

INVESTMENT CASE

Amplify Seymour  
Cannabis ETF

[CNBS]

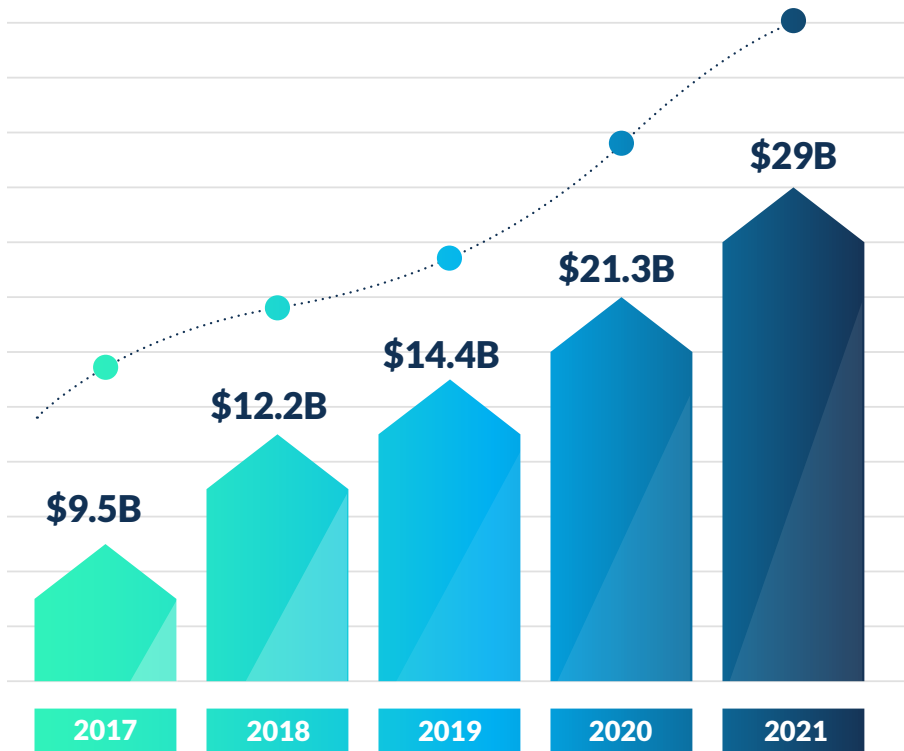
# Amid the evolving public perception of cannabis – from largely recreational to medicinal, to both – is the creation of new markets spurred by increased demand globally.

As legal use continues to spread worldwide, political momentum and public pressure to legalize cannabis for medical and recreational purposes have also gained traction. These factors have fostered technological and scientific breakthroughs leading to the development of a variety of product-related and service areas for new and innovative uses. This trend may present a compelling investment opportunity.

## 1

### Industry Growth

#### Global Legal Cannabis Sales



Worldwide consumer spending on legal cannabis was \$29 billion in 2021, with a forecast compound annual growth rate (CAGR) of 15% through 2026 (BDS Analytics).

Source: BDS Analytics, Arcview Market Research

## 2

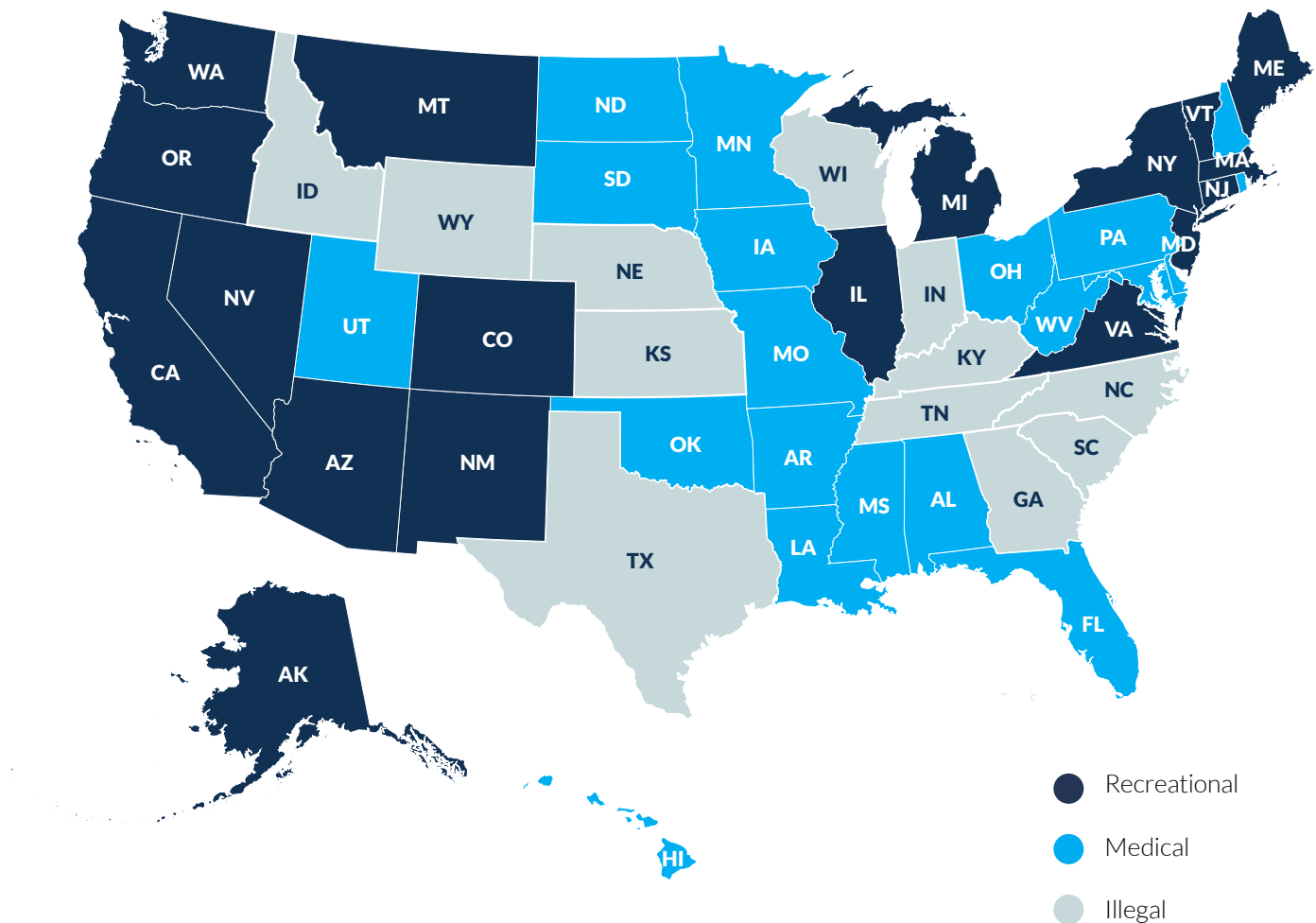
## Growing Trend of Legalization

# 68%

of Americans think cannabis should be legal (according to a Gallup poll – as of Nov 2021). Increased political momentum and public pressure to legalize its use for medical and recreational purposes have led to new and innovative applications in product-related and service areas, driving global technological and scientific breakthroughs.

### States where cannabis is legal

As of May 2022, 76% of the United States has partially or fully legalized cannabis.



Source: Business Insider

# 3

## Growing Use Cases & Market Opportunities

- Besides the economic benefits of cannabis legalization, another key driver is the medicinal potential
- Over 100 naturally occurring compounds – known as cannabinoids – are found in the cannabis plant
- There are currently 3 FDA approved drugs using cannabinoids - two to treat nausea for cancer patients, one for certain types of seizures
- Other use cases being researched include: inflammation, anxiety, sleep, pain, PTSD

**Cannabis has created new markets globally as its legalized use spreads worldwide. The cannabis industry is at an inflection point, which provides both opportunity and risk for investors. Investors who want to access this industry may best be served by having a diversified, professionally-managed product.**

### **Amplify Seymour Cannabis ETF (CNBS)**

CNBS is an ETF investing in the fast-developing global cannabis industry. The Fund is managed by Tim Seymour, a recognized voice and experienced investor in the cannabis space.

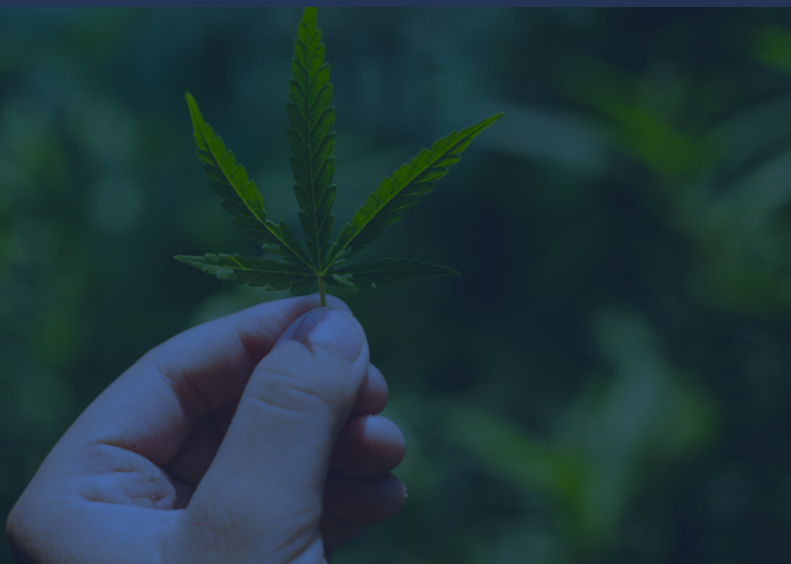
### **How might investors benefit from CNBS?**

- 1) Professional selection** - the ETF will own companies that meet its mandate in terms of purity (50% or more of revenue from the cannabis or hemp ecosystem), as well as the legality of operation.
- 2) Active management** - The portfolio will be managed and weighted according to Tim Seymour's view of the cannabis market.
- 3) Diversification vs. individual stocks** - given the volatility of the cannabis market segment and the individual stocks / businesses themselves, CNBS's basket approach may reduce business-specific risk and overall volatility versus individual cannabis stocks.



### **Tim Seymour, Portfolio Manager**

Mr. Seymour has over 20 years of investment experience as a portfolio manager, allocator, and capital markets professional across multiple asset classes. Mr. Seymour has been an early stage investor in the cannabis industry and serves as a board member or in an advisory role for several private cannabis companies. In addition, Mr. Seymour is a frequent and long-time contributor on CNBC, including over a decade as co-host on the show “Fast Money.” Mr. Seymour is the founder and Chief Investment Officer of Seymour Asset Management (“SAM”).



**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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