Enhance Your International Income

The Horizons Enhanced Income International Equity ETF ("HEJ") provides investors with exposure to an equally-weighted portfolio of large-capitalization international, non-North American companies – and then uses a covered call strategy to potentially earn additional income on the portfolio.

Please note that as per the Investment objective, the level of covered call writing may vary. This means that while the ETF will generally write on 100% of the portfolio securities, the options coverage can be significantly less than 100%, based on the level of options coverage, which is at the discretion of the portfolio management team.

Key Features:
• Provides exposure to some of the largest and most liquid international, non-North American companies
• Uses a dynamic call writing approach, which seeks to maximize the profit on options and reduce downside risk
• Options are written out-of-the-money in order to preserve more of the upside potential growth of the underlying stocks
• Institutional options pricing and trading capabilities
• Call premiums are taxed as capital gains
• Option writing caps the upside potential of each security written on

Potential for Enhanced Income, Lower Risk

For stock investors, using a covered call writing strategy can be an effective way to potentially mitigate downside risk in their portfolio and generate an attractive monthly income.

An investor who chooses to utilize a covered call strategy limits some of the upside potential of the stock portfolio in exchange for earning a higher income – in the form of call premium – earned on those stocks. Ideally, the price return of the stocks plus the harvested premium from the covered call strategy will be greater than the total return of a portfolio that holds the same allocation of stocks but does not write covered calls on them.

It is important to note that each of our enhanced income ETFs invests in stocks, which means if the value of the underlying stocks held by an ETF declines, the price value of that ETF would also be expected to decline.

A covered call ETF investor can expect to participate in some, but not all, of the potential upside performance of the underlying stocks while potentially earning an attractive monthly distribution from call option premiums and dividends.

ETF Snapshot

Name:
Horizons Enhanced Income International Equity ETF

Launch Date:
September 14, 2011

Ticker:
HEJ

Management Fee:
0.65%

Investment Manager:
Horizons ETFs Management (Canada) Inc.

Distribution Frequency:
Monthly

Eligibility:
All registered and non-registered investment accounts

DRIP Eligible:
Yes

1Plus applicable sales tax.
How a Buy-Write Strategy Can Typically Be Expected to Perform in the Following Markets

Historically, during bear markets, range-bound markets and modest bull markets, a covered call strategy generally tends to outperform its underlying securities. During powerful bull markets, when the underlying securities may rise more frequently through their strike prices, covered call strategies historically have lagged. Even during these bull market periods, however, investors would still generally have earned moderate capital appreciation, plus any dividends and call premiums.

BEAR MARKET: OUTPERFORMS
RANGEBOUND MARKET: OUTPERFORMS
MODEST BULL MARKET: OUTPERFORMS
POWERFULL BULL MARKET: UNDERPERFORMS

For illustrative purposes only.

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

Commissions, management fees and expenses all may be associated with an investment in Horizons Enhanced Income International Equity 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.