USCL

Horizons Enhanced US Large Cap Equity Covered Call ETF

LIGHT LEVERAGE, BIG OPPORTUNITIES

The Horizons Enhanced US Large Cap Equity Covered Call ETF (USCL) is a covered call ETF that gives investors lightly levered exposure to U.S. large-cap equities and uses a covered call strategy to help generate additional income on the portfolio.

Many of the U.S. large-cap companies offer some level of income through dividend yield. A covered call strategy is a way to potentially further increase that income stream through the use of covered calls that can generate a premium. With 1.25 times (1.25x) leverage, USCL can further magnify potential performance.

INVESTMENT OBJECTIVE:

USCL seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance the largecap market segment of the U.S. equity market; and (b) high monthly distributions of dividend and call option income. To generate income, USCL will be exposed to a dynamic covered call option writing program.

USCL will also employ leverage through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.

ETF Snapshot

FUND DETAILS

Name	Horizons Enhanced US Large Cap Equity Covered Call ETF
Inception Date	July 05, 2023
Management Fee	0.65% (Plus applicable Sales Tax)
Bloomberg Ticker	USCL CN EQUITY
Currency	CAD
Currency Hedging	No
Investment Manager	Horizons ETFs Management (Canada) Inc.
Distributions	Monthly, if any
Eligibility	All registered and non-registered investment accounts
DRIP Eligibility	Yes

RISK RATING

Low	Low to Medium	**Medium**	Medium to High	High

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Key Features

WHY CHOOSE USCL?

Monthly Income: It is anticipated that USCL will make distributions to its unitholders on a monthly basis.

U.S. Large-Cap Exposure: USCL provides enhanced exposure to the performance of the large-cap market segment of the U.S. equity market.

The Covered Call Advantage + Leverage: USCL's Underlying ETF (Horizons US Large Cap Equity Covered Call ETF) uses a dynamic call writing approach, which seeks to generate income and reduce downside risk. USCL employs 1.25x leverage, which can potentially magnify performance, relative to the performance of the Underlying ETF (Horizons US Large Cap Equity Covered Call ETF).

Call Premium Taxation: Call premiums generated by USCL's covered call strategy are taxed as capital gains, which is traditionally considered the most efficient form of investment taxation for investors.

USCL INVESTMENT STRATEGY:

The mechanics behind how USCL works are relatively simple. USCL invests in the Horizons US Large Cap Equity Covered Call ETF (the "Underlying ETF" or "USCC"). USCC seeks to provide: (a) exposure to the performance of the large-cap market segment of the U.S. equity market and (b) monthly U.S. dollar distributions of dividend and call option income. To mitigate downside risk and generate income, USCC will employ a dynamic covered call option writing program. USCL will invest entirely in USCC, and then use cash-borrowing to enhance the exposure to USCC by 1.25x. This use of light leverage could enhance the potential return profile generated relative to the Underlying ETF.

MAGNIFYING PERFORMANCE WITH LIGHT LEVERAGE

With USCL's 1.25x leverage, exposure to the performance of the Underlying ETF, is magnified by 25% - resulting in potentially larger gains or losses relative to the Underlying ETF.

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Leverage

FOUR WAYS TO OWN U.S. LARGE-CAP EQUITIES

HULC.U:	HXS.U:	USCC.U:	USCL:
Total Return Exposure to the Solactive US Large Cap Index (CA NTR)	Total Return Exposure to the S&P 500® Index. No anticipated distributions.	Covered Call Exposure to the Solactive US Large Cap Index (CA NTR)	1.25x Covered Call Exposure to the Solactive US Large Cap Index (CA NTR)
Mgmt. Fee: 0.08%[1]	Mgmt. Fee: 0.10%[1]	Mgmt. Fee: 0.39%[1,2]	Mgmt. Fee: 0.65%[1]
Core		Covered Call	Lightly Levered Covered Call
		Targeting Yield	Targeting Yield & Growth

[1] *Management Fee plus applicable Sales Tax*
[2] *Annual management fee reduced from 0.65% to 0.39%, effective July 6, 2023*

Horizons Enhanced US Large Cap Equity Covered Call ETF

To learn more, please visit **HorizonsETFs.com/USCL**

HORIZONS ETFs by Mirae Asset

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USCL is an alternative mutual fund within the meaning of NI 81-102, and is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of USCL's net asset value in securities of a single issuer, the ability to borrow cash and to employ leverage. While these strategies will only be used in accordance with the applicable investment objectives and strategies of USCL, during certain market conditions they may accelerate the risk that an investment in Units of USCL decreases in value.

Effective June 24, 2022, the investment objectives of the Horizons US Large Cap Equity Covered Call ETF ("USCC.U, USCC") (formerly Horizons Enhanced Income US Equity (USD) ETF ("HEA.U, HEA")), were changed following receipt of the required unitholder and regulatory approvals. The new tickers began trading on the TSX on June 27, 2022. For more information, please refer to the disclosure documents of the ETFs at www.HorizonsETFs.com.

Horizons Total Return Index ETFs ("Horizons TRI ETFs") are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF's share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100 ® Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap.

The payment of distributions, if any, is not guaranteed and may fluctuate at any time. The payment of distributions should not be confused with an Exchange Traded Fund's ("ETF") performance, rate of return, or yield. If distributions paid by the ETF are greater than the performance of the ETF, distributions paid may include a return of capital and an investor's original investment will decrease. A return of capital is not taxable to the investor, but will generally reduce the adjusted cost base of the securities held for tax purposes. Distributions are paid as a result of capital gains realized by an ETF, and income and dividends earned by an ETF are taxable to the investor in the year they are paid. The investor's adjusted cost base will be reduced by the amount of any returns of capital. If the investor's adjusted cost base goes below zero, investors will realize capital gains equal to the amount below zero. Future distribution dates may be amended at any time. To recognize that these distributions have been allocated to investors for tax purposes the amounts of these distributions should be added to the adjusted cost base of the units held. The characterization of distributions, if any, for tax purposes, (such as dividends/other income/capital gains, etc.) will not be known for certain until after the ETF's tax year-end. Therefore, investors will be informed of the tax characterization after year-end and not with each distribution if any. For tax purposes, these amounts will be reported annually by brokers on official tax statements. Please refer to the applicable ETF distribution policy in the prospectus for more information.

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