

Horizons ETFs - Risk Classifications

Ticker	Horizons ETFs	Risk Rating ¹	Risk Ratings as at Date
Total Return Index - Equity			
HXT	Horizons S&P/TSX 60™ Index ETF	Low to Medium	2020-06-30
HXH	Horizons Cdn High Dividend Index ETF	Medium	2020-06-30
HXE	Horizons S&P/TSX Capped Energy Index ETF	High	2020-06-30
HXF	Horizons S&P/TSX Capped Financials Index ETF	Medium	2020-06-30
HXS	Horizons S&P 500® Index ETF	Medium	2020-06-30
HSH	Horizons S&P 500 CAD Hedged Index ETF	Medium	2020-06-30
HXQ	Horizons NASDAQ-100® Index ETF	Medium	2020-06-30
HXDM	Horizons Intl Developed Markets Equity Index ETF	Medium	2020-06-30
HXX	Horizons Europe 50 Index ETF	Medium to High	2020-09-30
HEWB	Horizons Equal Weight Canada Banks Index ETF	Medium	2020-06-30
HULC	Horizons US Large Cap Index ETF	Low to Medium	2020-06-30
HXCN	Horizons S&P/TSX Capped Composite Index ETF	Medium	2020-06-30
HXEM	Horizons Emerging Markets Equity Index ETF	Medium	2020-04-30
Total Return Index - Fixed Income			
HBB	Horizons CDN Select Universe Bond ETF	Low	2020-06-30
HLPR	Horizons Laddered Canadian Preferred Share Index ETF	Medium	2020-06-30
HTB	Horizons US 7-10 Year Treasury Bond ETF	Medium	2020-06-30
HTH	Horizons US 7-10 Year Treasury Bond CAD Hedged ETF	Low	2020-06-30
HCRE	Horizons Equal Weight Canada REIT Index ETF	Medium	2020-06-30
HSAV	Horizons Cash Maximizer ETF	Low	2020-06-30
HSUV.U	Horizons USD Cash Maximizer ETF	Low	2020-06-30
Thematic Equity			
HBGD	Horizons Big Data & Hardware Index ETF	High	2021-04-30
FOUR	Horizons Industry 4.0 Index ETF	Medium to High	2020-03-31
HII	Horizons Cdn Insider Index ETF	Medium	2020-03-31
HMMJ	Horizons Marijuana Life Sciences Index ETF	High	2021-04-30
HMUS	Horizons US Marijuana Index ETF	High	2021-04-30
HOG	Horizons Pipelines & Energy Services Index ETF	High	2021-04-30
RBOT	Horizons Robotics and Automation Index ETF	Medium to High	2021-04-30
HURA	Horizons Global Uranium Index ETF	High	2021-05-31
PSYK	Horizons Psychedelic Stock Index ETF	High	2021-01-20
Responsible Investing			
HGGB	Horizons S&P Green Bond Index ETF	Low to Medium	2021-03-31
ETHI	Horizons Global Sustainability Leaders Index ETF	Medium	2021-04-30

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Factor-Based Equity			
INOC	Horizons Inoestor Canadian Equity Index ETF	Medium	2021-04-30
Currency			
DLR	Horizons US Dollar Currency ETF	Low to Medium	2021-04-30
Commodity			
HUC	Horizons Crude Oil ETF	High	2020-06-30
HUN	Horizons Natural Gas ETF	High	2020-06-30
HUG	Horizons Gold ETF	Medium	2020-06-30
HUZ	Horizons Silver ETF	High	2020-06-30
Fixed Income			
HAB	Horizons Active Corporate Bond ETF	Low	2020-12-31
HAD	Horizons Active Cdn Bond ETF	Low	2020-12-31
HAF	Horizons Active Global Fixed Income ETF	Low	2020-12-31
HEMB	Horizons Active Emerging Markets Bond ETF	Low to Medium	2020-12-31
HYBR	Horizons Active Hybrid Bond and Preferred Share ETF	Medium	2020-12-31
HFR	Horizons Active Ultra-Short Term Investment Grade Bond ETF	Low	2020-12-31
HMP	Horizons Active Cdn Municipal Bond ETF	Low	2020-12-31
HPR	Horizons Active Preferred Share ETF	Medium	2020-12-31
HSL	Horizons Active Floating Rate Senior Loan ETF	Low	2020-12-31
HUF.U	Horizons Active Ultra-Short Term US Investment Grade Bond ETF	Low	2020-12-31
HYI	Horizons Active High Yield Bond ETF	Low to Medium	2020-12-31
Equity Income			
HAL	Horizons Active Cdn Dividend ETF	Low to Medium	2020-12-31
HAZ	Horizons Active Global Dividend ETF	Low to Medium	2020-12-31
Covered Call			
HEA.U	Horizons Enhanced Income US Equity (USD) ETF	Medium	2021-04-30
HEE	Horizons Enhanced Income Energy ETF	High	2021-04-30
HEF	Horizons Enhanced Income Financials ETF	Medium	2021-04-30
HEJ	Horizons Enhanced Income International Equity ETF	Medium	2021-04-30
HEP	Horizons Enhanced Income Gold Producers ETF	High	2021-04-30
HEX	Horizons Enhanced Income Equity ETF	Low to Medium	2021-04-30
HGY	Horizons Gold Yield ETF	Medium	2021-05-31

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Corporate Class Alternative			
HHF	Horizons Morningstar Hedge Fund Index ETF	Low to Medium	2020-05-31
HARC	Horizons Absolute Return Global Currency ETF	Low to Medium	2020-05-31
HRAA	Horizons ReSolve Adaptive Asset Allocation ETF	High	2020-09-30
HARB	Horizons Tactical Absolute Return Bond ETF	Low to Medium	2020-10-31
Strategic			
HAC	Horizons Seasonal Rotation ETF	Low to Medium	2021-05-31
MIND	Horizons Active A.I. Global Equity ETF	Medium	2020-12-31
HBAL	Horizons Balanced TRI ETF Portfolio	Low to Medium	2020-05-31
HCON	Horizons Conservative TRI ETF Portfolio	Low to Medium	2020-05-31
HGRO	Horizons Growth TRI ETF Portfolio	Low to Medium	2020-05-31
BetaPro - Single Inverse Equity			
HIX	BetaPro S&P/TSX 60™ Daily Inverse ETF	Low to Medium	2020-06-30
HIU	BetaPro S&P 500® Daily Inverse ETF	Medium	2020-06-30

For all other BetaPro ETFs, the risk rating is High.



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¹Risk ratings are determined based on the historical volatility of a Horizons ETF as measured by the standard deviation of its performance against its mean. The risk categorization of a Horizons ETF may change over time and historical volatility is not indicative of future volatility. Generally, a risk rating is assigned to a Horizons ETF based on the historical rolling 10-year standard deviation of its return, the return of its underlying index, or of an applicable proxy index. In cases where the Manager believes that this methodology produces a result that is not indicative of the ETF's future volatility, the risk rating may be determined by the ETF's category. The risk rating of each Horizons ETF is reviewed at least annually, as well as when there is a material change in the ETF's investment objective or investment strategies. Risk ratings are not intended for use as a substitute for undertaking a proper and complete suitability or financial assessment by an investment advisor.

Commissions, management fees and expenses all may be associated with an investment in the Horizons ETFs Products (the "ETFs"), managed by Horizons ETFs Management (Canada) Inc. The ETFs are not guaranteed, their values change frequently and past performance may not be repeated. **Please read the relevant prospectus before investing.**

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 Horizons Cash Maximizer ETF and Horizons USD Cash Maximizer ETF use cash accounts and do not track an index but rather a compounding rate of interest paid on the cash deposits that can change over time.

Although HSAV and HSUV.U primarily invest in bank deposit accounts, HSAV and HSUV.U are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Horizons Psychedelic Stock Index ETF ("PSYK") is expected to invest in, and indirectly derive revenues from, companies in the psychedelics industry engaged in legal activities involving psychedelic drugs and substances. While the medical and adult use of certain psychedelic drugs and substances are generally prohibited under U.S. federal law, despite this prohibition, a limited number of states have either sought to decriminalize or authorize the medical use of certain psychedelic drugs and substances in limited circumstances. Clinical trials involving psychedelic drugs and substances are, however, permitted, provided they comply with both state and federal laws applicable to such trials. PSYK will passively invest in companies engaged in legal activities involving psychedelic drugs and substances in the U.S. where state and federal laws permit such activities. Such companies may also be involved in the Canadian legal psychedelics industry. **Please read the full risk disclosure in the prospectus before investing.**

HMMJ will not knowingly invest in any constituent issuers that have exposure to the medical or recreational marijuana market in the United States, unless or until it becomes legal. HMMJ will not be directly engaged in the manufacture, possession, use, sale or distribution of marijuana in either Canada or the U.S. **Please read the full risk disclosure in the prospectus before investing.**

HMUS is expected to invest in the Marijuana industry in certain U.S. states that have legalized marijuana for therapeutic or adult-use, which is currently illegal under U.S. federal law. HMUS will passively invest in companies involved in the marijuana industry in the U.S. where local state law regulates and permits such activities, as well as in companies involved in the Canadian legal Marijuana industry. Neither HMMJ nor HMUS will be directly engaged in the manufacture, importation, possession, use, sale or distribution of marijuana in either Canada or the U.S. **Please read the full risk disclosure in the respective prospectus before investing.**

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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 shares of a BetaPro Product decreases in value. The BetaPro Products consist of our Daily Bull and Daily Bear ETFs ("Leveraged and Inverse Leveraged ETFs"), Inverse ETFs ("Inverse ETFs") and our BetaPro S&P 500 VIX Short-Term Futures™ ETF (the "VIX ETF"). Included in the Leveraged and Inverse Leveraged 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 Leveraged and Inverse Leveraged 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 Leveraged and Inverse Leveraged ETF seeks a return, before fees and expenses, that is either **up to**, or equal to, 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 Leveraged and Inverse Leveraged 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 Leveraged and Inverse Leveraged ETFs, possibly direction from the performance of their respective Target(s) for the same period. For certain Leveraged and Inverse Leveraged ETFs that seek up to 200% or up to or -200% leveraged exposure, the Manager anticipates, under normal market conditions, managing the leverage ratio as close to two times (200%) as practicable however, the Manager may, at its sole discretion, change the leverage ratio based on its assessment of the current market conditions and negotiations with the respective ETF's counterparties at that time. 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 10.00% and 45.00% per annum of the aggregate notional exposure of HMJI's forward documents. The hedging costs may increase above this range. The manager publishes 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. BetaPro Bitcoin ETF ("HBIT"), and BetaPro Inverse Bitcoin ETF ("BITI"), which are a 1X ETF, and an **up to** -1X ETF, respectively, as described in the prospectus, are speculative investment tools that are not conventional investments. Their Target, an index which replicates exposure to rolling Bitcoin Futures and not the spot price of Bitcoin, is highly volatile. As a result, neither ETF is intended as a stand-alone investment. There are inherent risks associated with products linked to crypto-assets, including Bitcoin Futures. While Bitcoin Futures are traded on a regulated exchange and cleared by regulated central counterparties, direct or indirect exposure to the high level of risk of Bitcoin Futures will not be suitable for all types of investors. An investment in any of the BetaPro Products is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. **Please read the full risk disclosure in the prospectus before investing. 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.**

