

Horizons ETFs Announces Unitholder Approval of Proposed Corporate Class Reorganization for Certain ETFs

43 ETFs received unitholder approval for corporate class reorganization proposed in August 2019

TORONTO – November 12, 2019 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”) announced today that at special meetings of the unitholders of the exchange traded funds listed in the table below (the “**ETFs**”), held on November 12, 2019, unitholders of the ETFs approved all matters relating to the merger of each ETF (the “**Mergers**”), currently structured as a trust, into a corresponding class of shares of a new multi-class corporate fund structure to be managed by Horizons ETFs, all as further described in the Management Information Circular dated October 4, 2019, previously mailed to unitholders.

Other than BetaPro Gold Bullion -2x Daily Bear ETF (“**HBD**”), whose meeting has been adjourned until Wednesday, November 13, 2019, all of the exchange traded funds set out in Horizons ETFs’ press release dated August 23, 2019, have received unitholder approval for reorganization into the corporate class structure. Horizons ETFs anticipates that it will provide an update on the unitholder vote for HBD on November 13, 2019.

Listed below are the ETFs that have received unitholder approval to merge into the multi-class corporate fund structure:

REORGANIZATION INTO CORPORATE CLASS TO BE EFFECTIVE AS OF END OF DAY, NOVEMBER 27, 2019	
ETF Name	Ticker
BetaPro Gold Bullion 2x Daily Bull ETF	HBU
BetaPro Crude Oil 2x Daily Bull ETF	HOU
BetaPro Crude Oil -2x Daily Bear ETF	HOD
BetaPro Natural Gas 2x Daily Bull ETF	HNU
BetaPro Natural Gas -2x Daily Bear ETF	HND
BetaPro Silver 2x Daily Bull ETF	HZU
BetaPro Silver -2x Daily Bear ETF	HZD
BetaPro S&P/TSX 60™ 2x Daily Bull ETF	HXU
BetaPro S&P/TSX 60™ -2x Daily Bear ETF	HXD
BetaPro S&P/TSX Capped Financials™ 2x Daily Bull ETF	HFU
BetaPro S&P/TSX Capped Financials™ -2x Daily Bear ETF	HFD
BetaPro S&P/TSX Capped Energy™ 2x Daily Bull ETF	HEU
BetaPro S&P/TSX Capped Energy™ -2x Daily Bear ETF	HED

REORGANIZATION INTO CORPORATE CLASS TO BE EFFECTIVE AS OF END OF DAY, NOVEMBER 29, 2019	
ETF Name	Ticker
Horizons S&P/TSX 60™ Index ETF	HXT
Horizons S&P 500® Index ETF	HXS
Horizons S&P 500 CAD Hedged Index ETF	HSH
Horizons S&P/TSX Capped Energy Index ETF	HXE
Horizons S&P/TSX Capped Financials Index ETF	HXF
Horizons Cdn Select Universe Bond ETF	HBB
Horizons NASDAQ-100® Index ETF	HXQ
Horizons EURO STOXX 50® Index ETF	HXX
Horizons Cdn High Dividend Index ETF	HXH
Horizons US 7-10 Year Treasury Bond ETF	HTB
Horizons US 7-10 Year Treasury Bond CAD Hedged ETF	HTH
Horizons Laddered Canadian Preferred Share Index ETF	HLPR
Horizons Intl Developed Markets Equity Index ETF	HXDM

REORGANIZATION INTO CORPORATE CLASS TO BE EFFECTIVE AS OF END OF DAY, NOVEMBER 27, 2019	
ETF Name	Ticker
BetaPro NASDAQ-100 [®] 2x Daily Bull ETF	HQU
BetaPro NASDAQ-100 [®] -2x Daily Bear ETF	HQD
BetaPro S&P 500 [®] 2x Daily Bull ETF	HSU
BetaPro S&P 500 [®] -2x Daily Bear ETF	HSD
BetaPro Canadian Gold Miners 2x Daily Bull ETF	HGU
BetaPro Canadian Gold Miners -2x Daily Bear ETF	HGD
BetaPro Marijuana Companies 2x Daily Bull ETF	HMJU
BetaPro Marijuana Companies Inverse ETF	HMJI
BetaPro S&P/TSX 60™ Daily Inverse ETF	HIX
BetaPro S&P 500 [®] Daily Inverse ETF	HIU
BetaPro S&P 500 VIX Short-Term Futures™ ETF	HUV
Horizons Gold ETF	HUG
Horizons Silver ETF	HUZ
Horizons Crude Oil ETF	HUC
Horizons Natural Gas ETF	HUN

REORGANIZATION INTO CORPORATE CLASS TO BE EFFECTIVE AS OF END OF DAY, NOVEMBER 29, 2019	
ETF Name	Ticker
Horizons Equal Weight Canada REIT Index ETF	HCRE
Horizons Equal Weight Canada Banks Index ETF	HEWB

The necessary regulatory and Independent Review Committee approvals have also been received.

Accordingly, Horizons ETFs expects to proceed with the Mergers on November 27 and November 29, 2019, as indicated in the above table. The ETFs will continue to trade as normal up until the Mergers, and will continue trading on the trading day following the Mergers under the same tickers.

“We are excited to have completed this last stage of the approval process and thank our unitholders for their ongoing support throughout the corporate class reorganization,” said Steve Hawkins, President and CEO of Horizons ETFs. *“With the completion of the reorganization expected before the end of the month, we are putting the proposed changes to the Income Tax Act behind us and moving forward to the next stage of innovation for our tax-efficient ETF suite, which also includes our BetaPro ETFs.”*

It is important to note that these ETFs are not expected to carry forward any tax liability into the proposed multi-class corporate fund structure, and no historical or retroactive taxable implications to unitholders of these ETFs are expected.

The reorganization is not expected to be a taxable event for unitholders of the ETFs provided that, in the case of Canadian resident unitholders who hold units of the ETFs in taxable accounts, such unitholders make a joint election with the proposed multi-class corporate fund structure under Section 85 of the *Income Tax Act* (Canada) as part of the exchange from their existing trust units into shares of a class of the new corporate fund structure. Horizons ETFs is establishing a process to provide assistance to unitholders in taking the necessary steps to file the joint election, which will be free of charge. Additional information can be found here: <https://www.horizonsetfs.com/section-85-election>

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has approximately \$10 billion of assets under management and 91 ETFs listed on major Canadian stock exchanges.

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*Commissions, management fees and expenses all may be associated with an investment in exchange traded products (the "Horizons Exchange Traded Products") managed by Horizons ETFs Management (Canada) Inc. The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. **Please read the relevant prospectus before investing.***

The Horizons Exchange Traded Products include our BetaPro products (the "BetaPro Products"). The BetaPro Products are alternative mutual funds within the meaning of National Instrument 81-102 Investment Funds, and are permitted to use strategies generally prohibited by conventional mutual funds: the ability to invest more than 10% of their net asset value in securities of a single issuer, to employ leverage, and engage in short selling to a greater extent than is permitted in conventional mutual funds. While these strategies will only be used in accordance with the investment objectives and strategies of the BetaPro Products, during

certain market conditions they may accelerate the risk that an investment in units of a BetaPro Product decreases in value. The BetaPro Products consist of our 2x Daily Bull and 2x Daily Bear ETFs (“2x Daily ETFs”), Inverse ETFs (“Inverse ETFs”) and our BetaPro S&P 500 VIX Short-Term Futures™ ETF (the “VIX ETF”). Included in the 2x Daily ETFs and the Inverse ETFs are the BetaPro Marijuana Companies 2x Daily Bull ETF (“HMJU”) and BetaPro Marijuana Companies Inverse ETF (“HMJI”), which track the North American MOC Marijuana Index (NTR) and North American MOC Marijuana Index (TR), respectively. The 2x Daily ETFs and certain other BetaPro Products use leveraged investment techniques that can magnify gains and losses and may result in greater volatility of returns. These BetaPro Products are subject to leverage risk and may be subject to aggressive investment risk and price volatility risk, among other risks, which are described in their respective prospectuses. Each 2x Daily ETF seeks a return, before fees and expenses, that is either 200% or –200% of the performance of a specified underlying index, commodity futures index or benchmark (the “Target”) for a single day. Each Inverse ETF seeks a return that is –100% of the performance of its Target. Due to the compounding of daily returns a 2x Daily ETF’s or Inverse ETF’s returns over periods other than one day will likely differ in amount and, particularly in the case of the 2x Daily ETFs, possibly direction from the performance of their respective Target(s) for the same period. Hedging costs charged to BetaPro Products reduce the value of the forward price payable to that ETF. Due to the high cost of borrowing the securities of marijuana companies in particular, the hedging costs charged to HMJI are expected to be material and are expected to materially reduce the returns of HMJI to unitholders and materially impair the ability of HMJI to meet its investment objectives. Currently, the manager expects the hedging costs to be charged to HMJI and borne by unitholders will be between 15.00% and 35.00% per annum of the aggregate notional exposure of HMJI’s forward documents. The hedging costs may increase above this range. The manager will publish, on its website, the updated monthly fixed hedging cost for HMJI for the upcoming month as negotiated with the counterparty to the forward documents, based on the then current market conditions. The VIX ETF, which is a 1x ETF, as described in the prospectus, is a speculative investment tool that is not a conventional investment. The VIX ETF’s Target is highly volatile. As a result, the VIX ETF is not intended as a stand-alone long-term investment. Historically, the VIX ETF’s Target has tended to revert to a historical mean. As a result, the performance of the VIX ETF’s Target is expected to be negative over the longer term and neither the VIX ETF nor its target is expected to have positive long-term performance. **Investors should monitor their holdings in BetaPro Products and their performance at least as frequently as daily to ensure such investment(s) remain consistent with their investment strategies.**