Amplify ETFs™

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The BLOK-Chain Monthly

Staying Up-to-Date with Rapidly Evolving Blockchain and Cryptocurrency Trends

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As of January 31st, BLOK is up 4.48% year-to-date for 2026 (NAV returns, see view standardized performance) but headwinds surrounding the uncertainty around the Market Structure bill or also known as Clarity Act[1] and the U.S. government brief shut down gave investors a reason to pause and suddenly go risk off. We acknowledge that this volatility is hard to stomach but believe that long-term investors will be rewarded by owning the companies building out the infrastructure. Moreover, whether crypto trades like it is in a bear market (aka, a "Winter") we see the technology buildout on blockchain rails as accelerating in 2026 and converging further with Artificial Intelligence (AI).

Skeptics around the benefits of blockchain should read the explanation by Mike Cagney, CEO of Figure (FIGR) why Fannie Mae or Freddie Mac with their legacy systems are challenged to structure a $300,000 loan due to $13,000 of costs. In contrast, on Figure's (FIGR) platform loans are originated with a shared revenue benefit to the regional banks which are able to fund the loans off their balance sheets at meaningful lower cost than the platforms built on legacy bureaucratic government infrastructure. **Bottomline, as Cagney stated on February 9, 2026, "lawmakers or regulators" should support crypto progress as blockchain has the potential to solve the affordability problem for home ownership. The legacy infrastructure needs an upgrade.[2]**

We believe the technology stack that will enable the convergence between AI and blockchain will lead to the integration between blockchain and data centers, but admittedly this buildout will take years and trillions of capital. Based upon recent earnings calls, we know that some $700 billion has been committed by Amazon (AMZN), Alphabet (GOOG), Microsoft (MSFT), Nvidia (NVDA), Oracle (ORCL), but there are many that are also privately supporting this buildout; and, arguably these large companies leading this buildout cannot afford to be poorly positioned for this transition. The scale of these projects is so large and the transformation of business by AI is so evolutionary that even at the expense of dilution there is little choice but to embrace the change. **Larry Ellison speaks to the importance of this technological evolution broadly, but the action to tap the equity markets for the first time in 40 years demonstrates that this transformation is about the firm's ability to thrive in the new world as he envisions it.**

The integration between AI and blockchain involves the security of data integrity on the chain. Blockchain provides a secure, tamper-proof environment for AI data which foundationally can be trusted because it is more traceable from the transparent logs of the ledger on the blockchain. To this point, as AI models are run on a distributed decentralized network as smart contracts, self-executing program on a blockchain that automatically enforces an agreement when present conditions are met, they provide more data control and privacy.

The performance data quoted represents past performance and does not guarantee future results. 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. Current performance may be lower or higher than the performance quoted. For most recent month-end performance, visit BLOKETF.com.

In our December letter we referred to **Regulation**, **Adoption** and **Capital** (RACs) as a framework to track the investment conditions. Reporting on RACs progress on a monthly basis has its challenges, as monthly metrics can foster short-term thinking, but we hope the acronym helps frame honest engagement and education around this space.

Regulation

The Market Structure Bill, otherwise known as the Clarity Act, was openly debated throughout January, culminating in a visit by Crypto leaders at the White House. Key issues remain focused on:

1. Stablecoins providing a yield payments that compete with banks

2. Regulatory jurisdiction between the Securities and Exchange Commission and the Commodity Futures Trading Commission (SEC vs CFTC)

3. Decentralized finance (DeFi) and software developer liability. We are looking for signs of compromise on these issues in February and March and see the bill becoming more bipartisan. Few politicians and/or business-people dispute that cryptology as blockchain technology is foundational to America's leadership.

Stablecoin Yield Restrictions: A central conflict involves a proposal to prohibit digital asset service providers from offering interest or "yield" to users for simply holding stablecoins. Traditional banks argue that yield-bearing stablecoins function as unregulated deposits that could drain funds from the traditional banking system while the crypto industry argues that such rewards benefit the consumer and should not just be entitlements for the banks.

Regulatory Jurisdiction (SEC vs. CFTC): The bill attempts to resolve long-standing jurisdictional disputes by granting the Commodity Futures Trading Commission (CFTC) primary oversight over "digital commodity" spot markets, while maintaining the Securities and Exchange Commission (SEC's) jurisdiction over investment contract assets.

DeFi and Software Developer Liability: Debates center on defining the extent to which decentral-ized finance (DeFi) protocols, software developers, and platforms should be regulated. There is concern that an over-restrictive framework could hinder web3 development, with disagreements on when a decentralized protocol becomes a regulated financial intermediary.

Illicit Finance and Compliance: The bill aims to close national security gaps by applying stricter Anti-Money Laundering (AML) and Know Your Customer (KYC) requirements to centralized digital asset intermediaries interacting with DeFi.

Adoption

New Survey from PayPal and the National Cryptocurrency Association shows accelerating merchant adoption driven by customer demand.[3]

Customer interest is a major driver behind merchant adoption, nearly nine in ten merchants (88%) report receiving customer inquiries about paying with crypto, and more than two-thirds (69%) say customers want to use crypto at least once a month. Four in five merchants (79%) agree that accepting crypto could help them attract new customers, highlighting its perceived value as both a payment method and a growth lever.

Cryptocurrency payments are quickly moving into the mainstream of U.S. commerce. Nearly 4 out of 10 (39%) merchants already accept cryptocurrency at checkout, and more than four in five merchants (84%) believe crypto payments will become common within the next five years.

Capital

Markets were open for business, but admittedly the BitGo IPO proved disappointing. Nevertheless, we remain constructive on the capital markets and see Cipher (CIFR) raising $2 billion through the debt markets as contrasting support within our portfolio. Our understanding was that the deal was heavily oversubscribed.

Oracle (ORCL) recently raised $25 billion in an overnight bond and preferred deal and announced an at-the-market (ATM) equity offering, which allows it to sell shares gradually at current market prices rather than all at once at a fixed price. We are not long ORCL, but we view this access to capital markets as a statement of the importance of the company's future business transformation.

BitGo went public in January as the first pure play crypto company to do so. The stock was initially priced above the range at $18 but failed and as of January 31, 2026, trades around $12-$13. The company is a pure play trusted custodian of about $100 billion of crypto which has been battle tested through multiple bear markets.

Attribution

In January, BLOK's NAV returns were up 4.48% year to date (YTD), remaining meaningfully ahead of the broad indexes, Bitcoin, and other thematic portfolios; however, performance was choppy. We highlight two points in our outlook for 2026.

1

According to the standard MSCI and the Standard & Poor's industry breakdown, referenced to the Global Industry Classification Standards (GICS), we hold about 26% in software application. However, 95% of this GICS exposure is attributable to our data center holdings. Opera (OPRA) and Strategy (MSTR) are the other two companies that fall into this sector. We address this issue given the heightened concerns surrounding the software sector over the past month.

2

Diversification remains a key strength in our portfolio construction and is reflected in its asymmetric investment risk. We saw this with Figure Technology (FIGR), which we trimmed back by 0.5% in January after a huge run up. FIGR contributed about 1% of the 4.8% return with a run up of about 40%. Galaxy Digital rallied approximately 26% in January and contributed about 0.96% to the return. IREN Ltd. also had a similar big move, up 40%, but our sizing was significantly smaller given its overlapping position with other data centers.

Headwinds in January came from companies like BitGo (BTGO), which declined approximately 30% to around $12.60. Obviously not a strong start for an IPO priced at $18. Other weak-performing names included Roblox (RBLX) and Circle Internet Group (CRCL), both of which declined approximately 19%; however, neither of which had a meaningful impact on the portfolio return since they were sized small. Platform companies like Robinhood (HOOD), Coinbase (COIN), eTORO (ETOR) in aggregate were headwinds of about 1% all together.

Transaction and Repositioning

As a matter of discipline, we trimmed our position in Figure Technology (FIGR) by about 0.5% following a move of over 150% from the IPO price. As a reminder, the company went public back in September and is currently working through the tokenization of its own stock and the unlocking of insider shares. We also sold out of 100% of our position in GameStop (GME). In the absence of additional clarity by Management around its business prospects, their ownership of Bitcoin and the board's irresponsible decision to provide an audacious compensation package we just did not see an alignment in interests.

Early in January, we also increased our position slightly in Bed Bath & Beyond (BBBY). Anyone tilting their heads in amazement on this stock should consider the company's bold move to buy the website Token.com and review the CEO's Shareholder Letter. It is all outlined in the Company's three-point plan; especially Pillar 2.[4] There is no limit to the ambition of this plan; especially given the size of the Total Addressable Market (TAM) in real estate. The goal here is to embrace the benefits of blockchain and AI and become the trusted resource for everything related to home ownership.

Diversification does not assure a profit or protect against a loss in a declining market.

Top 10 Holdings *(as of 1/31/2026)*

TICKER	COMPANY	% WT.
GLXY	Galaxy Digital Inc	4.79%
HUT	HUT 8 CORP	4.40%
CIFR	Cipher Mining Inc	3.84%
HOOD	Robinhood Markets	3.61%
CLSK	Cleanspark Inc	3.53%
NU	NU Holdings Ltd	3.37%
WULF	Terawulf Inc	3.32%
BBBY	Bed Bath & Beyond	3.30%
GPGI	GPGI Inc	3.27%
IBM	International Business Machines	3.27%

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

BLOK Performance

	CUMULATIVE (%)					ANNUALIZED (%)			
QUARTER END AS OF 1/31/26	1 MO.	3 MO.	6 MO.	YTD	SINCE INCEPTION	1 YR.	3 YR.	5 YR.	SINCE INCEPTION
Fund NAV	4.48%	-13.37%	1.72%	4.48%	286.15%	24.88%	50.59%	13.86%	18.30%
Closing Price	4.38%	-13.64%	1.26%	4.38%	285.85%	24.96%	50.29%	13.80%	18.28%

Fund Inception Date: 1/17/2018. BLOK's total expense ratio is 0.70%. ***The performance data quoted represents past performance and does not guarantee future results. 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 the original cost. Current performance may be lower or higher than the performance quoted. For most recent month-end performance, visit AmplifyETFs.com/BLOK.*** *Relatively high performance due to market conditions may not be sustainable or repeated in the future. Brokerage commissions will reduce returns. NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The closing price is the last price at which the fund traded.*

Summary

For January, the Fund was up 4.48% (NAV returns YTD) so we are off to a solid start, but we expect volatility to persist despite our optimism around regulation, adoption, and capital access. On January 17th, 2026, the Fund celebrated its eighth year in service to its investors. In 2026, we hope to continue to provide comparatively attractive returns. As always, we thank you for your support as investors. In this 9th year we will do our best to deliver results in line with our vision for the accelerating adoption and look forward to turning 10 years old in 2027!

Education

For those who just want to get educated about the blockchain, here are some links:

Toolkit

Wharton: The Stablecoin Toolkit: Part 1

Brochure

Amplify: Your Guide to Digital Assets & Blockchain

https://amplifyetfs.com/wp-content/uploads/files/Your_Guide_to_Digital_Assets_and_Blockchain.pdf

White Paper

Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System bitcoin.org/bitcoin.pdf

[1] Clarity Act is a bill designed to create regulatory framework for digital assets
[2] Mike Cagney Twitter https://x.com/mcagney/status/2020966025228156975?s=20
[3] https://newsroom.paypal-corp.com/2026-01-27-Crypto-Goes-Mainstream-4-in-10-US-Merchants-Accept-Digital-Assets
[4] https://investors.beyond.com/news-events/press-releases/news-details/2026/Bed-Bath--Beyond-Signs-Agreement-to-Acquire-Tokens-com-to-Launch-a-Unified-Gateway-for-Real-Estate-Finance-and-Tokenized-Asset-Liquidity/default.aspx