

BetaPro Marijuana Companies Inverse ETF (HMJI)

ETF Snapshot

Name:

BetaPro Marijuana Companies
Inverse ETF

Launch Date:

May 24, 2019

Ticker:

HMJI

Management Fee:^{*}

1.45%

Investment Manager:

Horizons ETFs Management
(Canada) Inc.

Underlying Index:

North American MOC Marijuana
Index (TR)

Bloomberg Index Ticker:

BAMMART

Rebalanced:

Quarterly

Eligibility:

All registered and non-registered
investment accounts

^{*}Plus applicable sales taxes.

¹TR = Total Return

Short Exposure to the North American Marijuana Sector

The BetaPro Marijuana Companies Inverse ETF ("HMJI") is designed to provide investors the opportunity to potentially benefit from market declines in the value of North American Marijuana equities.

HMJI seeks daily investment results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to the single inverse (the opposite or -1x) of the daily performance of the North American MOC Marijuana Index (TR) (the "Underlying Index"). HMJI does not seek to achieve its stated investment objective over a period of time greater than one day.

Important Risk Considerations

HMJI is very different from most other exchange traded funds, and is permitted to use strategies generally prohibited by conventional mutual funds. While such strategies will only be used in accordance with the investment objective and strategy of the ETF, during certain market conditions they may accelerate the risk that an investment in the units of the ETF decreases in value.

HMJI, before fees and expenses, does not and should not be expected to return the inverse (e.g. -100%) of the return of its Underlying Index over any period of time other than daily.

The returns of HMJI over periods longer than one day will, under most market conditions, be in the opposite direction from the performance of its Underlying Index for the same period. However, the deviation of returns of HMJI from the inverse performance of its Underlying Index can be expected to become more pronounced as the volatility of HMJI's Underlying Index, and/or the period of time increases.

Hedging costs charged to an ETF reduce the value of the forward price payable to that ETF. Due to the high cost of borrowing the securities of marijuana companies, the hedging costs charged to HMJI and indirectly borne by unitholders are anticipated to be material.

Although the hedging costs of HMJI are assessed on a monthly basis to reflect the current market conditions, these hedging costs are expected to materially reduce the daily returns of HMJI to unitholders and to materially impair the ability of HMJI to meet its investment objectives. Currently, Horizons ETFs Management (Canada) Inc. (the "Manager") anticipates that, in respect of HMJI, based on existing market conditions, the hedging costs charged to HMJI and indirectly 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 beyond this range.

Horizons will post the current hedging cost on its website at www.HorizonsETFs.com.



HORIZONS ETFs
by Mirae Asset

Innovation is our capital. Make it yours.

HorizonsETFs.com

BetaPro Marijuana Companies Inverse ETF (HMJI)

Although the Manager does not, as of the date of the prospectus, anticipate suspending subscriptions for new units, it is possible that due to a counterparty's difficulties and costs associated with shorting the securities of constituent issuers, including the potential inability of a counterparty to borrow securities of constituent issuers in order to "short" such issuers, HMJI will be subject to the risk that one or more counterparties could refuse to increase the ETF's existing notional exposure under the current Forward Documents. If the ETF cannot increase its notional exposure under the Forward Documents, the Manager will accordingly suspend new subscriptions for units of HMJI until such time as the Manager can increase the notional exposure under the Forward Documents. During a period of suspended subscriptions, investors should note that units of HMJI are expected to trade at a premium or substantial premium to the net asset value ("NAV"). In such cases, investors are strongly discouraged from purchasing units of HMJI on a stock exchange. Any suspension of subscriptions will be announced by press release and on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing unitholders to sell their units in the secondary market at a price reflective of the NAV per unit. See "Significant Hedging Cost Risk and Risk of Suspended Subscriptions (HMJI)", in the prospectus.

Investors should read the prospectus to understand the risks, and monitor their investments in the ETF at least daily.

Key Features:

- **Diversification.** Typically, the variance of return is expected to be greater in shorting individual names than a diversified basket of stocks. Theoretically, this would reduce concentration risk and the overall costs of shorting since HMJI is likely to be less negatively impacted by margin calls (i.e. short squeezes) or high borrow costs on individual names
- **No Margin.** Investors do not need a margin account to use HMJI to take an inverse position on Marijuana Equities. As a result, the risk of HMJI is limited to the capital invested. By directly shorting a stock, investors can take on risk that exceeds 100% of the initial investment
- **ETF Liquidity.** HMJI can be bought and sold on the Toronto Stock Exchange throughout the normal trading day, using a brokerage account
- **Used as Hedge.** HMJI could also be used by investors with long positions in Marijuana Equities to hedge out daily or short-term market risk on their holdings

North American MOC Marijuana Index (TR)

The North American MOC Marijuana Index (TR) tracks the performance of a basket of North American publicly listed companies with significant business activities in the Marijuana industry. The Underlying Index constituents must be eligible for the respective exchange's Market-on-Close ("MOC") facility. The Underlying Index is calculated by Solactive AG.

- A company is deemed to be eligible for inclusion in the Underlying Index by the index provider if the company is a producer and/or supplier of marijuana, biotechnology companies that are engaged in research and development of cannabinoids, companies that offer hydroponics supplies and equipment clearly aiming to increase efficiency in marijuana cultivation and excludes companies mainly engaged in leasing property to cannabis growers
- Stocks in the Underlying Index must be listed on one of the following Exchanges: Toronto Stock Exchange, TSX Venture Exchange, New York Stock Exchange, NYSE American, NYSE Arca, Nasdaq Stock Market or any successor to those exchanges
- Constituent stocks must be eligible for the respective exchange's MOC facility

BetaPro Canadian Marijuana Companies Inverse ETF (HMJI)

Constituents of the North American MOC Marijuana Index (TR)¹

Security Name	Index Weighting (%)	Security Name	Index Weighting (%)
Cronos Group Inc	10.03	Pharmacielo Ltd	1.76
Tilray Inc	9.96	Canopy Rivers Inc	1.72
Gw Pharmaceuticals -Adr	9.59	Corbus Pharmaceuticals Holdings Inc.	1.65
Charlottes Web Holdings Inc	7.24	Valens Growworks Corp	1.54
Aphria Inc	7.16	Zynerba Pharmaceuticals Inc	1.35
Hexo Corp	4.91	Cantrust Holdings Inc	1.20
Sundial Growers Inc	3.94	22Nd Century Group Inc	1.12
Organigram Holdings Inc.	3.78	Emerald Health Therapeutics	1.03
Medipharm Labs Corp	2.24	The Flowr Corp	0.96
Green Organic Dutchman Holdi	2.11	Aleafia Health Inc	0.95
Supreme Cannabis Co Inc/The	1.94	Khiron Life Sciences Corp	0.73
Neptune Wellness Solutions Inc	1.84		

¹As at September 10, 2019.

To learn more, please visit www.HorizonsETFs.com/HMJI



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