Amplify ETFs™

Your Guide to Digital Assets & Blockchain

Explore cryptocurrencies, blockchain technology, tokenization, and their role in modern investing with these resources:

Key Terms | Crypto Primer | FAQ | Use Cases | Growth Outlook

Key Terms

DApps
Decentralized Applications. These are the software programs that run on a blockchain network instead of a single computer or centralized server controlled by a central authority.

Decentralized Ledger
Self-executing code on a blockchain (Ethereum pioneered this).

DeFi
Decentralized Finance. Refers to financial services—like lending, borrowing, trading, and earning interest—built on blockchain technology without traditional intermediaries such as banks or brokers.

Digital Asset Treasury Companies (DATs)
Companies acquiring digital assets (BTC, ETH, SOL, and XRP) as part of their treasury strategies.

Interoperability
The ability for different payment systems, blockchains, and financial networks to interact and exchange value seamlessly.

Miner
An individual or entity that uses computing power to validate and add new transactions to a blockchain.

Native Cryptocurrency
The main digital coin that operates on its own blockchain network. (Bitcoin, Ethereum, Solana, XRP).

NFTs
Non-Fungible Tokens. Unique digital assets stored on a blockchain that represent ownership or proof of authenticity of a specific item (digital art, collectibles, gaming assets).

Nodes
Any device in a computer network that can send, receive, or forward information.

On-chain / Off-chain
Activities or transactions that occur directly on the blockchain (on-chain) or outside of it (off-chain).

Smart Contract
Self-executing code on a blockchain (Ethereum pioneered this). Can automatically execute and enforce an agreement without a lawyer or notary.

Stablecoins
A cryptocurrency pegged to (tied to) a stable asset like the U.S. dollar. (Examples include USDC, USDT, and DAI.)

Tokenization
The process of creating a digital token on a blockchain to represent ownership of a real-world asset, for purposes such as fractional ownership, liquidity, and faster transactions.

Web3
The next generation of the internet built on blockchain technology, aiming to create a decentralized, user-controlled ecosystem rather than relying on centralized platforms.

Yield Farming
Earning rewards by providing liquidity to DeFi platforms.

Crypto Primer

What Are Digital Assets?

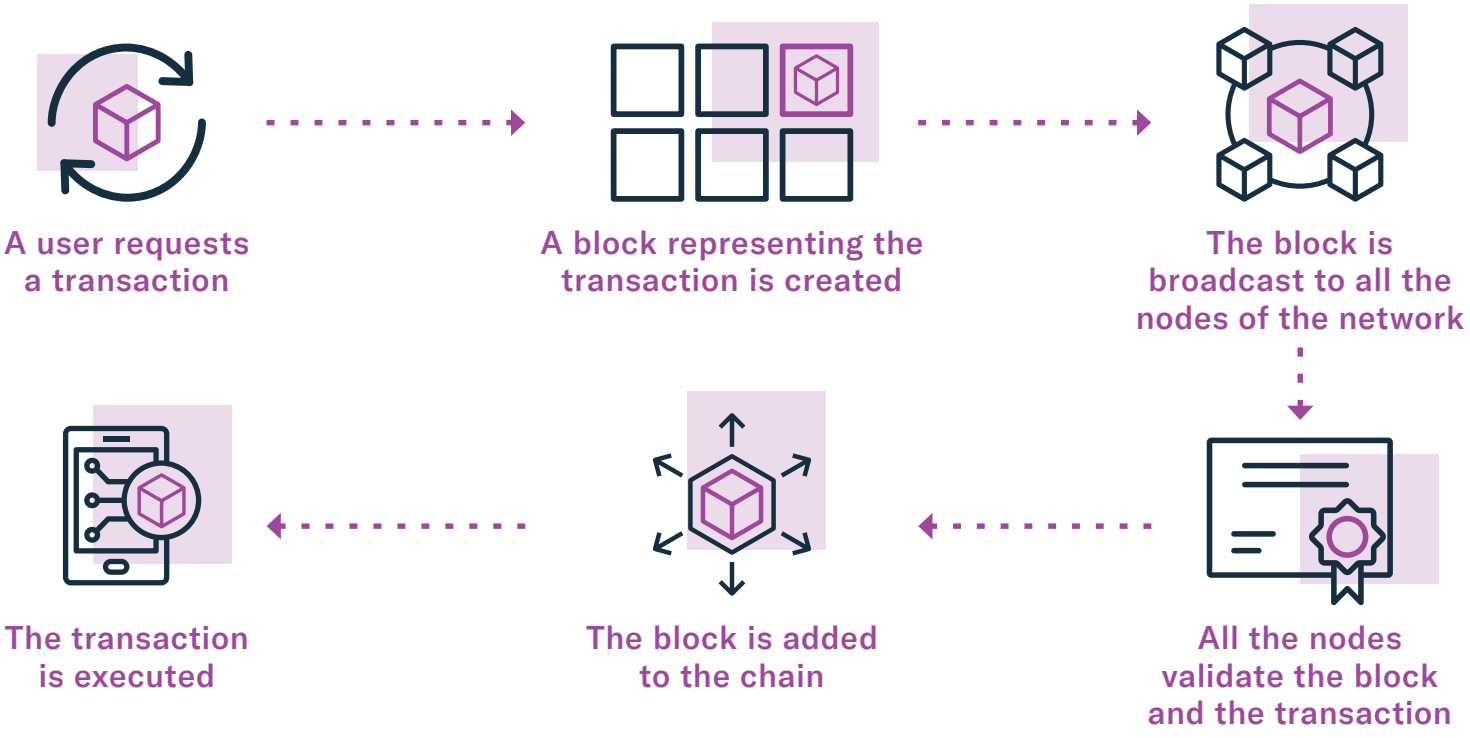
Cryptocurrencies are digital assets powered by blockchain technology. Digital assets are electronic representations of value that exist in a digital format and can be owned, transferred, or traded. Some of the most well-known examples of digital assets are outlined below.

	DIGITAL ASSET	TICKER	FIRST USE	PLATFORM ENABLEMENT	PRIMARY USES	REAL-WORLD SCENARIO
NATIVE CRYPTOCURRENCIES	**Bitcoin** 	BTC	2009	Peer-to-peer alternative to traditional currency—"digital cash/digital gold" that doesn't rely on banks	Digital Money/ Store of Value	A person or company buys Bitcoin to use as a store of value, meaning something that holds worth over time
	Ethereum 	ETH	2015	Send money and run programs that work automatically on the internet	Decentralized Applications (DApps), Smart Contracts, Stablecoins	Crowdfunding: A smart contract holds funds in escrow and releases them only if the campaign meets its goal; otherwise, contributors get refunds
	Solana 	SOL	2020	Send money and run programs very quickly and at low cost automatically on the internet.	Decentralized Applications (DApps), Smart Contracts, Stablecoins	A gaming platform uses Solana for in-game asset transactions, enabling thousands of microtransactions per second at low cost
	XRP 	XRP	2012	Financial institutions send money internationally quickly & cheaply	Cross-Border Payments, Settlements, Interoperability, & Stablecoins	A bank, financial institution, or individual sends money internationally, instantly and at a low cost
STABLECOINS	**USD Coin** 	USDC	2018	A stablecoin fully backed by U.S. dollar reserves, designed for price stability and easy digital payments	Payments & DeFi	Pay for an online service using USDC, knowing the value won't change like other cryptocurrencies might
	Tether 	USDT	2014	The first and most widely used stablecoin, pegged to the U.S. dollar for stability in trading and transfers	Trading Liquidity	Transfer funds into USDT to help avoid volatility while waiting to buy another cryptocurrency
	DAI 	DAI	2017	A decentralized stablecoin, soft-pegged to the U.S. dollar and backed by crypto collateral, not fiat reserves	DeFi	Use DAI to earn interest in a DeFi savings app, confident the value will stay near $1

What Is Blockchain?

Now that you're familiar with some of the most recognized digital assets, meet their backbone: blockchain. The key to understanding how blockchain works lies in its decentralized nature—no single person or group controls it. This decentralized system powers every crypto transaction, ensuring security, transparency, and trust across the network.

How Do Digital Assets Typically Transact on Blockchain Technology?



How Are Transactions Verified on Blockchain Technology?

BITCOIN (BTC)	ETHEREUM (ETH)	SOLANA (SOL)	XRP	USDC / USDT / DAI
Proof-of-Work (PoW) A consensus mechanism where miners solve complex mathematical puzzles to validate transactions and add new blocks to the blockchain.	**Proof-of-Stake (PoS)** A consensus mechanism where validators are chosen to create new blocks based on the amount of cryptocurrency they "stake" as collateral.	**PoS as well as Proof-of-History (PoH)** A cryptographic method that timestamps transactions to create a verifiable sequence of events, improving efficiency and speed.	**XRP Ledger (XRPL)** Validators (network participants) are responsible for verifying transactions and maintaining the blockchain ledger.	Runs on existing blockchains (Ethereum, Solana, etc.) and uses their verification processes.

FAQ

Q. What are some key differences between digital assets and traditional assets?

FEATURE	DIGITAL ASSETS	TRADITIONAL ASSETS
Ownership	Fully digital, stored in wallets	Physical or paper-based (stocks, bonds)
Access	24/7 trading globally	Limited to market hours
Volatility	Typically higher, frequent price movement	Typically lower, more predictable
Regulation	Emerging (i.e., GENIUS Act), varies by jurisdiction	Well-established and standardized
Liquidity	High for major coins	High for stocks, moderate for bonds
Innovation	Enables new tech like DeFi and NFTs	Traditional financial systems
Risk Profile	Higher risk compared to traditional assets; higher potential reward	Lower risk compared to digital assets; potential for more consistent returns

Q. Why do crypto prices change so much?

A. Digital assets are influenced by supply, demand, technology trends, and market sentiment, which can cause rapid price swings.

Q. How does blockchain make digital assets secure?

A. Blockchain uses cryptography and a network of independent computers (nodes) to validate and record every transaction, making it nearly impossible to alter past records.

Q. Can anyone create a digital asset?

A. With the right knowledge and resources, anyone can create a digital asset or token on a blockchain.

Q. What's the difference between native cryptocurrencies, stablecoins, and tokens?

A. Native cryptocurrencies are the primary coins of a blockchain (like Bitcoin); stablecoins are pegged to a stable value such as the U.S. dollar (like USDT); and tokens are digital units of value that can represent things like loyalty points, video game currencies, or voting rights.

Use Cases

Digital finance is actively shaping a wide range of routine operations today. The applications for this technology include:

Smart Contracts

Transactions & Payment Processing

Cross-Border Payments

Loyalty & Rewards Programs

Crypto Trading

Tokenization

Digital finance is increasingly being used by thousands of companies in hundreds of industries, such as:

Banking / Payments

Security
(cyber, election, etc.)

Human Resources

Government

Real Estate

Retail

Gaming

Supply Chain

Healthcare

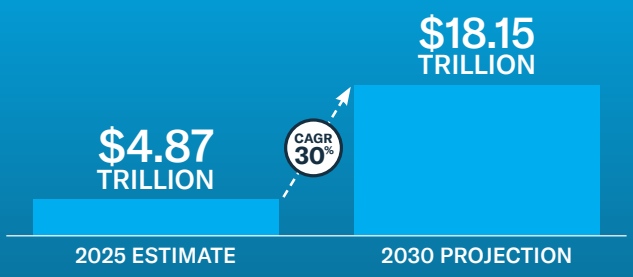
Insurance

Food Safety

Education

Growth Outlook

The global cryptocurrency market is projected to grow from $4.87 trillion in 2025 to $18.15 trillion by 2030, reflecting a 30% CAGR (compound annual growth rate—the average yearly growth rate of an investment over a period).[1]



Why Growth Is Accelerating

Mainstream Adoption

More companies, financial institutions, and governments are integrating digital assets and blockchain into their operations.

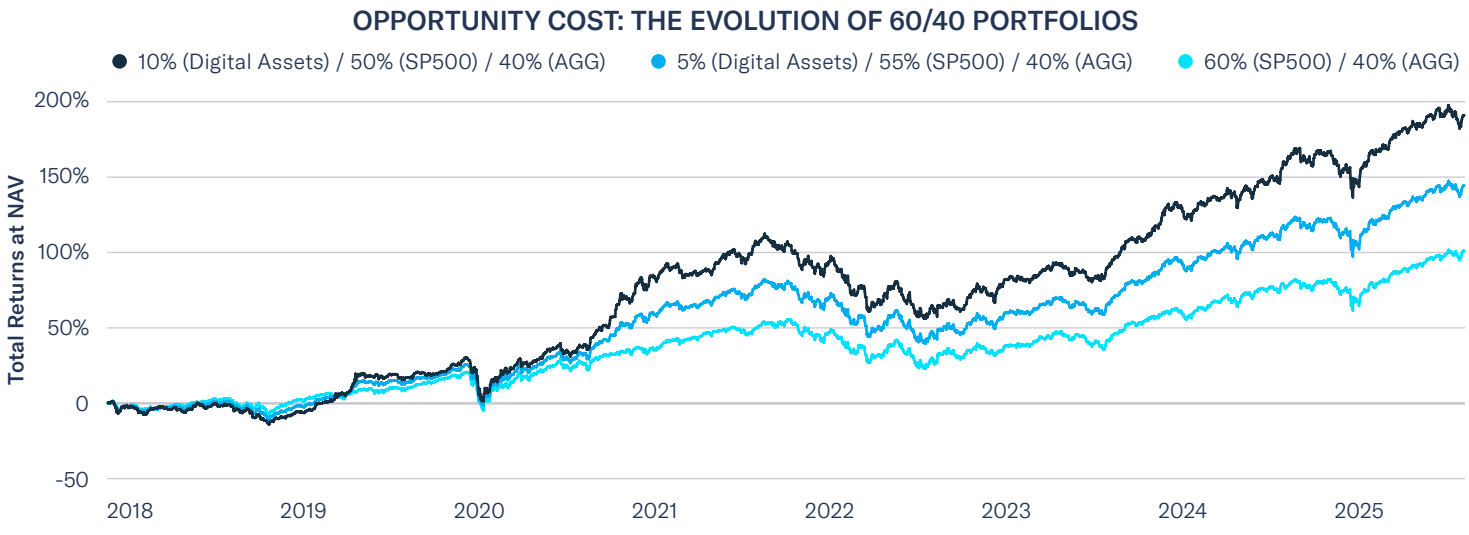
Innovation

Blockchain technology creates entirely new possibilities in finance and digital ownership.

Regulatory Clarity

Governments worldwide have introduced rules for digital assets (U.S.'s GENIUS Act, EU's MiCA, Hong Kong's HKMA), reducing uncertainty for businesses and investors.

Ultimately, investors have been increasingly making room for digital assets in their portfolios. The traditional 60/40 mix of stocks/bonds is evolving into structures like 5/55/40 or 10/50/40, with 5–10% dedicated to digital assets.



Source for charts: Y-Charts 1/17/18-11/30/25. ***The performance data quoted represents past performance and does not guarantee future results.*** *It is not possible to invest directly in an index. For illustration purposes only. SP500 (500 large-cap US companies), Agg (Bloomberg US Agg Index tracks U.S. investment-grade, fixed-rate taxable bond market); Digital Assets (Bloomberg Bitcoin Index measures the performance of a single Bitcoin).*

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Today, over 17,000 digital assets exist and are available for trading and use worldwide, compared to approximately 6,000 in 2020. This growth story is anchored in diversification: Bitcoin, Ethereum, Solana, XRP, stablecoins, and tokenized assets tied to real-world goods. And the technology that makes it all possible—blockchain—is just as much about executing these transactions as it is about establishing trust without mediators.

Understanding the basics of digital assets & blockchain is increasingly important for today's investors. As this technology continues to influence financial services, supply chains, and digital infrastructure, it's creating new avenues for innovation and market growth. Familiarity with how this innovation works—and where it's headed—can help investors better evaluate emerging opportunities, assess risk, and make informed decisions in a rapidly evolving landscape.

This educational guide offers a foundation to start that conversation and explore where digital assets and blockchain may fit into your broader investment outlook.

Start the Conversation Today.

Not an expert on digital assets? That doesn't have to derail your financial goals. Talk to your advisor to explore investment opportunities in this evolving market.

Find more insights from Amplify ETFs at AmplifyETFs.com/Digital-Assets

[1] *mordorintelligence.com/industry-reports/cryptocurrency-market*

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Investing involves risk, including the possible loss of principal. Investments in blockchain technology and digital assets are subject to a variety of risks, including high volatility, lack of regulation, cybersecurity incidents, theft or loss, developmental risk, and the potential for competing platforms or technologies. The technology is new and many uses may be untested. Investments concentrated in a single industry, such as blockchain, may exhibit higher volatility and be more vulnerable to factors affecting that industry.

Digital assets are highly speculative and may be subject to extreme volatility and risk of total loss. Investors should be prepared to lose their entire investment. The regulatory and tax treatment of digital assets and cryptocurrencies is uncertain and evolving.

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