERNET INC	4.07	2.60	0.07
MICROSTRATEGY INC-CL A	3.89	9.78	0.38
RIOT BLOCKCHAIN INC	3.51	22.87	0.78
HIVE BLOCKCHAIN TECHNOLOGIES	3.42	3.89	0.13
DIGITAL GARAGE INC	3.29	10.36	0.32
HUT 8 MINING CORP	3.13	-9.84	-0.34
MARATHON DIGITAL HOLDINGS IN	3.01	10.26	0.31
INTL BUSINESS MACHINES CORP	2.98	6.13	0.18
BITFARMS LTD/CANADA	2.97	-0.57	-0.02
ACCENTURE PLC-CL A	2.91	6.71	0.18
ADVANCED MICRO DEVICES	2.14	-11.35	-0.25
ARGO BLOCKCHAIN PLC	2.13	-0.65	-0.03
BLOCK INC	2.13	6.35	0.15
VOYAGER DIGITAL LTD	1.98	-32.34	-0.78
PAYPAL HOLDINGS INC	1.41	3.32	0.06
CANAAN INC	1.33	3.04	0.02
STRONGHOLD DIGITAL MINING-A	1.23	-53.61	-0.80
TAIWAN SEMICONDUCTOR-SP ADR	1.20	-2.12	-0.03
CORE SCIENTIFIC INC	1.11	-10.54	-0.11
COMPOSECURE INC	1.06	7.36	0.09
MASTERCARD INC - A	0.86	-0.95	-0.01
VISA INC-CLASS A SHARES	0.83	2.61	0.02

APPENDIX A: Monthly Detailed Performance Contribution Chart *For period 2/28/22 - 3/31/22*

	% Average Weight	Total Return (%)	Contribution to Return (%)
INTEL CORP	0.58	8.14	0.07
BIGG DIGITAL ASSETS INC	0.40	0.26	0.00
Financials	31.13	6.33	1.96
SILVERGATE CAPITAL CORP-CL A	4.78	17.56	0.84
SBI HOLDINGS INC	4.58	-1.96	-0.07
CME GROUP INC	4.45	1.00	0.05
GALAXY DIGITAL HOLDINGS LTD	4.36	30.85	1.17
COINBASE GLOBAL INC -CLASS A	4.27	-0.48	-0.04
SIGNATURE BANK	1.70	-14.90	-0.28
WISDOMTREE INVESTMENTS INC	1.46	4.26	0.06
CUSTOMERS BANCORP INC	1.36	-15.29	-0.23
MOGO INC	1.33	27.72	0.35
VONTOBEL HOLDING AG-REG	1.14	7.19	0.09
NEW YORK COMMUNITY BANCORP	1.00	-7.11	-0.07
ROBINHOOD MARKETS INC - A	0.70	12.49	0.09
Not Classified	5.33	7.16	0.30
PURPOSE BITCOIN ETF	1.72	8.66	0.14
3IQ COINSHARES BITCOIN ETF	1.71	8.86	0.15
STIT GOVT & AGENCY-INST	1.23	0.01	0.00
NOCTURNE ACQUISITION CORP	0.41	-2.78	-0.01
BITCOIN ETF-USD	0.25	8.45	0.02
US DOLLAR	0.00	0.00	0.00
CHINA RENMINBI	0.00	-0.65	0.00
Communication Services	3.68	-2.77	-0.13
Z HOLDINGS CORP	2.50	-7.80	-0.23
TWITTER INC	1.18	8.83	0.11
Consumer Discretionary	3.67	-20.59	-0.84
OVERSTOCK.COM INC	3.19	-22.66	-0.81
RAKUTEN GROUP INC	0.48	-5.81	-0.03

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

APPENDIX B: First Quarter Detailed Performance Contribution Chart *For period 12/31/21 - 3/31/22*

	% Average Weight	Total Return (%)	Contribution to Return (%)
AMPLIFY TRANSFORMATIONAL DATA SHARING ETF	100.00	-15.03	-15.03
Information Technology	56.83	-18.82	-10.85
NVIDIA CORP	4.53	-7.21	-0.24
GMO INTERNET INC	3.77	-2.13	-0.10
MICROSTRATEGY INC-CL A	3.69	-10.68	-0.36
HIVE BLOCKCHAIN TECHNOLOGIES	3.45	-18.71	-0.64
HUT 8 MINING CORP	3.37	-29.81	-1.09
RIOT BLOCKCHAIN INC	3.33	-5.19	-0.02
DIGITAL GARAGE INC	3.29	-10.19	-0.38
BITFARMS LTD/CANADA	3.07	-25.32	-0.89
ACCENTURE PLC-CL A	2.82	-18.44	-0.49
INTL BUSINESS MACHINES CORP	2.82	-1.53	-0.04
MARATHON DIGITAL HOLDINGS IN	2.81	-14.94	-0.31
PAYPAL HOLDINGS INC	2.36	-38.67	-1.44
VOYAGER DIGITAL LTD	2.36	-57.01	-1.83
ARGO BLOCKCHAIN PLC	2.34	-28.57	-0.81
BLOCK INC	2.34	-16.04	-0.55
ADVANCED MICRO DEVICES	2.19	-24.02	-0.53
TAIWAN SEMICONDUCTOR-SP ADR	1.29	-12.94	-0.19
CANAAN INC	1.25	5.44	0.03
CORE SCIENTIFIC INC	1.19	-24.84	-0.26
STRONGHOLD DIGITAL MINING-A	1.07	-54.47	-0.61
COMPOSECURE INC	1.06	-7.55	-0.06
MASTERCARD INC - A	0.89	-0.41	0.00
VISA INC-CLASS A SHARES	0.83	2.51	0.03
BIGG DIGITAL ASSETS INC	0.45	-24.14	-0.11
INTEL CORP	0.20	8.14	0.06
ORACLE CORP	0.06	-8.18	-0.02
Financials	30.93	-8.64	-2.72
SBI HOLDINGS INC	4.68	-6.22	-0.37
COINBASE GLOBAL INC -CLASS A	4.51	-24.77	-1.27
CME GROUP INC	4.43	4.57	0.19
SILVERGATE CAPITAL CORP-CL A	4.35	1.60	0.26
GALAXY DIGITAL HOLDINGS LTD	4.24	-4.88	-0.21
SIGNATURE BANK	1.74	-9.10	-0.17
WISDOMTREE INVESTMENTS INC	1.49	-3.58	-0.06
CUSTOMERS BANCORP INC	1.45	-20.24	-0.31
MOGO INC	1.32	-14.10	-0.19
VONTOBEL HOLDING AG-REG	1.18	-3.15	-0.05
ROBINHOOD MARKETS INC - A	0.73	-23.93	-0.18
NEW YORK COMMUNITY BANCORP	0.59	-6.21	-0.07

APPENDIX B: First Quarter Detailed Performance Contribution Chart For period 12/31/21 - 3/31/22

	% Average Weight	Total Return (%)	Contribution to Return (%)
EQONEX LTD	0.13	-14.44	-0.06
BAKKT HOLDINGS INC	0.07	-59.93	-0.21
Not Classified	5.15	-1.52	-0.05
PURPOSE BITCOIN ETF	1.66	-1.04	0.00
3IQ COINSHARES BITCOIN ETF	1.50	-4.36	-0.05
STIT GOVT & AGENCY-INST	1.06	0.02	0.00
NOCTURNE ACQUISITION CORP	0.41	2.14	0.01
BITCOIN ETF-USD	0.25	-1.49	0.00
HENDR 2006-1A A1	0.22	0.01	0.00
US DOLLAR	0.05	0.00	0.00
CHINA RENMINBI	0.00	-0.11	0.00
Communication Services	3.80	-19.18	-0.76
Z HOLDINGS CORP	2.64	-23.00	-0.67
TWITTER INC	1.16	-10.48	-0.09
Consumer Discretionary	3.28	-24.70	-0.66
OVERSTOCK.COM INC	2.77	-25.43	-0.54
RAKUTEN GROUP INC	0.52	-20.53	-0.12

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BLOK PERFORMANCE

Quarter End as of March 31, 2022

	Cumulative (%)					Annualized (%)		
	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.

Recent short-term performance is attributable to unusually favorable conditions that are likely not sustainable, and such conditions might not continue to exist.

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](https://www.blokETF.com). Brokerage commissions will reduce returns. BLOK's gross expense ratio is 0.71%.



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.

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QUESTIONS?

Visit AmplifyETFs.com/BLOK

Phone 855-267-3837

Email info@AmplifyETFs.com