

History of Cannabis Use

Cannabis cultivation dates back to the Ancient Empires of China, Egypt and Rome. In the early centuries, the cannabis plant was used by different cultures around the world in many ways medical, textiles, oils, recreational to name a few.

Starting in the early 1900s, the trend shifted with a focus on regulating and subsequently outlawing the use of cannabis. Ultimately, the last 100 years is just a sliver of time when considering its 6,000 year history.



4000-2700 BC

EARLIEST USES

Major food crop and known as one of the five grains of China. First known use for medicine was in 2037 BC, referenced by the Chinese Emperor Shen Nung as a treatment for over 100 ailments and medical purposes. It was also used for textiles, rope and oil.



1200-800 BC

SACRED GRASS

Considered one of the five sacred plants of India by Hindus. Mentioned in Hindu sacred text Arthava-Veda as "liberator" and the "source of happiness". Used during daily devotionals.



500 BC-1000 AD

TRADE ROUTES

The Scythians—a large group of Iranian nomads in Central Asia began inhaling the smoke from smoldering cannabis via pipes. Hashish became accepted throughout the Middle East and parts of Asia through



MID 1800s

MEDICAL USE

Cannabis extracts were commonly sold in pharmacies and doctors' offices throughout Europe and the U.S. to treat stomach problems and other ailments. Used frequently during the Civil War as a remedy and for ropes and textiles.



EARLY 1900s

REGULATION GROWS

In 1906, the FDA was founded and began to regulate cannabis. The 1910 Mexican Revolution started to spread its recreational use in the U.S. as the Great Depression stoked unrest. Cannabis became known as "the Evil Weed."



MID 1900s

REEFER MADNESS

By 1931, during the Prohibition Era, over 29 states outlawed its use. The Marihuana Tax Act of 1937 was the first federal U.S. law to criminalize use nationwide. The Act imposed an excise tax on hemp products, for all but industrial uses.



MID-LATE 1900s

WAR ON DRUGS

The Controlled Substances Act of 1970 repealed the Marihuana Tax Act. Cannabis became a Schedule I drug, like heroin, LSD, and ecstasy, it was deemed at high potential for abuse with no medical exceptions. In 1989, a NORML*petition for medical use failed.



LATE 1900s 21st

LEGALIZATION

In 1996, California became the first state 51 countries have to legalize medical cannabis via The Compassionate Use Act. 29 other states soon followed. In 2012 Washington and Colorado legalized cannabis for state wide adult recreational sale and use.



21st+ CENTURY

GLOBAL ACCEPTANCE

At least 38 states and 51 countries have partially or fully legalized cannabis. Canada became the second nation in the world to legalize it completely for adult use. New and modern methods of cannabis consumption continue to evolve.

How Can Investors Capitalize on the Growth of Cannabis Markets?

ETFs that cover cannabis companies are a practical way for investors to tap into the cannabis market's potential. As cannabis continues to expand the number of places where it is legal (globally and domestically within parts of the United States), some investors are excited about the profit potential for the cannabis industry. According to cannabis research firm New Frontier Data, the total legal cannabis sales is expected to grow over 16% a year (5-Year legal market CAGR - compound annual growth rate) and reach \$51 billion in 2025.

One option for investors interested in the Cannabis markets is the Amplify Seymour Cannabis ETF (CNBS). It is an actively managed ETF that seeks to provide investment exposure to global companies principally engaged in the emerging cannabis and hemp ecosystem across one of three classifications.

Amplify Seymour
Cannabis ETF
CNBS

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.

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. Brokerage commissions will reduce returns.

The Fund is subject to management risk because it is an actively managed. Companies involved in the cannabis industry face competition,

may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. The possession and use of cannabis, even for medical purposes, is illegal under federal and certain states' laws, which may negatively impact the value of the Fund's investments. Securities issued by non-U.S. companies present risks beyond those of securities of U.S. issuers.

Many of the companies in which the Fund will invest are engaged in other lines of business unrelated to cannabis and these lines of business could adversely affect their operating results. Cannabis is a Schedule I controlled substance under the Controlled Substances Act

("CSA"), meaning that it has a high potential for abuse, has no currently "accepted medical use" in the U.S., lacks accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the U.S. Small and/or mid-capitalization companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. The Fund is non-diversified, which can cause greater share price fluctuation. Amplify Investments LLC is the Investment Adviser to the Fund, and Penserra Capital Management, LLC serves as the Investment Sub-Adviser. Amplify ETFs are distributed by Foreside Fund Services, LLC.



Questions?

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