The First U.S. Dollar Currency ETF in Canada
The Horizons US Dollar Currency ETF (“DLR”) seeks to reflect the reference value in Canadian dollars, of the U.S. dollar, net of expenses, by investing primarily in U.S. cash and cash equivalents that are denominated in the U.S. dollar. The U.S. version of this ETF, (“DLR.U”) has the same investment objective, but is priced and transacted in U.S. dollars.

Investing in the Direction of the U.S. Dollar
The relative value of the U.S. dollar to the Canadian dollar is an important consideration for Canadian investors. Many goods and services that Canadians use are in fact sourced in U.S. dollars. Therefore, when the value of the Canadian dollar declines, it usually means the real purchasing power of a Canadian-dollar-denominated portfolio declines.

DLR offers a unique opportunity for investors to capture the positive performance of the U.S. dollar versus the Canadian dollar.

When the U.S. dollar appreciates relative to the Canadian dollar (i.e. the U.S. dollar/Canadian dollar exchange rate increases), the value of DLR is expected to increase proportionately. Conversely, when the U.S. dollar depreciates against the Canadian dollar (i.e. the U.S. dollar/Canadian dollar exchange rate decreases), the value of DLR is expected to decrease proportionately.

Key Features of DLR:

• The first U.S. dollar currency ETF in Canada. DLR allows investors to get exposure to the direction of the U.S. dollar versus the Canadian dollar
• None of the additional fees or margin requirements associated with trading currencies directly
• Institutional foreign exchange rate. Ability to transfer DLR units into DLR.U and therefore transact in U.S. dollars, essentially enabling a cost-efficient conversion from U.S. dollars to Canadian dollars
• Liquidity. Trades intra-day on the Toronto Stock Exchange

ETF Snapshot

Name: Horizons US Dollar Currency ETF
Launch Date: April 6, 2011
Ticker: DLR; DLR.U
Management Fee: 0.45%
Investment Manager: Horizons ETFs Management (Canada) Inc.
Benchmark: U.S. Dollar/Canadian Dollar
Bloomberg Ticker: USDCAD
Eligibility: All registered and non-registered investment accounts

1Trades in U.S. dollars.
2Plus applicable sales taxes.
Horizons US Dollar Currency ETF (DLR; DLR.U)

**Currency Exposure**
The management fee of DLR includes any associated currency conversion costs. Therefore, using a combination of DLR and DLR.U can be a cost-efficient alternative to convert Canadian dollars to U.S. dollars, or U.S. dollars to Canadian dollars, compared to converting currency with a foreign exchange entity.

**CAD to USD Conversion Process**
1. Buy DLR in CAD Investment Account
2. Convert to DLR.U in USD Investment Account
3. Sell and Receive USD

**USD to CAD Conversion Process**
1. Buy DLR.U in USD Investment Account
2. Convert to DLR in CAD Investment Account
3. Sell and Receive CAD

In the past, enterprising Canadian investors have tried to take advantage of what are perceived to be attractive currency exchange rates, buying Canadian listed stocks in Canadian dollars and selling the same stock listed in U.S. dollars to take advantage of a lower currency conversion fee, versus converting currency with a foreign exchange entity.

With DLR/DLR.U, the investor only takes on the foreign exchange risk that always exists when you exchange one currency for another. Investors will be required to have a USD account with their broker in order to deposit the proceeds from the sale of DLR.U units. Investors may incur customary brokerage fees when buying or selling units of the ETF.

**Cost Comparison: Hypothetical Currency Conversion of $10,000 using DLR/DLR.U**

<table>
<thead>
<tr>
<th></th>
<th>Horizons U.S. Dollar Currency ETF (DLR)</th>
<th>Foreign Currency Bank Account</th>
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</thead>
<tbody>
<tr>
<td><strong>Assumptions</strong></td>
<td>Cost</td>
<td>Assumptions</td>
</tr>
<tr>
<td>Transaction Costs</td>
<td>$9.95 per trade (one buy, one sell)</td>
<td>n.a.</td>
</tr>
<tr>
<td>$0.01 per unit (1,000 units)</td>
<td>$19.90</td>
<td>$0.07 per unit (1,000 units)</td>
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<tr>
<td>Spread (Buy &amp; Sell)²</td>
<td>$10.00</td>
<td>$70.00</td>
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<tr>
<td>Management Fees³</td>
<td>$0.25</td>
<td>n.a.</td>
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<tr>
<td>Total Costs ($)</td>
<td>$30.15</td>
<td>$70.00</td>
</tr>
<tr>
<td>Total Costs (%)</td>
<td>0.30%</td>
<td>0.70%</td>
</tr>
</tbody>
</table>

FOR ILLUSTRATIVE PURPOSES ONLY.

¹Three-day holding period with two trades (one buying and one selling).
²The DLR spread is based on its historical bid ask spread average from January 1, 2016 to January 9, 2019. The Foreign Currency Bank Account spread is based on the average spread of 4 of the main 5 Canadian Banks, as at 3:00 pm January 14, 2019.
³Plus applicable sales taxes.

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

A SAVINGS OF APPROXIMATELY $40 OR 0.40%