



North American Psychedelics Index

BBG Tickers: HPSYKPR Index, HPSYKTR Index

INDEX GUIDELINE

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This document contains the underlying principles and regulations regarding the structure and the operating of the North American Psychedelics Index (the “**Index**”). Horizons ETFs does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the Index nor the Index value at any certain point in time nor in any other respect. The Index is calculated and published by Solactive AG and strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for Horizons ETFs– irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the Index. The publication of the Index by Horizons ETFs and Solactive AG is not a recommendation for capital investment and does not contain any assurance or opinion of Horizons ETFs or Solactive AG regarding a possible investment in a financial instrument based on this Index.

Introduction

This document is to be used as a guideline with regard to the composition, calculation and management of the Index. Any changes made to the guideline are initiated by the Committee specified in section 1.6.

The Index is a proprietary index owned and operated by Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”). The Index calculation agent is Solactive AG.

1. Index specifications

The index is designed to provide a measure of the performance of North American publicly-listed life sciences companies focused on psychedelic medicines, and other companies with business activities in the psychedelics industry. The Index is designed to be a diversified exposure to the psychedelics industry, at weights that can easily and cost effectively be replicated, while at the same time reflecting the evolution of the industry in a timely fashion.

A price return and total return version of the Index is available. The indices are published in CAD.

1.1 Short name and ISIN

The Price Return Index is distributed under ISIN DE000SL0B7H2; the WKN is SL0B7H. The Index is published on Bloomberg under the code HPSYKPR Index.

The Total Return Index is distributed under ISIN DE000SL0B7J8; the WKN is SL0B7J. The Index is published on Bloomberg under the code HPSYKTR Index.

1.2 Initial value

The Index level begins at 1,000.00 at the close of trading on the start date, January 15, 2021.

1.3 Distribution

The Index is published by Solactive AG and is distributed to all affiliated vendors. Each vendor decides on an individual basis as to whether they will distribute/display the Index via their information systems.

1.4 Prices and calculation frequency

The price of the Index is calculated on each Business Day based on the prices on the respective Exchanges on which the Index Components are listed. The most recent price of each Index Component is used. Prices of Index Components not listed in the Index Currency are translated using spot foreign exchange rates quoted by Reuters. Should there be no current price available on Reuters, the most recent price or the Trading Price on Reuters for the preceding Trading Day is used in the calculation. The daily index closing value is calculated using Reuters/WMCO closing spot rates as at 4pm London time.

1.5 Weighting

On each Adjustment Day and Fast Entry Adjustment Day, each Index Component of the Index is weighted as follows:

Index components are weighted according to their Float Market Capitalization subject to a cap of 10% for any single security on the Adjustment Date. Any excess weight that results from this procedure will be redistributed proportionally among all index components with a weight of less than 10%. If this procedure results in index components receiving a weight of more than 10%, then this weight is capped at 10% with the excess weight being redistributed proportionally among all index components with a weight of less than 10%. This procedure may be done iteratively until the weight of no index component is greater than 10%.

The weight of any pharmaceutical company with a total market capitalization of \$5B or greater, whose production, development or research of psychedelic pharmaceuticals represents less than 25% of their total revenue will be capped at 5%. In aggregate, all such pharmaceutical companies will also be capped at 20%.

At each rebalancing, once the initial weights of the Index Components are determined, those weights may be adjusted to ensure that each Index Component can accommodate a specified target notional trade size without breaching a

maximum percentage of the 3-Month Average Daily Traded Value determined by the Index Provider in its discretion. The Index Provider may determine that a different target notional trade size is more appropriate and reserves the right to use discretion when implementing this parameter.

If the application of the above criteria results in less than 12 constituents, the minimum float market capitalization and minimum Average Daily Traded Value criteria (Section 2.1) will be relaxed stepwise by 10% until 12 constituents are reached. The mentioned steps of relaxation do not apply for the security's minimum price.

1.6 Decision-making bodies

A Committee composed of staff from Horizons ETFs is responsible for decisions regarding the composition of Index as well as any amendments to the rules (in this document referred to as the "Committee", or the "Index Committee"). The future composition of the Index is determined by the Committee on the Selection Days according to the procedure outlined in 2.1 of this document. The Committee shall also make decision regarding the future composition of the Index, in the event that any Extraordinary Events should occur, and the implementation of any necessary adjustments.

Members of the Committee can recommend changes to the guideline and submit them to the Committee for approval.

Please see Section 5.3 "Changes to the Index Methodology".

1.7 Publication

All specifications and information relevant to calculating the Index are made available on the <http://www.solactive.com> web page and sub-pages.

1.8 Historical data

Historical data will be maintained from the launch of the Index on January 15, 2021.

2. Composition of the Index

2.1 Selection of the Stock Index Components

The initial composition of the Index as well as any ongoing adjustment is based on the following rules:

Based on the criteria outlined above, the Index Provider determines the securities that are eligible for inclusion in the index. These securities are filtered according to the criteria below which is assessed on the Selection Day, resulting in the final index selection:

1. Minimum Float Market Capitalization of CAD \$40 million for new Index entrants. An existing index constituent needs to have a minimum Float Market Capitalization of CAD \$20 million. Companies eligible for fast entry require a minimum Float Market Capitalization of CAD \$100 million;
2. Minimum 3-Month Average Daily Traded Value of CAD \$400,000. An existing index constituent needs to have a minimum 3-Month Average Daily Traded Value of CAD \$200,000. The monthly period is defined as follows: the Index Provider considers the period from selection day x in month y to day x in month y-3. Companies eligible for fast entry require a minimum 10 Day Average Daily Traded Value of CAD \$1,000,000; and

If fewer than 12 companies that satisfy the criteria outlined in sections 2.1. are identified, the following index universe requirements will be relaxed incrementally until at least 12 companies pass the criteria:

- AVERAGE DAILY VALUE TRADED in the last three months lowered by CAD 40,000 on the respective SELECTION DAY
- MINIMUM FLOAT MARKET CAPITALIZATION lowered by CAD 2,000,000 on the respective SELECTION DAY

If a company is eligible for fast entry, it will be added to the index at its Float Market Capitalization as at the close of trading on the Fast Entry Review Day subject to the constraints set forth in Section 1.5 all other Index Components will be reweighted lower on a pro-rata basis based on their index weight on the Fast Entry Adjustment date. The new Index composition will be implemented after the close on the Fast Entry Adjustment Day.

If another company becomes eligible for fast entry between the Fast Entry Review Day and the Fast Entry Adjustment Day, another reweighting of the Index Components will take place to include both fast entry company. The fast entry process in progress will be cancelled and a new fast entry process will be started on the new Fast Entry Review Day in respect of both fast entry companies. The new Index composition will be implemented on the Fast Entry Adjustment Day corresponding to the new Fast Entry Review Day. The Index composition will comprise both, the company of the cancelled fast entry process as well as the company from the current fast entry process.

2.2 Ordinary adjustment

The composition and weights of the Index are adjusted over two days, which occur on the 3rd Thursday & Friday of March, June, September and December each year.

The composition and float shares of the Index are reviewed on the Selection Day, which is ten Business Days before the Adjustment Days. Float shares are not reviewed or adjusted intra-rebalance.

The first Adjustment will be made on March 19, 2021 based on the Trading Prices of the Index Components on the Adjustment Days.

Solactive AG shall publish the Index composition at the start of each Trading Day.

2.3 Extraordinary adjustment

The Committee may, but is under no obligation to, substitute an Index Component with a successor Index Component upon the occurrence of an Extraordinary Event. Any such successor Index Component shall be included in the Index after the close of business on the day when an Extraordinary Event has been determined by the Index Provider.

3. Calculation of the Price Return Index

3.1 Index formula

The Index Value on a Business Day at the relevant time is calculated in accordance with the following formula:

$$Index_t = \sum_{i=1}^n \frac{(x_{i,t} * p_{i,t} * f_{i,t})}{D_t}$$

With:

$x_{i,t}$ = Number of Float Shares of the Index Component i on Trading Day t

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

The initial Divisor on the Start Date is calculated according to the following formula:

$$D_t = \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t})}{1000}$$

After the close of trading on each Adjustment Day t the new Divisor is calculated as follows:

$$D_{t+1} = \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t+1})}{Index_t}$$

This Divisor is valid starting the immediately following Business Day.

3.2 Accuracy

The value of the Index will be rounded to two decimal places.

Trading Prices and foreign exchange rates will be rounded to four decimal places.

Divisors will be rounded to four decimal places.

3.3 Adjustments

Indices need to be adjusted for systematic changes in prices once these become effective. This requires the new Number of Total Shares of the affected Index Component and the Divisor to be calculated on an ex-ante basis.

Following the Committee's decision, the Index is adjusted for distributions, capital increases and stock splits.

This procedure ensures that the first ex quote can be properly reflected in the calculation of the Index. This ex-ante procedure assumes the general acceptance of the Index calculation formula as well as open access to the parameter values used. The calculation parameters are provided by the Index Calculator.

Please note that the following sections 3.4 and 3.5 are only applicable to Stock Index Components and not futures.

3.4 Dividends and other distributions

Extraordinary dividend payments and other distributions are included in the Index. They cause an adjustment of the Divisor. The new Divisor is calculated as follows:

$$D_{t+1} = D_t * \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t}) - (x_{i,t} * y_{i,t} * g_{i,t})}{\sum_{i=1}^n (p_{i,t} * f_t * x_{i,t})}$$

With:

$p_{i,t}$ = Price of Stock Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Stock Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Float Shares of the Stock Index Component i on Trading Day t

$y_{i,t}$ = Distribution of Stock Index Component i with ex date t+1 multiplied by the Dividend Correction Factor

$g_{i,t}$ = Foreign exchange rate to convert the amount of the distribution of Stock Index Component i on Trading Day t into the Index Currency

D_t = Divisor on Trading Day t

D_{t+1} = Divisor on Trading Day t+1

3.5 Corporate actions

3.5.1 Principles

Following the announcement by an issuer of Stock Index Components of the terms and conditions of a corporate action the Index Calculator determines whether such corporate action has a dilutive, concentrative or similar effect on the price of the respective Stock Index Component.

If this should be the case the Index Calculator shall make the necessary adjustments that are deemed appropriate in order to take into account the dilutive, concentrative or similar effect and shall determine the date on which this adjustment shall come into effect.

Amongst other things the Index Calculator can take into account the adjustment made by an Affiliated Exchange as a result of the corporate action with regard to option and futures contracts on the respective share traded on this Affiliated Exchange.

3.5.2 Capital increases

In the case of capital increases with ex-date t+1 the Index is adjusted as follows:

$$x_{i,t+1} = x_{i,t} * \frac{1 + B}{1}$$

With:

$x_{i,t+1}$ = Number of Float Shares of Stock Index Component i on Trading Day t+1

$x_{i,t}$ = Number of Float Shares of Stock Index Component i on Trading Day t

B = Shares received for every share held

$$p_{i,t+1} = \frac{p_{i,t} + s * B}{1 + B}$$

With:

$p_{i,t+1}$ = Hypothetical Price of Stock Index Component i on Trading Day t+1

$p_{i,t}$ = Price of Stock Index Component i on Trading Day t

s = Subscription Price in the Stock Index Component currency

B = Shares received for every share held

$$D_{t+1} = D_t * \frac{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t}) + \sum_{i=1}^n [(x_{i,t+1} * p_{i,t+1} * f_{i,t}) - (x_{i,t} * p_{i,t} * f_{i,t})]}{\sum_{i=1}^n (p_{i,t} * f_{i,t} * x_{i,t})}$$

With:

$D_{i,t+1}$ = Divisor on Trading Day t+1

$D_{i,t}$ = Divisor on Trading Day t

$p_{i,t}$ = Price of Index Component i on Trading Day t

$f_{i,t}$ = Foreign exchange rate to convert the Price of Stock Index Component i on Trading Day t into the Index Currency

$x_{i,t}$ = Number of Float Shares of the Stock Index Component i on Trading Day t

$p_{i,t+1}$ = Hypothetical price of Stock Index Component i on Trading Day t+1

$x_{i,t+1}$ = Number of Float Shares of the Stock Index Component i on Trading Day t+1

3.5.3 Share splits

In the case of share splits with ex date on Trading Day t+1 it is assumed that the prices change in ratio of the terms of the split. The new Number of Float Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * B$$

With:

$x_{i,t+1}$ = Number of Float Shares of the affected Stock Index Component on Trading Day t+1

$x_{i,t}$ = Number of Float Shares of the affected Stock Index Component on Trading Day t

B = Shares after the share split for every share held before the split

3.5.4 Stock distributions

In the case of stock distributions with ex-date on Trading Day t+1 it is assumed that the prices change according to the terms of the distribution. The new Number of Float Shares is calculated as follows:

$$x_{i,t+1} = x_{i,t} * (1 + B)$$

With:

$x_{i,t+1}$ = Number of Float Shares of the affected Stock Index Component on Trading Day t+1

$x_{i,t}$ = Number of Float Shares of the affected Stock Index Component on Trading Day t

B = Shares received for every share held

3.6 Miscellaneous

3.6.1 Recalculation

Solactive AG makes the greatest possible efforts to accurately calculate and maintain the index. However, the occurrence of errors in the index determination process cannot be ruled out. In such cases Solactive AG adheres to its publicly available Correction Policy.

3.6.2 Market Disruption

In periods of market stress Solactive AG calculates its indices following predefined and exhaustive arrangements set out in its publicly available Disruption Policy.

4. Definitions

“**Adjustment Day**” is the 3rd Friday of March, June, September and December each year. If this happens to be a non-Business Day, the Adjustment Day will be on the immediately following Business Day.

An “**Affiliated Exchange**” is with regard to an Index Component an exchange, a trading or quotation system on which options and futures contracts on the Index Component in question are traded, as specified by the Index Calculator.

“**Average Daily Traded Value**” means, in respect of a Share, the sum of Daily Traded Value over a specified period divided by the number of Exchange Trading Days that fall in the specified period.

A “**Business Day**” is a day on which the Toronto Stock Exchange and the New York Stock Exchange are open for trading.

“**Daily Traded Value**” means, in respect of a Share and of an Exchange Trading Day, the product of (i) the Closing Exchange Price of such Share and (ii) the volume traded (measured as a number of Shares) of such Share on the Exchange during such Exchange Trading Day. For Canadian stocks, the Daily Traded Value shall be calculated on a composite basis (i.e. aggregated over all regulated Canadian stock exchanges).

“**Dividend Correction Factor**” is 1.

“**Exchange**” is, in respect of Index and every Index Component, the respective primary exchange where the Index Component has its primary listing. The Committee may decide to declare a different stock exchange the “Exchange” for trading reasons, even if the company is only listed there via a Stock Substitute. “**Float Shares**” is in respect of an Index Component and any given Business Day the of number of shares included in the Index. Float is determined by reducing the amount of total shares to exclude closely held shares from the index calculation because such shares are not available to investors. It is calculated for any Index Component as the ratio of (A) the Percentage Weight of an Index Component multiplied by the Index value and the Divisor and (B) its Trading Price (converted into the index currency according to the principles laid out in Section 1.4 of this document).

In particular, an “**Extraordinary Event**” is

- a Merger
- a Takeover bid
- a delisting
- the Nationalization of a company
- Insolvency.

The Trading Price for this Index Component on the day the event came into effect is the last available market price for this Index Component quoted on the Exchange on the day the event came into effect (or, if a market price is not available for the day the event came into effect, the last available market price quoted on the Exchange on a day specified as appropriate by the Index Calculator), as determined by the Index Calculator, and this price is used as the Trading Price of the particular Index Component until the end of the day on which the composition of the Index is next set.

In the event of the Insolvency of an issuer of an Index Component the Index Component shall remain in the Index until the next Adjustment Day. As long as a market price for the affected Index Component is available on a Business Day, this shall be applied as the Trading Price for this Index Component on the relevant Business Day, as determined in each case by the Index Calculator. If a market price is not available on a Business Day, the Trading Price for this Index Component is set to zero. The Committee may also decide to eliminate the respective Index Component at an earlier point in time prior to the next Adjustment Day. The procedure in this case is identical to an elimination due to and Extraordinary Event.

An Index Component is “**delisted**” if the Exchange announces pursuant to the Exchange regulations that the listing of, the trading in or the issuing of public quotes on the Index Component at the Exchange has ceased immediately or will cease at a later date, for whatever reason (provided delisting is not because of a Merger or a Takeover bid), and the Index Component is not immediately listed, traded or quoted again on an exchange, trading or listing system, acceptable to the Index Calculator,

The “**Fast Entry Review Day**” is determined by Horizons ETFs and published in the announcement of the updated index composition. In general, the first day of trading of any new company that meets the criteria in Section 4 “Stock Index Universe”, will be the Fast Entry Review Day. If information about/regarding the new company that meets the criteria in

Section 4 “Stock Index Universe” is available to the Index Calculator after the new company’s first day of trading, the Fast Entry Review Day might be postponed until Solactive has retrieved sufficient information.

The “**Fast Entry Adjustment Day**” is the fifth Business Days after the Fast Entry Review Day. If this happens to be a non- Business Day, the Fast Entry Adjustment Day will be on the immediately following Business Day.

“**Float Market Capitalization**” is with regard to each of the shares in the Stock Index Universe on a Selection Day, Fast Entry Review Day or Adjustment Day the value published as the Float Share Class Market Capitalization for this day.

As at the date of this document “**Float Share Class Market Capitalization**” is defined as the value of a share class of a company calculated by multiplying the number of float shares outstanding of the share class by its share price.

The “**Index Calculator**” is Solactive AG or any other appropriately appointed successor in this function.

The “**Index Currency**” is CAD.

“**Insolvency**” occurs with regard to an Index Component if (A) all shares of the respective issuer must be transferred to a trustee, liquidator, insolvency administrator or a similar public officer as result of a voluntary or compulsory liquidation, insolvency or winding-up proceedings or comparable proceedings affecting the issuer of the Index Components or (B) the holders of the shares of this issuer are legally enjoined from transferring the shares.

“**Market Capitalization**” as at the date of this document is defined as the value of a share class of a company calculated by multiplying the number of shares outstanding of the share class by its share price.

A “**Market Disruption Event**” occurs if:

- 1) one of the following events occurs or exists on a Trading Day prior to the opening quotation time for an Index Component:
 - a) trading is suspended or restricted (due to price movements that exceed the limits allowed by the Exchange or an Affiliated Exchange, or for other reasons) on an Exchange or in a trading or quotation system (as determined by the Index Calculator) in which an Index Component is listed or quoted; or
 - b) an event that (in the assessment of the Index Calculator) generally disrupts and affects the opportunities of market participants to execute on the Exchange transactions in respect of a share included in the Index or to determine market values for a share included in the Index or to execute on an Affiliated Exchange transaction with regard to options and futures contracts on these shares or to determine market values for such options or futures contracts; or
- 2) trading on the Exchange or an Affiliated Exchange is ceased prior to the usual closing time (as defined below), unless the early cessation of trading is announced by the Exchange or Affiliated Exchange on this Trading Day at least one hour before:
 - a) the actual closing time for normal trading on the Exchange or Affiliated Exchange on the Trading Day in question or, if earlier; and
 - b) the closing time (if given) of the Exchange or Affiliated Exchange for the execution of orders at the time the quote is given.

With regard to an Index Component a “**Merger**” is

- (i) a change in the security class or a conversion of this share class that results in a transfer or an ultimate definite obligation to transfer all the shares in circulation to another legal person,
- (ii) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer to exchange shares with another legal person (except in a merger or share exchange under which the issuer of this Index Component is the acquiring or remaining company and which does not involve a change in security class or a conversion of all the shares in circulation),
- (iii) a takeover offer, exchange offer, other offer or another act of a legal person for the purposes of acquiring or otherwise obtaining from the issuer 100% of the shares issued that entails a transfer or the irrevocable obligation to transfer all shares (with the exception of shares which are held and controlled by the legal person), or
- (iv) a merger (either by acquisition or through forming a new structure) or a binding obligation on the part of the issuer of the share or its subsidiaries to exchange shares with another legal person, whereby the issuer of the share is the acquiring or remaining company and it does not involve a change in the class or a conversion of the all shares issued, but the shares in circulation directly prior to such an event (except for shares held and controlled by the legal person) represent in total less than 50% of the shares in circulation directly subsequent to such an event.

The “**Merger Date**” is the date on which a Merger is concluded or the date specified by the Index Calculator if such a date cannot be determined under the law applicable to the Merger.

“**Normal exchange closing time**” is the time at which the Exchange or an Affiliated Exchange is normally closed on working days without taking into account after-hours trading or other trading activities carried out outside the normal trading hours; or a general moratorium is imposed on banking transactions in the country in which the Exchange is resident if the above-mentioned events are material in the assessment of the Index Calculator, whereby the Index Calculator makes his decision based on those circumstances that he considers reasonable and appropriate.

“**Percentage Weight**” of an Index Component is the ratio of its Trading Price in Index Currency multiplied by its Float Shares divided by the Index value and the Divisor.

“**Nationalization**” is a process whereby all shares or the majority of the assets of the issuer of the shares are nationalized, are expropriated, or otherwise must be transferred to public bodies, authorities or institutions.

“**Selection Day**” is ten Business Days before the Adjustment Day.

“**Stock Index Component**” is each share currently included in the Index.

“**Stock Index Universe**” in respect of a Selection Day and a Fast Entry Review Day are companies that fulfill the following criteria:

- a) Must be listed on a regulated stock exchange in Canada or in the United States. The eligible listing exchanges include both North American senior exchanges and junior exchanges. Over the counter markets are not eligible for inclusion. Common equity securities and ADRs are eligible for inclusion.
- b) A company is, generally, deemed to be eligible to be a Constituent Issuer of the Index if the company is:
 - i) a producer and/or a supplier of psychedelic medicines;
 - ii) a biotechnology company that is engaged in research and development of psychedelic medicines; or
 - iii) a company that is part of the supply chain for, or a distributor of, psychedelics.

“**Stock Substitute**” includes in particular American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

With regard to an Index component (subject to the provisions given above under “Extraordinary Events”) the “**Trading Price**” in respect of a Trading Day is the closing price on a Trading Day determined in accordance with the Exchange regulations. If the Exchange has no closing price for an Index Component, the Index Calculator shall determine the Trading Price and the time of the quote for the share in question in a manner that appears reasonable to him.

A “**Takeover bid**” is a bid to acquire, an exchange offer or any other offer or act of a legal person that results in the related legal person acquiring as part of an exchange or otherwise more than 10% and less than 100% of the voting shares in circulation from the issuer of the Index Component or the right to acquire these shares, as determined by the Index Calculator based on notices submitted to public or self-regulatory authorities or other information considered by the Index Calculator to be relevant.

“**Total Shares**” is in respect of an Index Component and any given Business Day the total number of shares issued and actively held by shareholders.

A “**Trading Day**” is in relation to the Index or an Index Component a Trading Day on the Exchange (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the normal Exchange closing time. The Index Calculator is ultimately responsible as to whether a certain day is a Trading Day with regard to the Index or an Index Component or in any other connection relating to this document.

5 Appendix

5.1 Contact data for Index

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5.2 Calculation of the Index – Change in Calculation Method

The Index Calculator shall apply the method described above for the composition and calculation of the Index. The Index Provider may also make changes to the terms and conditions of the Index and the method applied to calculate the Index, which he deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The Index Provider is not obliged to provide information on any such modifications or changes.

5.3 Changes to the Index Methodology

From time to time, and as market forces dictate, it may become necessary for Horizons ETFs to change this index methodology (the “Index Methodology”) as explained in this document. Changes may include, but will not be limited to, market cap and liquidity thresholds, weighting of an index constituent, and implementation of an index rebalancing. Horizons ETFs will attempt to give as much notice as possible of any changes that may occur.

Neither this Index Methodology nor any set of procedures are capable of anticipating all possible circumstances and events that may occur with respect to the Index and the methodology for its composition, weighting and calculation. Accordingly, a number of subjective judgments must be made in connection with the operation of the Index that cannot be adequately reflected in this Index Methodology. Further, modifications to the methodology to calculate the Index, and consequently the Index Methodology, may be necessary from time to time.

Disclaimer

The data and information presented of the Index (the “Information”) reflects the methodology for determining the composition and calculation of the Index. This Index Methodology, the Information and the Index are compiled and published by Horizons ETFs.

The Information is solely for your internal use and may not be used as the basis of any product, or reproduced, redistributed or transmitted in whole or part, in any form or by any means, electronic or mechanical, including photocopying, or any information storage or retrieval system, without the express prior written consent of Horizons ETFs. The Information is for your private information and use and is not intended, and should not be construed, as an offer to sell, or a solicitation of an offer to purchase, any securities or other financial instruments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. Accordingly, investors may receive back less than originally invested. Any information relating to the tax status of financial instruments discussed herein is not intended to provide any tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you deem necessary to make your own investment, hedging and trading decisions.

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