

HGGB



HORIZONS ETFs
by Mirae Asset

Horizons S&P Green Bond Index ETF

ETF Snapshot

Get Exposure to a Global Universe of U.S. Dollar Denominated Green Bonds

The Horizons S&P Green Bond Index ETF (the “ETF” or “HGGB”) is the first Canadian-listed ETF focused on providing exposure to the global green-labelled bonds issued in U.S. dollars.

HGGB seeks to replicate, to the extent possible, the performance of the S&P Green Bond U.S. Dollar Select Index (the “Underlying Index”), net of expenses. The Underlying Index seeks to measure the performance of global green-labelled bonds issued in U.S. dollars that are subject to stringent eligibility criteria to fund projects that have positive environmental or climate benefits. The ETF seeks to hedge the U.S. dollar value of its portfolio to the Canadian dollar at all times.

Name:

Horizons S&P Green Bond Index ETF

Launch Date:

June 2, 2021

Ticker:

HGGB

Management Fee:

0.45% (Plus applicable sales taxes.)

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Sub-Advisor:

Mirae Asset Global Investments (USA) LLC

Underlying Index:

S&P Green Bond U.S. Dollar Select Index

Bloomberg Index Ticker:

SPGRUSST

Distributions:

Monthly

Currency Hedging:

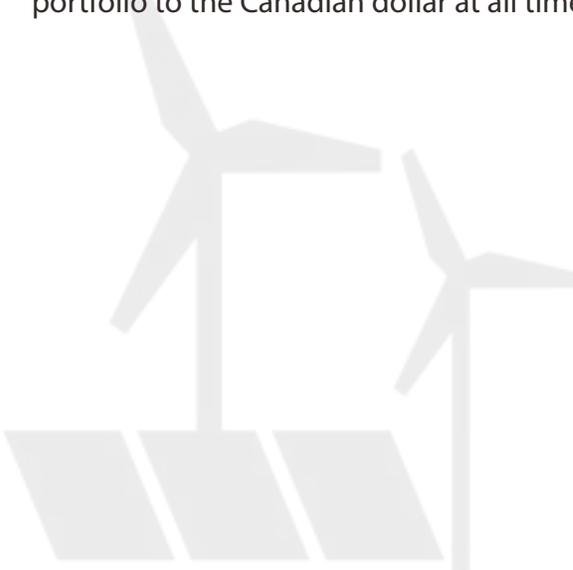
Yes

Rebalanced:

Monthly

Eligibility:

All registered and non-registered investment accounts



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A Green Way to Invest

A Green Way to Invest in the Global Bond Market

A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for projects that have climate and environmental objectives and benefits. Green bonds carry the same credit rating as their issuers' other debt obligations. The green bond market is growing. According to the Climate Bonds Initiative ("CBI"), in 2020, global green bond and loan issuances reached a new record of US\$270 billion. Since market inception in 2007, there has been over U.S. \$1 trillion in cumulative green bond issuances, with European and American institutions among the largest issuers.

S&P Green Bonds U.S. Dollar Select Index

The Underlying Index is a market value-weighted index designed to measure the performance of green-labeled bonds issued globally in U.S. Dollars. Bonds must be flagged as "green" by CBI to be eligible for inclusion.

For a bond to be flagged green the issuer must clearly indicate the bond's "green" label and the rationale behind it, such as the intended use of proceeds. CBI uses company disclosures to make the "green" determination. Such disclosures must be made in sources that are credible and related to the company, and may include a company's website, public filings, sustainability report, legal disclosures, and independent second opinions.

Key Underlying Index Inclusion Criteria

- The Underlying Index generally undergoes a rebalancing process once a month, with the intent of keeping the Index current. Each bond must have at least 12 months to final maturity at the time of issuance to be included, and have at least one month remaining until maturity at each rebalancing date. No bond is held to maturity in the Index
- The Underlying Index can hold high-yield debt from credit issuers that have been "Green Flagged" by the CBI. These investments that are rated below investment grade include those bonds rated lower than "BBB-" by Standard & Poor's® Rating Services, a division of The McGraw-Hill Companies, Inc., and Fitch Rating Service Inc. or "Baa3" by Moody's® Investor's Services, Inc. This allocation cannot exceed 20% of the total Underlying Index portfolio
- The minimum par outstanding for any issuance in the index must be US\$200 million or greater
- Tax-exempt municipal bonds, private placements with no registration, convertible securities and perpetual securities are excluded from the Index

Global Bond Trading Optimization

Mirae Asset Global Investments (USA) LLC:

Horizons ETFs Management (Canada) Inc. ("Horizons") has engaged Mirae Asset Global Investments (USA) LLC (the "Sub-Advisor"), to act as sub-advisor to the ETF and specifically aid in trade and execution of the ETF's portfolio. Typically, the use of a sub-advisor would denote that the ETF has active portfolio management. In this case, the use of the sub-advisor is to assist with best execution strategies on the global bond portfolio. Executing global bonds can be difficult given they trade on global over-the-counter markets. Having a U.S. trading desk to help with the execution is expected to help improve the ETF's ability to successfully replicate the underlying Index.

Horizons S&P Green Bond Index ETF

Key Features

The Sub-Advisor is an investment adviser registered with the United States Securities and Exchange Commission, that oversees about \$7 billion USD in AUM, as at December 31, 2020, directly. The Sub-Advisor's focus is primarily on investing in the emerging markets, so their global equity and fixed income capabilities are quite robust. Horizons feels the addition of the sub-advisor to this ETF will be an added benefit in obtaining best execution and added support for stratified sampling in replicating the index.

Key Features of HGGB



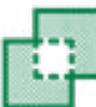
Green Bonds: Canada's First globally focused ETF that invests exclusively in Green bond issuances



True "Green" Verification: All issuers in the Underlying Index are independently verified by the Climate Bonds Initiative, an international, investor-focused not-for-profit



Global Exposure: The ETF portfolio provides global exposure for Canadian investors



Global Bond Trading Optimization: Transacting global bonds in Canada can be difficult from a liquidity standpoint. Horizons will use its Sub-Advisor to optimize trading execution and utilize stratified sampling to replicate the Underlying Index

To learn more, please visit www.HorizonsETFs.com/ETF/HGGB



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Commissions, management fees and applicable sales taxes all may be associated with an investment in the Horizons S&P Green Bond Index ETF (HGGB) (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.**

The sub-advisor and investment manager have a direct interest in the management fees of the ETF, and may, at any given time, have a direct or indirect interest in the ETF or its holdings

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