

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 7/30/2022*

Ticker	Company	% Weight
MSTR	MICROSTRATEGY INC	5.26%
SI	SILVERGATE CAP CORP	5.01%
ACN	ACCENTURE PLC	4.73%
CORESCIENCE	CORE SCIENTIFIC CONV	4.63%
OSTK	OVERSTOCK COM INC	4.54%
IBM	INTERN'L BUSINESS MACHS	4.43%
8473 JP	SBI HOLDINGS INC	4.15%
9449 JP	GMO INTERNET INC	4.05%
CME	CME GROUP INC	3.89%
SQ	BLOCK INC	3.16%

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

JULY MONTHLY HIGHLIGHTS

In July, the Fund rebounded 22.11%, but still remains down 46.18% YTD. The overall equity market rally in July caught some investors by surprise, and those calling for lower lows in crypto may have been particularly amazed. Long-term thematic growth investors seeking to capitalize on the change from blockchain will note that we took some profits from Silvergate Capital and invested them in Oracle and Walmart - two Mega-Cap companies with very definitive blockchain strategies.

NEW POSITIONS

Walmart and Oracle are categorized as Private Blockchain. Oracle's focus on database management makes blockchain a natural extension of its core business practices on a long-term basis. The position which was previously held was left when the stock was involved in a \$28B merger with Cerner. The deal with Cerner closed on June 7th. It is expected that earnings synergies and Cerner's focus on healthcare records will provide Oracle with a competitive advantage using its blockchain platform. Blockchain becomes more impactful on their business. In both cases we would not expect these stocks to trade with any correlation to Crypto, but their leadership strategy with blockchain will be worthy evidence of blockchain transformational benefits to solve problems.

Oracle is the dominant database company in the world. As the video below demonstrates, blockchain technology is at the center of their overall business strategy and technology offering.

- <https://www.oracle.com/blockchain/what-is-blockchain/blockchain-in-healthcare/>
 - Healthcare is a multi-trillion dollar industry that requires many of the benefits that blockchain brings - lower costs, privacy and integration, the ability to integrate with established database management solutions.
 - Records: blockchain will potentially enable medical record sharing, which could save lives and lower costs.
 - Blockchain solves privacy issues and will give patients control, but allow third parties to have access - doctors, hospitals, and insurance.

Walmart has a long history of leading with technology and innovation to solve distribution problems. Given its position as the largest global grocery store, it is using the blockchain to solve the supply chain issues on where food is grown, stored, and shipped, and tracks when it arrives. Walmart is also experimenting with the Metaverse, NFTs, and offering kiosks at stores where customers can buy Bitcoin.

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.>

- Walmart Harvard Case Study: How Walmart Canada Uses Blockchain To Solve Supply Chain²
- Walmart Is Quietly Preparing to Enter the Metaverse³
- At Some Walmarts You Can Now buy Bitcoin from a Kiosk⁴
- Case Study: How Hyperledger and Walmart brought Transparency To The Supply Chain⁵

These two companies are solid examples of Fortune 500 companies who are embracing blockchain to solve core problems in their business. The price action of these two positions is expected to be less correlated to the price action of Bitcoin and crypto in general, but more importantly we think these are solid examples of how blockchain technology is being used to solve real world problems.

We have received inbound inquiries on the Fund's Overstock (OSTK \$29) position. To some, Overstock is a niche retailer focused on home furnishings. If that was the case, the company would still have \$406 million in net cash and a strong position in the \$419 billion home furnishings industry. Overstock services millions of customers with ongoing needs which it can provide on a profitable basis with its asset light business model. Overstock does not hold inventory. For this reason, it is also in a good position to buy back stock; \$60 million thus far YTD in its current \$100 million program. Bottom line, using its cash cow position in e-commerce, management is generating revenues of about \$2 to \$2.2 billion to increase its shareholder ownership in the Blockchain Venture Capital Portfolio called Medici Ventures. At least, that is our take. Most importantly, when you consider that this venture portfolio is constantly being assessed and valued by outside professional investors, including the latest round of investment by the Intercontinental Exchange (ICE), we see lots of upside in this position.

Those who want to learn more should spend some time reviewing the recent May 10th Medici Venture Day⁶. Investors can hear from CEOs in the portfolio like David Goone's plans for t-Zero and Simon Chantry. Mr. Goone is best known for playing a 20-year role as the Chief Strategist for ICE. Simon Chantry is a founder of Bitt, which is a "global leader" in the infrastructure Stablecoin and Central Bank Digital Currency (CBDC). Most people agree that the market in this area is evolving and real, but few appreciate all the nuances on how the plumbing really needs to work and be built out. Broadly speaking, this is an issue with Blockchain and Crypto in general, and part of the reason why companies like Overstock and Galaxy Digital are so exciting to us. To that point, we would note that Lightspeed⁷, a well-known Fintech venture firm, just closed on a \$7 billion dollar fund which includes a sleeve for blockchain. As an investment category, public venture capital makes up 12% of the fund's assets, including Galaxy Digital, SBI Holdings and Overstock. These companies are properly capitalized, so if sized correctly, we think these companies offer investors an opportunity for long term binary outcomes.

THE CRYSTAL BALL AND MANAGING RISK

In the Education section below, we highlight Freakonomic podcast and encourage people to listen to the section where Arianna Simpson from Andreessen Horowitz explains what the blockchain is and how Walmart Canada has used blockchain to reduce costs and have greater control over its supply chain. We think her explanation will help many understand why this technology is so important. By the way, in just the same way junk bonds became high-yield, her wish is that the crypto label would be better described as a "token." Meaning - if you want to participate on the blockchain, you own a token as a protocol. Maybe this makes more sense to some of you looking to connect with a better understanding about Blockchain.

2 <https://hbr.org/2022/01/how-walmart-canada-uses-blockchain-to-solve-supply-chain-challenges>

3 <https://www.cnbc.com/2022/01/16/walmart-is-quietly-preparing-to-enter-the-metaverse.html>

4 <https://www.marketwatch.com/story/at-some-walmarts-you-can-now-buy-bitcoin-from-a-kiosk-11634934329>

5 <https://www.hyperledger.org/learn/publications/walmart-case-study>

6 <https://edge.media-server.com/mmc/p/dhxrysar>

7 <https://www.businesswire.com/news/home/20220712005073/en/Lightspeed-Raises-Over-7-Billion-to-Fund-Early-and-Growth-Stage-Entrepreneurs-Around-the-Globe>

EDUCATION

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

- What is a Stable Coin: <https://assets.ctfassets.net/c5bd0wqjc7v0/79db1PxjBTv1JbL574fFvA/61e9950c436df5556c878d94bfcee855/CBI-StablecoinWhitepaper-July2022.pdf>
- Podcast: Freakonomics #508 Does the Crypto Crash Mean The Blockchain Is Over? Check out comments about Walmart Blockchain usage (18 minutes in) https://open.spotify.com/episode/7ayHulY5hnwebMVkJqZhFk?si=DO_TgsWYR9GLU-V00MjmEA&context=spotify%3Ashow%3A6z4NLXyHPga1UmSJsPK7G1&nd=1
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System <https://bitcoin.org/bitcoin.pdf>

SUMMARY

After winter, comes spring and then summer! Where were you as an investor when the internet bubble burst? Did you view it as an opportunity or a false narrative? Markets do not move in a straight line, and no one has the crystal ball to know if a bottom has, in fact, been formed. We would expect a continuation of volatility in the area of investing in growth in general, and obviously blockchain falls within that factor. In this report we went into more detail about a few holdings to provide some further insights into the portfolio process.

While one month does not necessarily mark a trend, we remain optimistic about the long-term opportunity we offer investors to capitalize on the blockchain. We also think it is important to note that this is an area that requires a tremendous amount of study and expertise. Looking out 2-5 years, we believe there will be some holdings in our portfolio capable of impressive results. So, while a 22%-up month is exciting, we are even more enthusiastic about the long-term future. Stay tuned! The world is changing!

BLOK PERFORMANCE

	Cumulative (%)					Annualized (%)		
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception	1 Yr.	3 Yr.	Since Inception
Month end as of 7/31/2022								
Fund NAV	20.71%	-18.32%	-32.98%	-45.20%	32.07%	-44.05%	11.34%	6.32%
Closing Price	21.29%	-17.79%	-33.20%	-45.26%	32.32%	-43.83%	11.61%	6.37%
Quarter end as of 6/30/2022								
Fund NAV	-21.45%	-46.73%	-54.60%	-54.60%	9.41%	-56.34%	5.59%	2.04%
Closing Price	-21.38%	-46.97%	-54.87%	-54.87%	9.10%	-56.52%	5.59%	1.97%

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 6/30/22 - 7/31/22*

	Average Weight (%)	Total Return (%)	Contribution to Return (%)
AMPLIFY TRANSFORMATIONAL DATA SHARING ETF	100.00	22.11	22.11
Information Technology	52.39	25.28	13.16
INTL BUSINESS MACHINES CORP	5.38	-7.37	-0.45
ACCENTURE PLC-CL A	5.06	10.70	0.54
MICROSTRATEGY INC-CL A	4.77	74.11	2.90
GMO INTERNET INC	4.45	13.54	0.60
BLOCK INC	3.27	23.76	0.78
DIGITAL GARAGE INC	3.08	6.46	0.21
HIVE BLOCKCHAIN TECHNOLOGIES	2.50	51.10	1.19
RIOT BLOCKCHAIN INC	2.29	74.70	1.42
MARATHON DIGITAL HOLDINGS IN	2.18	143.26	2.07
PAYPAL HOLDINGS INC	1.94	23.90	0.47
HUT 8 MINING CORP	1.86	57.91	0.96
ARGO BLOCKCHAIN PLC	1.81	10.58	0.19
BITFARMS LTD/CANADA	1.68	27.90	0.47
CANAAN INC	1.59	22.05	0.36
MASTERCARD INC - A	1.48	12.31	0.19
VISA INC-CLASS A SHARES	1.39	7.73	0.12
COMPOSECURE INC	1.35	5.00	0.07
TAIWAN SEMICONDUCTOR-SP ADR	1.27	8.23	0.11
ADVANCED MICRO DEVICES	1.24	23.54	0.29
NVIDIA CORP	1.23	19.82	0.25
INTEL CORP	1.23	-2.94	-0.02
STRONGHOLD DIGITAL MINING-A	0.43	51.20	0.19
CORE SCIENTIFIC INC	0.40	68.46	0.26
BIGG DIGITAL ASSETS INC	0.28	-8.63	-0.04
ORACLE CORP	0.21	3.98	0.05
Financials	31.46	19.05	6.09
SILVERGATE CAPITAL CORP-CL A	5.03	74.28	3.17
CME GROUP INC	4.74	-2.55	-0.14
SBI HOLDINGS INC	4.69	2.80	0.12
COINBASE GLOBAL INC -CLASS A	3.27	33.90	1.02
GALAXY DIGITAL HOLDINGS LTD	2.41	51.28	1.14
WISDOMTREE INVESTMENTS INC	2.32	2.56	0.07
CUSTOMERS BANCORP INC	2.18	12.65	0.30
SIGNATURE BANK	1.74	3.86	0.09
NEW YORK COMMUNITY BANCORP	1.42	16.32	0.24
VONTOBEL HOLDING AG-REG	1.26	-6.40	-0.12
MOGO INC	0.91	19.11	0.17
ROBINHOOD MARKETS INC - A	0.84	10.10	0.09
NU HOLDINGS LTD/CAYMAN ISL-A	0.53	12.57	0.07

APPENDIX A: Monthly Detailed Performance Contribution Chart *For period 6/30/22 - 7/31/22*

	Average Weight (%)	Total Return (%)	Contribution to Return (%)
VOYAGER DIGITAL LTD	0.13	-42.15	-0.12
VOYAGER DIGITAL LTD	0.01	-17.16	-0.01
Not Classified	6.02	17.33	0.95
INVESCO GVT & AGNCY-INST	1.73	0.13	0.00
3IQ COINSHARES BITCOIN ETF	1.64	26.58	0.44
PURPOSE BITCOIN ETF	1.64	26.50	0.44
NOCTURNE ACQUISITION CORP	0.76	0.98	0.01
BITCOIN ETF-USD	0.23	27.02	0.06
US DOLLAR	0.00	0.00	0.00
CHINA RENMINBI	0.00	-0.21	0.00
Consumer Discretionary	5.41	15.31	0.87
OVERSTOCK.COM INC	4.96	15.95	0.83
RAKUTEN GROUP INC	0.46	8.76	0.04
Communication Services	4.21	22.55	0.96
Z HOLDINGS CORP	2.17	20.25	0.43
ROBLOX CORP -CLASS A	1.79	30.65	0.53
META PLATFORMS INC-CLASS A	0.25	-1.33	0.00
Energy	0.31	23.24	0.07
TEXAS PACIFIC LAND CORP	0.31	23.24	0.07
Consumer Staples	0.20	0.02	0.00
WALMART INC	0.20	0.02	0.00

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 pro-

cesses 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 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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QUESTIONS?

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