

DECEMBER 2024

The BLOK-Chain Monthly

Staying Up-to-date with the Rapidly
Evolving Blockchain Technology

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BLOK's NAV returns were up 24.89% in November, leading the YTD performance to 67.73% ([see standardized performance](#)). This positive performance was achieved broadly and certainly reflects the optimism around crypto policies and the more friendly regulations that are expected to come from the new administration. More important than just price action, we believe that companies and investors can now begin to truly again embrace the inevitable future of blockchain innovation. In January, BLOK will celebrate its 7th year, so it is with tremendous pride we conclude this year with great results and optimism.

The "HODL Top 60": Publicly Traded Companies with Bitcoin on the Balance Sheet

@HODL15Capital

Company	Country	Ticker	# of Bitcoin	Company	Country	Ticker	# of Bitcoin
1 MicroStrategy	USA	MSTR	386,700	31 Jasmine International	Thailand	JAS.BK	334
2 Marathon Digital	USA	ARA	34,794	32 Advanced Bitcoin Tech	Germany	ABT	254
3 Galaxy Digital	Canada	BPRHF	15,449	33 Phunware	USA	PHUN	227
4 Riot Platforms	USA	RIOT	10,928	34 Remixpoint	Japan	3825.JP	215
5 Tesla	USA	TSLA	9,720	35 DEFI Technologies	USA	BTCS	204
6 Coinbase	USA	COIN	9,480	36 LM Funding America	USA	LMFA	160
7 Hut 8	USA	HUT	9,110	37 Genius Group	USA	GNS	153
8 Cleanspark	USA	CLSK	8,701	38 LQWD FinTech	Canada	LQWDF	151
9 Block (Square)	USA	SQ	8,363	39 Banxa Holdings	Australia	BNXAF	136
10 Boyaa	Hong Kong	0434.HK	3,183	40 DigitalX	Australia	DGGXF	115
11 Bitcoin Group SE	Germany	BTGGF	3,114	41 BIGG Digital Assets	Canada	BBKCF	96
12 Hive Digital	Canada	HIVE	2,624	42 Coinshares Int'l	Channel Isl	CS.ST	93
13 Exodus	USA	EXOD	1,990	43 BTCS Inc	USA	BTCS	90
14 Nexon	Japan	NEXOF	1,717	44 Digihost Technology	Canada	DGHI	81
15 Semler Scientific	USA	SMLR	1,570	45 Canada Computational	Canada	SATO	68
16 Cifer Mining	USA	CIFR	1,428	46 Frmo	USA	FRMO	63
17 Bitfarms	Canada	BITF	1,188	47 Mogo Inc.	Canada	MOGO	50
18 Aker ASA	Norway	AKER	1,170	48 Cathedra Bitcoin	Canada	CBIT	48
19 Brooker Group	Thailand	BROOK	1,150	49 WonderFi	Canada	WNDR	47
20 Metaplanet	Japan	3350	1,142	50 Linekong Interactive	Hong Kong	8267.HK	44
21 Canaan	Singapore	CAN	1,133	51 Sato Technologies	USA	CCPUF	43
22 Fold	USA	FLD	1,000	52 OneMedNet	USA	ONMD	27
23 Meitu	China	HKD	941	53 Metromile	USA	MILE	25
24 Bit Digital	USA	BTBT	781	54 Vinanz	UK	BTC.AQ	24
25 Alliance Resource Partners	USA	ARLP	425	55 Core Scientific	USA	CORZ	21
26 Samara Asset Group	Malta	SRAG	421	56 Gryphon Digital Mining	USA	GRYP	17
27 MercadoLibre	Argentina	MELI	413	57 Kontrol Technologies	Canada	KNR	15
28 DMG Blockchain	Canada	DMGI	399	58 The Blockchain Group	France	ALTBG	15
29 Net Holding A. Sirketi	Turkey	3350.T	352	59 Globant	Argentina	GLOB	10
30 Neptune Digital Assets	Canada	NPPTF	349	60 Stronghold Digital	USA	SDIG	4
							522,565

HODL (Hold on For Dear Life) Top 60 as of 11/28/2024. HODL is a term derived from a misspelling of "hold" in the context of buying and holding Bitcoin and other cryptocurrencies. It's also commonly come to stand for "hold on for dear life" among crypto investors.

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. For performance data current to the most recent month-end please visit BLOKETF.com.

We are working through our outlook for 2025 and want to share the following 5 predictions related to Bitcoin. Next month, we will share another 5 predictions, which will focus more on the transformational change that is coming related to tokenization and blockchain. Enjoy the insights and always feel free to challenge our thinking. Evolutions are harder to predict than revolutions.

- 1) Management Turnover:** Investors should be prepared for management turnover to accelerate in 2025. There are 11 data centers/Bitcoin miners with market values north of \$1 billion. In aggregate, the market value of these companies is about \$36 billion. Institutional interest has finally taken shape in 2024 as many of the companies have diversified into the AI/data center management business. Our surprise #1 prediction will be that at least 11 of the 33 top positions across these companies will be taken over by new leadership... Yes, that is a third of the members of the executive suite - chairmen, CEOs, CFOs and/or COOs will be different. The industry is young in many ways, and management talent can get exhausted. This prediction is not meant to suggest anything scandalous. Turnover, however, can be disruptive.
- 2) Capital Access Remains Bullish:** Liquidity continues to transform the data center/Bitcoin mining industry. Access to capital is a competitive advantage for growing companies. Regulation becomes more welcoming with the new administration and the IPO market comes alive again. We believe it is likely that at least six blockchain companies will become public, including Coreweave, Core Scientific's largest client. A higher Bitcoin price provides a strong outlook for miners who have scale, but the wild card is whether transaction volume becomes more consistent. We predict that venture capital in this space will also accelerate further. Crypto profits generally get poured back into the system.
- 3) Bitcoin Treasury Adoption Accelerates:** The number of public companies allocating Bitcoin to their treasury is currently about 50-60 small companies (see further details at BitcoinTreasuries.net). With the accounting rules by FASB (Financial Accounting Standards Board) now established and officially taking effect in 2025, more large companies can test the waters. The variable is whether some firms will choose to invest through ETFs and/or the 144a bond market. We are optimistic that SAB 121 will be repealed so that banks will not have to book liabilities against their clients' crypto exposure.¹
- 4) Members of Congress and State Treasuries Embrace Bitcoin:** Government adoption of Bitcoin as treasury reserve becomes more evident in 2025. There are already 10 states likely to pursue regulatory initiatives to buy Bitcoin. Pennsylvania, Florida, Texas and Wyoming are already friendly to the idea. Members of Congress show further support for crypto through their own personal investments.
- 5) Inflows Into Broad Passive Funds Will Fund MicroStrategy's Desire to Own The Most Bitcoin:** In 2025, Michael Saylor can rest as natural liquidity comes into the MSTR stock that funds his insatiable appetite to own more Bitcoin. As of the time of writing, MSTR owns 402,100 Bitcoin, but by the end of 2025 it would not surprise us to see the company owning over 500,000 Bitcoin. There is lots of talk about the near-term potential for MSTR to be included in the Nasdaq 100 sometime between December 13th (announcement) and 20th (inclusion), but let's dig deeper into 2025.
 - a. The "FUN" hypothetical!** If Bitcoin trades at \$200,000-\$250,000 that could cause MicroStrategy to displace Bank of America as the 26th weighting in the S&P500 (possible announcement June 2025). To be clear, we are not saying Bank of America will be kicked out of the S&P 500 Index, just that its weighting might be smaller than MicroStrategy.
 - b. Now for a twist of confusion.** Is MicroStrategy classified as a software/technology company in the S&P 500 or a financial service company? **Note that currently there are 37 technology ETFs worth \$270 billion, and only 27 financial ETFs worth \$94 billion – but, of course, the prize is the \$16 trillion in assets that are benchmarked against the S&P 500!**

These are predictions based on the portfolio managers' suppositions and research and are not meant to be taken as advice or recommendations. There is no guarantee of any of the predictions unfolding as outlined.

TRANSACTIONS AND REPOSITIONING

We came into November well positioned for what eventually took place. Therefore, we actually did not have to make many changes to the portfolio. Pursuant to our discipline around diversification, we did reduce our exposure to MicroStrategy and Core Scientific (CORZ) as it rallied past our weighting limits. We originally were one of the first institutional buyers of MicroStrategy back in August 2020 at \$14 before the 10:1 stock split. We, therefore, of course, have our bias. Regardless, our portfolio discipline requires us to trim the winners in hopes of diversifying into other big winners. November was also the month that we started buying MetaPlanet (3350 JP). We see similarities between the management of MetaPlanet and MicroStrategy. Like Saylor, MetaPlanet's CEO Simon Gerovich is carefully developing a maverick and brazen social media presence through transparency of his mission. Critical to Saylor's success has always been his clarity of mission - he simply says what he is going to do and then does it in a systematic manner, for better or worse. Similar to Saylor, Simon founded MetaPlanet in 2010 and substantially sold off most of its assets. According to Simon's LinkedIn profile, he, like Saylor, has strong ties to YPO and graduated from Harvard with a degree in Applied Mathematics (similar to Saylor's graduation from MIT with a degree in Engineering).

Most compelling about MetaPlanet is the fact that citizens in Japan have two problems that MetaPlanet solve for. First, the Yen is continuously depreciating. Second, personal capital gains tax on direct Bitcoin ownership is at 50-55%, but on stocks it is 20%. **Meaning, there is a natural incentive for individuals who wish to hedge against the Yen depreciation to pay a premium for Bitcoin exposure when it is wrapped in a stock.** We are in the early stages of the vision for MetaPlanet and we would expect volatility to create opportunity. The company just doubled its share count through a rights offering, and we would expect future capital raises to continue. Fortunately, the playbook has been written and all Simon has to do is follow his friend's dance.

We also added to our positions in Cleanspark (CLSK), Marathon Digital (MARA), Applied Digital (APLD) and initiated a small position in Canaan (CAN).

ATTRIBUTION

MicroStrategy, as an individual holding, was not our biggest winner in the month, but it did provide the largest contribution to returns during the month at 2.68%. Coinbase was next by contributing 2.32%. The miners all did very well, with Hut8 leading the charge at 2.55% and Core Scientific adding 2.06%. In aggregate, the miners contributed 13.04%, or about 52% of the return in November. Companies in the mining industry frequently move in tandem, but at different velocities due to their different business models, locations, and technology positioning. The range of returns in November for the various data center/Bitcoin miners ranged from 13% for Hive Digital to 83% for Bitdeer. To this point, sometimes these stocks bounce around in what seems like irrational ways that exaggerate their opportunity sets. We believe this is when the 7 years of experience and relationships count for something. Valuations can justify price and create discipline, but don't always work in the traditional sense when so much of the price movement is a function of variability around business factors and Bitcoin price momentum.

TOP 10 HOLDINGS *(as of 11/30/2024)*

TICKER	COMPANY	% WT.	TICKER	COMPANY	% WT.
Core Scientific	CORZ	5.44%	Robinhood Markets	HOOD	4.09%
HUT 8	HUT	4.74%	Cleanspark	CLSK	3.48%
Coinbase Global	COIN	4.66%	Block	SQ	3.28%
Galaxy Digital	GLXY CN	4.47%	MARA Holdings	MARA	3.27%
MicroStrategy	MSTR	4.19%	PayPal	PYPL	3.16%

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

MONTH END AS OF 11/30/2024	CUMULATIVE (%)					ANNUALIZED (%)			
	1 MO.	3 MO.	6 MO.	YTD	SINCE INCEPTION	1 YR.	3 YR.	5 YR.	SINCE INCEPTION
Fund NAV	24.89%	41.96%	51.34%	67.73%	205.21%	110.99%	1.57%	26.19%	17.63%
Closing Price	25.12%	42.07%	51.81%	68.34%	205.86%	111.26%	1.68%	26.30%	17.67%
QUARTER END AS OF 9/30/2024	1 MO.	3 MO.	6 MO.	YTD	SINCE INCEPTION	1 YR.	3 YR.	5 YR.	SINCE INCEPTION
	1 MO.	3 MO.	6 MO.	YTD	SINCE INCEPTION	1 YR.	3 YR.	5 YR.	SINCE INCEPTION
Fund NAV	6.25%	5.79%	3.13%	25.53%	128.42%	90.41%	-1.10%	20.26%	13.11%
Closing Price	6.08%	5.78%	2.96%	25.70%	128.37%	90.43%	-0.95%	20.25%	13.11%

Fund Inception Date: 1/17/2018. BLOK's gross expense ratio is 0.76%. 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. For performance data current to the most recent month-end visit [AmplifyETFs.com/BLOK](https://amplifyetfs.com/BLOK). Brokerage commissions will reduce returns. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. The closing price or market price is the most recent price at which the fund was traded.

SUMMARY

The transformation of the mining industry in 2024 has in many ways been led by Core Scientific. Anyone familiar with the potential broad industrial disruption that is ahead should appreciate the value proposition and expertise that Bitcoin miners bring to the table but make no mistake about it, we spent a lot of time in this month's report highlighting this category because of its impact on returns.

As always, we are very thankful for our investors who, at times, have had to be patient. We hope you are pleased with the results and recognize that the activity in the month was very much executed in a deliberate manner with precision. We look forward to 2025 with great optimism. While we should certainly expect next year to be volatile, we believe 7 could be our lucky year!

EDUCATION

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

- Michael's Saylor's 3 Minute Presentation to Microsoft's Board About Bitcoin Treasury²
- Beryle Elites: Panel- Public vs Private Blockchain. Choosing the Right Path for Your Business³
- Satoshi Nakamoto Original Bitcoin White paper: Bitcoin: A Peer-to-Peer Electronic Cash System bitcoin.org/bitcoin.pdf

BLOK

Amplify Transformational Data Sharing ETF

**First & Largest Actively Managed
Blockchain Technology ETF**

Learn more: BLOKETF.com



Global equity portfolio of professionally-selected companies involved in blockchain technology.



Active management approach that we believe enables the Fund to remain flexible, make timely decisions and identify companies that are best positioned to profit from the developing blockchain technology space.



Convenience and Transparency: access the blockchain and crypto ecosystem without K-1 tax reporting.**

*BPs: A basis point (BP) is a unit that is equal to 1/100th of 1%.

**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.

¹ ledgerinsights.com/sec-outlines-criteria-for-sab-121-digital-asset-custody-exemptions/

² x.com/Rec31658329/status/1854134142004502560

³ youtube.com/watch?app=desktop&v=plXow65SiTY

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 prospectus, which may be obtained at 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. Investing in cryptocurrency is highly speculative and is only appropriate for investors who understand the associated risks and likelihood of extreme volatility. Investors in cryptocurrency should be prepared to lose their entire investment. The fund does not invest directly in bitcoin. 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.

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