

# HBUG

HORIZONS ETFs  
by Mirae Asset

## Horizons GX Cybersecurity Index ETF

## ETF Snapshot

### Cybersecurity Flashpoint

The emergence and growth of technology has had a net positive impact on society but the digitization and interconnectedness of our world comes with the risk of cyber-attacks. Data has never been more important, which means protecting it has never been more crucial. As the world expands its digital capabilities, so too is the need to implement a key cybersecurity framework to protect it.

Horizons GX Cybersecurity Index ETF, which trades under the ticker HBUG, provides exposure to companies positioned to benefit from the increasing adoption of cybersecurity technology, such as companies offering protection against intrusion and attacks on systems, networks, applications, computers and mobile devices.

HBUG seeks to replicate, to the extent possible and net of expenses, the performance of an index that is designed to provide exposure to the performance of global, publicly listed companies that stand to potentially benefit from the increased adoption of cybersecurity technology, such as those whose principal business is generally engaged in the development and management of security protocols preventing intrusion and attacks to systems, networks, applications, computers and mobile devices. Currently, HBUG seeks to replicate, directly or indirectly, the performance of Indxx Cybersecurity Index, net of expenses, by investing primarily in the Global X Cybersecurity ETF, which trades on the NASDAQ stock exchange under the ticker BUG. HBUG seeks to hedge any U.S. dollar portfolio exposure back to the Canadian dollar at all times.

### Name:

The Horizons GX Cybersecurity Index ETF

### Launch Date:

December 2, 2021

### Ticker:

HBUG

### Management Fee:

0.45% (Plus applicable sales taxes.)

### Investment Manager:

Horizons ETFs Management (Canada) Inc.

### Underlying Index:

Indxx Cybersecurity Index

### Bloomberg Index Ticker:

IBUGT

### Currency Hedged:

Any USD portfolio exposure is hedged back to CAD at all times

### Distributions Frequency:

Annually, if any

### Eligibility:

All registered and non-registered investment accounts

### The Cybersecurity Opportunity

The global cyber security market size was valued at USD \$156.5 billion in 2019 and is expected to expand at a compound annual growth rate (CAGR) of 10% from 2020 to 2027.<sup>1</sup> The market's growth can be attributed to the increasing awareness and rising investments in cybersecurity infrastructure across global organizations.

Market growth in the coming years is expected to be driven by the increasing adoption of enterprise security solutions from manufacturing, banking, financial services and insurance (BFSI), and healthcare.<sup>2</sup>

### Key Areas of Potential Growth:



**Remote Working:** As the lines between work and home have blurred, security risks have soared in the era of remote work. Employees now rely on their home networks – and sometimes their own devices – to complete tasks.



**Ransomware Attacks:** Between 2019 and 2020, ransomware attacks jumped by 62 percent worldwide, and by 158 percent in North America alone.



**Rise of AI:** Equipment, machinery and vehicle manufacturers. These are industrial sector companies that provide the crucial machinery needed to meet increasing demand for construction. Due to their reliance on internet-connected data, there is a need for them to have stringent cyber security protection.

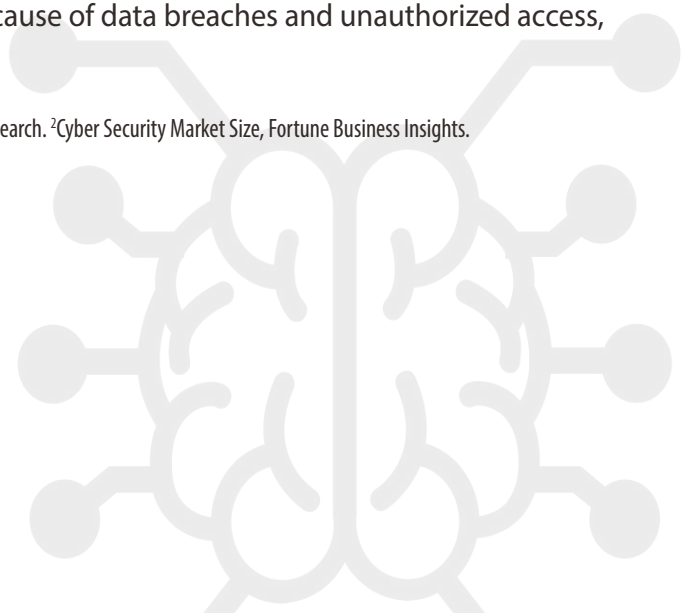


**IoT Devices:** Safeguarding the IoT is complicated by the scale and scope of data being generated and collected, forcing many business leaders to reassess their decentralized approaches to cyber risk management.



**Cloud Security Threats:** While cloud services offer a wealth of benefits, they're still a prime target for attackers. Misconfigured cloud settings are a cause of data breaches and unauthorized access, insecure interfaces and account hijacking.

<sup>1</sup>Cyber Security Market Analysis, 2016-2027: Opportunities Beyond COVID-19 Crisis, Grand View Research. <sup>2</sup>Cyber Security Market Size, Fortune Business Insights.



# Horizons GX Cybersecurity Index ETF

## Key Features

### Key Features

- **High Growth Potential:** Exposure to companies that are positioned to benefit from the rising importance and increased adoption of cybersecurity technology
- **Long-Term Trend:** Constant evolutions in technology leads to ongoing security concerns, potentially decades-long mega-trends in cybersecurity growth
- **Go-Anywhere Approach:** Transcend traditional sector, industry and geographic classifications by tracking an emerging theme
- **Made for Canadians:** Ideal exposure for Canadian investors that get USD currency-hedged exposure
- **Global exposure:** With limited exposure to cybersecurity companies in the Canadian equity market, HBUG provides globally diversified exposure to leading names in the industry

### Indxx Cybersecurity Index

The Indxx Cybersecurity Index is designed to provide exposure to global, exchange-listed companies positioned to benefit from increased adoption of cybersecurity technology, including but not limited to companies whose principal business is in the development and management of security protocols preventing intrusion and attacks to systems, networks, applications, computers and mobile devices as determined by the Index Provider.

- The Index will hold the top 40 Cybersecurity companies ranked by market capitalization. If there are fewer than 40 Cybersecurity companies in the selection list, all are included
- Constituent issuers will be drawn from publicly listed companies in developed markets and emerging markets, excluding India, as defined by the Index Provider. Constituent issuers may include small-, mid- and large-capitalization companies
- In order to be eligible for inclusion, a company is considered by the Index Provider to be a Cybersecurity company if it derives at least 50% of its revenues from cybersecurity activities, which the Index Provider classifies as the development and management of security protocols preventing intrusion and attacks to systems, networks, applications, computers, and mobile devices

To learn more, please visit [www.HorizonsETFs.com/ETF/HBUG](http://www.HorizonsETFs.com/ETF/HBUG)



Commissions, management fees and expenses all may be associated with an investment in Horizons GX Cybersecurity Index ETF (the "ETF") managed by Horizons ETFs Management (Canada) Inc. The ETF is not guaranteed, its values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. **Please read the prospectus before investing.**

The ETF is not sponsored, endorsed, issued, sold or promoted by Indxx, nor does Indxx make any representations regarding the advisability of investing in the ETF. Horizons ETFs is not affiliated with Indxx."