

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.



PROSPECTUS

Initial Public Offering and Continuous Offering

April 7, 2021

BetaPro Inverse Bitcoin ETF (“BITI” or the “ETF”)

Horizons ETF Corp. (the “**Company**”) is a mutual fund corporation established under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a “**Corporate Class**”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The ETF will be a separate Corporate Class. The ETF currently consists of a single series of exchange traded fund shares (“**ETF Shares**”) of the Corporate Class.

ETF Shares of BITI are being offered for sale on a continuous basis in U.S. dollars (“**US\$ Shares**”) (ticker: BITI.U) by this prospectus, and may also be made available in Canadian dollars (“**Cdn\$ Shares**”) (ticker: BITI). The ETF Shares are offered for sale at a price equal to the net asset value of such ETF Shares next determined following the receipt of a subscription order. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars. The base currency of the ETF is U.S. dollars.

Horizons ETFs Management (Canada) Inc. (the “**Manager**” or “**Horizons**”), a corporation existing under the federal laws of Canada, is the manager and investment manager of the ETF. The Manager is responsible for providing or arranging for the provision of administrative services required by the ETF. The Manager also provides investment advisory and investment management services to the ETF. See “Organization and Management Details of the ETF”.

The ETF is very different from most other exchange-traded funds. The ETF is an alternative mutual fund within the meaning of National Instrument 81-102 *Investment Funds* (“NI 81-102”), and is permitted to use strategies generally prohibited by conventional mutual funds, including with respect to the use of specified derivatives, the ability to employ leverage and borrow cash. While these strategies will only be used in accordance with the investment objectives and strategies of the ETF, during certain market conditions they may accelerate the risk that an investment in ETF Shares decreases in value.

The ETF is not a conventional investment, is highly speculative and is very different from other Canadian exchange traded funds. The ETF is designed to provide investment results that endeavour to correspond to up to one times (100%) the inverse (opposite) of the daily performance of the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) (the “Underlying Index”). The Underlying Index tracks Bitcoin Futures (as defined in the Glossary). The Underlying Index tracked by the ETF is highly volatile. As a result, the ETF should not be viewed as a stand-alone long term investment.

Given the speculative nature of bitcoin and the volatility of the bitcoin markets, there is considerable risk that the ETF will not be able to meet its investment objectives. An investment in the ETF 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. An investment in the ETF is considered high risk.

The performance of the Underlying Index to which the ETF is exposed, and therefore the performance of the ETF, can be expected to be very different from the spot prices of bitcoin on various crypto-asset trading venues (the “Bitcoin Prices”). The value of the Underlying Index may not be correlated to Bitcoin Prices. An investor should only consider an investment in the ETF if he or she understands all of the consequences of being negatively exposed to Bitcoin Futures.

Investors should monitor their investment in the ETF at least daily.

BITI, before fees and expenses, does not and should not be expected to return the precise inverse (i.e., up to -100%) of the return of its Underlying Index over any period of time other than daily.

The returns of the ETF over periods longer than one day will, under most market conditions, be in the opposite direction from the performance of its Underlying Index for the same period, and the returns of the ETF can, based on historical returns, generally be expected to be substantially similar to the inverse performance of its Underlying Index for the same period, when the ETF’s exposure is at -100% of the Underlying Index throughout the period. However, the deviation of returns of the ETF from the inverse performance of its Underlying Index can be expected to become more pronounced as the volatility of the Underlying Index, and/or the period of time, increases.

For a discussion of the risks associated with an investment in ETF Shares, see “Risk Factors”.

If at any time during which the ETF is seeking to provide one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by 95% or more from the prior settlement price of that Bitcoin Futures contract, the ETF would be expected to lose all or substantially all of its net asset value (and any value remaining, if any, would immediately be held in cash or cash equivalents only). If at any time the ETF is seeking to provide exposure less than, one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the ETF may also lose all or substantially all of its net asset value if the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by more than 100% from the prior settlement price of that Bitcoin Futures contract. An investment in ETF Shares of BITI is speculative, involves a high degree of risk and is only suitable for persons who are able to assume the risk of losing their entire investment.

Investment Objectives

BITI is designed to **provide daily investment results**, before fees, expenses, distributions, brokerage commissions and other transaction costs that endeavour to correspond to **up to** one-times (100%) the inverse (opposite) of the daily performance of an index that replicates the returns generated over time through long notional investments in Bitcoin Futures. The current Underlying Index of BITI is the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return). **BITI does not seek to achieve its stated investment objective over a period of time greater than one day.** See “Investment Objectives”.

If the ETF is successful in meeting its investment objective, its net asset value should gain approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any decrease in its Underlying Index (when the Underlying Index declines on that day). Conversely, the ETF’s net asset value should lose approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any increase in its Underlying Index (when the Underlying Index rises on that day).

The Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) is based in whole on the CME Bitcoin futures contracts traded under the ticker BTC which are owned by the CME Group and its affiliates. The CME Bitcoin futures contracts upon which the Underlying Index is based are being used by Horizons with permission under license from the Chicago Mercantile Exchange Inc. CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex, and, E-mini are trademarks of Chicago Mercantile Exchange Inc.

Listing of Shares

The ETF Shares have been conditionally approved for listing on the Toronto Stock Exchange (“**TSX**”). Subject to satisfying the TSX’s original listing requirements, the ETF Shares will be listed on the TSX. Investors can buy or sell the ETF Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling the ETF Shares.

Additional Considerations

The Company also offers other ETFs pursuant to other prospectuses or prospectus exemptions, each of which is a separate investment fund having specific investment objectives and will be specifically referable to a separate portfolio of investments.

The Manager, on behalf of the ETF, has entered into or will enter into agreements with registered dealers (each, a “**Designated Broker**” or “**Dealer**”), which among other things, enables or will enable such Dealers and the Designated Broker to purchase and redeem ETF Shares directly from the ETF. Holders of ETF Shares of the ETF (the “**Shareholders**”) may dispose of their ETF Shares in three ways: (i) by selling their ETF Shares on the TSX at the full market price, less any customary brokerage commissions and expenses; (ii) in respect of designated brokers and dealers, by redeeming or exchanging a prescribed number of ETF Shares (a “**PNS**”) for cash; or (iii) by redeeming ETF Shares for cash at a redemption price per ETF Share of 95% of the closing price on the TSX on the effective day of redemption, subject to a maximum redemption price per ETF Share equal to the net asset value per ETF Share on the effective day of redemption. Holders of US\$ Shares of BITI may request that their redemption proceeds be paid in U.S. or Canadian dollars. Shareholders are advised to consult their brokers or investment advisers before redeeming ETF Shares for cash. The ETF will also offer additional redemption options which are available where a Shareholder redeems a PNS. See “Purchases of ETF Shares” and “Redemption and Switching of ETF Shares”.

No Designated Broker, Dealer and/or Counterparty has been involved in the preparation of this prospectus nor has any Designated Broker, Dealer and/or Counterparty performed any review of the contents of this prospectus and the securities regulatory authorities have provided the ETF with a decision exempting the ETF from the requirement to include a certificate of an underwriter in the prospectus. No Designated Broker, Dealer and/or Counterparty is an underwriter of the ETF in connection with the distribution by the ETF of its ETF Shares under this prospectus.

For a discussion of the risks associated with an investment in ETF Shares, see “Risk Factors”.

If the ETF experiences a significant increase in total NAV, the Manager may be required to, or at its sole discretion and if determined to be in the best interests of Shareholders decide to, suspend subscriptions for new ETF Shares, including if considered necessary to comply with applicable margin requirements or contract limits of the Chicago Mercantile Exchange, in response to changes in liquidity of the underlying futures contracts to which the ETF is exposed, or depending on the ability of the ETF to obtain continued exposure to the underlying futures contracts. Currently, no single entity is permitted to own more than 2,000 BTC prompt month futures contracts, and is subject to a total contract limit (prompt month and secondary month futures contracts) of 5,000 futures contracts. During a period of suspended subscriptions, if any, investors should note that ETF Shares could trade at a premium to the NAV per ETF Share. During such periods, investors are strongly discouraged from purchasing ETF Shares on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager’s website. The suspension of subscriptions, if any, will not affect the ability of existing Shareholders to sell their ETF Shares in the secondary market at a price reflective of the NAV per ETF Share. See “Risk of Suspended Subscriptions”.

Provided that the Company continues to qualify as a “mutual fund corporation” within the meaning of the Tax Act (as defined below), or the ETF Shares are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSX), the ETF Shares, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a RRSP, RRIF, RDSP, DPSP, RESP or TFSA (each as defined below).

Registrations and transfers of ETF Shares will be effected only through the book-entry only system administered by CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Additional information about the ETF is or will be available in its most recently filed annual and interim financial statements, its most recently filed annual and interim management report of fund performance and its most recently filed ETF Facts (as defined below). These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this prospectus. You can get a copy of these documents at your request, and at no cost, by calling the Manager at 416-933-5745 or 1-866-641-5739 (toll-free), by e-mail at info@HorizonsETFs.com or from your dealer. These documents are or will also be available on the Manager's website at www.HorizonsETFs.com. These documents and other information about the ETF are or will also be available on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com. For further details, see "Documents Incorporated by Reference".

Horizons ETFs Management (Canada) Inc.
55 University Avenue, Suite 800
Toronto, Ontario M5J 2H7
Tel: 416-933-5745
Fax: 416-777-5181
Toll Free: 1-866-641-5739

TABLE OF CONTENTS

<p>GLOSSARY2</p> <p>PROSPECTUS SUMMARY.....6</p> <p>OVERVIEW OF THE LEGAL STRUCTURE OF THE ETF16</p> <p>INVESTMENT OBJECTIVES16</p> <p>THE UNDERLYING INDEX.....17</p> <p>INVESTMENT STRATEGIES18</p> <p>OVERVIEW OF THE SECTORS THAT THE ETF INVESTS IN21</p> <p>INVESTMENT RESTRICTIONS25</p> <p style="padding-left: 20px;">Tax Related Investment Restrictions25</p> <p>FEES AND EXPENSES25</p> <p style="padding-left: 20px;">Fees and Expenses Payable by the ETF25</p> <p>RISK FACTORS26</p> <p>INVESTMENT RISK CLASSIFICATION METHODOLOGY42</p> <p style="padding-left: 20px;">Risk Ratings of the ETF42</p> <p>DIVIDEND POLICY42</p> <p>PURCHASES OF ETF SHARES.....43</p> <p style="padding-left: 20px;">Issuance of ETF Shares43</p> <p style="padding-left: 20px;">Buying and Selling ETF Shares.....44</p> <p>REDEMPTION AND SWITCHING OF ETF SHARES44</p> <p style="padding-left: 20px;">Switches45</p> <p style="padding-left: 20px;">Book-Entry Only System46</p> <p style="padding-left: 20px;">Short Term Trading46</p> <p>PRIOR SALES.....46</p> <p>INCOME TAX CONSIDERATIONS.....46</p> <p style="padding-left: 20px;">Taxation and Status of the Company48</p> <p style="padding-left: 20px;">Taxation of Holders of ETF Shares49</p> <p style="padding-left: 20px;">Taxation of Registered Plans51</p> <p style="padding-left: 20px;">Tax Implications of the ETF’s Distribution Policy51</p> <p>ELIGIBILITY FOR INVESTMENT.....51</p> <p>ORGANIZATION AND MANAGEMENT DETAILS OF THE ETF51</p> <p style="padding-left: 20px;">Officers and Directors of the Company51</p> <p style="padding-left: 20px;">Manager of the ETF.....52</p> <p style="padding-left: 20px;">Duties and Services to be Provided by the Manager.....52</p> <p style="padding-left: 20px;">Details of the Management Agreement53</p> <p style="padding-left: 20px;">Directors and Executive Officers of the Manager54</p> <p style="padding-left: 20px;">Designated Brokers55</p> <p style="padding-left: 20px;">Conflicts of Interest56</p> <p style="padding-left: 20px;">Independent Review Committee57</p> <p style="padding-left: 20px;">Custodian.....57</p>	<p style="padding-left: 20px;">Valuation Agent58</p> <p style="padding-left: 20px;">Auditors58</p> <p style="padding-left: 20px;">Transfer Agent and Registrar58</p> <p style="padding-left: 20px;">Promoter58</p> <p style="padding-left: 20px;">Accounting and Reporting.....58</p> <p>CALCULATION OF NET ASSET VALUE59</p> <p style="padding-left: 20px;">Valuation Policies and Procedures of the ETF .59</p> <p>ATTRIBUTES OF THE SECURITIES60</p> <p style="padding-left: 20px;">Description of the Securities Distributed.....60</p> <p style="padding-left: 20px;">Redemptions of ETF Shares for Cash61</p> <p style="padding-left: 20px;">Switches61</p> <p style="padding-left: 20px;">Modification of Terms.....61</p> <p style="padding-left: 20px;">Voting Rights61</p> <p>SHAREHOLDER MATTERS61</p> <p style="padding-left: 20px;">Meetings of Shareholders61</p> <p style="padding-left: 20px;">Matters Requiring Shareholder Approval.....61</p> <p style="padding-left: 20px;">Permitted Mergers62</p> <p style="padding-left: 20px;">Reporting to Shareholders62</p> <p>TERMINATION OF THE ETF62</p> <p style="padding-left: 20px;">Procedure on Termination63</p> <p>PLAN OF DISTRIBUTION63</p> <p style="padding-left: 20px;">Non-Resident Shareholders63</p> <p>RELATIONSHIP BETWEEN THE ETF AND THE DEALERS64</p> <p>PRINCIPAL HOLDERS OF ETF SHARES64</p> <p>PROXY VOTING DISCLOSURE64</p> <p>MATERIAL CONTRACTS65</p> <p>LEGAL AND ADMINISTRATIVE PROCEEDINGS65</p> <p>EXPERTS.....65</p> <p>EXEMPTIONS AND APPROVALS65</p> <p>OTHER MATERIAL FACTS.....66</p> <p style="padding-left: 20px;">Exchange of Tax Information.....66</p> <p style="padding-left: 20px;">Management of the ETF66</p> <p style="padding-left: 20px;">Index Information66</p> <p>PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION68</p> <p>DOCUMENTS INCORPORATED BY REFERENCE68</p> <p>INDEPENDENT AUDITORS’ REPORTF-1</p> <p>CERTIFICATE OF HORIZONS ETF CORP. (ON BEHALF OF THE ETF), THE MANAGER AND PROMOTER..... C-1</p>
---	---

GLOSSARY

Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time. The following terms have the following meaning:

“**Acceptable Counterparty**” means a Canadian chartered bank that has a designated rating, or an affiliate of a Canadian chartered bank whose obligations are guaranteed by a Canadian chartered bank that has a designated rating and “**Acceptable Counterparties**” means more than one of them;

“**allowable capital loss**” has the meaning ascribed to that term under the heading “Income Tax Considerations – Taxation of Holders of ETF Shares”;

“**Bank Holiday**” means any Business Day that deposit taking banks in the United States or Canada are not open for business;

“**Bitcoin Futures**” means CME Bitcoin (USD) Futures contracts traded on the CME Futures Exchange under the ticker symbol BTC;

“**Bitcoin Network**” has the meaning ascribed to that term under the heading “Overview of the Sectors that the ETF Invests In”;

“**Bitcoin Prices**” means the prices of bitcoin on various crypto-asset trading venues;

“**Business Day**” means any day on which the TSX or other designated exchange on which the ETF is listed, is open for trading;

“**Canadian securities legislation**” means the securities laws in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder, and all multilateral and national instruments adopted by the Securities Regulatory Authorities in such jurisdictions;

“**Capital Gains Dividend**” has the meaning ascribed to that term under the heading “Income Tax Considerations – Taxation of the Company”;

“**Capital Gains Redemption**” has the meaning ascribed thereto under the heading “Income Tax Considerations – Taxation of the Company”;

“**Cash Redemption**” has the meaning ascribed to that term under the heading “Redemption and Switching of ETF Shares – Redemption – Redemption of ETF Shares”;

“**Cash Subscription**” means a subscription order for ETF Shares that is paid in full in cash;

“**Cdn\$ Shares**” has the meaning ascribed to such term on the face page hereof;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDS Participant**” means a participant in CDS that holds ETF Shares on behalf of beneficial owners of those ETF Shares;

“**CIBC Mellon Global**” means CIBC Mellon Global Securities Services Company;

“**Class J Shares**” means the voting, non-participating Class J shares of the Company;

“**CME**” means the Chicago Mercantile Exchange;

“**Company**” means Horizons ETF Corp.;

“**Corporate Class**” has the meaning ascribed to such term on the face page hereof;

“**Counterparty**” means a party with which the ETF may enter into Forward Documents, including Acceptable Counterparties, and “**Counterparties**” means more than one of them;

“**CRA**” means the Canada Revenue Agency;

“**CRS Rules**” has the meaning ascribed to such term under the heading “Other Material Facts – Exchange of Tax Information”;

“**Custodian**” means CIBC Mellon Trust Company;

“**Custodian Agreement**” means the custodial services agreement among the Manager, CIBC Mellon Trust Company and the ETF, as may be further supplemented, amended and/or amended and restated from time to time;

“**Dealer**” means a registered dealer (that may or may not be a Designated Broker) that has entered into a Dealer Agreement on behalf of the ETF, pursuant to which the Dealer may subscribe for ETF Shares as described under “Purchases of ETF Shares”;

“**Dealer Agreement**” means an agreement among the Manager, on behalf of the ETF, the Company and a Dealer;

“**derivatives**” means an instrument, agreement or security, the market price, value or payment obligations of which is derived from, referenced to or based on an underlying interest;

“**Designated Broker**” means a registered dealer that has entered into a Designated Broker Agreement on behalf of the ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to the ETF;

“**Designated Broker Agreement**” means an agreement among the Manager, on behalf of the ETF, the Company and a Designated Broker;

“**DFA Rules**” has the meaning ascribed to that term under the heading “Income Tax Considerations – Taxation and Status of the Company – Taxation of the Company”;

“**Distribution Record Date**” means a date determined by the Manager as a record date for the determination of holders of ETF Shares entitled to receive a distribution;

“**DPSP**” means a deferred profit-sharing plan within the meaning of the Tax Act;

“**ESG**” has the meaning ascribed to that term under the heading “Proxy Voting Disclosure for Portfolio Securities Held”;

“**ETF**” has the meaning ascribed to such term on the face page hereof;

“**ETF Facts**” means the ETF Facts document prescribed by Canadian securities legislation in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange-traded mutual fund;

“**ETF Manager**” has the meaning ascribed to such term under the heading “Organization and Management Details of the ETF – Conflicts of Interest”;

“**ETF Shares**” means the non-voting, exchange-traded fund series of shares of the ETF and “**ETF Share**” means any one of them;

“**ETF Switch Date**” means the date upon which Switches between Corporate Classes are permitted, as determined by the Manager;

“**Forward Documents**” means agreements evidencing cash-settled forward transactions related to the Underlying Index that the ETF has entered into or may enter into with a Counterparty, which transactions are collateralized through an interest-bearing cash account and T-Bills;

“**Fund Administration Agreement**” means the amended and restated fund administration services agreement between the Manager and CIBC Mellon Global, as may be further supplemented, amended and/or amended and restated from time to time;

“**GST/HST**” means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder;

“**Holder**” has the meaning ascribed to that term under the heading “Income Tax Considerations”;

“**Horizons**” means Horizons ETFs Management (Canada) Inc., the Manager of the ETF;

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Index Provider**” means Horizons ETFs Management (Canada) Inc.;

“**interest bearing account**” means a credit balance in an interest bearing bank or securities account;

“**IRC**” means the independent review committee of the ETF established under NI 81-107;

“**Management Agreement**” means the master management agreement between the Company and the Manager, as amended;

“**Management Fee**” has the meaning ascribed to such term under the heading “Fees and Expenses – Fees and Expenses Payable by the ETF”;

“**Management Fee Rebate**” has the meaning ascribed to such term under the heading “Fees and Expenses – Fees and Expenses Payable by the ETF”;

“**Manager**” means Horizons ETFs Management (Canada) Inc., in its capacity as investment fund manager of the ETF;

“**Mirae Asset**” means Mirae Asset Global Investments Co., Ltd.;

“**NAV**” or “**net asset value**” means the applicable net asset value calculated at the Valuation Time on each Valuation Day;

“**NI 81-102**” means National Instrument 81-102 *Investment Funds*;

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“**Ordinary Dividends**” has the meaning ascribed to that term under the heading “Income Tax Considerations – Taxation of Holders of ETF Shares”;

“**Permitted Merger**” has the meaning ascribed to such term under the heading “Shareholder Matters”;

“**PNS**” means the prescribed number of ETF Shares determined by the Manager from time to time for the purpose of subscription orders, redemptions or for other purposes;

“**Promoter**” means Horizons, in its capacity as promoter of the ETF;

“**Proxy Voting Policy**” has the meaning ascribed to such term under the heading “Proxy Voting Disclosure for Portfolio Securities Held”;

“**RDSP**” means a registered disability savings plan within the meaning of the Tax Act;

“**Registered Plan**” means a trust governed by a RRSP, RRIF, TFSA, RESP, RDSP or DPSP;

“**RESP**” means a registered education savings plan within the meaning of the Tax Act;

“**RRIF**” means a registered retirement income fund within the meaning of the Tax Act;

“**RRSP**” means a registered retirement savings plan within the meaning of the Tax Act;

“**Sales Tax**” means all applicable provincial and federal sales, value added or goods and services taxes, including GST/HST;

“**Securities Regulatory Authorities**” means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such jurisdictions;

“**Shareholder**” means the holder of an ETF Share of the ETF;

“**Solactive**” means Solactive AG;

“**Switch**” means a switch of shares of one Corporate Class to shares of another Corporate Class of the Company;

“**Switch NAV Price**” means the NAV per share of the relevant series of shares of the relevant Corporate Class of the Company on the applicable ETF Switch Date;

“**Switched Shares**” has the meaning ascribed to that term under “Redemption and Switching of ETF Shares – Switches”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Tax Amendments**” means proposed amendments to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof;

“**taxable capital gain**” has the meaning ascribed to that term under the heading “Income Tax Considerations – Taxation of Holders of ETF Shares”;

“**T-Bills**” means short-term U.S. or Canadian federal or provincial treasury bills;

“**TFSA**” means a tax-free savings account within the meaning of the Tax Act;

“**Trading Day**” for the ETF means a day on which (i) a session of the TSX is held; (ii) the CME is open for trading; and (iii) it is not a Bank Holiday;

“**Transfer Agent and Registrar**” means TSX Trust Company;

“**Underlying Index**” means an index that replicates the returns generated over time through exposure to long notional investments in Bitcoin Futures which is used by the ETF in relation to the ETF’s investment objective. The current Underlying Index of BITI is the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return);

“**US\$ Shares**” has the meaning ascribed to such term on the face page hereof;

“**Valuation Agent**” means CIBC Mellon Global, who the Manager has retained to provide accounting and valuation services in respect of the ETF;

“**Valuation Day**” means, for a class of ETF Shares, a day upon which a session of the TSX is held and the principal exchange for the securities to which the class of ETF Shares is exposed is open for trading; and

“**Valuation Time**” means 4:00 p.m. (EST) on a Valuation Day, or such other time on a Valuation Day in accordance with the Underlying Index.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus or incorporated by reference in the prospectus. Capitalized terms not defined in this summary are defined in the Glossary.

The ETF

BetaPro Inverse Bitcoin ETF (“**BITI**” or the “**ETF**”)

Offering

Horizons ETF Corp. (the “**Company**”) is a mutual fund corporation established under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a “**Corporate Class**”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The ETF will be a separate Corporate Class. The ETF currently consists of a single series of exchange traded fund shares (“**ETF Shares**”) of the Corporate Class.

ETF Shares of BITI are being offered for sale on a continuous basis in U.S. dollars (“**US\$ Shares**”) (ticker: BITI.U) by this prospectus, and may also be made available in Canadian dollars (“**Cdn\$ Shares**”) (ticker: BITI). The ETF Shares are offered for sale at a price equal to the net asset value of such ETF Shares next determined following the receipt of a subscription order. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars. The base currency of the ETF is U.S. dollars.

There is no minimum number of ETF Shares that may be issued. The ETF Shares are offered for sale at a price equal to the net asset value of such ETF Shares next determined following the receipt of a subscription order.

The ETF Shares have been conditionally approved for listing on the Toronto Stock Exchange (“**TSX**”). Subject to satisfying the TSX’s original listing requirements, the ETF Shares will be listed on the TSX. Investors can buy or sell the ETF Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling the ETF Shares.

Investment Objectives

BITI is designed to **provide daily investment results**, before fees, expenses, distributions, brokerage commissions and other transaction costs that endeavour to correspond to **up to** one-times (100%) the inverse (opposite) of the daily performance of an index that replicates the returns generated over time through long notional investments in Bitcoin Futures. The current Underlying Index of BITI is the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return). **BITI does not seek to achieve its stated investment objective over a period of time greater than one day.**

If the ETF is successful in meeting its investment objective, its net asset value should gain approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any decrease in its Underlying Index (when the Underlying Index declines on that day). Conversely, the ETF’s net asset value should lose approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any increase in its Underlying Index (when the Underlying Index rises on that day).

Underlying Index**Horizons Bitcoin Front Month Rolling Futures Index (Excess Return)**

The ETF employs the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) as its Underlying Index. The Underlying Index is a proprietary index provided by the Manager and is designed to reflect the returns generated over time through exposure to long notional investments in Bitcoin Futures that are based on the CME CF Bitcoin Reference Rate (BRR), which aggregates bitcoin trading activity across major bitcoin spot trading venues between 3:00 p.m. and 4:00 p.m. London time.

The Bitcoin Futures are CME Bitcoin (USD) futures contracts traded on the CME Futures Exchange, a US-registered designated contract market (DCM) and derivatives clearing organization (DCO), under the ticker symbol BTC. The Underlying Index is calculated using the settlement prices of the applicable Bitcoin Futures as determined and published by the CME. The settlement prices are generally determined at 4:00 p.m. (EST).

The notional portfolio of the Underlying Index is invested into the first nearby contract of the Bitcoin Futures, and then rolled into the next nearby liquid contract over a five day period in each month. The roll from the first nearby contract to the next nearby contract begins on the day that is the sixth trading day prior to the last trading day of the first nearby contract on the applicable exchange. Additionally, the roll schedule of the Underlying Index may be adapted subject to contract availability and liquidity in the futures expirations.

Further details regarding the methodology for the Underlying Index are available on the Manager's website at www.HorizonsETFs.com.

See "The Underlying Index".

Investment Strategies

In order to achieve its investment objective, BITI may invest all or a portion of its portfolio in interest bearing accounts and T-Bills and/or other financial instruments (also referred to as BTC-exposed instruments) that have similar return characteristics as up to one-times the inverse (opposite) performance of the Underlying Index, including derivatives such as futures contracts, options on futures contracts, forward contracts, swap agreements, options on indices, money market instruments, reverse repurchase agreements or a combination of the foregoing, provided that the use of such financial instruments is in compliance with NI 81-102 and is consistent with the investment objective of the ETF. The total underlying value of these instruments typically does not exceed one times the total assets of the ETF. Assets not invested in financial instruments may be invested in debt instruments or money market instruments with a term not to exceed 365 days, or reverse repurchase agreements with a term not to exceed 30 days.

BITI does not invest directly in bitcoin or the Bitcoin Futures markets.

In accordance with its investment objectives, BITI does not seek to provide correlation with the Underlying Index over a period of time other than daily.

As it is the Manager's intention to invest on a passive basis, the ETF will not speculate with regard to short-term changes in the price of Bitcoin Futures or Bitcoin Prices. However, Subject to negotiations with the Counterparties, the Manager may increase or decrease the negative exposure (opposite) employed by the ETF to the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return). Subject to negotiations with the Counterparties, the Manager anticipates under normal market conditions to manage the negative exposure of the ETF to be as close to one-times (100%) as practicable, however the Manager can, at its sole discretion, change the negative exposure based on the current market conditions and other factors considered relevant. The negative exposure employed by the ETF will be posted on the Manager's website at www.HorizonsETFs.com and any changes to the negative exposure would be disclosed by way of public announcement.

Use of Derivatives

In compliance with NI 81-102 or an exemption therefrom, the ETF may invest in derivatives, including, without limitation, futures contracts, forward contracts and/or swap agreements. Derivatives are instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which enable investors to speculate on or hedge against future changes in the price or value of the underlying interest of the derivative. Subject to the limits and qualification requirements set out in NI 81-102 and in accordance with its policies, the ETF may deliver portfolio assets to its derivatives Counterparties to secure its obligations under derivatives arrangements.

The following is a general discussion of the more common derivatives likely to be employed by the ETF, but it is not an exhaustive discussion of all derivatives in which the ETF may invest:

Forward Documents

In compliance with NI 81-102 or an exemption therefrom, in order to achieve its investment objective, BITI has entered or will enter into Forward Documents with a Counterparty or Counterparties that will provide negative exposure that substantially corresponds to up to one-times (100%) the inverse (opposite)

exposure the performance of its Underlying Index. Each Forward Document with a Counterparty, in which the ETF is provided with exposure that corresponds negatively with the exposure to the Underlying Index set forth in its investment objective, requires the Counterparty to pay the ETF an agreed notional amount. In return, the ETF pays the Counterparty the value of the notional investment, plus an amount based upon any increase or decline in the Underlying Index.

At the discretion of the Manager, BITI invests some or all of the net proceeds of ETF Share subscriptions in interest bearing accounts and T-Bills to earn prevailing short-term market interest rates. The terms of the Forward Documents require the ETF, for any applicable Counterparty, to pledge substantially all of its respective interest bearing accounts to the Counterparty to secure the payment of the ETF's payment obligations under the Forward Documents.

The amount payable by a Counterparty under the Forward Documents is based on up to one times inverse (opposite) of the daily performance of the Underlying Index.

The ETF is entitled to increase or decrease its notional exposure to the Underlying Index, including to pre-settle the Forward Documents in whole or in part from time to time as needed to fund ETF Share purchases and reinvestment of distributions to fund redemptions and market repurchases of ETF Shares, pay administrative expenses, meet other liquidity needs and such other purposes as the ETF may determine. The ETF has the option of electing to cash settle its obligations under the Forward Documents.

Subject to the terms and conditions of the applicable Forward Documents, BITI is entitled to increase or decrease its notional exposure to the Underlying Index from time to time as needed to manage ETF Share purchases and reinvestment of distributions, to fund ETF Share redemptions and market repurchases of ETF Shares, meet other liquidity needs and such other purposes as the ETF may determine.

Daily Rebalancing

In order to ensure that each Shareholder's risk is limited to the capital invested, the ETF is rebalanced. BITI is rebalanced on each Trading Day. Daily rebalancing, like leverage, can magnify the gains or losses that an investor realizes by investing in the ETF.

Currency Hedging

The ETF will not hedge any foreign currency exposure back to the currency in which the class of ETF Shares is denominated. The underlying exposure of Cdn\$ Shares and US\$ Shares of BITI is the same. The currency hedging mandate shall not be changed by the Manager without first obtaining approval of Shareholders.

Leverage

BITI is an alternative mutual fund and is permitted by NI 81-102 to lever its assets; that is, the aggregate underlying market exposure of all derivatives held by that ETF calculated on a daily mark-to-market basis can exceed that ETF's cash and cash equivalents, including cash held as margin on deposit to support that ETF's derivatives trading activities. The ETF measures leverage in terms of the total underlying value of the financial derivative positions as a ratio of the total assets held by that ETF.

BITI generally does not use absolute leverage in excess of 1.0 times its net asset value. If BITI uses absolute leverage in excess of 1.0 times its net asset value, the ETF shall generally reduce its leverage to such amount within 10 business days. Generally, the ETF does not intend to borrow money or employ other forms of leverage. The ETF may however borrow money on a temporary short term basis in connection with a subscription for ETF Shares by a dealer. Any cash borrowing by the ETF will be subject to an overall limit of 50% of its NAV under NI 81-102.

Using leverage involves special risks and should be considered to be speculative. Leverage exists when the ETF achieves the right to a return on its capital base that exceeds the amount the ETF has invested. The use of leverage creates the potential for greater gains or losses for its Shareholders.

Special Considerations for Purchasers

The ETF is exempt from the so-called "early warning" requirements set out in Canadian securities legislation in connection with the acquisition of ETF Shares. In addition, the ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit a Shareholder to acquire more than 20% of the ETF Shares of the ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation.

No Counterparty has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. No Counterparty assumes any liability in connection with the administration, marketing or trading of the ETF. The ETF is not sponsored, endorsed, sold or promoted by any Counterparty. No Counterparty makes any representation or warranty, express or implied, to the Shareholders of the ETF regarding the advisability of investing in the ETF or the ability of the ETF to track its Underlying Index. No Counterparty has any obligation to take the needs of the ETF or the Shareholders of the ETF into consideration.

If the ETF experiences a significant increase in total NAV, the Manager may be required to, or at its sole discretion and if determined to be in the best interests of Shareholders decide to, suspend subscriptions for new ETF Shares, including if considered necessary to comply with applicable margin requirements or contract limits of the Chicago Mercantile Exchange, in response to changes in liquidity of the underlying futures contracts to which the ETF is exposed, or depending on the ability of the ETF to obtain continued exposure to the underlying futures contracts. Currently, no single entity is permitted to own more than 2,000 BTC prompt month futures contracts, and is subject to a total contract limit (prompt month and secondary month futures contracts) of 5,000 futures contracts. During a period of suspended subscriptions, if any, investors should note that ETF Shares could trade at a premium to the NAV per ETF Share. During such periods, investors are strongly discouraged from purchasing ETF Shares on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Shareholders to sell their ETF Shares in the secondary market at a price reflective of the NAV per ETF Share. See "Risk of Suspended Subscriptions".

Dividend Policy

The Company does not currently intend to pay regular dividends or returns of capital on the ETF Shares. Notwithstanding the foregoing, any decision to pay dividends or returns of capital on the ETF Shares in the future will be at the discretion of the Manager and will depend on, among other things, the Company's and the ETF's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions, solvency tests imposed by corporate law and other factors that the Manager may deem relevant. See "Dividend Policy".

If, in any taxation year, the Company would otherwise be liable for tax on net realized capital gains, the Company intends to pay, to the extent possible, by the last day of that year, a special Capital Gains Dividend to ensure that the Company will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Such distributions may be paid in the form of ETF Shares and/or cash which is automatically reinvested in ETF Shares. Any such distributions payable in ETF Shares or reinvested in ETF Shares of the ETF will increase the aggregate adjusted cost base of a Shareholder's ETF Shares. Immediately following payment of such a special distribution in ETF Shares or reinvestment in ETF Shares, the number of ETF Shares outstanding will be automatically consolidated such that the number of ETF Shares outstanding after such distribution will be equal to the number of ETF Shares outstanding immediately prior to such distribution, except where there are non-resident Shareholders to the extent tax is required to be withheld in respect of the distribution.

Given the expected investment and operating policies of the Company, the Manager does not currently expect to pay a material amount of special Capital Gains Dividends. See "Income Tax Considerations".

Purchase Options

All orders to purchase ETF Shares directly from the ETF must be placed by a Designated Broker or Dealer who has entered into an agreement with the Manager for such purposes. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars. The ETF reserves the absolute right to reject any subscription order placed by a Designated Broker or Dealer. No fees will be payable by the ETF to a Designated Broker or Dealer in connection with the issuance of ETF Shares.

On any Trading Day, a Designated Broker or Dealer may place a Cash Subscription order for the PNS or multiple PNS of the ETF. A subscription order must be a Cash Subscription.

See "Purchases of ETF Shares".

Switches

A Shareholder may switch ETF Shares for shares of another Corporate Class of the Company (a "**Switch**") through the facilities of CDS by contacting their financial advisor or broker. ETF Shares may be switched on any date designated by the Manager as a switch date ("**ETF Switch Date**") by delivering written notice to the Transfer Agent and Registrar and surrendering such ETF Shares through the facilities of CDS by 4:00 p.m. (Toronto time) at least one Business Day prior to the ETF Switch Date. Written notice must contain the name of the Corporate Class, the TSX ticker symbol of the ETF Shares of the ETF and the number of ETF Shares to be switched, and the name of the ETF and the TSX ticker symbol of the shares of the Corporate Class to which the Shareholder wishes to Switch. The Manager may, in its discretion, change the frequency with

which ETF Shares may be switched at any time upon 30 days' notice by way of press release. See "Redemption and Switching of ETF Shares".

Under the Tax Act, a Switch of ETF Shares held as capital property for purposes of the Tax Act ("**Switched Shares**") to shares of a different Corporate Class of the Company will constitute a disposition of such Switched Shares at fair market value for the purposes of the Tax Act. See "Income Tax Considerations".

Redemptions

In addition to the ability to sell ETF Shares on the TSX, Shareholders may redeem a PNS (or a whole multiple thereof) on any Trading Day for cash equal to the net asset value of that number of ETF Shares, subject to any administrative charges that may be applied. Shareholders may also redeem ETF Shares for cash at a redemption price per ETF Share equal to 95% of the closing price for such ETF Share on the TSX on the effective day of the redemption, subject to a maximum redemption price per ETF Share equal to the net asset value per ETF Share on the effective day of redemption.

Holders of US\$ Shares of BITI may request that their redemption proceeds be paid in U.S. or Canadian dollars.

Shareholders will generally be able to sell (rather than redeem) ETF Shares at the full market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions. Therefore, Shareholders are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Shares for cash.

As noted above, administrative charges may apply upon the redemption of ETF Shares. However, no fees or expenses will be paid by a Shareholder to the Manager or the ETF in connection with selling ETF Shares on the TSX. See "Redemption and Switching of ETF Shares".

Income Tax Considerations

This summary of Canadian federal income tax considerations for the ETF and for Canadian resident Shareholders is subject in its entirety to the qualifications, limitations and assumptions set out under the heading "Income Tax Considerations".

A holder of ETF Shares who is resident in Canada for purposes of the Tax Act will be required to include in his or her income the amount of any dividends paid on such ETF Shares, other than Capital Gains Dividends, whether received in cash or reinvested in additional ETF Shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation to an individual resident in Canada will generally apply to such dividends. Capital Gains Dividends will be paid by the Company to holders of ETF Shares in respect of any net capital gains realized by the Company. The amount of a Capital Gains Dividend will be treated as a capital gain in the hands of the holder of such ETF Shares. If the Company pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the holder's ETF Shares. Where such reductions would result in the adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the holder of the shares and the adjusted cost base of the shares will be nil immediately thereafter.

Given the expected investment and operating policies of the Company, the Manager does not currently expect to pay a material amount of dividends (including Capital Gains Dividends).

A Shareholder who disposes of an ETF Share that is held as capital property, including on a redemption or otherwise, will realize a capital gain (or capital loss)

to the extent that the proceeds of disposition, net of costs of disposition, exceed (or are less than) the adjusted cost base of the ETF Share disposed of.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in ETF Shares by obtaining advice from his or her tax advisor. See “Income Tax Considerations”.

Eligibility for Investment

Provided that the Company continues to qualify as a “mutual fund corporation” within the meaning of the Tax Act, or the ETF Shares are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSX), the ETF Shares, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a RRSP, RRIF, RDSP, DPSP, RESP or TFSA. See “Income Tax Considerations” and “Eligibility for Investment”.

Documents Incorporated by Reference

Additional information about the ETF is or will be available in its most recently filed annual and interim financial statements, its most recently filed annual and interim management report of fund performance, and its most recently filed ETF Facts. These documents are or will be incorporated by reference into this prospectus. Documents incorporated by reference into this prospectus legally form part of this prospectus just as if they were printed as part of this prospectus. These documents are or will be publicly available on the Manager’s website at www.HorizonsETFs.com and may be obtained upon request, at no cost, by calling toll-free 1-866-641-5739 or by contacting your dealer. These documents and other information about the ETF are or will also be publicly available at www.sedar.com. See “Documents Incorporated by Reference”.

Risk Factors

The ETF is very different from most other exchange-traded funds. The ETF is an alternative mutual fund within the meaning of National Instrument 81-102 Investment Funds (“**NI 81-102**”), and is permitted to use strategies generally prohibited by conventional mutual funds, including with respect to the use of specified derivatives, the ability to employ leverage and borrow cash. While these strategies will only be used in accordance with the investment objectives and strategies of the ETF, during certain market conditions they may accelerate the risk that an investment in ETF Shares decreases in value.

The ETF is not a conventional investment, is highly speculative and is very different from other Canadian exchange traded funds. The ETF is designed to provide investment results that endeavour to correspond to up to one times (100%) the inverse (opposite) of the daily performance of the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) (the “**Underlying Index**”). The Underlying Index tracks Bitcoin Futures (as defined in the Glossary). The Underlying Index tracked by the ETF is highly volatile. As a result, the ETF should not be viewed as a stand-alone long term investment.

Given the speculative nature of bitcoin and the volatility of the bitcoin markets, there is considerable risk that the ETF will not be able to meet its investment objectives. An investment in the ETF 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. An investment in the ETF is considered high risk.

The performance of the Underlying Index to which the ETF is exposed, and therefore the performance of the ETF, can be expected to be very different from the spot prices of bitcoin on various crypto-asset trading venues (the “**Bitcoin**

Prices”). The value of the Underlying Index may not be correlated to Bitcoin Prices. An investor should only consider an investment in the ETF if he or she understands all of the consequences of being negatively exposed to Bitcoin Futures.

Investors should monitor their investment in the ETF at least daily.

BITI, before fees and expenses, does not and should not be expected to return the precise inverse (i.e., up to -100%) of the return of its Underlying Index over any period of time other than daily.

The returns of the ETF over periods longer than one day will, under most market conditions, be in the opposite direction from the performance of its Underlying Index for the same period, and the returns of the ETF can, based on historical returns, generally be expected to be substantially similar to the inverse performance of its Underlying Index for the same period, when the ETF’s exposure is at -100% of the Underlying Index throughout the period. However, the deviation of returns of the ETF from the inverse performance of its Underlying Index can be expected to become more pronounced as the volatility of the Underlying Index, and/or the period of time, increases.

There are certain risk factors inherent to an investment in the ETF. See “Risk Factors”.

If at any time during which the ETF is seeking to provide one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by 95% or more from the prior settlement price of that Bitcoin Futures contract, the ETF would be expected to lose all or substantially all of its net asset value (and any value remaining, if any, would immediately be held in cash or cash equivalents only). If at any time the ETF is seeking to provide exposure less than, one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the ETF may also lose all or substantially all of its net asset value if the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by more than 100% from the prior settlement price of that Bitcoin Futures contract. An investment in ETF Shares of BITI is speculative, involves a high degree of risk and is only suitable for persons who are able to assume the risk of losing their entire investment.

Organization and Management of the ETF

The Manager

Horizons ETFs Management (Canada) Inc., a corporation existing under the federal laws of Canada, is the manager and investment manager of the ETF. The Manager is responsible for providing or arranging for the provision of administrative services required by the ETF. The Manager also provides investment advisory and investment management services to the ETF. The principal office of Horizons is 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7.

Horizons is a financial services organization distributing the Horizons family of leveraged, inverse leveraged, inverse, index and actively managed exchange traded funds. Horizons is a subsidiary of Mirae Asset Global Investments Co., Ltd. (“**Mirae Asset**”).

Mirae Asset is the Korea-based asset management entity of Mirae Asset Financial Group, one of the world’s largest investment managers in emerging

market equities. See “Organization and Management Details of the ETF – Manager of the ETF”.

Custodian	CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the Custodian of the assets of the ETF and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Operating Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the ETF. For greater certainty the Custodian will not perform custodial services for, or act as custodian of, actual crypto-assets such as, for example, bitcoin. Portfolio assets will be delivered by the Custodian to futures dealers who are members of the relevant futures exchanges to secure the ETF’s obligations under the exchange traded futures contracts. See “Organization and Management Details of the ETF – Custodian”.
Valuation Agent	CIBC Mellon Global Securities Services Company (“ CIBC Mellon Global ”) has been retained to provide accounting valuation services to the ETF. CIBC Mellon Global is located in Toronto, Ontario. See “Organization and Management Details of the ETF – Valuation Agent”.
Auditors	KPMG LLP is responsible for auditing the annual financial statements of the ETF. The auditors are independent of the Manager. The office of the auditors is located in Toronto, Ontario. See “Organization and Management Details of the ETF – Auditors”.
Promoter	Horizons is also the Promoter of the ETF. Horizons took the initiative in founding and organizing the ETF and is, accordingly, the Promoter of the ETF within the meaning of securities legislation of certain provinces and territories of Canada. See “Organization and Management Details of the ETF – Promoter”.
Transfer Agent and Registrar	TSX Trust Company is the Transfer Agent and Registrar for the ETF Shares. TSX Trust Company is independent of the Manager. TSX Trust Company is located in Toronto, Ontario. See “Organization and Management Details of the ETF – Transfer Agent and Registrar”.

Summary of Fees and Expenses

The following table lists the fees and expenses payable by the ETF, and the fees and expenses that Shareholders may have to pay if they invest in the ETF. Shareholders may have to pay some of these fees and expenses directly. Alternatively, the ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the ETF.

Fees and Expenses Payable by the ETF

Type of Fee	Amount and Description
Management Fees	The ETF will pay annual management fees (each, a “ Management Fee ”) to the Manager equal to an annual percentage of the net asset value of the ETF, together with applicable Sales Tax, calculated and accrued daily and payable monthly in arrears, as follows:

ETF	Annual Management Fee
BITI	1.45%

Management Fee Rebates	To achieve effective and competitive Management Fees, the Manager may reduce the fee borne by certain Shareholders who have signed an agreement with the
-------------------------------	--

Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate (“**Management Fee Rebate**”) directly to the eligible Shareholder. Management Fee Rebates are reinvested in ETF Shares, unless otherwise requested. The decision to pay Management Fee Rebates will be in the Manager’s discretion and will be dependent on a number of factors, including the size of the investment and a negotiated fee agreement between the Manager and the Shareholder.

The Manager reserves the right to discontinue or change Management Fee Rebates at any time.

Operating Expenses

Unless otherwise waived or reimbursed by the Manager, the ETF pays all of its operating expenses, including but not limited to: Management Fees; audit fees; custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Shareholders; listing and annual stock exchange fees; index licensing fees, if applicable; CDS fees; bank related fees and interest charges; extraordinary expenses; Shareholder reports and servicing costs; transfer agent and registrar fees; costs of the independent review committee; income taxes; Sales Tax; brokerage expenses and commissions; and withholding taxes.

In accordance with applicable securities legislation, including NI 81-102, no management fees or incentives fees shall be payable by the ETF that, to a reasonable person, would duplicate a fee payable by any underlying fund for the same services.

See “Fees and Expenses”.

Expenses of the Issue

All expenses related to the issuance of ETF Shares shall be borne by the Manager. See “Fees and Expenses”.

Forward Document Expenses and Hedging Costs

Expenses payable by BITI under its Forward Documents are incurred by way of a reduction in the forward price payable to the ETF by a Counterparty. The forward expenses charged to BITI may change at any time, without notice to investors.

Currently, it is anticipated that the value of the forward price payable to BITI under its Forward Documents will be reduced by an amount equal to 0.30% per annum of the notional exposure of the Forward Documents, calculated and applied daily in arrears, plus hedging costs incurred by each applicable Counterparty. The aggregate notional exposure of BITI’s Forward Documents will typically be approximately one times its total assets.

Hedging costs incurred by a Counterparty and charged to BITI are similar in nature to portfolio transaction costs that are incurred by an investment fund that holds portfolio holdings directly. The Manager anticipates that, based on existing market conditions, the hedging costs for BITI will be up to 3.0% per annum of the aggregate notional exposure of the ETF’s Forward Documents. This is based on the Manager’s estimate only, and actual hedging costs, if any, may be lower or higher than this amount if a Forward Document is executed. The hedging costs that may be incurred by a Counterparty and charged to the ETF may, depending on market conditions, be greater than described above and can change at any time, without notice to investors.

Fees and Expenses Payable Directly by Shareholders

Type of Fee

Amount and Description

Administrative Charges

As may be agreed between the Manager and a Designated Broker or Dealer, the Manager may charge Shareholders, at its discretion, an issue, exchange or redemption charge to offset certain transaction costs associated with the issuance, exchange or redemption of ETF Shares. The Manager will publish the current administrative charge, if any, on its website, www.HorizonsETFs.com. No fees

or expenses will be paid by a Shareholder to the Manager or the ETF in connection with selling ETF Shares on the TSX.

Switch Fees

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the ETF Shares that are switched.

See “Fees and Expenses” and “Redemption and Switching of ETF Shares – Switches”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE ETF

Horizons ETF Corp. (the “**Company**”) is a mutual fund corporation established under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each, a “**Corporate Class**”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The ETF will be a separate Corporate Class. The ETF currently consists of a single series of exchange traded fund shares of the Corporate Class, which are being offered for sale on a continuous basis by this prospectus.

BITI is an open-end alternative mutual fund under Canadian securities legislation.

ETF Shares of BITI are being offered for sale on a continuous basis in U.S. dollars (“**US\$ Shares**”) (ticker: BITI.U) by this prospectus, and may also be made available in Canadian dollars (“**Cdn\$ Shares**”) (ticker: BITI). The ETF Shares are offered for sale at a price equal to the net asset value of such ETF Shares next determined following the receipt of a subscription order. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars. The base currency of the ETF is U.S. dollars.

Horizons ETFs Management (Canada) Inc., a corporation existing under the federal laws of Canada, is the manager and investment manager of the ETF. The Manager is responsible for providing or arranging for the provision of administrative services required by the ETF. The Manager also provides investment advisory and investment management services to the ETF. The head office of the Manager and the ETF is 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7. The fiscal year end of the Company is December 31.

The following chart sets out the full legal name as well as the TSX ticker symbol for the ETF:

Name of ETF	TSX Ticker Symbol
BetaPro Inverse Bitcoin ETF	BITI

The ETF is entitled to rely on exemptive relief from certain provisions of Canadian securities legislation applicable to alternative mutual funds. See “Exemptions and Approvals”. The Company also offers other ETFs pursuant to other prospectuses or prospectus exemptions, each of which is a separate investment fund having specific investment objectives and will be specifically referable to a separate portfolio of investments.

INVESTMENT OBJECTIVES

BITI is designed to **provide daily investment results**, before fees, expenses, distributions, brokerage commissions and other transaction costs that endeavour to correspond to **up to** one-times (100%) the inverse (opposite) of the daily performance of an index that replicates the returns generated over time through long notional investments in Bitcoin Futures. The current Underlying Index of BITI is the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return). **BITI does not seek to achieve its stated investment objective over a period of time greater than one day.**

If the ETF is successful in meeting its investment objective, its net asset value should gain approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any decrease in its Underlying Index (when the Underlying Index declines on that day). Conversely, the ETF’s net asset value should lose approximately as much on a given day, on a percentage basis, adjusted for the current level of exposure on that day, as any increase in its Underlying Index (when the Underlying Index rises on that day).

The fundamental investment objective of the ETF may not be changed except with the approval of Shareholders. See “Shareholder Matters”.

THE UNDERLYING INDEX

Horizons Bitcoin Front Month Rolling Futures Index (Excess Return)

The ETF employs the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) as its Underlying Index. The Underlying Index is a proprietary index provided by the Manager and is designed to reflect the returns generated over time through exposure to long notional investments in Bitcoin Futures that are based on the CME CF Bitcoin Reference Rate (BRR), which aggregates bitcoin trading activity across major bitcoin spot trading venues between 3:00 p.m. and 4:00 p.m. London time.

The Bitcoin Futures are CME Bitcoin (USD) Futures contracts traded on the CME Futures Exchange, a US-registered designated contract market (DCM) and derivatives clearing organization (DCO), under the ticker symbol BTC. The Underlying Index is calculated using the settlement prices of the applicable Bitcoin Futures as determined and published by the CME. The settlement prices are generally determined at 4:00 p.m. (EST).

The notional portfolio of the Underlying Index is invested into the first nearby contract of the Bitcoin Futures, and then rolled into the next nearby liquid contract over a five day period in each month. The roll from the first nearby contract to the next nearby contract begins on the day that is the sixth trading day prior to the last trading day of the first nearby contract on the applicable exchange. Additionally, the roll schedule of the Underlying Index may be adapted subject to contract availability and liquidity in the futures expirations. Further details regarding the methodology for the Underlying Index are available on the Manager's website at www.HorizonsETFs.com.

As noted above, the Index Provider has the discretion to change the roll period of futures contracts of the Underlying Index, including, but not limited to, adjustments made from time to time because of various events affecting the replication of bitcoin. These adjustments may require adjusting the number of days in the roll period or the term of the contract expirations in which the roll is made. If such index adjustments occur, the ETF may alter its investment strategies and exposure to Bitcoin Futures such that the index levels will match, as closely as commercially possible by the Manager, the exposure of the Underlying Index, as adjusted.

The performance of the Underlying Index and the Bitcoin Futures to which the ETF is exposed, and therefore the performance of the ETF, can be expected to be very different from the Bitcoin Prices. The Underlying Index may be subject to change and additional digital currency futures contracts, regulated by the U.S. Commodity Futures Trading Commission (CFTC), may be eligible in the future for inclusion into the Underlying Index.

Roll Methodology for the Underlying Index

Futures contracts must be rolled from the specified delivery month to the next applicable delivery month before the contract requires the holder to accept delivery of a physical commodity on maturity. As part of its roll process, the Underlying Index will refer to a primary futures contract and a secondary futures contract in different weightings over the period of time the roll is implemented. As contracts reach that delivery date at the end of the expiring contract month, the secondary contract for the next applicable delivery month becomes the primary futures contract. During periods where a roll is not being implemented, the primary contract and secondary contract are the same. The Underlying Index of the ETF will track the futures contracts according to the following roll schedule. As described in further detail below, the roll methodology is subject to change, and any changes will be posted on the Manager's website at HorizonsETFs.com.

The notional portfolio of the Underlying Index is invested into the first nearby contract of the Bitcoin Futures, and then rolled into the next nearby liquid contract over a five day period in each month. The roll from the first nearby contract to the next nearby contract begins on the day that is the sixth trading day prior to the last trading day of the first nearby contract on the applicable exchange. Additionally, the roll schedule of the Underlying Index may be adapted subject to contract availability and liquidity in the futures expirations.

The roll methodology for the Underlying Index (which includes roll dates, the primary and secondary futures contracts, and the allocation between the primary and secondary futures contract) may be changed at any time by the Index Provider in its sole discretion based on, among other things, liquidity for the underlying primary and secondary futures contracts as the primary futures contract's expiry approaches. The Manager posts the current roll methodology on its website, www.HorizonsETFs.com.

The Underlying Index is calculated by an independent calculation agent, Solactive AG. The Underlying Index methodology is also posted on the index calculation agent's website at www.solactive.com.

Change of Underlying Index

The Manager may, subject to any required Shareholder approval, change the Underlying Index to an alternative index in order to provide investors with substantially the same exposure to which the ETF is currently exposed. If the Manager changes the Underlying Index, or any index replacing such Underlying Index, the Manager will issue a press release identifying and describing the new index and specifying the reasons for the change in index.

Termination of the Underlying Index

The Index Provider determines and maintains the Underlying Index. If the calculation agent ceases to calculate the Underlying Index, or the Index Provider terminates the Underlying Index, the Manager may choose to: terminate the ETF; change the ETF's investment objectives or to seek to replicate an alternative index (subject to any Shareholder approval required by the constating documents of the ETF or required by applicable law); or make such other arrangements as the Manager considers appropriate and in the best interests of applicable Shareholders in the circumstances.

Use of the Underlying Index

The ETF is permitted by the Index Providers to use the Underlying Index and to use certain trademarks in connection with their operation. The ETF does not accept responsibility for or guarantee the accuracy or completeness of the Underlying Index or any data included in the Underlying Index.

INVESTMENT STRATEGIES

In order to achieve its investment objective, BITI may invest all or a portion of its portfolio in interest bearing accounts and T-Bills and/or other financial instruments (also referred to as BTC-exposed instruments) that have similar return characteristics as up to one-times the inverse (opposite) performance of the Underlying Index, including derivatives such as futures contracts, options on futures contracts, forward contracts, swap agreements, options on indices, money market instruments, reverse repurchase agreements or a combination of the foregoing, provided that the use of such financial instruments is in compliance with NI 81-102 and is consistent with the investment objective of the ETF. The total underlying value of these instruments typically does not exceed one times the total assets of the ETF. Assets not invested in financial instruments may be invested in debt instruments or money market instruments with a term not to exceed 365 days, or reverse repurchase agreements with a term not to exceed 30 days.

BITI does not currently invest directly in bitcoin or the Bitcoin Futures markets.

In accordance with its investment objectives, BITI does not seek to provide correlation with the Underlying Index over a period of time other than daily.

BITI will typically use the price of the Underlying Index as determined at approximately 4:00 (EST) as the reference for its investment objective.

As it is the Manager's intention to invest on a passive basis, the ETF will not speculate with regard to short-term changes in the price of Bitcoin Futures or Bitcoin Prices. However, Subject to negotiations with the Counterparties, the Manager may increase or decrease the negative exposure (opposite) employed by the ETF to the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return). Subject to negotiations with the Counterparties, the Manager anticipates under normal market conditions to manage the negative exposure of the ETF to be as close to one-times

(100%) as practicable, however the Manager can, at its sole discretion, change the negative exposure based on the current market conditions and other factors considered relevant. The negative exposure employed by the ETF will be posted on the Manager's website at www.HorizonsETFs.com and any changes to the negative exposure would be disclosed by way of public announcement.

If at any time during which the ETF is seeking to provide one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by 95% or more from the prior settlement price of that Bitcoin Futures contract, the ETF would be expected to lose all or substantially all of its net asset value (and any value remaining, if any, would immediately be held in cash or cash equivalents only). If at any time the ETF is seeking to provide exposure less than, one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the ETF may also lose all or substantially all of its net asset value if the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by more than 100% from the prior settlement price of that Bitcoin Futures contract. An investment in ETF Shares of BITI is speculative, involves a high degree of risk and is only suitable for persons who are able to assume the risk of losing their entire investment.

Use of Leverage

BITI is an alternative mutual fund and is permitted by NI 81-102 to lever its assets; that is, the aggregate underlying market exposure of all derivatives held by the ETF calculated on a daily mark-to-market basis can exceed that ETF's cash and cash equivalents, including cash held as margin on deposit to support that ETF's derivatives trading activities. The ETF measures leverage in terms of the total underlying value of the securities and/or financial derivative positions as a ratio of the total assets held by that ETF.

BITI generally does not use absolute leverage in excess of 1.0 times its net asset value. If BITI uses absolute leverage in excess of 1.0 times its net asset value, the ETF shall generally reduce its leverage to such amount within 10 business days. Generally, the ETF does not intend to borrow money or employ other forms of leverage. The ETF may however borrow money on a temporary short term basis in connection with a subscription for ETF Shares by a dealer. Any cash borrowing by the ETF will be subject to an overall limit of 50% of its NAV under NI 81-102.

Using leverage involves special risks and should be considered to be speculative. Leverage exists when the ETF achieves the right to a return on its capital base that exceeds the amount the ETF has invested. The use of leverage creates the potential for greater gains or losses for its Shareholders.

Use of Derivatives

In compliance with NI 81-102 or an exemption therefrom, the ETF may invest in derivatives, including, without limitation, futures contracts, forward contracts and/or swap agreements. Derivatives are instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which enable investors to speculate on or hedge against future changes in the price or value of the underlying interest of the derivative. Subject to the limits and qualification requirements set out in NI 81-102 and in accordance with its policies, the ETF may deliver portfolio assets to its derivatives Counterparties to secure its obligations under derivatives arrangements.

The following is a general discussion of the more common derivatives likely to be employed by the ETF, but it is not an exhaustive discussion of all derivatives in which the ETF may invest:

Forward Documents

In compliance with NI 81-102 or an exemption therefrom, in order to achieve its investment objective, BITI has entered or will enter into Forward Documents with a Counterparty or Counterparties that will provide negative exposure that substantially corresponds to up to one-times (100%) the inverse (opposite) exposure the performance of its Underlying Index. Each Forward Document with a Counterparty, in which the ETF is provided with exposure that corresponds negatively with the exposure to the Underlying Index set forth in its investment objective, requires the Counterparty to pay the ETF an agreed notional amount. In return, the ETF pays the Counterparty the value of the notional investment, plus an amount based upon any increase or decline in the Underlying Index.

At the discretion of the Manager, BITI invests some or all of the net proceeds of ETF Share subscriptions in interest bearing accounts and T-Bills to earn prevailing short-term market interest rates. The terms of the Forward Documents require the ETF, for any applicable Counterparty, to pledge substantially all of its respective interest bearing accounts to the Counterparty to secure the payment of the ETF's payment obligations under the Forward Documents.

The amount payable by a Counterparty under the Forward Documents is based on up to one times inverse (opposite) of the daily performance of the Underlying Index.

The ETF is entitled to pre-settle the Forward Documents in whole or in part from time to time as needed to fund ETF Share redemptions and market repurchases of ETF Shares, pay administrative expenses, meet other liquidity needs and such other purposes as the ETF may determine. The ETF has the option of electing to cash settle its obligations under the Forward Documents.

Subject to the terms and conditions of the applicable Forward Documents, BITI is entitled to increase or decrease its notional exposure to the Underlying Index from time to time as needed to manage ETF Share purchases and reinvestment of distributions, to fund ETF Share redemptions and market repurchases of ETF Shares, meet other liquidity needs and such other purposes as the ETF may determine.

Each Forward Document will have a remaining term to maturity at any point in time of less than five (5) years which, with the consent of the ETF and the applicable Counterparty, will be extended annually for a fixed number of years and, provided no default or event of default and no unresolved hedging event or disruption event has occurred and is continuing, the ETF will have the ability to request the termination of its exposure under a Forward Document, in whole or in part, at any time. Events of default and/or termination events under the Forward Documents include, but are not limited to: (i) a failure by a party to make a payment or perform an obligation when due under the Forward Document which is not cured within any applicable grace period; (ii) fundamental changes are made to the ETF or the ETF's material contracts which have a material adverse effect on a party to the Forward Document; (iii) a party makes a representation which is incorrect or misleading in any material respect; (iv) a party defaults in respect of a specified transaction having a value in excess of a specified threshold, which default is not cured within any applicable grace period; (v) certain events related to the bankruptcy or insolvency of a party; (vi) a party consolidates, amalgamates or merges with or into, or transfers substantially all its assets to, another entity and the resulting, surviving or transferee entity fails to assume the obligations of such party under the Forward Document; (vii) any proposed change in law that prohibits or renders the transactions under the Forward Document unlawful; (viii) the occurrence or existence at any time of any event or condition arising from any transaction that results in a material adverse tax consequence to a party under the Forward Document, the ETF or the Shareholders of the ETF; (ix) failure of the ETF to comply with its governing documents; (x) the inability of the Counterparty to the Forward Document to hedge its exposure to the property subject to the Forward Document or an increase in the cost of such hedging that the ETF is unwilling to assume; (xi) the Counterparty or its guarantor ceases to have a designated rating within the meaning of NI 81-102, as the case may be; or (xii) certain regulatory, market disruption, credit or legal events occur which affect a party.

If a Forward Document is terminated, the ETF may either pursue the same or other alternative investment strategies with a Counterparty, or make direct investments in the Underlying Index (subject to regulatory approval, if necessary, and the ability of the Manager to implement reasonable commercial arrangements at its discretion) that provide a similar investment return to investing in the Underlying Index. There is no assurance that the ETF will be able to replace a Forward Document if the Forward Document is terminated.

A Counterparty may hedge its exposure under a Forward Document; however, there is no assurance that the Counterparty will maintain a hedge or will do so with respect to the full exposure or term of a Forward Document.

A Shareholder will not have any recourse against the assets of a Counterparty in respect of a Forward Document. If a Counterparty defaults on its obligations under a Forward Document, the ETF will, however, have certain rights against the Counterparty and an unsecured claim against the Counterparty. As a counterparty under a Forward Document, the interests of a Counterparty will differ from those of the ETF. ETF Shares do not represent an interest in, or an obligation of, any Counterparty or any affiliate thereof. A Shareholder of the ETF will not have any recourse against a Counterparty or any affiliate thereof in respect of amounts payable by the ETF to the Shareholder or by a Counterparty to the ETF. A Counterparty can be expected to exercise its rights from time to time under a Forward

Document in its own best interests. The legitimate exercise of these rights may be contrary to the interests of the ETF and its Shareholders.

A Counterparty or its guarantor is generally required, pursuant to the terms of the Forward Documents, to have a designated rating within the meaning of NI 81-102. The ETF has the ability to replace a Counterparty or engage additional Counterparties at any time. The reference asset of each Forward Document is a notional amount of negative exposure that substantially corresponds to up to one-times (100%) inverse (opposite) of the daily performance of a notional investment in the Underlying Index. A Counterparty or an affiliate thereof may, from time to time, reimburse the Manager for certain expenses incurred by the Manager in the normal course of its business.

Daily Rebalancing

In order to ensure that each Shareholder's risk is limited to the capital invested, the ETF is rebalanced. BITI is rebalanced on each Trading Day. Daily rebalancing, like leverage, can magnify the gains or losses that an investor realizes by investing in the ETF.

Currency Hedging

The ETF will not hedge any foreign currency exposure back to the currency in which the class of ETF Shares is denominated. The underlying exposure of Cdn\$ Shares and US\$ Shares of BITI is the same. The currency hedging mandate shall not be changed by the Manager without first obtaining approval of Shareholders.

OVERVIEW OF THE SECTORS THAT THE ETF INVESTS IN

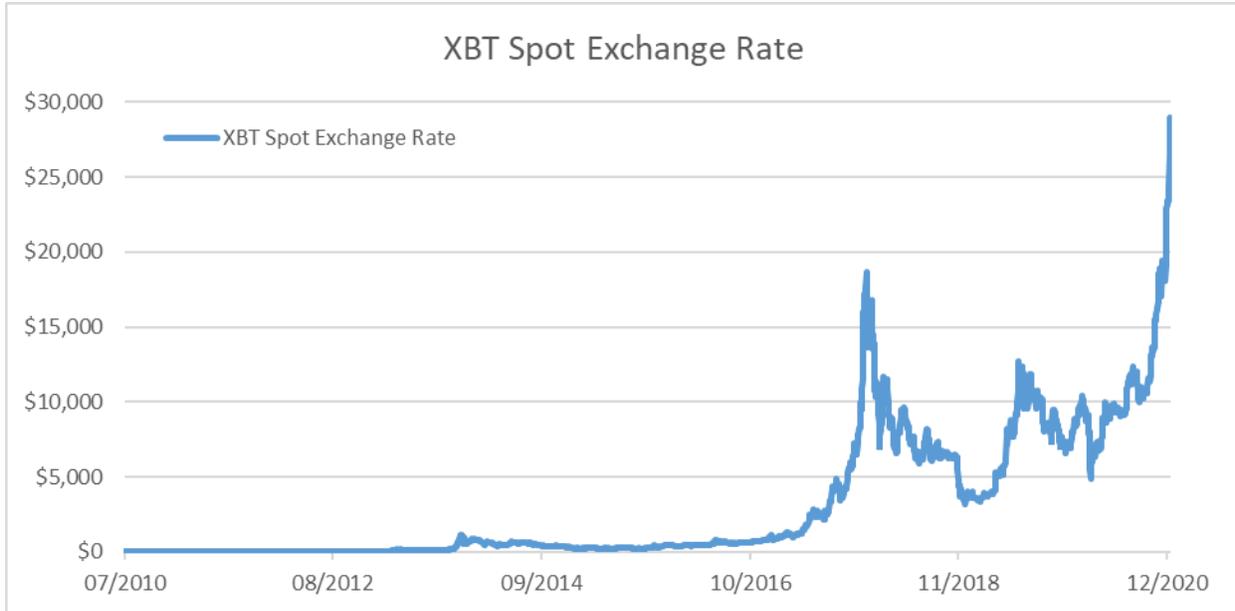
A "crypto-asset" is a digital asset designed to work as a medium of exchange using cryptography to secure the transactions and to control the creation of additional units of the currency. Crypto-assets are classified as a subset of digital currencies and are also classified as a subset of alternative currencies and virtual currencies.

"Bitcoin" is a digital asset based on the decentralized, open source protocol of the peer-to-peer bitcoin computer network (the "**Bitcoin Network**"). Bitcoin became the first decentralized crypto-asset in 2009. Since then, numerous other crypto-assets have been created. No single entity owns or operates the Bitcoin Network; the infrastructure is collectively maintained by a decentralized user base. The Bitcoin Network is accessed through software, and software governs bitcoin's creation, movement, and ownership. The value of bitcoin is determined by the supply of and demand for bitcoin on crypt-asset trading venues that facilitate the transfer of bitcoin in exchange for government-issued currencies, and in private end-user-to-end-user transactions. Bitcoin Prices can differ across different crypto-asset trading venues. Bitcoin transaction and ownership records are reflected on the "blockchain," which is a digital public record or ledger. Copies of this ledger are stored in a decentralized manner on the computers of each Bitcoin Network user. Transaction data is permanently recorded in files called "blocks," which reflect transactions that have been recorded and authenticated by Bitcoin Network participants. The Bitcoin Network software source code includes protocols that govern the creation of bitcoin and the cryptographic system that secures and verifies bitcoin transactions.

The ETF does not expect to invest directly in bitcoin. Instead, the ETF invests in financial instruments and derivatives in order to meet its investment objectives.

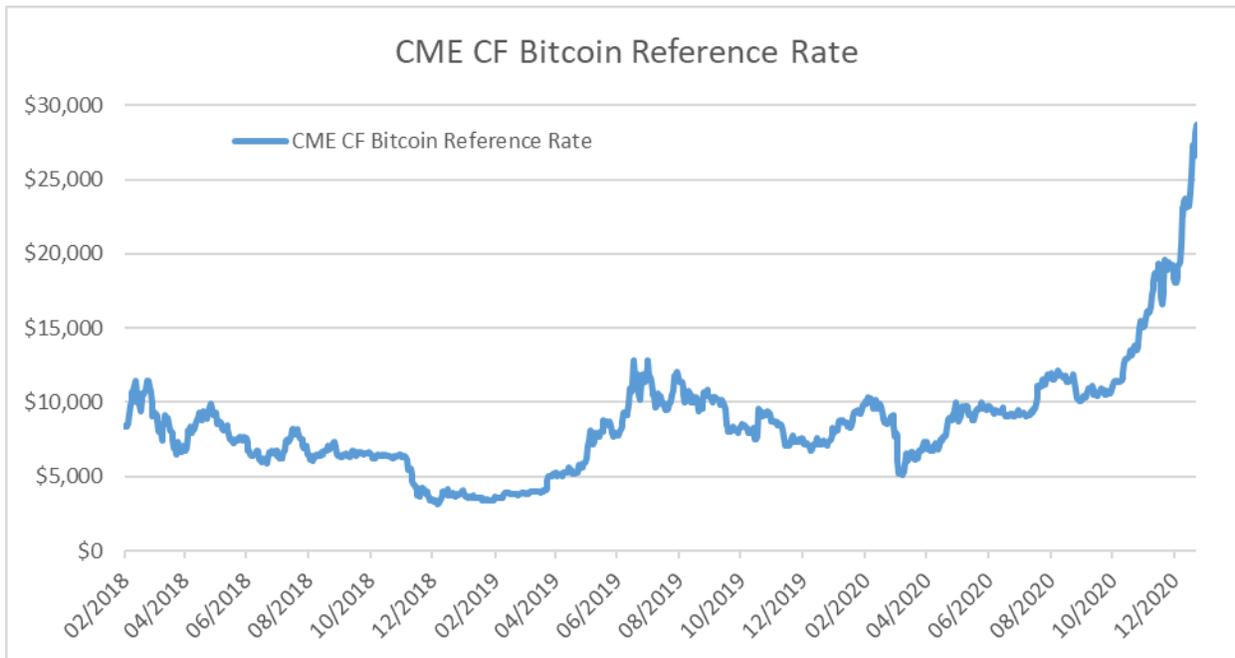
Historical Price of Bitcoin, Bitcoin Futures and the Underlying Index

The chart below shows daily “last trade” bitcoin price for Bloomberg (XBT Spot Exchange Rate) in U.S. dollars for July 19, 2010 to December 31, 2020.



Source: Bloomberg

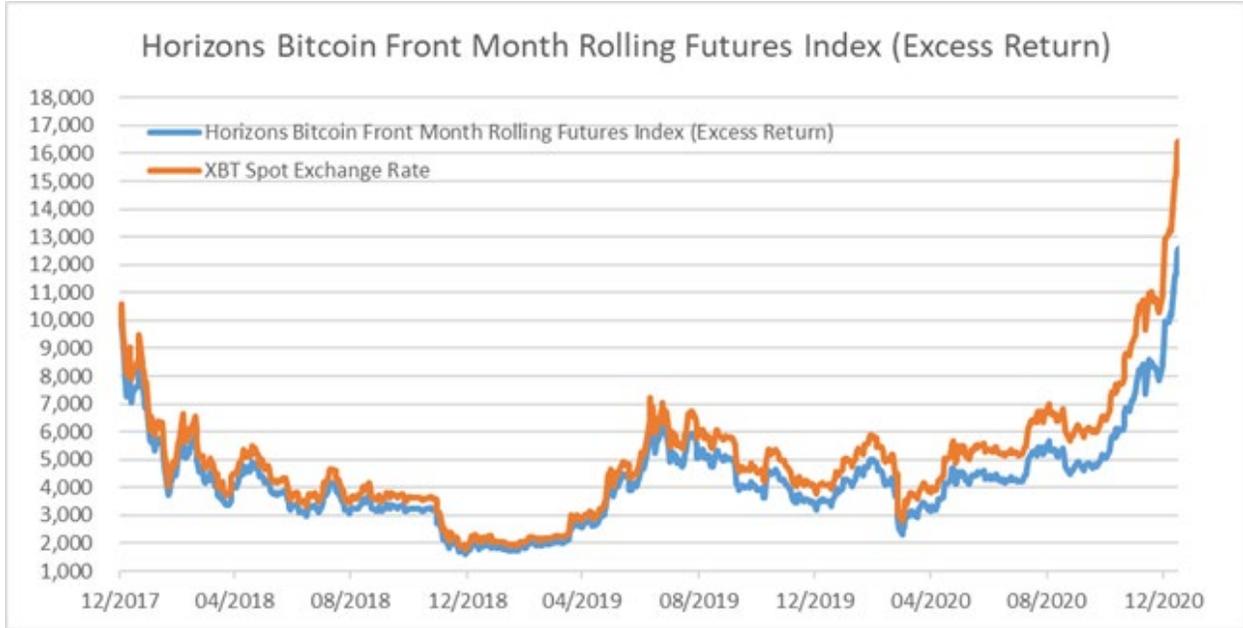
The chart below provides the CME CF Bitcoin Reference Rate from February 9, 2018 to December 31, 2020.



Source: Bloomberg

Horizons Bitcoin Front Month Rolling Futures Index (Excess Return)

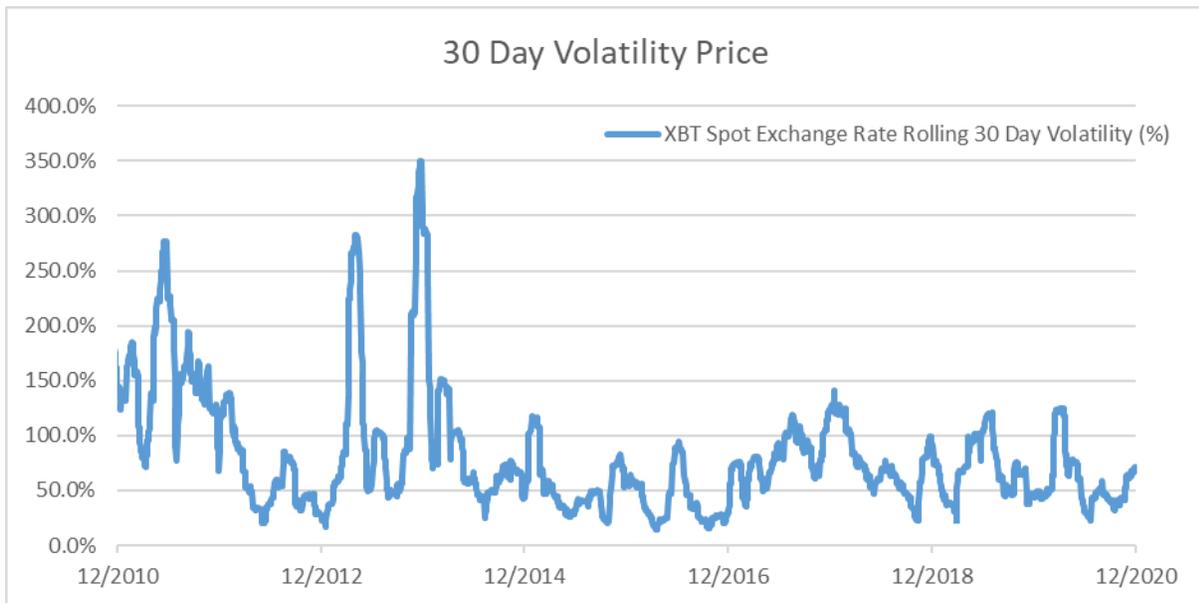
The chart below provides the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) as well as the XBT Spot Exchange Rate using a 10,000 base value from December 15, 2017 to December 31, 2020.



Source: Bloomberg

Historic Volatility of Bitcoin

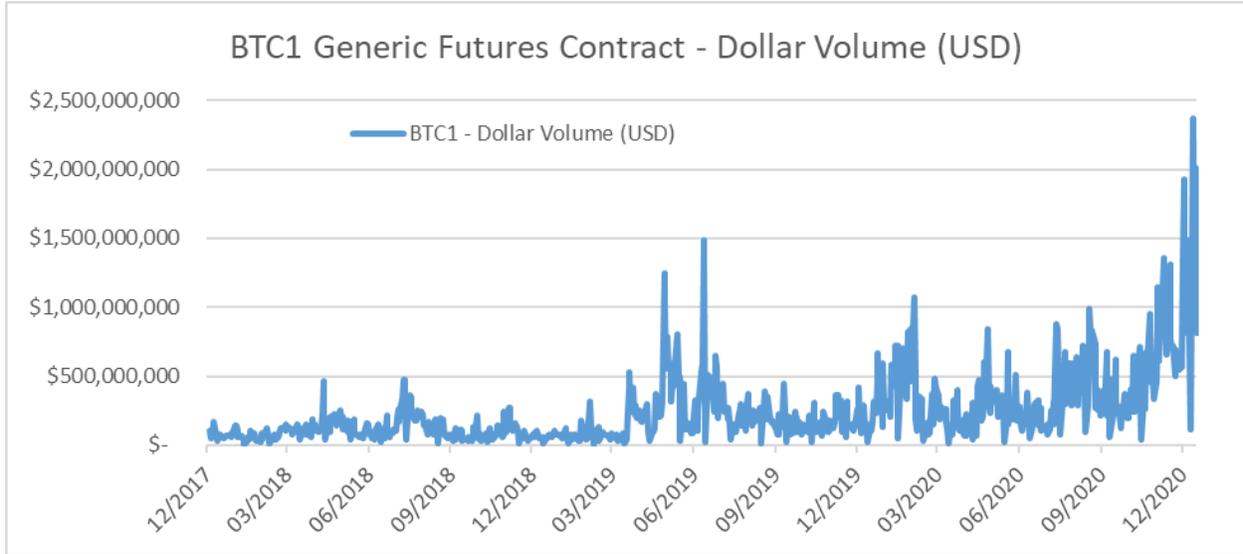
The chart below provides the 30 day rolling price volatility of XBT Spot Exchange Rate from December 31, 2010 to December 31, 2020.



Source: Bloomberg

Composite Volume

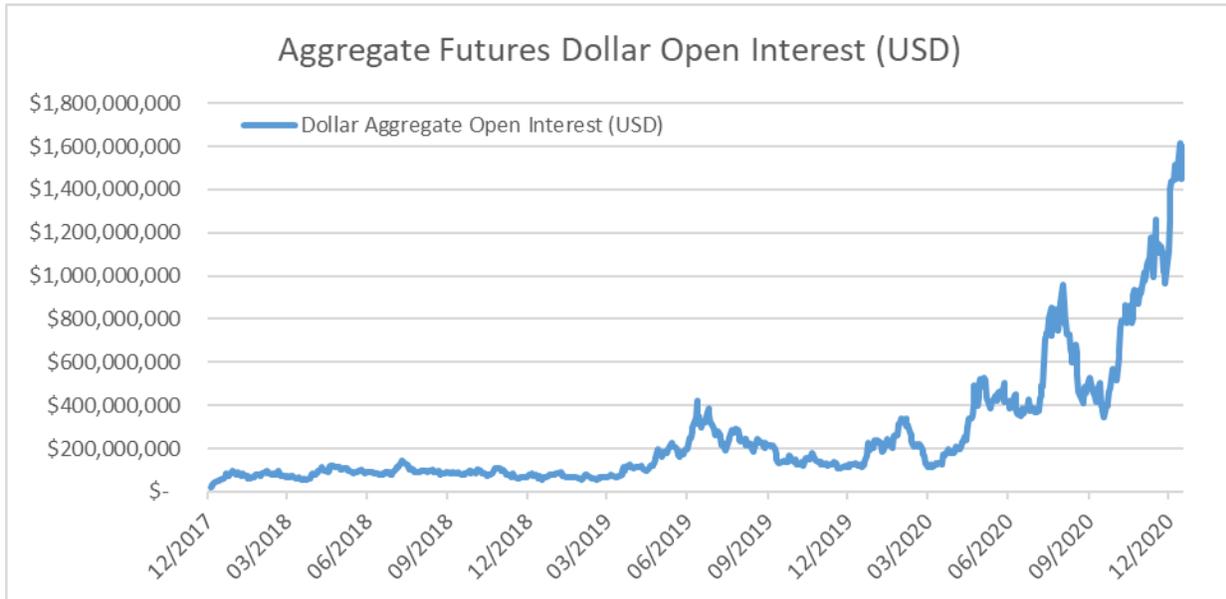
The chart below provides the U.S. Dollar Volume for BTC1 Generic Futures Contract (number of contracts x 5 BTC per contract x settle price) from December 15, 2017 to December 31, 2020.



Source: Bloomberg

Dollar Aggregate Open Interest

The chart below provides the U.S. Dollar Open Interest for all Bitcoin Futures (number of contracts x 5 BTC per contract x settle price) from December 15, 2017 to December 31, 2020.



Source: Bloomberg

INVESTMENT RESTRICTIONS

The ETF is subject to certain investment restrictions and practices contained in Canadian securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the ETF are diversified and relatively liquid and to ensure its proper administration. The investment restrictions and practices applicable to the ETF which are contained in securities legislation, including NI 81-102, may not be deviated from without the prior consent of the Securities Regulatory Authorities having jurisdiction over the ETF. Please see “Shareholder Matters – Matters Requiring Shareholder Approval”.

Subject to the following, and the exemptive relief that has been obtained, the ETF is managed in accordance with the investment restrictions and practices set out in the applicable Canadian securities legislation, including NI 81-102. See “Exemptions and Approvals”.

Tax Related Investment Restrictions

The Company will not make an investment or conduct any activity that would result in the Company failing to qualify as a “mutual fund corporation” within the meaning of the Tax Act. In addition, the Company will not make or hold any investment in property that would be “taxable Canadian property” (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof) if more than 10% of the Company’s property consisted of such property.

FEES AND EXPENSES

Fees and Expenses Payable by the ETF

Management Fees

The ETF will pay annual management fees (each, a “**Management Fee**”) to the Manager equal to an annual percentage of the net asset value of the ETF, together with applicable Sales Tax, calculated and accrued daily and payable monthly in arrears, as follows:

ETF	Annual Management Fee
BITI	1.45%

Management Fee Rebates

To achieve effective and competitive Management Fees, the Manager may reduce the fee borne by certain Shareholders who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate (“**Management Fee Rebate**”) directly to the eligible Shareholder. Management Fee Rebates are reinvested in ETF Shares, unless otherwise requested. The decision to pay Management Fee Rebates will be in the Manager’s discretion and will be dependent on a number of factors, including the size of the investment and a negotiated fee agreement between the Manager and the Shareholder.

The Manager reserves the right to discontinue or change Management Fee Rebates at any time.

Operating Expenses

Unless otherwise waived or reimbursed by the Manager, the ETF pays all of its operating expenses, including but not limited to: Management Fees; audit fees; custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Shareholders; listing and annual stock exchange fees; index licensing fees, if applicable; CDS fees; bank related fees and interest charges; extraordinary expenses; Shareholder reports and servicing costs; transfer agent and registrar fees; costs of the independent review committee; income taxes; Sales Tax; brokerage expenses and commissions; and withholding taxes.

In accordance with applicable securities legislation, including NI 81-102, no management fees or incentives fees shall be payable by the ETF that, to a reasonable person, would duplicate a fee payable by any underlying fund for the same services.

Expenses of the Issue

Apart from the initial organizational cost of the ETF, all expenses related to the issuance of ETF Shares shall be borne by the ETF.

Forward Document Expenses and Hedging Costs

Expenses payable by BITI under its Forward Documents are incurred by way of a reduction in the forward price payable to the ETF by a Counterparty. The forward expenses charged to BITI may change at any time, without notice to investors.

Currently, it is anticipated that the value of the forward price payable to BITI under its Forward Documents will be reduced by an amount equal to 0.30% per annum of the notional exposure of the Forward Documents, calculated and applied daily in arrears, plus hedging costs incurred by each applicable Counterparty. The aggregate notional exposure of BITI's Forward Documents will typically be approximately one times its total assets.

Hedging costs incurred by a Counterparty and charged to BITI are similar in nature to portfolio transaction costs that are incurred by an investment fund that holds portfolio holdings directly. The Manager anticipates that, based on existing market conditions, the hedging costs for BITI will be 3.0% per annum of the aggregate notional exposure of the ETF's Forward Documents. This is based on the Manager's estimate only, and actual hedging costs, if any, may be lower or higher than this amount if a Forward Document is executed. The hedging costs that may be incurred by a Counterparty and charged to the ETF may, depending on market conditions, be greater than described above and can change at any time, without notice to investors.

Fees and Expenses Payable Directly by Shareholders

Administrative Charges for Issuance, Exchange and Redemption Costs

As may be agreed between the Manager and a Designated Broker or Dealer, the Manager may charge Shareholders, at its discretion, an issue, exchange or redemption charge to offset certain transaction costs associated with the issuance, exchange or redemption of ETF Shares. The Manager will publish the current administrative charge, if any, on its website, www.HorizonsETFs.com. No fees or expenses will be paid by a Shareholder to the Manager or the ETF in connection with selling ETF Shares on the TSX.

Switch Fees

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the ETF Shares that are switched.

RISK FACTORS

The ETF is very different from most other exchange-traded funds. The ETF is an alternative mutual fund within the meaning of NI 81-102, and is permitted to use strategies generally prohibited by conventional mutual funds, including with respect to the use of specified derivatives, the ability to employ leverage and borrow cash. While these strategies will only be used in accordance with the investment objectives and strategies of the ETF, during certain market conditions they may accelerate the risk that an investment in ETF Shares decreases in value.

The ETF is not a conventional investment, is highly speculative and is very different from other Canadian exchange traded funds. The ETF is designed to provide investment results that endeavour to correspond to **up to** one times (100%) the inverse (opposite) of the daily performance of the Underlying Index. The Underlying Index tracks Bitcoin Futures. The Underlying Index tracked by the ETF is highly volatile. As a result, the ETF should not be viewed as a stand-alone long term investment.

Given the speculative nature of bitcoin and the volatility of the bitcoin markets, there is considerable risk that the ETF will not be able to meet its investment objectives. An investment in the ETF 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. An investment in the ETF is considered high risk.

The performance of the Underlying Index to which the ETF is exposed, and therefore the performance of the ETF, can be expected to be very different from the spot prices of bitcoin on various crypto-asset trading venues (the “**Bitcoin Prices**”). The value of the Underlying Index may not be correlated to Bitcoin Prices. An investor should only consider an investment in the ETF if he or she understands all of the consequences of being negatively exposed to Bitcoin Futures.

Investors should monitor their investment in the ETF at least daily.

BITI, before fees and expenses, does not and should not be expected to return the precise inverse (i.e., up to -100%) of the return of its Underlying Index over any period of time other than daily.

The returns of the ETF over periods longer than one day will, under most market conditions, be in the opposite direction from the performance of its Underlying Index for the same period, and the returns of the ETF can, based on historical returns, generally be expected to be substantially similar to the inverse performance of its Underlying Index for the same period, when the ETF’s exposure is at -100% of the Underlying Index throughout the period. However, the deviation of returns of the ETF from the inverse performance of its Underlying Index can be expected to become more pronounced as the volatility of the Underlying Index, and/or the period of time, increases.

If at any time during which the ETF is seeking to provide one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by 95% or more from the prior settlement price of that Bitcoin Futures contract, the ETF would be expected to lose all or substantially all of its net asset value (and any value remaining, if any, would immediately be held in cash or cash equivalents only). If at any time the ETF is seeking to provide exposure less than, one times (100%) the inverse (opposite) of the daily performance of the Underlying Index, the ETF may also lose all or substantially all of its net asset value if the trading price of the front-month, or, when applicable, the front-month or second-month, Bitcoin Futures contract to which the ETF is exposed increases by more than 100% from the prior settlement price of that Bitcoin Futures contract. An investment in ETF Shares of BITI is speculative, involves a high degree of risk and is only suitable for persons who are able to assume the risk of losing their entire investment.

No Assurance of Meeting Investment Objective

The success of the ETF depends on a number of conditions that are beyond the control of the ETF. There is a substantial risk that the investment objectives of the ETF will not be met.

Bitcoin Futures Risk

Unlike the futures markets for traditional physical commodities, the market for exchange-traded bitcoin futures contracts, such as the Bitcoin Futures on which the Underlying Index is based, has very limited trading history and operational experience, and may be riskier, less liquid, more volatile and more vulnerable to economic, market and industry changes than more established futures markets. The liquidity of the market will depend on, among other things, the adoption of bitcoin and the commercial and speculative interest in the market for exchange-traded bitcoin futures contracts. The performance of the Underlying Index and the Bitcoin Futures to which the ETF is exposed, and therefore the performance of the ETF, can be expected to be very different from Bitcoin Prices. The value of the ETF’s negative exposure to Bitcoin Futures may not be correlated with Bitcoin Prices and may go down when Bitcoin Prices go up (and vice versa). An investor should only consider an investment in the ETF if he or she understands the consequences of obtaining negative exposure to Bitcoin Futures.

Risk of Suspended Subscriptions

If the ETF experiences a significant increase in total NAV, the Manager may be required to, or at its sole discretion and if determined to be in the best interests of Shareholders decide to, suspend subscriptions for new ETF Shares, including if considered necessary to comply with applicable margin requirements or contract limits of the Chicago Mercantile Exchange, in response to changes in liquidity of the underlying futures contracts to which the ETF is exposed, or depending on the ability of the ETF to obtain continued exposure to the underlying futures contracts. Currently, no single entity is permitted to own more than 2,000 BTC prompt month futures contracts, and is subject to a total contract limit (prompt month and secondary month futures contracts) of 5,000 futures contracts. During a period of suspended subscriptions, if any, investors should note that ETF Shares could trade at a premium to the NAV per ETF Share. During such periods, investors are strongly discouraged from purchasing ETF Shares on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Shareholders to sell their ETF Shares in the secondary market at a price reflective of the NAV per ETF Share.

Crypto-asset and Bitcoin Risk

The ETF is exposed to the value of Bitcoin Futures which are impacted by the price movement of Bitcoin Prices. Bitcoin Prices are subject to greater volatility than traditional securities. The value of bitcoin is generally subject to several risks that may impact its volatility and valuation, negatively or positively, including:

Bitcoin Trading Venue Risk

A number of bitcoin trading venues have been closed due to fraud, failure or security breaches. A lack of stability in the bitcoin trading venue market and the closure or temporary shutdown of bitcoin trading venues may reduce confidence in the bitcoin network and result in greater volatility in Bitcoin Prices, which will affect the performance of the ETF. Bitcoin trading platforms/venues are not regulated as securities exchanges or commodity futures exchanges under the securities or commodity futures laws of Canada, the United States or other global jurisdictions.

Limited history of the bitcoin market

Bitcoin is a new technology with limited trading history. There is no assurance that historical changes in Bitcoin Prices will continue in the future. The growth of the bitcoin network, if any, is subject to a high degree of uncertainty. There is no assurance that the bitcoin network, or the service providers necessary to accommodate it, will continue in existence or grow.

Volatility in Bitcoin Prices

Bitcoin Prices have historically been subject to periods of high volatility. There is no assurance that the historic levels of volatility in Bitcoin Prices will continue. Fluctuations in Bitcoin Prices could adversely affect an investment in the ETF. Bitcoin Prices can also differ across different crypto-asset trading venues. Bitcoin Prices have fluctuated widely over the past three years, and many factors may affect the value of bitcoin, including, but not limited to: global bitcoin supply; global bitcoin demand, which is influenced by the growth of retail merchants' and commercial businesses' acceptance of bitcoin as payment for goods and services, the security of online bitcoin trading venues and public keys associated with bitcoin, the perception that the use and holding of bitcoin is safe and secure, and the lack of regulatory restrictions on their use; investors' expectations with respect to the rate of inflation; interest rates; currency exchange rates, including the rates at which bitcoin may be exchanged for fiat currencies; fiat currency withdrawal and deposit policies of the bitcoin trading venue market; interruptions in service from or failures of the bitcoin trading venue market; investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in bitcoin; monetary policies of governments, trade restrictions, currency devaluations and revaluations; regulatory measures, if any, that restrict the use of bitcoin as a form of payment or the purchase of bitcoin on the bitcoin market; the maintenance and development of the open-source software protocol of the bitcoin network;

global or regional political, economic or financial events and situations; and expectations among bitcoin market participants that the value of bitcoin will soon change.

Potential changes in the demand for bitcoin

Bitcoin is used around the globe to transfer value between individuals without the constraints of government issued currencies. Bitcoin is also held by investors and speculators. Contraction or increases in the use of bitcoin may result in changes in Bitcoin Prices. If a digital asset other than bitcoin obtains significant market share, this could reduce bitcoin's market share and have an impact on the demand for, and prices of, bitcoin and thereby affect the value of the ETF's investments.

Regulation of bitcoin

Government regulation of bitcoin continues to evolve as regulators better understand the mechanics, use and implications of blockchain based assets. To the extent that future regulatory actions or policies limit the ability to exchange bitcoin or utilize them for payments, the demand for bitcoin may be reduced, which could impact Bitcoin Prices and the value of the ETF's investments.

Dependence on the Bitcoin Network and bitcoin developers

Bitcoin is transacted on a distributed, decentralized network of computers connected by the Internet. Participation of these servers in creating the bitcoin network cannot be assured. Maintenance and future development of the bitcoin protocol and software that implements it is performed by a decentralized group of developers working independently. While these developers co-ordinate and share similar incentives there is no assurance they will continue to co-operate. Incompatibilities in different software implementations of the bitcoin protocol could lead to a fragmentation of the bitcoin network and cause a reduction in Bitcoin Prices. Transactions on the bitcoin network are verified by bitcoin miners, which are participants that secure and verify bitcoin transactions through a peer-to-peer computer process. Miners may not have an adequate incentive to continue mining and may cease their mining operations, which may result in a reduction in the aggregate hashrate (confirmation process) of the bitcoin network. Changes in confidence in the confirmation process or aggregate hashrate of the bitcoin network may affect the value of bitcoin.

Attacks on the Bitcoin Network Risk

The Bitcoin Network is periodically subject to distributed denial of service attacks to clog the list of transactions being tabulated by miners, which can slow the confirmation of authentic transactions. Another avenue of attack would be if a large number of miners were taken offline then it could take some time before the difficulty of the mining process algorithmically adjusts, which would stall block creation time and therefore transaction confirmation time. In the past these scenarios have not caused significant delays or resulted in any significant systemic issues.

Rapid increase in the use of Bitcoin and the ability of the Bitcoin Network to accommodate higher demand

There is no assurance that the bitcoin network will evolve to be able to accommodate significantly higher volumes in the future. If demand for bitcoin transactions increases more rapidly than the ability of the network to process those transactions, some users may become frustrated causing a loss of faith in the bitcoin network and bitcoin protocol which may result in a reduction in Bitcoin Prices.

Decrease in Block Reward Risk

The block reward will decrease over time. On May 11, 2020, the block reward reduced from 12.5 to 6.25 bitcoin. The block reward will decrease to 3.125 bitcoin in 2024. As the block reward continues to decrease over time, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivize miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use bitcoin. Decreased demand for bitcoin may affect the NAV per ETF Share.

Connectivity Risk

The bitcoin network's functionality relies on the internet. A significant disruption of internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the bitcoin network and affect the ETF.

Fork Risk

Bitcoin network contributors could propose amendments to the bitcoin network's protocols and software that, if accepted and authorized by the bitcoin network, could affect an investment in the ETF. A small group of individuals contribute to the bitcoin network. These individuals can propose refinements or improvements to the bitcoin network's source code through one or more software upgrades that alter the protocols and software that govern the bitcoin network and the properties of bitcoin, including the irreversibility of transactions and limitations on the mining of new bitcoin. However, bitcoin is an open source project and, although there is an influential group of contributors in the bitcoin community, there is no designated developer or group of developers who formally control the bitcoin network. Any individual can download the bitcoin network software and make any desired modifications, which are proposed to users and miners on the bitcoin network through modifications typically posted to the bitcoin development forum. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented and the bitcoin network remains uninterrupted. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., "split") of the bitcoin network (and the blockchain), with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the bitcoin network running in parallel, but with each version's bitcoin (the asset) lacking interchangeability. Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in the multiple versions of otherwise compatible software users run. Although several chain forks have been addressed by community-led efforts to merge the two chains, such a fork could adversely affect bitcoin's viability. It is possible, however, that a substantial number of bitcoin users and miners could adopt an incompatible version of bitcoin while resisting community-led efforts to merge the two chains. This would result in a permanent fork. On August 1, 2017, after extended debates among developers as to how to improve the bitcoin network's transaction capacity, the bitcoin network was forked by a group of developers and miners resulting in the creation of a new blockchain, which underlies the new digital asset "Bitcoin Cash" alongside the original bitcoin blockchain. Bitcoin and Bitcoin Cash now operate on separate, independent blockchains. Although the bitcoin network remained unchanged after the fork, it is unclear how such actions will affect the viability of bitcoin and, accordingly, may affect an investment in the ETF.

Energy consumption required to operate the Bitcoin Network

Because of the significant computing power required to mine bitcoin, the network's energy consumption as a whole may ultimately be deemed to be or indeed become unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the network as a peer-to-peer transactional platform.

Concentration of transaction confirmation in China Risk

Due to preferential electricity discounts, there are large mining pools operating in China which have significant sway over the Bitcoin Network. The Chinese government could influence the operations of these miners in a number of ways (i.e. the Chinese government could cut off the miners' connection to the Bitcoin Network). In the past the Chinese government partially banned bitcoin, and there is no guarantee that it will not attempt to impose a full ban on bitcoin. If it were to ban bitcoin, it may dissuade miners in China from continuing to mine bitcoin which could be detrimental to the Bitcoin Network.

Cryptography underlying the Bitcoin Network

Although the Bitcoin Network is the most established digital asset network, the Bitcoin Network and other cryptographic and algorithmic protocols governing the issuance of digital assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. The cryptography underlying bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, the functionality of the Bitcoin Network may be negatively affected such that it is no

longer attractive to users, a reduction in user confidence in the digital asset bitcoin and/or the demand for bitcoin may decrease, all of which would affect the NAV per ETF Share.

Mining Collusion Risk

Miners, functioning in their transaction confirmation capacity, collect fees for each transaction they confirm. Miners validate unconfirmed transactions by adding the previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees. If miners collude in an anticompetitive manner to reject low transaction fees, then bitcoin users could be forced to pay higher fees, which could result in reduced confidence in, and use of, the Bitcoin Network. Any collusion among miners may adversely impact the attractiveness of the Bitcoin Network and may affect the NAV of the ETF and an investment in the ETF Shares.

Scaling Obstacles Risk

Many digital asset networks face significant scaling challenges. For several years, participants in the bitcoin ecosystem debated potential approaches to increasing the average number of transactions per second that the Bitcoin Network could handle. As of August 2017, bitcoin was upgraded with a technical feature known as “segregated witness” that, among other things, could approximately double the transactions per second that can be handled on-chain.

As the use of digital asset networks increases without a corresponding increase in throughput of the networks, average fees and settlement times can increase significantly. Bitcoin’s network has been, at times, at capacity, which has led to increased transaction fees and decreased settlement speeds.

Increased fees and decreased settlement speeds could preclude certain use cases for bitcoin and can reduce demand for and the price of bitcoin, which could affect the NAV of the ETF and an investment in the ETF Shares.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in bitcoin will be effective, or how long these mechanisms will take to become effective, which could affect the NAV of the ETF and an investment in the ETF Shares.

Concentration Risk

The Underlying Index is concentrated in its exposure to bitcoin futures contracts and will therefore result in a greater degree of volatility in the portfolio.

Aggressive Investment Technique Risk

The ETF uses investment techniques and financial instruments that may be considered aggressive, including the use of futures contracts, options on futures contracts, securities and indices, forward contracts, swap agreements and similar instruments. Such techniques, particularly when used to create leverage, may expose the ETF to potentially dramatic changes (losses) in the value of the instruments and imperfect correlation between the value of the instruments and relevant security or index. The ETF’s investment in financial instruments may involve a small investment relative to the amount of risk assumed. Financial instruments are subject to a number of risks described elsewhere in this prospectus, such as liquidity risk, credit risk and counterparty risk. The use of aggressive investment techniques also exposes the ETF to risks different from, or possibly greater than, the risks associated with investing bitcoin directly, including: 1) the risk that an instrument is temporarily mispriced; 2) credit, performance or documentation risk on the amount the ETF expects to receive from a Counterparty; 3) the risk that prices, interest rates and currency markets will move adversely and the ETF will incur significant losses; 4) imperfect correlation between the price of the financial instruments and movements in the prices of bitcoin; 5) the risk that the cost of holding a financial instrument might exceed its total return; and 6) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, both of which may make it difficult or impossible to adjust the ETF’s position in a particular instrument when desired.

Contango or Backwardation Risk

A bitcoin futures index, like the Underlying Index, replicates exposure to a defined basket of bitcoin futures contracts. On specified dates these futures contracts are rolled mechanically into a subsequent futures contracts before the current position expires according to a defined schedule. Thus, for example, a futures contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October may be replaced by a contract for delivery in November. This process is referred to as “rolling”. This mechanism also allows the investor to maintain an exposure to bitcoin futures over time. The difference between the price at which the first futures contract is sold and the next futures contract is purchased is called the “roll yield” and is an important part of the return on a futures investment. The overall return is therefore derived from fluctuations in Bitcoin Prices in addition to the shape of the bitcoin futures curve over time. Assuming prices and the shape of the curve remain constant, rolling futures will yield a positive return when the curve is in “backwardation”, which describes a situation where the prices are lower in the distant delivery months than in the nearest delivery months, and a negative return when the curve is in “contango”, which describes a situation where the prices are higher in the distant delivery months than in the nearer delivery months. The specified roll dates may change from time to time largely based on liquidity for the underlying futures contract as expiry approaches.

The actual realization of a potential roll yield will be dependent upon the level of the related Underlying Index price relative to the unwind price of the relevant bitcoin futures contract at the time of hypothetical sale of the contract. The contracts included in the Underlying Index have not historically exhibited consistent periods of backwardation, and backwardation will most likely not exist at many, if not most times. Moreover, many of the contracts included in the Underlying Index have historically traded in “contango” markets. The existence of contango in the bitcoin markets could result in negative “roll yields”, which could adversely affect the value of the Underlying Index and, accordingly, decrease the payment a Shareholder will receive upon a sale or redemption of ETF Shares.

Market Price v. Futures Risk

The ETF tracks an Underlying Index that is comprised of futures contracts for future delivery.

The risk of investing in a futures contract is that it can be speculative in nature and based on future expectations of value. A futures contract is a standardized financial contract where the parties agree to exchange currencies, crypto-assets, financial instruments or other physical commodities at a future date at a future price. As a result, a future market is not a ready market, does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder is purchasing an obligation to buy or sell an underlying asset, which may not be the best price at the time the contract is completed, depending on what happens in the markets during the intervening period.

In contrast, in a ready market (sometimes referred to as “spot”), commodities are sold for cash at current prices and delivered immediately. A ready market is a real time market where the contract becomes effective immediately and the purchaser accepts delivery of, or immediately, resells the asset. Unlike a futures contract, no speculation is involved as the contract is entered into and the transaction for the underlying asset takes place on the same “spot” in time. The ETF does not invest in the spot market, and the ETF is exposed to the potential risks involved of using futures contracts which are speculative in nature.

Share Price Volatility Risk

The ETF is subject to increased volatility as the ETF seeks to achieve up to a single inverse (opposite) multiple of the daily performance of the Underlying Index. The ETF may therefore experience greater volatility than securities comprising the Underlying Index and thus have the potential for greater losses. While the investment objective of BITI is to track up to a single inverse (opposite) multiple of the daily performance of the Underlying Index, it should be noted that when comparing BITI and benchmark returns over any period other than daily, the volatility of the Underlying Index is a significant factor as a result of the rebalancing process. While the returns of the ETF can, based on historical returns, generally be expected to be substantially similar to the inverse performance of its Underlying Index for the same period (when the ETF’s exposure is at -100% of the Underlying Index throughout the period), the deviation of returns of the ETF from the inverse performance of its Underlying Index can be expected to become more pronounced as the volatility of the Underlying Index, and/or the period of time, increases.

The table below illustrates the impact of two factors, benchmark volatility and benchmark performance. Benchmark volatility is a statistical measure of the magnitude of fluctuations in the returns of a benchmark and is calculated as the standard deviation of the natural logarithms of one plus the benchmark return (calculated daily), multiplied by the square root of the number of trading days per year (assumed to be 252). The table shows estimated fund returns for a number of combinations of benchmark performance and benchmark volatility over a one year period. Assumptions used in the table includes: a) no fund expenses and b) borrowing/lending rates (to obtain leverage) of zero percent. If fund expenses were included, the fund's performance would be lower than shown.

Estimated Fund Return Over One Year When the Fund Objective Is To Seek Daily Results, Before Fees and Expenses, that Correspond to the Inverse (based on -100%) of the Daily Performance of a Benchmark.

One Year Benchmark Performance	-100% One Year Benchmark Performance	Benchmark Volatility			
		0%	25%	50%	75%
-40%	40%	66.7%	56.6%	29.8%	-5.0%
-20%	20%	25.0%	17.4%	-2.6%	-28.8%
0%	0%	0.0%	-6.1%	-22.1%	-43.0%
20%	-20%	-16.7%	-21.7%	-35.1%	-52.5%
40%	-40%	-28.6%	-32.9%	-44.4%	-59.3%

Due to the compounding of daily returns and daily rebalancing, BITI's returns over periods longer than one day will likely differ in amount and possibly direction from the performance of the Underlying Index for the same period. Investors should monitor their holdings daily to ensure that it remains consistent with their own investment strategies. The ETF is not suitable for investors seeking a long term investment and investors should monitor their investment in the ETF at least daily to ensure that it remains consistent with their own investment strategies.

The following examples provide illustration. Each example is calculated without taking into account fees and expenses. These examples are not a forecast of returns.

Example A assumes that:

- a) on the first day the underlying index is up 10%; and
- b) on the next day the underlying index is down 10%.

Example B assumes that:

- a) on the first day the underlying index is down 10%; and
- b) on the next day the underlying index is up 10%.

The two-day sequence results in the underlying index being cumulatively down over this two-day period:

Example A, No Leverage: Assume you invest \$100 in ETF A, a typical index fund that seeks to match the performance of its underlying index. If the underlying index increases 10% on day one, the value of your investment in ETF A would be expected to increase \$10 (10% of \$100) to \$110. The next day, if the underlying index decreases 10%, the value of your investment in ETF A would be expected to decrease \$11 (10% of \$110) to \$99, which results in a -1% cumulative 2-day period return. Thus the performance of the one times index fund matches the initial daily return of the index and is only slightly less than the return of the index on the second day and on a period return basis.

Example B, Inverse ETF, No Leverage (i.e., BITI): Assume you invest \$100 in ETF D, an inverse fund that seeks to match the inverse daily performance of its underlying index. If the underlying index decreases 10% on day one, the

value of your investment in ETF D would be expected to increase \$10 (10% of \$100) to \$110. The next day, if the underlying index increases 10%, the value of your investment in ETF D would be expected to decrease \$11 (10% of \$110) to \$99, which results in a -1% cumulative 2-day period return. So while in this example the inverse fund has succeeded in meeting its -100% daily investment objective it does not and should not be expected to return -100% of the underlying index over any period of time longer than one day.

Because of the effect of compounding, the value of the investor's investment in BITI declined over the two-day period even though the underlying index, after two days, had a net change of 0%. **The negative effect of compounding is more pronounced when combined with leverage and daily rebalancing in volatile markets.**

This effect is caused by compounding. In general, during periods of higher index volatility, compounding will cause longer term results of BITI to be less than -100% of the return of the Underlying Index. This effect becomes more pronounced as volatility increases. Conversely, in periods of lower index volatility, results for longer periods for BITI can be higher than -100% of the return of the Underlying Index. Actual results for a particular period for the ETF, before fees and expenses, will also be dependent on the magnitude of the Underlying Index's return in addition to the Underlying Index's volatility.

Trading in Derivatives is Highly Leveraged

The low margin deposits normally required in trading derivatives (typically between 2% and 15% of the value of the derivatives purchased) permit an extremely high degree of leverage. Accordingly, at the time of buying a derivative, a percentage of the price of the derivative is deposited as margin and a decrease in the price of the contract equal to such percentage will result in a total loss of the margin deposit. A decrease of more than the percentage deposited will result in a loss of more than the total margin deposit. Thus, like other leveraged investments, the use of derivatives may often result in losses in excess of the amount invested.

Counterparty Risk

The ETF is subject to credit risk with respect to the amount that the ETF expects to receive from Counterparties to financial instruments entered into by the ETF or held by special purpose or structured vehicles. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the value of an investor's investment in ETF Shares may decline. The ETF may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The ETF may obtain only limited recovery or may obtain no recovery in such circumstances. All Counterparties must meet the credit rating requirements of NI 81-102.

A Counterparty of the ETF may also be adversely affected by regulatory or market changes which may make it difficult or impossible for the Counterparty to hedge its obligations to the ETF, which may adversely affect the ETF's ability to achieve its investment objective.

No Counterparty has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. No Counterparty assumes any liability in connection with the administration, marketing or trading of the ETF. The ETF is not sponsored, endorsed, sold or promoted by any Counterparty. No Counterparty makes any representation or warranty, express or implied, to the Shareholders of the ETF regarding the advisability of investing in the ETF or the ability of the ETF to track its Underlying Index. No Counterparty has any obligation to take the needs of the ETF or the Shareholders of the ETF into consideration.

A Shareholder will not have any recourse against the assets of a Counterparty or any subsequent Acceptable Counterparty. If a Counterparty defaults on its obligations under a derivative agreement, the ETF may, however, have certain rights against the Counterparty and an unsecured claim against the Counterparty. As a Counterparty under a derivative agreement, the interests of a Counterparty differ from those of the ETF. ETF Shares do not represent an interest in, or an obligation of, a Counterparty or any affiliate thereof and a Shareholder of the ETF will not have any recourse against a Counterparty or any affiliate thereof in respect of amounts payable by the ETF to the Shareholder or by a Counterparty to the ETF. A Counterparty can be expected to exercise its rights from time to time under a derivative agreement in its own best interests. The legitimate exercise of these rights may be contrary to the interests of the ETF and the Shareholders.

Price Volatility Risk

The Underlying Index may be highly volatile and the Bitcoin Futures may be subject to very high volatility. The ETF's exposure to the Underlying Index may subject the ETF to greater volatility than investments in traditional investments, which may adversely affect an investor's investment in the ETF.

The value of futures linked derivative instruments may be affected by many factors, including national or international economic, political and regulatory developments.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the value of the ETF's investments. Generally, when the Canadian dollar appreciates in value against a foreign currency, an investment in that country loses value because that currency is worth fewer Canadian dollars. Devaluation of a currency by a country's government or banking authority will also have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Changes in the relative value of the Canadian and U.S. dollar may also affect the value of an investor's ETF Shares if the investor bought the ETF Shares in a currency other than the currency in which the ETF is denominated.

Daily rebalancing of the ETF's currency hedge (if applicable) may cause the ETF's returns to deviate from the performance of the Underlying Index or the futures contracts, securities, and other financial instruments to which the ETF is exposed. The effect of these daily deviations will compound over periods longer than one day. The negative effect of compounding and daily currency hedge rebalancing (if applicable) will be more pronounced during periods of volatile currency exchange rates.

Long Term Performance Risk

Investors considering buying ETF Shares should understand that the ETF is designed to provide up to -100% of the Underlying Index on a daily basis and not for greater periods of time.

BITI, before fees and expenses, does not and should not be expected to return the precise inverse (i.e., -100%) of the return of its Underlying Index over any period of time other than daily.

Investors should also recognize that the degree of volatility of the Underlying Index can have a dramatic effect on the ETF's long term performance. The greater the volatility of the Underlying Index, the greater the downside deviation will be of BITI's long-term performance from up to negative one times (i.e., -100%) times the performance of the Underlying Index's longer-term return.

It is even possible that an ETF designed to move inversely (i.e., -100%) to the performance of a Underlying Index may, over a long period of time and in a highly volatility environment, move in the same direction as such Underlying Index.

Accordingly, investors should monitor their holdings daily to ensure that it remains consistent with their own investment strategies.

If an investor wants to achieve negative one times (i.e., -100%) the Underlying Index, the investor will need to monitor the performance of their investment daily and be prepared to invest additional funds or sell a portion of their investment each day to achieve this objective. Such a strategy will incur additional transaction fees and will need to be carefully monitored to achieve this result.

If an investor is not prepared to adopt such a strategy, the investor should not expect the performance of BITI to be negative one times (i.e., -100%) the performance of the Underlying Index, **except on a daily basis**.

Currency Price Fluctuation Risk

The performance of US\$ Shares of BITI will generally correspond to the performance, in U.S. dollars, of its Underlying Index, net of expenses.

A Shareholder buying or selling Cdn\$ Shares of BITI on the TSX may experience foreign currency gains or losses due to timing differences as the base currency of the ETF is U.S. dollars. No currency hedging is used with respect to ETF Shares. A Shareholder buying or selling Cdn\$ Shares of the ETF on the TSX may also experience currency gains or losses due to differences in the exchange rates used in determining the NAV in U.S. dollars.

Several factors may affect the relative value between the base currency of the ETF's underlying exposure and the Canadian dollar, including, but not limited to: debt level and trade deficit; inflation and interest rates; investors' expectations concerning inflation or interest rates; and global or regional political, economic or financial events and situations. In addition, the U.S. dollar may not maintain its long-term value in terms of purchasing power in the future. If the price of the Canadian dollar declines, the Manager expects the value of Cdn\$ Shares of the ETF to decline as well.

No Rights in Respect of Bitcoin Futures included in the Underlying Index

Shareholders do not have rights that investors in the Bitcoin Futures contracts included in the Underlying Index may have. Shareholders will not have the right to receive: delivery of any assets; or payment or delivery of amounts in respect of the Bitcoin Futures contracts included in the Underlying Index.

Limited History of Underlying Index

The Underlying Index has a limited history which may or may not be indicative of future results or of the future performance of the ETF. Therefore, a decision to invest in the ETF may be made on the basis of limited information.

The Underlying Index was created on January 25, 2021 and there is no published information about how the Underlying Index would have performed had it been calculated in the past. Because the Underlying Index and the Bitcoin Futures contracts that underlie it are of recent origin and limited or no historical performance data exists with respect to them, an investment in the ETF may involve a greater risk than investing in alternate securities linked to one or more indices with an established record of performance.

Corresponding Net Asset Value Risk

The net asset value per ETF Share will be based on the market value of the ETF's holdings. However, the trading price (including the closing trading price) of an ETF Share on the TSX may be different from the actual net asset value of an ETF Share. As a result, Dealers may be able to acquire a PNS of the ETF and Shareholders may be able to redeem a PNS of the ETF at a discount or a premium to the closing trading price per ETF Share.

Such difference between the trading price of the ETF and its net asset value may be due, in large part, to supply and demand factors in the secondary trading market for ETF Shares being similar, but not identical, to the same forces influencing the price of the underlying constituents of the ETF at any point in time.

Because Shareholders may acquire or redeem a PNS, the Manager expects that large discounts or premiums to the net asset value per ETF Share should not be sustainable

Underlying Index Correlation Risk

A number of factors may affect the ETF's ability to achieve a high degree of correlation or co-efficiency (i.e., to substantially track) with the Underlying Index, and there can be no guarantee that the ETF will achieve a high degree of correlation or co-efficiency with the Underlying Index. A failure to achieve a high degree of correlation or co-efficiency may prevent the ETF from achieving its investment objective.

The following factors, including fees, expenses, transaction costs, costs associated with the use of leveraged investment techniques, may adversely affect the ETF's correlation or co-efficiency with the Underlying Index and the

ETF's ability to meet its investment objective: (i) direct or indirect investment in futures contracts based on foreign securities or financial instruments not included in the Underlying Index; (ii) significant volatility of the Underlying Index; (iii) the receipt of transaction information after the relevant exchange or market closes, potentially resulting in over or under exposure to the Underlying Index; (iv) the early close or trading halt on an exchange or market; (v) a restriction on security transactions, which may result in the ability to buy or sell certain futures contracts based on foreign securities or financial instruments; (vi) the ETF may not have investment exposure to all futures instruments in the Underlying Index, or its weighting of investment exposure to such financial instruments may be different from that of the Underlying Index. In such circumstances, the ETF may be unable to rebalance its portfolio, accurately price its investments, and may incur substantial losses; (vii) an imperfect correlation between the performance of instruments held by the ETF, such as forwards, swaps and/or futures contracts, and the performance of the Underlying Index; (viii) bid-ask spreads; (ix) the ETF's share prices being rounded to the nearest cent; (x) the need to conform the ETF's portfolio holdings to comply with investment restrictions or policies or regulatory or tax law requirements; or (xi) failure of the futures contracts or other financial instruments to precisely track the performance of (or inverse performance of) the Underlying Index.

Tracking Error Risk

The difference between the performance of the ETF on a given day and the performance of the Underlying Index on a given day is generally called "tracking error". The performance of the ETF on a given day may not replicate the intended multiple of the Underlying Index on that given day. Tracking error may occur due to Management Fees, operating costs, forward expenses, hedging costs (including the effect of corporate actions or trading halts on a Counterparty's hedging activities), index adjustments including rebalances, valuation timing variances, or due to other extraordinary circumstances.

Inverse Correlation Risk

As an ETF that seeks investment results that corresponds to the inverse of the daily performance of the Underlying Index, the ETF is intended to lose value as the Underlying Index or the bitcoin futures contracts comprising the Underlying Index increases in value. Such a result is the opposite of most traditional mutual funds.

Liquidity Risk

In certain circumstances, such as the disruption of the orderly markets for financial instruments in which the ETF invests, the ETF may not be able to dispose of certain holdings quickly or at prices that represent fair market value. Certain derivative instruments that are held by the ETF may also be illiquid, which may prevent the ETF from being able to limit its losses, to realize gains or from achieving an inverse correlation with its Underlying Index.

Market Risk

The ETF is subject to market risks that will affect the value of its investments, including general economic and market conditions. The ETF will normally lose value on days when the index or futures contracts comprising the Underlying Index rises (i.e. an adverse market condition for the ETF). This volatility may cause the value of an investment in the ETF to decrease. The ETF intends to remain fully invested regardless of market conditions.

Market Disruptions Risk

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally, including U.S., Canadian and other economies and securities markets. Recently the spread of coronavirus disease (COVID-19) has caused a slowdown in the global economy, and has caused volatility in global financial markets. Coronavirus disease or any other disease outbreak may adversely affect the performance of the ETF. The effects of future terrorist acts (or threats thereof), military action or similar unexpected disruptive events on the economies and securities markets of countries cannot be predicted. These events could also have an acute effect on individual issuers or related groups of

issuers. These risks could also adversely affect securities markets, inflation and other factors relating to value of the portfolio of the ETF.

Upon the occurrence of a natural disaster such as flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest or disease outbreak, the impacted country may not efficiently and quickly recover from such event, which could have a materially adverse effect on borrowers and other developing economic enterprises in such country.

Regulatory Risk

Legal and regulatory changes may occur which may adversely affect the ETF that could make it more difficult, if not impossible, for the ETF to operate or to achieve its investment objectives. To the extent possible, the Manager attempts to monitor such changes to determine the impact such changes may have on the ETF and what can be done, if anything, to try and limit such impact.

For example, the regulation of futures transactions is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory changes on the ETF is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager attempts to monitor such changes to determine the impact such changes may have on the ETF and what can be done, if anything, to try and limit such impact.

Draft legislation has also been introduced, and legislation has been enacted, which will change or has changed how over-the-counter derivatives transactions are regulated in the United States. This legislation may have an impact on the ETF and its Counterparties.

Borrowing Risk

From time to time, the ETF may borrow cash as a temporary measure. There is a risk that the ETF will not be able to repay the borrowed amount. Under these circumstances, the ETF would be required to repay the borrowed amount by disposing of portfolio assets.

Tax Risk

If the Company ceases to qualify as a “mutual fund corporation” under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects. The Company will be deemed not to be a mutual fund corporation if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be “taxable Canadian property” as defined in the Tax Act (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The current law does not provide any means of rectifying a loss of mutual fund corporation status if this requirement is not met.

Legal and regulatory changes may occur, including income tax laws and administrative policies and assessing practices of the CRA relating to the treatment of mutual fund corporations under the Tax Act, that may adversely affect the Company and the ETF and which could make it more difficult, if not impossible, for the ETF to operate or to achieve its investment objective. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Company and the ETF, and what can be done, if anything, to try to limit such impact.

The Company will recognize income under a derivative instrument (including a BTC-exposed instrument or a Forward Document) when it is realized upon partial settlement, termination or maturity of the derivative instrument. This may result in significant gains being realized by the Company at such times and such gains would be taxed as ordinary income, unless the derivative is used to hedge capital property and there is sufficient linkage, subject to the DFA Rules discussed under the heading *Income Tax Considerations - Taxation and Status of the Company* - Taxation of the

Company. To the extent any income is not offset by any available expenses or other deductions of the Company, such income would be taxable to the Company.

The ETF is also generally required to pay GST/HST on any Management Fees and most of the other fees and expenses that it may pay, if any. There may be changes to the way that the GST/HST and provincial Sales Taxes apply to fees and expenses incurred by mutual fund corporations such as the Company and there may be changes in the rates of such taxes, which, accordingly, may affect the costs borne by the ETF and its Shareholders.

If, in any taxation year, the Company would otherwise be liable for tax on net realized capital gains, the Company generally intends to pay, to the extent possible, by the last day of that year, a special Capital Gains Dividend to ensure that the Company will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Such dividend, if not paid in cash, may be paid in shares of the relevant Corporate Class or in cash that is automatically reinvested in such shares (in which case the Shareholder may need to fund any tax liability from other sources, or sell sufficient shares to fund the tax). The Company may not have adequate information to correctly ascertain the quantum of capital gains it realizes in time to make such capital gains payable (as a Capital Gains Dividend) to Shareholders who were Shareholders at the time such capital gains were realized, in which case the Company may choose not to distribute such gains to shareholders as a Capital Gains Dividend, or may distribute such gains some time after their realization by the Company to shareholders of the applicable Corporate Class at that time, who may not have been shareholders at the time of realization. To the extent that any capital gains are realized by the Company and not distributed to shareholders as a Capital Gains Dividend, such capital gains will be subject to tax within the Company (net of any deductions that may be available to the Company for purposes of computing its income). Any such tax would be attributed to the applicable Corporate Class and be indirectly borne by the shareholders of that class. While any such tax may be fully or partially refundable in subsequent years upon the payment by the Company of sufficient Capital Gains Dividends and/or Capital Gains Redemptions, there can be no assurances in this regard.

Early Closing Risk

Unanticipated early closings of a stock exchange on which futures contracts to which the ETF is exposed may result in the ETF being unable to transact on that day. If an exchange closes early on a day when an ETF needs to execute a high volume of trades late in the Trading Day, the ETF may incur substantial trading losses. In the event of early (late) exchange closings, it is expected that the ETF will also close early (late).

Share Consolidation and Share Split Risk

The Manager may, from time to time, split or consolidate ETF Shares when the trading price of the ETF's ETF Shares reaches certain thresholds. A consolidation is a reduction in the number of ETF Shares, and a corresponding increase in the net asset value per ETF Share and in the investor's average cost per ETF Share. A split is an increase in the number of ETF Shares, and a corresponding decrease in the net asset value per ETF Share and in the investor's average cost per ETF Share. A split or consolidation has no effect on the net asset value or the adjusted cost base of an investor's overall position. Splits and consolidations are announced publicly, in advance, by a press release that is posted on SEDAR and on the Manager's website.

While the Manager works closely with major brokerage firms in respect of splits and consolidations of ETF Shares, and provides these firms with complete and timely information regarding such splits and consolidations, it can take up to 3-5 Business Days for an investor's holdings to be properly updated in their brokerage account.

Under such circumstances, with certain brokers or custodians, splits and consolidations can disrupt an investor's ability to engage in the normal trading of ETF Shares on the TSX. It is advisable to take extra care and contact your broker prior to trading ETF Shares during the first 3-5 Business Days following a split or consolidation of ETF Shares.

Conflicts of Interest

The ETF is subject to certain conflicts of interest. See "Organization and Management Details of the ETF - Conflicts of Interest".

Price Limit Risk

Some futures exchanges have regulations that limit the amount of fluctuation that may occur in futures contract prices during a single business day. The maximum or minimum price on a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price is reached on a contract, no trades may be made at a price beyond the limit. The limit price may preclude trading or force liquidation of a particular contract at potentially disadvantageous prices or times. Such circumstances could adversely affect the value of the Underlying Index, the net asset value of the ETF, and could also disrupt subscription and redemption requests.

Reliance on the Manager

Shareholders are relying on the ability of the Manager. Past performance is not necessarily indicative of future results. No assurance can be given that the trading systems and strategies utilized by the Manager, including, without limitation, its investment strategies, will prove successful under all or any market conditions.

Designated Broker/Dealer Risk

As the ETF will only issue ETF Shares directly to the Designated Broker and to Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, the resulting costs and losses incurred will be borne by the ETF.

Exchange Risk

In the event that the TSX closes early or unexpectedly on any day that it is normally open for trading, Shareholders will be unable to purchase or sell ETF Shares on the TSX until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of ETF Shares will be suspended until the TSX reopens.

ETF Shares May Trade at Prices Other Than Net Asset Value

ETF Shares may trade at a level other than their net asset value per ETF Share. The net asset value per ETF Share will fluctuate based on the changes in the market value of the ETF’s holdings. The trading prices of the ETF Shares will fluctuate in accordance with changes in the ETF’s net asset value per ETF Share, as well as market supply and demand on the TSX. As Shareholders may redeem a PNS, the Manager expects that large discounts or premiums to the net asset value per ETF Share should not be sustained.

Changes to the Underlying Index

Adjustments may be made to the Underlying Index or the Underlying Index may cease to be calculated without regard to the ETF or its Shareholders. In the event the Underlying Index is changed or ceases to be calculated, subject to any necessary approvals of Shareholders, the Manager may change the investment objective of the ETF, seek a new Underlying Index, or make such other arrangements as the Manager considers appropriate and in the best interest of Shareholders in the circumstances. Subject to any necessary approvals of Shareholders, the Manager may also change the investment objective of the ETF, seek a new underlying index, or make such other arrangements as the Manager considers appropriate and in the best interest of Shareholders in the circumstances.

Foreign Exchange Risk

Investments in futures contracts on foreign exchanges may involve risks not typically associated with investing in Canada. Foreign exchanges may be open on days when the ETF does not price ETF Shares and, therefore, the value of the futures contracts in the portfolios of the ETF may change on days when investors will not be able to purchase

or sell ETF Shares. Also, some foreign markets may be volatile, lack liquidity or have higher transaction and custody costs than those of the TSX.

Also, in the event that the TSX is open on a day that a foreign exchange is closed, the spread or difference between the value of the ETF's exposure to futures contracts on such foreign exchanges and the market price of an ETF Share on the TSX may increase.

Fund Corporation and Multi-Class/Series Structure Risk

The ETF is a separate share class of the Company and each class may be available in more than one series. Each class and series has its own fees and expenses which are tracked separately. Those fees and expenses will be deducted in calculating the net asset value of that class or series, thereby reducing the net asset value of the relevant class or series. If one class or series is unable to pay its expenses or liabilities, the Company is legally responsible to pay those expenses and as a result, the net asset value of the other classes or series may also be reduced.

A mutual fund corporation is permitted to flow through certain income to investors in the form of dividends, specifically capital gains and dividends from taxable Canadian corporations. However, a mutual fund corporation cannot flow through most other income including income realized upon partial settlement or maturity of a derivative instrument (that is not otherwise treated as capital gains), interest, trust income and foreign income. If this type of income, calculated for the Company as a whole, is greater than the expenses or other deductions from income or taxable income available to the Company (including any available losses and loss carryforwards to the extent deductible), the Company would generally become taxable. The Manager will track the income and expenses of each class or series of shares of the Company separately, so that if the Company becomes taxable, the Manager would usually allocate the tax to those classes or series whose taxable income exceeded available expenses or other deductions.

If the Company has taxable net income, this could be disadvantageous for two types of investors: (a) investors in a Registered Plan and (b) investors with a lower marginal tax rate than the Company. Investors in Registered Plans do not immediately pay income tax on income received, therefore income that a fund is permitted to flow through to a Registered Plan will not be subject to any immediate income tax. If the Company cannot distribute or deduct the income, investors in a Registered Plan will indirectly bear the income tax incurred by the Company. With regard to investors described in (b) above, the corporate tax rate applicable to mutual fund corporations is higher than some personal income tax rates, depending on the province or territory in which an investor resides and depending on the investor's marginal tax rate. If income is taxed inside the Company rather than distributed to the investor (such that the investor pays the tax), the investor may indirectly bear a higher rate of tax on that income.

Given the expected investment, operating and distribution policies of the Company, and taking into account the deduction of expenses and other deductions (including any available losses and loss carryforwards to the extent deductible), the Company does not expect to be subject to any significant amount of non-refundable Canadian income tax, although no assurances can be given in this regard.

Cybersecurity Risk

The Manager uses information technology and the internet to streamline business operations and to improve client and advisor experience. However, with the use of information technology and the internet, the Manager and the ETF are exposed to information technology events, through cybersecurity breaches, which could potentially have an adverse impact on their business. In general, a cybersecurity breach can result from either a deliberate attack or an unintentional event, and may arise from external or internal sources. Cybersecurity breaches include, but are not limited to, unauthorized access of the Manager's or the ETF's digital information systems (ex. through "hacking" or other malicious software code) for the purpose of misappropriating assets or sensitive information (ex. personal information), corrupting data, equipment, or systems, or causing operational disruption. Cyber incidents affecting the ETF's service providers (including, but not limited to, the portfolio manager, consultant(s), transfer agent, and custodian) have the ability to interfere with the ETF's ability to calculate its NAV, and impede trading, the ability of Unitholders to transact business with the ETF, and the ability of the ETF to process transactions including redemptions. Cybersecurity breaches could cause the ETF to be in violation of applicable privacy and other laws, and incur

regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or reimbursement, and/or financial loss.

Absence of an Active Market for the ETF Shares and Lack of Operating History Risk

The ETF has no operating history as an exchange traded class of shares of the Company. Although the ETF may be listed on the TSX there can be no assurance that an active public market for the ETF Shares will develop or be sustained.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

Risk Ratings of the ETF

The investment risk level of the ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the ETF, as measured by the 10-year standard deviation of the returns of the ETF. If the ETF is fewer than 10 years old, the Manager calculates the investment risk level of the ETF using the return history of the ETF, and, for the remainder of the 10-year period, the return history of a reference index (set out in the table below) that is expected to reasonably approximate the standard deviation of the ETF. Once an ETF has 10 years of performance history, the methodology will calculate the standard deviation of the ETF using only the return history of the ETF rather than that of the ETF and the reference index. In each case, the ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk. The investment risk rating of the ETF is disclosed in its ETF Facts document. The risk ratings set forth in the ETF Facts document do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

The following chart sets out the reference index used for the ETF for the portion of the 10-year calculation period during which the ETF did not exist

ETF	Reference Index
BITI	CME CF Bitcoin Reference Rate

Shareholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the ETF set out above is reviewed annually and any time it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the ETF is available on request, at no cost, by calling toll-free 1-866-641-5739 or by writing to info@horizonsetfs.com.

DIVIDEND POLICY

The Company does not currently intend to pay regular dividends or returns of capital on the ETF Shares. Notwithstanding the foregoing, any decision to pay dividends or returns of capital on the ETF Shares in the future will be at the discretion of the Manager and will depend on, among other things, the Company's and the ETF's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions, solvency tests imposed by corporate law and other factors that the Manager may deem relevant.

If, in any taxation year, the Company would otherwise be liable for tax on net realized capital gains, the Company intends to pay, to the extent possible, by the last day of that year, a special Capital Gains Dividend to ensure that the Company will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Such distributions may be paid in the form of ETF Shares and/or cash which is automatically reinvested in ETF Shares. Any such distributions payable in ETF Shares or reinvested in ETF Shares will increase the aggregate adjusted cost base of a Shareholder's ETF Shares. Immediately following payment of such a special distribution in ETF Shares or reinvestment in ETF Shares, the number of ETF Shares outstanding will be automatically consolidated such that the number of ETF Shares outstanding after such distribution will be equal to the number of ETF Shares outstanding immediately prior to such distribution, except where there are non-resident Shareholders to the extent tax is required to be withheld in respect of the distribution.

Given the expected investment and operating policies of the Company, the Manager does not currently expect to pay a material amount of special Capital Gains Dividends. See “Income Tax Considerations”.

PURCHASES OF ETF SHARES

Issuance of ETF Shares

ETF Shares are being issued and sold on a continuous basis and there is no maximum number of ETF Shares that may be issued. In compliance with NI 81-102, the ETF will not issue ETF Shares to the public until subscriptions aggregating not less than \$500,000 have been received and accepted by the ETF from investors other than persons or companies related to the Manager or its affiliates.

To Designated Brokers and Dealers

All orders to purchase ETF Shares directly from the ETF must be placed by a Designated Broker or Dealer who has entered into an agreement with the Manager for such purpose. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars. The ETF reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer for ETF Shares, including, without limitation, if (a) the order is not in proper form; (b) the acceptance of the order would otherwise, in the sole discretion of the Manager, have an adverse effect on the ETF or the rights of beneficial owners of ETF Shares; (c) the acceptance or receipt of the order would, in the opinion of counsel to the ETF, be unlawful; or (d) circumstances outside the control of the Manager, the Custodian, and/or the Transfer Agent and Registrar exist which make processing of the subscription order for all practical purposes not feasible. No fees will be payable by the ETF to the Designated Broker or a Dealer in connection with the issuance of ETF Shares. The Manager will publish the PNS for the ETF following the close of business on each Trading Day on its website, www.HorizonsETFs.com. The Manager may, at its sole discretion, increase or decrease the PNS of the ETF from time to time.

On any Trading Day, the Designated Broker or a Dealer may place a Cash Subscription order for the PNS or multiple PNS of the ETF.

If a Cash Subscription is received by the ETF by 9:30 a.m. (Toronto time) on a Trading Day when the principal exchange or market for the financial instruments to which the ETF is exposed, if any, does not close early, and is accepted by the ETF, the ETF will issue to the Designated Broker or Dealer the number of ETF Shares subscribed for generally by the first Trading Day after the date on which the subscription order is accepted. The number of ETF Shares issued will be based on the net asset value per ETF Share at the close of the Trading Day on which the subscription is accepted by the Manager, provided that payment in full for such ETF Shares has been received. On days when the principal exchange or market for the financial instruments to which the ETF is exposed closes early, a revised deadline for subscription orders in respect of the ETF will be communicated to the Designated Broker and the Dealers. Notwithstanding the foregoing, the ETF will issue to the Designated Broker or Dealer the number of ETF Shares for which the Designated Broker or Dealer subscribed, by no later than the second Trading Day after the date on which the subscription order was accepted, provided that payment in full for such ETF Shares has been received.

Unless the Manager shall otherwise agree, as payment for a PNS of the ETF a Dealer or Designated Broker must deliver a Cash Subscription in an amount sufficient so that the cash delivered is equal to the net asset value of the PNS of the ETF in that currency next determined following the receipt of the subscription order. Subscriptions for US\$ Shares of BITI can be made in either U.S. or Canadian dollars.

Administrative Charges

As may be agreed between the Manager and a Designated Broker or Dealer, the Manager may charge Shareholders at its discretion, an issue, exchange or redemption charge to offset certain transaction costs associated with the issuance, exchange or redemption of ETF Shares. The Manager will publish the current administrative charge, if any, on its website, www.HorizonsETFs.com. No fees or expenses will be paid by a Shareholder to the Manager or the ETF in connection with selling ETF Shares on the TSX.

Buying and Selling ETF Shares

The ETF Shares have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, the ETF Shares will be listed on the TSX. Investors can buy or sell the ETF Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling the ETF Shares.

Special Considerations for Shareholders

The ETF is exempt from the so-called "early warning" requirements set out in Canadian securities legislation in connection with the acquisition of ETF Shares. In addition, the ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit a Shareholder to acquire more than 20% of the ETF Shares through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation.

No Counterparty has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. No Counterparty assumes any liability in connection with the administration, marketing or trading of the ETF. The ETF is not sponsored, endorsed, sold or promoted by any Counterparty. No Counterparty makes any representation or warranty, express or implied, to the Shareholders of the ETF regarding the advisability of investing in the ETF or the ability of the ETF to track its Underlying Index. No Counterparty has any obligation to take the needs of the ETF or the Shareholders of the ETF into consideration.

If the ETF experiences a significant increase in total NAV, the Manager may be required to, or at its sole discretion and if determined to be in the best interests of Shareholders decide to, suspend subscriptions for new ETF Shares, including if considered necessary to comply with applicable margin requirements or contract limits of the Chicago Mercantile Exchange, in response to changes in liquidity of the underlying futures contracts to which the ETF is exposed, or depending on the ability of the ETF to obtain continued exposure to the underlying futures contracts. Currently, no single entity is permitted to own more than 2,000 BTC prompt month futures contracts, and is subject to a total contract limit (prompt month and secondary month futures contracts) of 5,000 futures contracts. During a period of suspended subscriptions, if any, investors should note that ETF Shares could trade at a premium to the NAV per ETF Share. During such periods, investors are strongly discouraged from purchasing ETF Shares on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Shareholders to sell their ETF Shares in the secondary market at a price reflective of the NAV per ETF Share. See "Risk of Suspended Subscriptions".

REDEMPTION AND SWITCHING OF ETF SHARES

Redemption

As described below under "Book-Entry Only System", registration of interests in, and transfers of, ETF Shares will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds ETF Shares. Beneficial owners of ETF Shares should ensure that they provide redemption instructions to the CDS Participant through which they hold such ETF Shares sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Redemption of ETF Shares

On any Trading Day, Shareholders may redeem ETF Shares for cash at a redemption price per ETF Share equal to 95% of the closing price for the ETF Shares on the TSX on the effective day of the redemption, subject to a maximum redemption price per ETF Share equal to the net asset value per ETF Share on the effective day of redemption (a "Cash Redemption"). Holders of US\$ Shares of BITI may request that the Cash Redemption proceeds be paid in U.S. or Canadian dollars. Because Shareholders will generally be able to sell (rather than redeem) ETF Shares at the applicable full market price on the TSX through a registered broker or dealer subject only to customary brokerage

commissions, unless they are redeeming a PNS, Shareholders are advised to consult their brokers, dealers or investment advisors before redeeming such ETF Shares for cash.

In order for a Cash Redemption to be effective on a Trading Day, a redemption request in the form prescribed by the Manager from time to time must be delivered to the ETF at its head office by 9:30 a.m. (EST) on that day. If a redemption request is not received by 9:30 a.m. (EST) on a Trading Day, the redemption order will be effective only on the next Trading Day. Payment of the redemption price will generally be made by the second Valuation Day after the effective day of the redemption. The redemption request forms may be obtained from any registered broker or dealer. On days when the principal exchange or market for the financial instruments to which the ETF is exposed, if any, closes early, the earlier deadline for redemption requests in respect of the ETF will be made available to the Designated Broker and the Dealers.

All requests to redeem US\$ Shares of BITI will, if necessary, be converted at the end of the day on which the redemption request is effective into Canadian dollars using an exchange rate determined by the Manager for such time.

Shareholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

Suspension of Redemptions

The Manager may suspend the redemption of ETF Shares or payment of redemption proceeds of the ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which financial instruments owned by such ETF are listed and traded, if these financial instruments represent more than 50% by value or underlying market exposure of the total assets of the ETF, without allowance for liabilities, and if these financial instruments are not traded on any other exchange that represents a reasonably practical alternative for such ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the ETF or which impair the ability of the Valuation Agent to determine the value of the assets of such ETF. The suspension may apply to all requests for redemptions received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Shareholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Day following the termination of the suspension. All such Shareholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the ETF, any declaration of suspension made by the Manager shall be conclusive.

Switches

A Shareholder may switch ETF Shares for shares of another Corporate Class of the Company (a “**Switch**”) through the facilities of CDS by contacting their financial advisor or broker. ETF Shares may be switched on any date designated by the Manager as a switch date (“**ETF Switch Date**”) by delivering written notice to the Transfer Agent and Registrar and surrendering such ETF Shares through the facilities of CDS by 4:00 p.m. (Toronto time) at least one Business Day prior to the ETF Switch Date. Written notice must contain the name of the ETF, the TSX ticker symbol of the ETF Shares of the ETF and the number of ETF Shares to be switched, and the name of the Corporate Class and the TSX ticker symbol of the shares of the Corporate Class to which the Shareholder wishes to Switch. The Manager may, in its discretion, change the frequency with which ETF Shares may be switched at any time upon 30 days’ notice by way of press release.

A Shareholder will receive from the Company that whole number of shares of the Corporate Class into which they have switched equal to the Switch NAV Price per ETF Share switched from, divided by the Switch NAV Price per share of the Corporate Class switched to. As no fraction of a share will be issued upon any Switch, any remaining fractional ETF Share out of which a Shareholder has switched will be redeemed in cash at the Switch NAV Price of such ETF Share. The Company will, following the ETF Switch Date forward a cash payment to CDS equal to such

amount. Generally, Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the ETF Shares that are switched.

Under the Tax Act, a Switch of ETF Shares held as capital property for purposes of the Tax Act (“**Switched Shares**”) to shares of a different Corporate Class of the Company will constitute a disposition of such Switched Shares at fair market value for the purposes of the Tax Act.

Costs Associated with Switches

Shareholders may have to pay their financial advisor, investment advisor or broker a transfer fee based on the value of the ETF Shares that are switched.

Suspension and Restrictions on Switches

The Manager has the right to decline any Switch request. Switches will only be transacted if the following conditions are met: (i) the minimum size of any Switch is equal to or greater than 2,500 ETF Shares; (ii) the ETF Switch Date does not occur between the ex-date and the record date of a dividend payable by the ETF on the ETF Shares; and (iii) the Switch will not result in the ETF failing to meet the TSX minimum listing requirements.

Book-Entry Only System

Registration of interests in, and transfers of, ETF Shares will be made only through the book-entry only system of CDS. ETF Shares must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of ETF Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such ETF Shares. Upon buying ETF Shares, the owner will receive only the customary confirmation. References in this prospectus to a holder of ETF Shares means, unless the context otherwise requires, the owner of the beneficial interest of such ETF Shares. Neither the ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in ETF Shares or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of ETF Shares to pledge such ETF Shares or otherwise take action with respect to such owner’s interest in such ETF Shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The ETF has the option to terminate registration of ETF Shares through the book-entry only system in which case certificates for Shares in fully registered form will be issued to beneficial owners of such ETF Shares or to their nominees.

Short Term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the ETF at this time as: (i) the ETF is an exchange traded fund that is primarily traded in the secondary market; and (ii) the few transactions involving ETF Shares that do not occur on the secondary market involve the Designated Broker and the Dealers, who can only purchase or redeem ETF Shares in a PNS, and on whom the Manager may impose a redemption fee.

PRIOR SALES

As the ETF is newly launched, information related to trading price and volume does not yet exist.

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of ETF Shares by a Shareholder who acquires ETF Shares pursuant to this prospectus. This summary only applies to a prospective Shareholder who is an

individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length with the Company and the Designated Broker or Dealer and is not affiliated with the Company or the Designated Broker or Dealer and who holds ETF Shares as capital property (a "**Holder**").

Generally, ETF Shares will be considered to be capital property to a Holder provided that the Holder does not hold such ETF Shares in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold ETF Shares as capital property may, in certain circumstances, be entitled to have such ETF Shares and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election contemplated by subsection 39(4) of the Tax Act. Holders who may not otherwise hold their ETF Shares as capital property should consult with their own tax advisors regarding the availability and desirability of making such an election in their particular circumstances. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the ETF Shares or any securities disposed of in exchange for ETF Shares.

This summary is based on the facts disclosed herein, and assumes that at all times the Company will comply with its investment restrictions. This summary is also based on the assumptions that (i) none of the issuers of the securities in the portfolio of the ETF will be foreign affiliates of the ETF or of any Shareholder, or "SIFT trusts" or "SIFT partnerships" within the meaning of the Tax Act, (ii) none of the securities in the portfolio of the ETF will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (iii) none of the securities in the portfolio of the ETF will be an offshore investment fund property (or an interest in a partnership that holds such property) that would require the ETF to include significant amounts in the ETF's income pursuant to section 94.1 of the Tax Act or an interest in a trust (or a partnership which holds such an interest) which would require the ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" (or a partnership which holds such interest), (iv) that the Company will not enter into any arrangement (including the acquisition of securities in the ETF's portfolio) where the result is a "dividend rental arrangement" for the purposes of the Tax Act, and (v) the Company will not engage in securities lending that does not constitute a "securities lending arrangement" for purposes of the Tax Act.

This summary is based on the current provisions of the Tax Act and an understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial decision or action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

For purposes of the Tax Act, all amounts relating to the computation of the income of the ETF must be expressed in Canadian dollars. Amounts denominated in another currency generally must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the CRA.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in ETF Shares. This summary does not address the deductibility of interest on any funds borrowed by a Shareholder to purchase ETF Shares. The income and other tax consequences of investing in ETF Shares will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. This summary does not deal with provincial, territorial or foreign tax considerations. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of ETF Shares. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of ETF Shares based on their particular circumstances.

Taxation and Status of the Company

Status of the Company

The Company intends at all relevant times to qualify as a “mutual fund corporation” as defined in the Tax Act. To qualify as a mutual fund corporation: (i) the Company must be a “Canadian corporation” that is a “public corporation” for purposes of the Tax Act; (ii) the only undertaking of the Company must be (a) the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Company, or (c) any combination of the activities described in (a) and (b); and (iii) at least 95% of the fair market value of all of the issued shares of the capital stock of the Company must be redeemable at the demand of the holders of those shares. In addition, the Company must not reasonably at any time be considered to be established or maintained primarily for the benefit of non-resident persons unless, throughout the period that begins on the date of the Company’s incorporation and ends at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

If the Company were not to qualify as a mutual fund corporation at all relevant times, the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the Company

The ETF will be a separate class of shares of the Company. Although the Company may issue shares in any number of classes, in any number of series, it will be required (like any other mutual fund corporation with a multi-class structure) to compute its income and net capital gains for tax purposes as a single entity. All of the Company’s revenues, deductible expenses, non-capital losses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income (and taxable income) or loss of the Company and applicable taxes payable by the Company as a whole. For example, expenses, tax deductions and losses arising from the Company’s investments and activities in respect of one Corporate Class (including the ETF) may be deducted or offset against income or gains arising from the Company’s investments and activities in respect of other Corporate Classes (including the ETF), including Corporate Classes not offered pursuant to this Prospectus. As a result of the Company being required to calculate its income as a single entity and not being able to flow all of its income through to its shareholders, the overall result for a Holder of a particular ETF will differ from what would be the case if the Holder had invested in a mutual fund trust, or a single-class mutual fund corporation, that made the same investments as the particular ETF.

The Company will establish a policy to determine how it allocates income, capital gains and other amounts in a tax-efficient manner among its Corporate Classes in a way that it believes is fair, consistent and reasonable for all Shareholders, with the general intent that allocations to each of the Corporate Classes track the performance of the corresponding portfolio, but subject to the foregoing paragraph. The amount of dividends, if any, paid to Shareholders will be based on this tax allocation policy.

In general, gains and losses realized by the Company from derivative transactions (including BTC-exposed instruments) will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and the Company will recognize such gains or losses for tax purposes at the time they are realized. The Company does not realize any income for purposes of the Tax Act upon entering into a Forward Document. Payments received by the Company under a Forward Document will be on income account and the Company will recognize such income when it is realized upon partial settlements or maturity of a Forward Document. Accordingly, the Company may have a large income inclusion upon partial settlement, termination or maturity of a Forward Document.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (referred to as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would otherwise have the character of ordinary income to a capital gain. The DFA Rules are broadly drafted and could apply to other agreements or transactions. If the DFA Rules were to apply to derivatives used by the Company, returns realized in respect of any capital property underlying such derivatives would be treated as ordinary income or losses rather than capital gains and capital losses. The Tax Act exempts the application of the DFA Rules

on currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

As a mutual fund corporation, the Company will be entitled, in certain circumstances, to a refund of tax paid by it in respect of its net realized capital gains determined on a formula basis that is based in part on the redemption of the ETF Shares (including the switching of ETF Shares for shares of another Corporate Class) (“**Capital Gains Redemption**”). Also, as a mutual fund corporation, the Company will be entitled to maintain a capital gains dividend account in respect of its net realized capital gains and from which it may elect to pay dividends (“**Capital Gains Dividends**”) which are treated as capital gains in the hands of Holders (see “Income Tax Considerations - Taxation of Holders of ETF Shares” below). In certain circumstances where the Company has realized a capital gain in a taxation year, it may elect not to pay Capital Gains Dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient Capital Gains Dividends and/or Capital Gains Redemptions. Where the Company has realized a net capital loss in a taxation year, such capital loss cannot be allocated to Holders but the Company may carry such capital loss back three years or forward indefinitely to offset capital gains realized by the Company in accordance with the rules of the Tax Act.

The Company is expected to qualify as a “financial intermediary corporation” (as defined in the Tax Act) and, thus, will not be subject to tax under Part VI.1 of the Tax Act on dividends paid by the Company on “taxable preferred shares” (as defined in the Tax Act).

The Company may, at its option, pay special year-end dividends to Holders in the form of a Capital Gains Dividend where the Company has net taxable capital gains upon which it would otherwise be subject to tax, or in order to recover refundable tax not otherwise recoverable upon payment of regular cash distributions.

In computing its income under the Tax Act, the Company may deduct reasonable administrative and other expenses incurred to earn income. In certain circumstances, the Company may not be able to deduct interest on borrowed funds that are used to fund redemptions of its shares. The Company is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing ETF Shares that is not reimbursed. Such issue expenses will be deductible by the Company rateably over a five-year period subject to reduction in any taxation year which is less than three hundred and sixty-five (365) days.

Non-capital losses incurred by the Company in a taxation year cannot be allocated to shareholders of the Company, but may be carried back three years or carried forward twenty years to offset income (including taxable capital gains) in accordance with the Tax Act.

In certain situations, where the Company disposes of property and would otherwise realize a capital loss, the loss will be deemed to be a “suspended loss”. This may occur if the Company disposes of and acquires the same property or an identical property during the period that begins 30 days before and ends 30 days after the disposition of property and holds it at the end of that period (for greater certainty, even if the disposition and acquisition are made by different Corporate Classes).

Given the expected investment, operating and distribution policies of the Company, and taking into account the deduction of expenses and other deductions (including losses and future loss carryforwards), the Company does not expect to be subject to any significant amount of non-refundable Canadian income tax, but no assurance can be given in this regard. To the extent that any capital gains are realized by the Company and not distributed to shareholders as a Capital Gains Dividend, such capital gains will be subject to tax within the Company (net of any deductions that may be available to the Company for purposes of computing its income). Any such tax would be attributed to the applicable Corporate Class and be indirectly borne by the shareholders of that class. While any such tax may be fully or partially refundable in subsequent years upon the payment by the Company of sufficient Capital Gains Dividends and/or Capital Gains Redemptions, there can be no assurances in this regard.

Taxation of Holders of ETF Shares

A Holder will be required to include in income the amount of any dividends other than Capital Gains Dividends (“**Ordinary Dividends**”) paid on ETF Shares, whether received in cash, in the form of ETF Shares or as cash which is reinvested in additional ETF Shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will generally apply to such dividends. The treatment to Holders of Capital Gains Dividends is described below.

If the Company pays a return of capital such amount will generally not be taxable but will reduce the adjusted cost base of the Holder's ETF Shares in respect of which the return of capital was paid. However, where such returns of capital are reinvested in new ETF Shares, the Holder's overall adjusted cost base of such ETF Shares will not be reduced. In the circumstance where a reduction to the adjusted cost base of a Holder's ETF Shares would result in such adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the Holder of the ETF Shares and the adjusted cost base will then be zero.

Capital Gains Dividends will be paid to Holders, at the discretion of the Company's board of directors with respect to the timing, the amount and, if applicable, the ETF on which the dividends will be paid, in respect of any capital gains realized by the Company, including capital gains realized on the disposition of portfolio assets occurring as a result of Holders redeeming or switching their ETF Shares into shares of another Corporate Class, if applicable. The amount of a Capital Gains Dividend paid to a Holder will be treated as a capital gain in the hands of the Holder from the disposition of capital property in the taxation year in which the Capital Gains Dividend is received, and will be subject to the general rules relating to the taxation of capital gains which are described below.

Where an Ordinary Dividend or a Capital Gains Dividend is paid in ETF Shares or in cash which is reinvested in ETF Shares, the cost of such ETF Shares will be equal to the amount of the dividend. The adjusted cost base of each ETF Share to a Holder will generally be the weighted average of the cost of the ETF Shares acquired by the Holder at a particular time and the aggregate adjusted cost base of any ETF Shares of the same class and series held as capital property immediately before the particular time.

Generally, a Holder who receives a Management Fee Rebate in a particular taxation year will include the amount of such rebate in income for that year. Shareholders should consult their own tax advisors with respect to the tax treatment of Management Fee Rebates.

Under the Tax Act, the Switch by a Holder of ETF Shares into shares of another Corporate Class will be a disposition of the Switched Shares for purposes of the Tax Act for proceeds of disposition equal to the fair market value, at the time of the Switch, of the shares of the other Corporate Class received pursuant to the Switch. As a result, a Holder of such ETF Shares may realize a capital gain or capital loss on such Switched Shares as discussed below. The cost of the shares of the other Corporate Class acquired on the Switch will be equal to the fair market value of the Switched Shares at the time of the Switch. Any redemption of fractional shares for cash proceeds as a result of a Switch will also result in a capital gain (or capital loss) to the holder of such shares.

Upon the actual or deemed disposition of an ETF Share, including the redemption of an ETF Share for cash proceeds or on a Switch by a Holder of ETF Shares for shares of another Corporate Class, a Holder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the ETF Share so disposed of exceed (or are less than) the aggregate of the adjusted cost base to the Holder of such ETF Share and any reasonable costs of disposition.

In certain situations where a Holder disposes of ETF Shares and would otherwise realize a capital loss, the loss will be denied. This may occur if the Holder, the Holder's spouse or another person affiliated with the Holder (including a corporation controlled by the Holder) has acquired shares of a Corporate Class which are considered to be "substituted property" within 30 days before or after the Holder disposed of the ETF Shares. For this purpose, ETF Shares are considered to be "substituted property" for other ETF Shares, and under current published administrative policy of the CRA, shares of another Corporate Class of the Company may also be considered to be "substituted property". The amount of the denied capital loss will generally be added in computing the aggregate adjusted cost base to the owner of the shares which are "substituted property".

Capital gains realized and Ordinary Dividends and Capital Gains Dividends received by a Holder may result in such Holder being liable for alternative minimum tax under the Tax Act. Such Holders should consult their own tax advisors in this regard.

One-half of any capital gain (a "**taxable capital gain**") realized by a Holder on a disposition (or deemed disposition) of ETF Shares will be included in the Holder's income under the Tax Act. One-half of any capital loss (an "**allowable capital loss**") realized by a Holder on a disposition (or deemed disposition) of ETF Shares must generally be deducted against any taxable capital gains realized by the Holder in the year of disposition. Any excess of allowable capital losses over taxable capital gains for the year may generally be carried back to the three preceding taxation years or carried forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

Taxation of Registered Plans

Dividends and other distributions received by Registered Plans on ETF Shares while the ETF Shares are a qualified investment for Registered Plans will be exempt from income tax in the plan, as will capital gains realized by the plan on the disposition of such ETF Shares. Withdrawals from such plans (other than a TFSA and certain withdrawals from an RESP or RDSP) are generally subject to tax under the Tax Act. Shareholders should consult their own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Tax Implications of the ETF's Distribution Policy

The net asset value per ETF Share will, in part, reflect any income and gains of the ETF that have accrued or been realized, but have not been distributed at the time ETF Shares were acquired. Accordingly, a Holder of the ETF who acquires ETF Shares, including on a reinvestment of dividends or a dividend paid in ETF Shares, may become taxable on the Holder's share of taxable dividends and capital gains of the ETF. In particular, an investor who acquires ETF Shares shortly before an Ordinary Dividend or Capital Gains Dividend is paid will have to pay tax on the dividend in accordance with the rules in the Tax Act regardless of the fact that the investor only recently acquired such ETF Shares.

Given the expected investment and operating policies of the Company, the Manager does not currently expect to pay a material amount of Capital Gains Dividends or Ordinary Dividends to Holders.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act, provided the Company continues to qualify as a "mutual fund corporation" under the Tax Act, or the ETF Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX), ETF Shares, if issued on the date hereof, would be on such date qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of ETF Shares held by such TFSA, RDSP, RRSP, RRIF or RESP, as the case may be, if such ETF Shares are a "prohibited investment" for such Registered Plan for the purposes of the Tax Act. The ETF Shares will not be a "prohibited investment" for trusts governed by a such a Registered Plan unless the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of an RESP, as applicable, does not deal at arm's length with the Company for purposes of the Tax Act, or has a "significant interest" as defined in the Tax Act in the Company.

In addition, the ETF Shares will not be a "prohibited investment" if the ETF Shares are "excluded property" as defined in the Tax Act for trusts governed by a RRSP, RRIF, TFSA, RDSP or RESP. Holders, annuitants and subscribers should consult their own tax advisors with respect to whether the ETF Shares would be a prohibited investment in their particular circumstances, including with respect to whether the ETF Shares would be excluded property.

ORGANIZATION AND MANAGEMENT DETAILS OF THE ETF

Officers and Directors of the Company

As the ETF is a class of shares in the capital of the Company, governance and management decisions are ultimately made by the board of directors of the Company. The board of directors is currently composed of 6 directors. Directors are appointed to serve on the board of directors until such time as they retire or are removed and successors are appointed. The name, municipality of residence, position with the Company and principal occupation of each of the directors and officers of the Company are as follows:

<u>Name and Municipality of Residence</u>	<u>Date Individual became a Director</u>	<u>Position with the Company</u>	<u>Principal Occupation</u>
Steven J. Hawkins, Toronto, Ontario	October 10, 2019	Chief Executive Officer and Director	Chief Executive Officer and President, Horizons (since 2009); Director, Horizons (since 2016).
Kevin S. Beatson, Oakville, Ontario	October 10, 2019	Chief Operating Officer and Director	Chief Operating Officer and Chief Compliance Officer, Horizons (since 2009).
Julie Stajan, Oakville, Ontario	October 10, 2019	Chief Financial Officer and Director	Chief Financial Officer, Horizons (since 2015).
Warren Law, Toronto, Ontario	November 15, 2019	Director	Retired Financial Services Lawyer (current); Senior Vice President, Compliance and Regulatory & Stakeholder Relations, ICICI Bank Canada (2008 - 2020).
Geoff Salmon	November 15, 2019	Director	Managing Director, Independent Review Inc. (since 2008).
McGregor Sainsbury, Toronto, Ontario	November 15, 2019	Secretary and Director	General Counsel and Secretary, Horizons (since 2011).

Where a person has held multiple positions within a company, the above table generally sets out the current or most recently-held position or positions held at that company, while the start date generally refers to the date of the first position held at that company or the first of the listed positions held by the person at that company. Each director will hold his or her position until the next annual meeting of Shareholders of the Company or until his or her successor is elected or appointed.

Manager of the ETF

Horizons ETFs Management (Canada) Inc., a corporation existing under the federal laws of Canada, is the manager, investment manager of the ETF. The Manager is responsible for providing or arranging for the provision of administrative services and management functions required by the ETF. The principal office of Horizons is 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7. Horizons was originally incorporated under the federal laws of Canada under the name BetaPro Management Inc. and was primarily organized for the purpose of managing investment products, including the ETF.

Horizons is a financial services organization distributing the Horizons family of leveraged, inverse leveraged, inverse, index and actively managed exchange traded funds. Horizons is a wholly-owned subsidiary of Mirae Asset. Mirae Asset is the asset management entity of the Mirae Asset Financial Group, a global financial group providing comprehensive services to clients worldwide – including asset management, wealth management, investment banking, life insurance and venture capital. With over 12,500 employees, the Mirae Asset Financial Group has a presence in America, Australia, Brazil, Canada, China, Colombia, Hong Kong, India, Indonesia, Japan, Mongolia, Singapore, the United Kingdom and Vietnam. Headquartered in Seoul, South Korea, the Mirae Asset Financial Group is one of the largest independent financial groups in Asia and manages approximately US\$510 billion in assets globally as of September 30, 2020.

Duties and Services to be Provided by the Manager

Pursuant to the Management Agreement, the Manager has full authority and responsibility to manage and direct the business and affairs of the ETF, to make all decisions regarding the business of the ETF and to bind the ETF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the ETF to do so. The Manager is responsible for execution of the ETF's investment strategy and also provides and arranges for the provision of required administrative services to the ETF including, without limitation:

authorizing the payment of operating expenses incurred on behalf of the ETF; preparing or causing to be prepared financial statements, financial and accounting information as required by the ETF; ensuring that Shareholders are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the ETF complies with regulatory requirements; preparing or causing to be prepared the reports of the ETF to Shareholders and the Securities Regulatory Authorities; providing each of the Custodian and Valuation Agent with information and reports necessary for them to fulfil their responsibilities; determining the amount of distributions to be made by the ETF; and negotiating contractual agreements with third-party providers of services, including but not limited to investment advisors, custodians, valuation agents, registrars, transfer agents, distribution agents, auditors and printers.

Any directors, officers or employees of the Manager who are also officers of the Company shall be paid by the Manager for serving in such capacity and shall not receive any remuneration directly from the Company.

Details of the Management Agreement

Pursuant to the Management Agreement, the Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the ETF and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances. The Management Agreement provides that the Manager will not be liable in any way for default, failure or defect in the portfolio of any ETF if it has satisfied the duties and standard of care, diligence and skill set forth above. The Manager is reimbursed by the ETF for all reasonable costs and expenses incurred by the Manager on behalf of the ETF as described above under the heading "Fees and Expenses". In addition, the Manager and each of its directors, officers, employees, shareholders and agents are indemnified by the ETF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Manager, or any of its directors, officers, employees, shareholders or agents, in the exercise of its duties as Manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Management Agreement.

The Manager may resign as manager of the ETF upon 60 days' notice to Shareholders and the ETF. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Shareholders. If the Manager is in material default of its obligations to the ETF under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to the Manager or upon certain actions relating to the bankruptcy or insolvency of the Manager, the ETF shall give notice thereof to Shareholders and the Shareholders may remove the Manager and appoint a successor manager. The Manager may resign on 20 Business Days' written notice to the ETF if the ETF is in breach or default of the provisions of the Management Agreement and, if capable of being cured, such breach or default has not been cured by the ETF within 20 Business Days' notice of such breach or default to the ETF. The Manager is deemed to resign if an order is made or a resolution is passed or other proceeding is taken for the dissolution of the Manager, or upon certain events of insolvency or bankruptcy with respect to the Manager.

In addition, if the Manager purchases or sells financial instruments or takes any other action with respect to the portfolio of the ETF that through inadvertence violates any investment objective, strategy or restriction applicable to the ETF as described herein set forth and the violation has or will have a material adverse effect on the portfolio of the ETF, then it will not be considered a material breach for purposes of any termination right in the Management Agreement if the Manager takes action that returns the portfolio of the ETF to compliance with such investment objective, strategy or restriction within the cure period described above. In the event that the Manager resigns or is removed as described above, the Company shall promptly appoint a successor manager to carry out the activities of the Manager until a meeting of the Shareholders is held to confirm such appointment by extraordinary resolution. The removal or resignation of the Manager will only become effective upon the appointment of a replacement manager. If, within 90 days from the notice of resignation or removal of the Manager, the Company has not appointed a replacement manager, the ETF Shares will be redeemed and the ETF will be terminated.

The administration and management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the ETF) or from engaging in other activities.

Directors and Executive Officers of the Manager

The name, municipality of residence, position and principal occupation of each of the directors and executive officers of the Manager are as follows:

<i><u>Name and Municipality of Residence</u></i>	<i><u>Date Individual became a Director</u></i>	<i><u>Position with the Manager</u></i>	<i><u>Principal Occupation</u></i>
Thomas Park, New York, New York	November 14, 2011	Director and Chief Corporate Development Officer	Director, Horizons (since 2011); Chief Corporate Development Officer, Horizons (since 2015); President, Mirae Asset Global Investments (USA) (Since 2020); Executive Managing Director, Mirae Asset Global Investments (2008-2020); Associate, Goldman Sachs International (2006, 2007-2008); Senior Consultant, KPMG Consulting (Bearing Point) (2001-2005).
Wan Youn Cho, Toronto, Ontario	February 20, 2020	Director and Chief Governance Officer	Director, Horizons (since 2020); Chief Governance Officer, Horizons (since 2020); Director and Managing Director, Mirae Asset Global Investments (Hong Kong) Ltd. (2009-2020).
Jooyoung Yun, Tokyo, Japan	February 20, 2020	Director	CIO and Head of Investment Solutions Department, Global X Japan (since 2020); Head of ETF Management Division, Mirae Asset Global Investments (2011-2020).
Steven J. Hawkins, Toronto, Ontario	February 8, 2016	Director, Chief Executive Officer, President and Ultimate Designated Person	Chief Executive Officer and President, Horizons (since 2009); Director, Horizons (since 2016).
Kevin S. Beatson, Oakville, Ontario	N/A	Chief Operating Officer and Chief Compliance Officer	Chief Operating Officer and Chief Compliance Officer, Horizons (since 2009).
Julie Stajan, Oakville, Ontario	N/A	Chief Financial Officer	Chief Financial Officer, Horizons (since 2015); Senior Vice President, Finance and Controller, Horizons (since 2012); Senior Vice President, Finance & Investment Funds, Horizons Investment Management Inc. (2011-2012).

<i>Name and Municipality of Residence</i>	<i>Date Individual became a Director</i>	<i>Position with the Manager</i>	<i>Principal Occupation</i>
Jaime P.D. Purvis, Toronto, Ontario	N/A	Executive Vice President	Executive Vice President, Horizons (since 2006).
Jasmit Bhandal Toronto, Ontario	N/A	Executive Vice President, Business Operations	Executive Vice President, Business Operations, Horizons (since 2020); Vice-President, Head of Canada ETF Product Strategy & Development, Invesco Canada (2017-2020); Vice-President, ETFs, Mackenzie Investments (2015-2016).
Jeff Lucyk, Toronto, Ontario	N/A	Senior Vice President, Head of Retail Sales	Senior Vice President, Head of Retail Sales, Horizons (since 2016); Senior Vice President, Vice President, National Sales Manager, Norrep Capital Management Ltd. (2009-2016).
McGregor Sainsbury, Toronto, Ontario	N/A	General Counsel and Secretary	General Counsel and Secretary, Horizons (since 2011).

Where a person has held multiple positions within a company, the above table generally sets out the current or most recently-held position or positions held at that company, while the start date generally refers to the date of the first position held at that company or the first of the listed positions held by the person at that company. Each director will hold his position until the next annual general meeting of the Manager at which time he may be re-elected. All companies listed above are or were principally engaged in the business of investment fund management.

Ownership of Securities of the Manager

No securities of the Manager are owned of record or beneficially by any of the directors and executive officers of the Manager. For a description of the compensation arrangements of the IRC of the ETF, see “Organization and Management Details of the ETF – Independent Review Committee”.

Designated Brokers

The Manager, on behalf of the ETF, has entered, or will enter, into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the ETF including, without limitation: (i) to subscribe for a sufficient number of ETF Shares to satisfy the TSX’s original listing requirements; (ii) to subscribe for ETF Shares on an ongoing basis, and (iii) to post a liquid two way market for the trading of ETF Shares on the TSX. Payment for ETF Shares must be made by the Designated Broker, and ETF Shares will be issued, by no later than the second Trading Day after the subscription notice has been delivered.

ETF Shares do not represent an interest or an obligation of any Designated Broker or Dealer or any affiliate thereof and a Shareholder will not have any recourse against any such parties in respect of amounts payable by the ETF to such Designated Broker or Dealers. A Designated Broker may, from time to time, reimburse the Manager for certain expenses incurred by the Manager in the normal course of its business.

Conflicts of Interest

The Manager and its principals and affiliates (each, an “**ETF Manager**”) do not devote their time exclusively to the management of the ETF. The ETF Managers perform similar or different services for others and may sponsor or establish other investment funds (public and private) during the same period that they act on behalf of the ETF. The ETF Managers therefore will have conflicts of interest in allocating management time, services and functions to the ETF and the other persons for which they provide similar services.

The ETF Managers may trade and make investments for their own accounts, and such persons currently trade and manage and will continue to trade and manage accounts other than the accounts of the ETF utilizing trading and investment strategies which are the same as or different from the ones to be utilized in making investment decisions for the ETF. In addition, in proprietary trading and investment, the ETF Managers may take positions the same as, different than or opposite to those of the ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager will be aggregated for purposes of applying certain exchange position limits. As a result, the ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades. See “Risk Factors – Conflicts of Interest”.

The ETF Managers may at times have interests that differ from the interests of the Shareholders.

Although the Underlying Index is calculated by an independent calculation agent, Solactive AG, the Underlying Index is administered by the Manager, in its capacity as index provider. In its capacity as the Index Provider, the index methodology (including the roll methodology employed by the Underlying Index) is subject to change at the Index Provider’s discretion. As the ETF is a passive ETF, it will be impacted by any changes to the Underlying Index. The Manager seeks to mitigate the conflict of interest through division of duties related to the Underlying Index, from those related to the ETF.

In evaluating these conflicts of interest, potential investors should be aware that the ETF Managers have a responsibility to the Shareholders to exercise good faith and fairness in all dealings affecting the ETF. In the event that a Shareholder believes that one of the ETF Managers has violated its duty to such Shareholder, the Shareholder may seek relief for itself or on behalf of the ETF to recover damages from or to require an accounting by such ETF Manager. Shareholders should be aware that the performance by each ETF Manager of its responsibilities to the ETF will be measured in accordance with (i) the provisions of the agreement by which such ETF Manager has been appointed to its position with such ETF; and (ii) applicable laws.

The Manager is a wholly-owned subsidiary of Mirae Asset. Affiliates of the Manager may earn fees and spreads, directly and indirectly, in connection with various services provided to, or transactions with, the ETF or its service providers, including in connection with brokerage transactions, prime brokerage services and securities lending transactions, subject always to approval by the IRC of the ETF and compliance with applicable law (or exemptive relief therefrom), and applicable internal policies and procedures. In effecting ETF portfolio transactions, the Manager places brokerage business with various broker-dealers on the basis of best execution, which includes a number of considerations such as price, speed, certainty of execution and total transaction cost. The Manager uses the same criteria in selecting all of its broker-dealers, regardless of whether the broker-dealer is an affiliate of the Manager. Subject to compliance with NI 81-102 and in accordance with the terms of the standing instructions of the IRC, to the extent that an affiliate of the Manager provides advisory services to a securities lending agent of the ETF, the Manager may receive a portion of the affiliate’s revenue that it receives for those services.

An affiliate of the Designated Broker and/or Dealer of the ETF may from time to time act as a Counterparty. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in the ETF. In particular, by virtue of these relationships, the Designated Broker or Dealer may profit from the sale and trading of ETF Shares. The Designated Broker or Dealer may act as market maker of the ETF in the secondary market, and may therefore have economic interests which differ from and may be adverse to those of Shareholders. Designated Brokers and Dealers of the ETF will not be acting as an underwriter of the ETF in connection with the primary distribution of ETF Shares under this prospectus. No Designated Broker or Dealer has been involved in the preparation of this prospectus nor has it performed any review of the contents of this prospectus. The Designated

Broker of the ETF may, from time to time, reimburse the Manager for certain expenses incurred by the Manager in the normal course of its business.

Any Designated Broker or Dealer and their respective affiliates may, at present or in the future, engage in business with the ETF, the issuers of securities making up the investment portfolio of the ETF, or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between a Designated Broker or Dealer and their respective affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

Independent Review Committee

NI 81-107 requires that all publicly offered investment funds, such as the ETF, establish an IRC and that the Manager must refer all conflict of interest matters in respect of the ETF for review or approval by the IRC. NI 81-107 also requires the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide the IRC with guidance and assistance in carrying out its functions and duties. According to NI 81-107, the IRC must be comprised of a minimum of three (3) independent members and is subject to requirements to conduct regular assessments of its members and provide reports, at least annually, to the ETF and to its Shareholders in respect of those functions. The most recent report prepared by the IRC is available on the Manager's website (www.horizonsetfs.com), or at a Shareholder's request at no cost, by contacting the ETF at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7; telephone: 416-933-5745; toll free: 1-866-641-5739; fax: 416-777-5181.

Warren Law, Sue Fawcett and Michael Gratch are the current members of the IRC. The IRC:

- reviews and provides input on the Manager's written policies and procedures that deal with conflict of interest matters;
- reviews conflict of interest matters referred to it by the Manager and makes recommendations to the Manager regarding whether the Manager's proposed actions in connection with the conflict of interest matter achieves a fair and reasonable result for the ETF;
- considers and, if deemed appropriate, approves the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and
- performs such other duties as may be required of the IRC under applicable securities laws.

The ETF compensates the IRC members for their participation on the IRC through member fees and, if applicable, meeting fees. Sue Fawcett and Michael Gratch receive \$12,500 per year in member fees, while Warren Law, as chairperson of the IRC, receives \$15,000 per year. The IRC's secretariat receives \$21,000 per year for administrative services. An additional fee of \$3,000 per meeting is charged by the IRC for each IRC meeting in excess of two per year. The total fees payable in respect of the IRC by the ETF is calculated by dividing the total net assets of the ETF by the total net assets of all of the mutual funds for which the IRC is responsible and then multiplying the resulting value by the total dollar value due to the IRC member by the ETF for that particular period.

Custodian

CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the Custodian of the assets of the ETF and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under "Operating Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the ETF. For greater certainty the Custodian will not perform custodial services for, or act as custodian of, actual crypto-assets such as, for example, bitcoin. Portfolio assets will be delivered by the Custodian to futures dealers who are members of the relevant futures exchanges to secure the ETF's obligations under the exchange traded futures contracts.

Pursuant to the Custodian Agreement, the Custodian is required to exercise its duties with the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or, if higher, the degree of care, diligence and skill that each Custodian uses in respect of its own property of a similar nature in its custody (the “**Standard of Care**”). Under the Custodian Agreement, the ETF pays fees to the Custodian at such rate as determined by the parties from time to time and the Custodian is reimbursed for all reasonable expenses incurred in the performance of its duties under the Custodian Agreement. The ETF will also indemnify and hold harmless the Custodian from any direct loss, damage or expense, including reasonable counsel fees and expenses, arising in connection with the Custodian Agreement, except to the extent such direct loss, damage or expense, including reasonable counsel fees and expenses is caused by a breach of the Standard of Care by the Custodian or a permitted agent or assignee of the foregoing.

The parties to the Custodian Agreement may terminate the Custodian Agreement without any penalty upon at least ninety (90) days’ written notice to the other parties, or immediately, if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within thirty (30) days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within thirty (30) days. The Manager may terminate the Custodian Agreement immediately upon written notice to the other parties and without penalty if the Custodian no longer satisfies the requirements to act as a custodian of the ETF, as such requirements are set out in NI 81-102 and National Instrument 41-101 *General Prospectus Requirements*.

Valuation Agent

The Manager has retained CIBC Mellon Global to provide accounting and valuation services in respect of the ETF pursuant to the Fund Administration Agreement.

Auditors

KPMG LLP are the independent auditors of the ETF. The office of the auditors is located at 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5.

Transfer Agent and Registrar

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Transfer Agent and Registrar for ETF Shares pursuant to transfer agency and registrar agreements. TSX Trust Company is independent of the Manager.

Promoter

The Manager took the initiative in founding and organizing the ETF and is, accordingly, the Promoter of the ETF within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the ETF, receives compensation from the ETF.

Accounting and Reporting

The ETF’s fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as the ETF elects. The annual financial statements of the ETF shall be audited by its auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager will arrange for the ETF’s compliance with all applicable reporting and administrative requirements.

The Manager will keep, or arrange for the keeping of, adequate books and records reflecting the activities of the Company and the ETF. A Shareholder or his or her duly authorized representative will have the right to examine the applicable books and records of the Company or the ETF, as applicable, during normal business hours at the offices of the Manager or such other location as the Manager shall determine. Notwithstanding the foregoing, a Shareholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Company or the ETF, as applicable.

CALCULATION OF NET ASSET VALUE

The NAV per ETF Share is computed in U.S. dollars. The NAV per ETF Share will be calculated by adding up the cash and other assets of the ETF, less the liabilities and dividing the value of the net assets of the ETF by the total number of ETF Shares that are outstanding. The NAV per ETF Share so determined will be adjusted to the nearest cent per ETF Share and will remain in effect until the time as at which the next determination of the NAV per ETF Share of such ETF is made. The NAV per ETF Share will be calculated on each Valuation Day.

Typically, the NAV per ETF Share will be calculated at the Valuation Time. The NAV per ETF Share may be determined at an earlier Valuation Time if the TSX and/or the principal exchange for the financial instruments held by the ETF closes earlier on that Valuation Day.

Valuation Policies and Procedures of the ETF

The following valuation procedures will be taken into account in determining the “net asset value” and “net asset value per ETF Share” on each Valuation Day:

- (i) the value of any cash on hand, on deposit or on call, bills and notes and accounts receivable, prepaid expenses, cash dividends to be received and interest accrued and not yet received, will be deemed to be the face amount thereof, unless the Manager determines that any such deposit, call loan, bill, note or account receivable is not worth the face amount thereof, in which event the value thereof will be deemed to be such value as the Manager determines, on such basis and in such manner as may be approved by the board of directors of the Manager to be the reasonable value thereof;
- (ii) the value of any security, commodity or interest therein which is listed or dealt in upon a stock exchange will be determined by:
 - (A) in the case of securities which were traded on that Valuation Day, the price of such securities as determined at the applicable Valuation Time; and
 - (B) in the case of securities not traded on that Valuation Day, a price estimated to be the true value thereof by the Manager on such basis and in such manner as may be approved of by the board of directors of the Manager, such price being between the closing asked and bid prices for the securities or interest therein as reported by any report in common use or authorized as official by a stock exchange;
- (iii) long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof. Where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from any revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of such instrument. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at the current market value. The value of a future contract or a swap or forward contract shall be the gain or loss with respect thereto that will be realized if, on that Valuation Day, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless “daily limits” are in effect, in which case fair value shall be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (iv) in the case of any security or property for which no price quotations are available as provided above, the value thereof will be determined from time to time by the Manager, where applicable, in accordance with the principles described in paragraph (ii) above, except that the Manager may use, for the purpose of determining the sale price or the asked and bid price of such security or interest, any public quotations in common use which may be available, or where such principles are not applicable, in such manner as may be approved of by the board of directors of the Manager; and

- (v) the liabilities of the ETF will include:
- all bills, notes and accounts payable of which the ETF is an obligor;
 - all brokerage expenses of the ETF;
 - all management fees of the ETF;
 - all contractual obligations of the ETF for the payment of money or property, including the amount of any unpaid distribution credited to shareholders of the ETF on or before that Valuation Day;
 - all allowances of the ETF authorized or approved by the Manager for taxes (if any) or contingencies; and
 - all other liabilities of the ETF of whatsoever kind and nature.

Each transaction of purchase or sale of a portfolio asset effected by the ETF shall be reflected by no later than the next time that the net asset value of the ETF and the net asset value per ETF Share is calculated. In calculating the NAV of the ETF, the ETF will generally value its investments based on the market value of such investments at the time the NAV is calculated. If no market value is available for an investment of the ETF or if the Manager determines that such value is inappropriate in the circumstances (i.e., when the value of an investment of the ETF has been materially changed by events occurring after the market closes), the Manager, in consultation with the Valuation Agent (when necessary), will value such investments using methods that have generally been adopted by the marketplace. Fair valuing the investments of the ETF may be appropriate if: (i) market quotations do not accurately reflect the fair value of an investment; (ii) an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded; (iii) a trading halt closes an exchange or market early; or (iv) other events result in an exchange or market delaying its normal close. The risk in fair valuing an investment of the ETF is that the value of the investment may be higher or lower than the price that the ETF may be able to realize if the investment had to be sold.

In determining the net asset value of the ETF, ETF Shares subscribed for will be deemed to be outstanding and an asset of such ETF after (and not before) the close of business and the striking of the current day valuation on the day on which the subscription order for such ETF Shares is received by and accepted by the Manager. ETF Shares that are being redeemed will only be deemed to be outstanding until (and not after) the close of business and the striking of the current day valuation on the day on which the redemption order for such ETF Shares is received and accepted by the Manager, and the redemption proceeds thereafter, until paid, will be a liability of such ETF.

For the purposes of reporting in connection with the ETF's financial statements, the ETF is required to calculate net asset value in accordance with IFRS and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Reporting of Net Asset Value

Persons or companies that wish to be provided with the most recent net asset value per ETF Share may call the Manager at 416-933-5745 or at 1-866-641-5739, or check the Manager's website at www.HorizonsETFs.com. The net asset value per ETF Share will be calculated on each Valuation Day.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

The authorized capital of the Company includes an unlimited number of non-cumulative, redeemable, non-voting Corporate Classes, issuable in an unlimited number of series, including the ETF Shares, and one class of voting shares designated as "Class J Shares". Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The ETF of the Company is a separate Corporate Class.

ETF Shares of BITI are being offered for sale on a continuous basis in Canadian dollars by this prospectus. The ETF Shares have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, the ETF Shares will be listed on the TSX. Investors can buy or sell the ETF Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling the ETF Shares.

Each ETF Share entitles the owner to one vote at meetings of Shareholders to which they are entitled to vote. Each Shareholder is entitled to participate equally with all other shares of the same Corporate Class or series of Corporate Class with respect to all payments made to Shareholders, other than Management Fee Rebates, including dividends and distributions and, on liquidation, to participate equally in the net assets of the applicable Corporate Class remaining after satisfaction of any outstanding liabilities that are attributable to ETF Shares of the Corporate Class.

Redemptions of ETF Shares for Cash

On any Trading Day, Shareholders may redeem ETF Shares for cash at a redemption price per ETF Share equal to 95% of the closing price for the ETF Shares on the TSX on the effective day of the redemption, subject to a maximum redemption price per ETF Share equal to the net asset value per ETF Share on the effective day of redemption. Holders of US\$ Shares of BITI may request that their redemption proceeds be paid in U.S. or Canadian dollars. Shareholders will generally be able to sell (rather than redeem) ETF Shares at the full market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions. Therefore, Shareholders are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Shares for cash. No fees or expenses will be paid by a Shareholder to Horizons or the ETF in connection with selling ETF Shares on the TSX. See "Redemption and Switching of ETF Shares".

Switches

A Shareholder may effect a Switch through the facilities of CDS by contacting their financial advisor, investment advisor or broker. ETF Shares may be switched in any week on an ETF Switch Date. See "Redemption and Switching of ETF Shares – Switches".

Modification of Terms

The rights attached to the ETF Shares may only be modified, amended or varied in accordance with the terms of the articles of the Company and applicable law. See "Shareholder Matters – Matters Requiring Shareholder Approval".

Voting Rights

Holders of ETF Shares will not have any voting rights in respect of the financial instruments in the ETF's portfolio.

SHAREHOLDER MATTERS

Meetings of Shareholders

Meetings of Shareholders will be held if called by the Manager or upon the written request to the Manager of Shareholders holding not less than 25% of the then outstanding ETF Shares.

Matters Requiring Shareholder Approval

In addition to certain matters required by corporate law, NI 81-102 requires a meeting of Shareholders to be called to approve certain changes described in NI 81-102. In the absence of an exemption, the Manager will seek Shareholder approval for any such change. The Manager will also seek Shareholder approval of any matter which is required by the constitutive documents of the ETF, by the laws applicable to the ETF or by any agreement to be submitted to a vote of the Shareholders.

In addition, the auditors of the ETF may not be changed unless:

- (i) the IRC of the ETF has approved the change; and

(ii) Shareholders have received at least 60 days' notice before the effective date of the change.

Approval of Shareholders will be deemed to have been given if expressed by resolution passed at a meeting of Shareholders, duly called on at least 21-days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

Permitted Mergers

The ETF may, without Shareholders' approval, enter into a merger or other similar transaction which has the effect of combining the fund or its assets (a "**Permitted Merger**") with any other investment fund or funds that have investment objectives that are similar to the ETF's portfolio, subject to:

- (a) approval of the merger by the ETF's IRC in accordance with NI 81-107;
- (b) the ETF being reorganized with, or its assets being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;
- (c) compliance with certain other requirements of applicable securities legislation; and
- (d) Shareholders have received at least 60 days' notice which notice may be by way of press release, before the effective date of the Permitted Merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

Reporting to Shareholders

The Manager, on behalf of the ETF, will in accordance with applicable laws furnish to each Shareholder and the Company's board of directors, unaudited semi-annual financial statements and an interim management report of fund performance for the ETF within 60 days' of the end of each semi-annual period and audited annual financial statements and an annual management report of fund performance for the ETF within 90 days of the end of each financial year. Both the semi-annual and the annual financial statements of the ETF will contain a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and a statement of investment portfolio.

Any tax information necessary for Shareholders to prepare their annual federal income tax returns will also be distributed to them within 90 days after the end of each taxation year of the ETF. Neither the Manager nor the Transfer Agent and Registrar are responsible for tracking the adjusted cost base of a Shareholder's ETF Shares. Shareholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their ETF Shares and in particular how designations made by the ETF to a Shareholder affect the Shareholder's tax position.

The net asset value per ETF Share will be determined by the Manager on each Valuation Day and will usually be published daily in the financial press.

TERMINATION OF THE ETF

Subject to complying with applicable securities law, the ETF may be terminated (and the ETF Shares redeemed by the Company) at the discretion of the Manager on at least 60 days advance written notice to Shareholders of the termination and the Manager will issue a press release in advance thereof.

Upon termination of the ETF, each Shareholder of the ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the ETF: (i) payment for that Shareholder's ETF Shares at the net asset value per ETF Share for those ETF Shares determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that are owing to or otherwise attributable to such Shareholder's ETF Shares that have not otherwise been paid to such Shareholder; less (iii) any applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Shareholder and drawn on the ETF's bankers and may be mailed by ordinary post to such Shareholder's last address appearing in the register of Shareholders or may be delivered by such other means of delivery acceptable to both the Manager and such Shareholder.

The rights of Shareholders to redeem and convert ETF Shares described under the heading “Redemption and Switching of ETF Shares” will cease as and from the date of termination of the ETF.

Procedure on Termination

The Manager, on behalf of the Company, shall be entitled to retain out of any assets of the ETF, at the date of termination of the ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Manager to be due or to become due in connection with or arising out of the termination of the ETF and the distribution of its assets to the Shareholders. Out of the moneys so retained, the Manager is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

PLAN OF DISTRIBUTION

ETF Shares are being offered for sale on a continuous basis by this prospectus and there is no maximum number of ETF Shares that may be issued. ETF Shares shall be offered for sale at a price equal to the net asset value of the applicable series of ETF Shares determined at the Valuation Time on the effective date of the subscription order.

The ETF Shares have been conditionally approved for listing on the TSX. Subject to satisfying the TSX’s original listing requirements, the ETF Shares will be listed on the TSX. Investors can buy or sell the ETF Shares on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling the ETF Shares.

Non-Resident Shareholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the shares of the Company (on either a number of shares or fair market value basis) at any time during which more than 10% of the property of the Company consists of property that would be “taxable Canadian property” if the definition of such property were read without reference to paragraph (b) thereof. None of the properties held by the Company should be considered such property. If the Manager expects or believes that more than 10% of the Company’s property may consist of such property at any time, the Company and the Manager may inform the Transfer Agent and Registrar of such ETF of the restriction on who may be a beneficial owner of a majority of its ETF Shares.

If the Manager believes that more than 10% of the Company’s property is property that would be “taxable Canadian property” if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof and if the Manager determines that more than 40% of the shares of the Company (on either a number of shares or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their shares or a portion thereof within a specified period of not less than 30 days. If the Shareholders receiving such notice have not sold the specified number of shares or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Shareholders sell such shares and, in the interim, shall suspend the voting and distribution rights attached to such ETF Shares. Upon such sale, the affected holders shall cease to be beneficial holders of such shares and their rights shall be limited to receiving the net proceeds of sale of such shares.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Company as a mutual fund corporation for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of such ETF as a mutual fund corporation for purposes of the Tax Act.

RELATIONSHIP BETWEEN THE ETF AND THE DEALERS

The Manager, on behalf of the ETF, and the Company may enter into various Dealer Agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for ETF Shares as described under “Purchases of ETF Shares”.

A Dealer Agreement may be terminated by the registered dealer at any time by notice to Horizons, provided that, except in certain conditions, no such termination will be permitted after the registered dealer has subscribed for ETF Shares and such subscription has been accepted by Horizons.

PRINCIPAL HOLDERS OF ETF SHARES

CDS & Co., the nominee of CDS, is or will be the registered owner of the ETF Shares, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a Designated Broker, the ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the ETF Shares.

PROXY VOTING DISCLOSURE

The Manager is responsible for all securities voting in respect of securities held by the ETF, if any, and exercising responsibility in accordance with the best economic interests of the ETF and the Shareholders. The Manager has established proxy voting policies, procedures and guidelines (the “**Proxy Voting Policy**”) for securities held by the ETF to which voting rights are attached. The Proxy Voting Policy is intended to provide for the exercise of such voting rights in accordance with the best interests of the ETF and the Shareholders, while intending to defend, reflect and promote decisions or actions which meet generally accepted standards of Environmental, Social, and Governance (“**ESG**”) criteria established by the Manager, or are expected to move a company closer to these goals.

The Manager believes in taking an active role in the corporate governance of the underlying investments of the ETF, through the corporate proxy and voting processes of those underlying investments. When voting the proxies relating to the companies that are the underlying investments of the ETF, Horizons will, among other things, be focused on supporting and promoting the options that, in the Manager’s view, reflect the Manager’s pre-determined ESG standards and also achieve the best result for the ETF and the Shareholders. ESG refers to the three central factors in measuring the sustainability and ethical impact of a company or business. As a general matter, the Proxy Voting Policies of the Manager promote companies that (i) engage in activities or changes that can result in a decrease in pollution and carbon footprint, sustaining biodiversity, improving waste disposal and forest management and more effective land management, (ii) implement employment practices and policies that promote women in management and on boards of directors, promote equality, inclusion and that protect members of the public regardless of age, sex, marital status, colour, race, ethnicity, sexual orientation, gender or gender identity, religion or disability of any nature, and (iii) practice “good governance”, including through compliance, promotion of fair and impartial rules, consensus oriented management, principles of transparency, accountability, effective risk management and efficient management and processes.

The Proxy Voting Policy sets out the guidelines and procedures that the Manager will follow to determine whether and how to vote on any matter for which the ETF receives proxy materials. Issuers’ proxies most frequently contain routine proposals to elect directors, to appoint independent auditors, establish independent compensation committees, to approve executive compensation and stock-based compensation plans and to amend the capitalization structure of the issuer. Specific details on the Manager’s consideration of these routine matters are discussed in greater detail in the Proxy Voting Policy, which is available upon request at no cost by calling or emailing the Manager as further described below. Other issues, including those business issues specific to the issuer or those raised by Shareholders of the issuer, are assessed by the Manager on a case-by-case basis with a focus on the potential impact of the vote on the Proxy Voting Policy’s ESG objectives and the best interests of the ETF and the Shareholders.

If the potential for conflict of interest arises in connection with proxy voting and if deemed advisable to maintain impartiality, the Proxy Voting Policy provides that the Manager may choose to seek out and follow the voting recommendation of an independent proxy search and voting service.

The Proxy Voting Policy is available on request, at no cost, by calling the Manager toll-free at 1-866-641-5739 or emailing the Manager at info@HorizonsETFs.com. The proxy voting record of the ETF for the annual period from July 1 to June 30 will be available free of charge to any investor of the ETF upon request at any time after August 31 following the end of that annual period. The proxy voting record of the ETF will also be available on our website at www.HorizonsETFs.com.

MATERIAL CONTRACTS

The only contracts material to the ETF are the following:

- (a) The articles of incorporation of the Company.
- (b) **Management Agreement.** For additional disclosure related to the Management Agreement, including relevant termination provisions and other key terms of the agreement, see “Organization and Management Details of the ETF – Manager of the ETF”, “Organization and Management Details of the ETF – Duties and Services to be Provided by the Manager”, “Organization and Management Details of the ETF – Details of the Management Agreement”, “Organization and Management Details of the ETF – Conflicts of Interest”, and “Other Material Facts – Management of the ETF”.
- (c) **Custodian Agreement.** For additional disclosure related to the Custodian Agreement, including relevant termination provisions and other key terms of the agreement, see “Organization and Management Details of the ETF – Custodian”.
- (d) **Forward Documents.** For additional disclosure related to the Forward Documents, see “Investment Strategies”

Copies of these agreements may be examined at the head office of the Manager at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7, during normal business hours.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The ETF is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the ETF.

EXPERTS

KPMG LLP, the independent auditors of the ETF, have consented to the use of their reports dated April 7, 2021 to the board of directors of the Manager in respect of the ETF. KPMG LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

EXEMPTIONS AND APPROVALS

The ETF will rely on exemptive relief from the Canadian Securities Regulatory Authorities:

- (a) to permit a Shareholder to acquire more than 20% of the ETF Shares through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation provided the Shareholder;
- (b) to relieve the ETF from the requirement that a prospectus contain a certificate of the underwriters;
- (c) to relieve the ETF from the dealer registration requirement provided that the Manager complies with Part 15 of NI 81-102; and
- (d) to permit the Manager to call meetings of the ETF using the notice-and-access procedure as permitted by the terms of relief.

The Manager has obtained additional exemptive relief (i) to permit the ETF to dispense with an audit committee, pursuant to subsection 171(2) of the *Canada Business Corporations Act*, for as long as applicable securities legislation does not require the ETF to have an audit committee and, in accordance with NI 81-106, the board of directors of the Company will approve the financial statements of the ETF before such financial statements are filed or made available to investors.

OTHER MATERIAL FACTS

Exchange of Tax Information

Part XVIII of the Tax Act, which was enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement, imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. The Company is a “reporting Canadian financial institution” but as long as shares of the Corporate Classes continue to be registered in the name of CDS or are “regularly traded” on an “established securities market” (which currently includes the TSX), the Company should not have any “U.S. reportable accounts” and, as a result, the Company should not be required to provide information to the CRA in respect of its shareholders. However, dealers through which Shareholders hold their ETF Shares are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Shareholders may be requested to provide information to their dealer to identify U.S. persons holding ETF Shares or otherwise identify “US reportable accounts”. If a Shareholder is a U.S. person (including a U.S. citizen), ETF Shares are otherwise “US reportable accounts” or if a Shareholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Shareholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Cooperation and Development Common Reporting Standard (the “**CRS Rules**”). Pursuant to the CRS Rules, Canadian financial institutions (as defined the CRS Rules) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities any of whose “controlling persons” are resident in a foreign country (other than the U.S.) and to report the required information to the CRA. Such information is exchanged on a reciprocal, bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standards and in which the account holders or such controlling persons are resident. Under the CRS Rules, Shareholders are required to provide such information regarding their investment in the ETF to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

Management of the ETF

Horizons may, at any time and without seeking approval of any Shareholder, assign the Management Agreement to an affiliate.

Index Information

Horizons Bitcoin Front Month Rolling Futures Index (Excess Return)

The ETF uses the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) as its Underlying Index. The Underlying Index is provided by the Manager and is designed to reflect the returns generated over time through long notional investments in Bitcoin Futures that are based on the CME CF Bitcoin Reference Rate (BRR), which aggregates bitcoin trading activity across major bitcoin spot exchanges between 3:00 p.m. and 4:00 p.m. London time. Bitcoin futures were first listed for trading on the CME Futures Exchange on December 11, 2017.

The Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) is based in whole on the CME Bitcoin futures contracts traded under the ticker BTC which are owned by the CME Group and its affiliates. The CME Bitcoin futures contracts upon which the Underlying Index is based are being used by Horizons with permission under license from the Chicago Mercantile Exchange Inc. CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex, and, E-mini are trademarks of Chicago Mercantile Exchange Inc.

Calculation Agent Disclaimer

The Underlying Index is calculated by an independent calculation agent, Solactive AG. The ETF is not sponsored, promoted, sold or supported in any other manner by Solactive nor does Solactive offer any express or implicit guarantee or assurance either with regard to the results of using the Underlying Index and/or its trade mark or prices at any time or in any other respect. The Underlying Index is calculated and published by Solactive. Solactive uses its best efforts to ensure that the Underlying Index is calculated correctly. Irrespective of its obligations towards the ETF or the Manager, Solactive has no obligation to point out errors in the Underlying Index to third parties including but not limited to investors and/or financial intermediaries of the ETF. The publication of the Underlying Index by Solactive does not constitute a recommendation by Solactive to invest capital in the ETF nor does it in any way represent an assurance or opinion of Solactive with regard to any investment in the ETF.

Horizons Index Disclaimer

Horizons ETFs Management (Canada) Inc., in its capacity as Index Provider, does not offer any express or implicit guarantee or assurance either with regard to the results of using the Underlying Index's trademarks or the Underlying Index's prices at any time or in any other respect. Horizons ETFs Management (Canada) Inc., in its capacity as Index Provider, uses commercially reasonable efforts to ensure that the Underlying Index is calculated correctly. Horizons ETFs Management (Canada) Inc., in its capacity as Index Provider, has no obligation to point out errors in the Underlying Index to third parties including but not limited to investors and/or financial intermediaries of the ETF. Neither publication of the Underlying Index by Horizons ETFs Management (Canada) Inc., nor the licensing of the Underlying Index or trademarks for the purpose of use in connection with the ETF constitutes a recommendation by Horizons ETFs Management (Canada) Inc., in its capacity as Index Provider or Manager, to invest capital in the ETF nor does it in any way represent an assurance or opinion of Horizons ETFs Management (Canada) Inc. with regard to any investment in the ETF.

CME CF Bitcoin Reference Rate (BRR)**Chicago Mercantile Exchange Inc.**

Chicago Mercantile Exchange Inc. (including its respective subsidiaries and affiliates) (“**CME Group**”), its respective officers, directors, employees, agents, consultants and licensors shall not be liable to any person for any losses, damages, costs or expenses (including, but not limited to, loss of profits, loss of use, and direct or indirect, incidental, consequential or punitive damages), arising from any errors or inaccuracies made in connection with the calculation or distribution of the CME CF Bitcoin Reference Rate (BRR). The foregoing limitation of liability shall apply whether a claim arises in contract, tort, negligence, strict liability, contribution or otherwise and whether the claim is brought directly or as a third party claim. Furthermore, there is no guarantee the continuity of the composition of the CME CF Bitcoin Reference Rate (BRR), nor the continuity of their calculation, nor the continuity of their dissemination, nor the continuity of their calculation.

CME Group, the Globe Logo, CME, Globex, E-Mini, CME Direct, CME DataMine and Chicago Mercantile Exchange are trademarks of Chicago Mercantile Exchange Inc. CBOT is a trademark of the Board of Trade of the City of Chicago, Inc. NYMEX is a trademark of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. All other trademarks are the property of their respective owners.

CME GROUP MARKET DATA IS USED UNDER LICENSE AS A SOURCE OF INFORMATION FOR THE BETAPRO INVERSE BITCOIN ETF (“HORIZONS BITCOIN PRODUCT”). CME GROUP HAS NO OTHER CONNECTION TO THE HORIZONS BITCOIN PRODUCT AND SERVICES AND DOES NOT SPONSOR, ENDORSE, RECOMMEND OR PROMOTE ANY HORIZONS BITCOIN PRODUCT OR SERVICES. CME GROUP HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE HORIZONS BITCOIN PRODUCT AND SERVICES. CME GROUP DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY MARKET DATA LICENSED TO THE MANAGER OR THE HORIZONS BITCOIN PRODUCT AND SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN CME GROUP AND THE MANAGER OR THE HORIZONS BITCOIN PRODUCT.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase exchange-traded mutual fund securities within 48 hours after receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the ETF is, or will be, available in the following documents:

- (a) the most recently filed comparative annual financial statements, together with the accompanying report of the auditor;
- (b) any interim financial statements filed after those annual financial statements;
- (c) the most recently filed annual management report of fund performance;
- (d) any interim management report of fund performance filed after that most recently filed annual management report of fund performance; and
- (e) the most recently filed ETF Facts.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can obtain a copy of these documents, at your request, and at no cost, by calling 1-866-641-5739 or by contacting your dealer. These documents are or will be available on the ETF's website at www.HorizonsETFs.com. These documents and other information about the ETF are or will also be available on the internet at www.sedar.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the ETF after the date of this prospectus and before the termination of the distribution of the ETF are deemed to be incorporated by reference into this prospectus.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Horizons ETFs Management (Canada) Inc.

Re: BetaPro Inverse Bitcoin ETF (“BITI” or the “ETF”)

Opinion

We have audited the financial statement of the ETF, which comprise:

- the opening statement of financial position as at April 7, 2021;
- and notes to the financial statement, including a summary of significant accounting policies

(hereinafter referred to as the “financial statement”).

In our opinion, the accompanying opening statement of financial position presents fairly, in all material respects, the financial position of the ETF as at April 7, 2021 in accordance with International Financial Reporting Standards (“IFRS”) applicable to such a financial statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “*Auditors’ Responsibilities for the Audit of the Financial Statements*” section of our auditors’ report.

We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ETF’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ETF’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ETF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "KPMG LLP"

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
April 7, 2021

BETAPRO INVERSE BITCOIN ETF

Statement of Financial Position

April 7, 2021

Assets	
Cash	\$ Nil
Total Assets	\$ Nil
Net assets attributable to holders of redeemable ETF Shares:	
Total net assets attributable to holders of redeemable ETF Shares	\$ Nil
Issued and fully paid ETF Shares	Nil
Net assets attributable to holders of redeemable ETF Shares	\$ Nil

See accompanying notes to statement of financial position.

BETAPRO INVERSE BITCOIN ETF
Notes to the Financial Statements

April 7, 2021

1. Establishment of the ETF and authorized ETF Shares:

The following ETF was established on April 7, 2021 in accordance with the articles of incorporation, as amended, of Horizons ETF Corp.:

BetaPro Inverse Bitcoin ETF (“**BITI**”)

The address of the ETF’s registered office is: 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7

(a) Legal structure:

Horizons ETF Corp. (the “Company”) is a mutual fund corporation established under the federal laws of Canada. The authorized capital of the Company includes an unlimited number of noncumulative, redeemable, non-voting classes of shares (each, a “**Corporate Class**”), issuable in an unlimited number of series, and one class of voting shares designated as “Class J Shares”. Each Corporate Class is a separate investment fund having specific investment objectives and is specifically referable to a separate portfolio of investments. The ETF will be a separate Corporate Class.

The ETF currently consists of a single series of exchange traded fund shares (“**ETF Shares**”) of the Corporate Class. Horizons ETFs Management (Canada) Inc. (the “**Manager**” or “**Horizons**”), a corporation existing under the federal laws of Canada, is the manager and investment manager of the ETF.

(b) Statement of compliance:

The financial statements of the ETF as at April 7, 2021 have been prepared in accordance with International Financial Reporting Standards applicable to such financial statements.

The financial statements were authorized for issue by the board of directors on April 7, 2021.

(c) Basis of presentation:

The financial statements of the ETF are expressed in Canadian dollars.

(d) Net assets attributable to holders of redeemable ETF Shares:

ETF Shares are redeemable at the option of the holder in accordance with the provisions laid out in its prospectus. If the shareholder holds a prescribed number of ETF Shares, and if accepted by the Manager, the ETF Shares will be redeemed on the Valuation Date based on the net asset value of the ETF Shares on that Valuation Date.

In accordance with IAS 32 – Financial Instruments: Presentation, the ETF Shares are classified as financial liabilities as there is a requirement to distribute net income and capital gains earned by the ETF.

(e) Issue of ETF Shares:

No ETF Shares have been issued as of the date hereof.

(f) Shareholder transactions:

The value at which ETF Shares are issued or redeemed is determined by dividing the net asset value of the class by the total number of ETF Shares outstanding of that class on the Valuation Date. Amounts received on the issuance of ETF Shares and amounts paid on the redemption of ETF Shares are included in the statement of changes in financial position of the ETF.

2. Management of the ETF

The ETF will pay annual management fees (each, a “**Management Fee**”) to the Manager equal to an annual percentage of the net asset value of the ETF, together with applicable Sales Tax, calculated and accrued daily and payable monthly in arrears, as follows:

ETF	Annual Management Fee
BITI	1.45%

Management Fee Rebates

To achieve effective and competitive Management Fees, the Manager may reduce the fee borne by certain Shareholders who have signed an agreement with the Manager. The Manager will pay out the amount of the reduction in the form of a management fee rebate (“**Management Fee Rebate**”) directly to the eligible Shareholder. Management Fee Rebates are reinvested in ETF Shares, unless otherwise requested. The decision to pay Management Fee Rebates will be in the Manager’s discretion and will be dependent on a number of factors, including the size of the investment and a negotiated fee agreement between the Manager and the Shareholder.

The Manager reserves the right to discontinue or change Management Fee Rebates at any time.

CERTIFICATE OF HORIZONS ETF CORP. (ON BEHALF OF THE ETF), THE MANAGER AND PROMOTER

Dated: April 7, 2021

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada.

HORIZONS ETF CORP. (ON BEHALF OF THE ETF)

(Signed) "Steven J. Hawkins"
Chief Executive Officer

(Signed) "Julie Stajan"
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS
OF HORIZONS ETF CORP. (ON BEHALF OF THE ETF)**

(Signed) "Kevin S. Beatson"
Director

(Signed) "McGregor Sainsbury"
Director

**HORIZONS ETFs MANAGEMENT (CANADA) INC.,
AS MANAGER AND PROMOTER OF THE ETF**

(Signed) "Steven J. Hawkins"
Chief Executive Officer

(Signed) "Julie Stajan"
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS
OF HORIZONS ETFs MANAGEMENT (CANADA) INC.**

(Signed) "Wanyoun Cho"
Director

(Signed) "Thomas Park"
Director