

**HORIZONS ETFs ANNOUNCES SHAREHOLDER MEETINGS FOR HNU and HND**

*The Meetings are being held to consider and vote upon resolutions to approve a change in the investment objectives of HNU and HND*

**TORONTO – July 3, 2020** – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**” or the “**Manager**”) is announcing special meetings of shareholders (the “**Meetings**”) of the BetaPro Natural Gas 2X Daily Bull ETF (“**HNU**”) and the BetaPro Natural Gas -2x Daily Bear ETF (“**HND**”) and together, “the **ETFs**”) at which shareholders will be asked to approve proposed changes to the current investment objectives of the ETFs.

The Meetings for shareholders of HNU and HND will be held at 2:00 p.m. (Toronto time) and 2:30 p.m. (Toronto time) on Thursday, August 20, 2020, respectively, in a virtual-only format where shareholders may attend and participate via live audio webcast.

In addition to changing the investment objectives, the proposed changes to the ETFs would include amending the amount of leverage that can be used in the ETFs, a change to the underlying index and roll methodology used by the ETFs to replicate their exposure to natural gas futures and changes in the names of the ETFs.

**The current and proposed investment objectives are as follows:**

<b>ETF</b>	<b>Current Investment Objective</b>	<b>Proposed Investment Objective</b>
<b>BetaPro Natural Gas 2x Daily Bull ETF</b>	HNU seeks daily investment results, before fees, expenses, distributions, brokerage commissions and other transaction costs that endeavour to correspond to two times (200%) the daily performance of the Solactive Natural Gas Front Month MD Rolling Futures Index ER. HNU is denominated in Canadian dollars. Any U.S. dollar gains or losses as a result of HNU’s investment will be hedged back to the Canadian dollar to the best of its ability.	HNU seeks daily investment results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to <u>up to two times</u> (200%) the daily performance of the Horizons Natural Gas Rolling Futures Index. HNU is denominated in Canadian dollars. Any U.S. dollar gains or losses as a result of HNU’s investment are hedged back to the Canadian dollar to the best of its ability.



<p><b>BetaPro Natural Gas -2x Daily Bear ETF</b></p>	<p>HND seeks daily investment results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to two times (200%) the inverse (opposite) of the daily performance of the Solactive Natural Gas Front Month MD Rolling Futures Index ER. HND is denominated in Canadian dollars. Any U.S. dollar gains or losses as a result of HND’s investment will be hedged back to the Canadian dollar to the best of its ability.</p>	<p>HND seeks daily investment results, before fees, expenses, distributions, brokerage commissions and other transaction costs, that endeavour to correspond to <u>up to two times</u> (200%) the inverse (opposite) of the daily performance of the Horizons Natural Gas Rolling Futures Index. HND is denominated in Canadian dollars. Any U.S. dollar gains or losses as a result of HND’s investment are hedged back to the Canadian dollar to the best of its ability.</p>
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**Proposed Changes to Underlying Index**

These proposed investment objectives, if approved by shareholders and implemented, change the underlying index used by the ETFs. If approved, the index used by HNU and HND will change from the Solactive Natural gas Front Month MD Rolling Futures Index to the Horizons Natural Gas Rolling Futures Index (“**Proposed Natural Gas Index**”).

The Proposed Natural Gas Index will be a proprietary index owned and operated by the Manager that will endeavour to provide exposure to as close to the front month natural gas futures contract as is deemed reasonable by the Manager, based on the current market conditions for natural gas futures contracts and subject to negotiations with the ETFs’ counterparties.

The Manager will also have the discretion, including based on negotiations with the derivative counterparties, to change the underlying futures contract exposure and rolling methodology of the Proposed Natural Gas Index in response to changing market conditions at its discretion, while seeking to maintain exposure to as close to the “front month” contract as practicable, at the Manager’s discretion.

**Proposed Changes to Use of Leverage by HNU and HND**

The new investment objectives, if approved by shareholders and implemented, allow the Manager to adjust the leverage ratio of the ETFs (the “**Leverage Ratio**”) to provide up to two times positive (HNU), and up to two times the inverse (HND), the daily performance of the Proposed Natural Gas Index. Subject to negotiations with the counterparties, the Manager

anticipates under normal market conditions to manage the Leverage Ratio to be as close to two times (200%) as practicable; however, the Manager can, at its sole discretion, change the Leverage Ratio based on the current market conditions for natural gas futures contracts at that time.

The Leverage Ratio employed by the ETFs will be posted on the Manager's website at [www.HorizonsETFs.com](http://www.HorizonsETFs.com) and any changes to the Leverage Ratio would be disclosed by way of public announcement.

### **Changes to the ETF Names**

If the change in investment objectives is approved and implemented in respect of the ETFs, the Manager intends to change the name of HNU to the "BetaPro Natural Gas Leveraged Daily Bull ETF" and HND to the "BetaPro Natural Gas Inverse Leveraged Daily Bear ETF". The ticker symbols of the ETFs would remain the same, and no action would be required on the part of investors if the name change proposal is approved.

Additional details on the proposed changes will be provided in an information circular that will be made available to shareholders of record as of July 10, 2020. Subject to the receipt of all necessary regulatory, shareholder and other third party approvals, it is expected that the changes to the current investment objectives of the ETFs will take effect later in August 2020 following the Meetings.

### **About Horizons ETFs Management (Canada) Inc. ([www.HorizonsETFs.com](http://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 over \$13 billion of assets under management and 92 ETFs listed on major Canadian stock exchanges.

### **For all inquiries:**

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