Short Exposure to Bitcoin

The BetaPro Inverse Bitcoin ETF ("BITI") gives investors the opportunity to potentially profit from a decline in the price of bitcoin futures.

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 seeks to replicate the returns generated over time through long notional investments in bitcoin futures. The Underlying Index of BITI is the Horizons Bitcoin Front Month Rolling Futures Index (Excess Return) (the "Underlying Index"). 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).
Key Features of BITI:

- **No Margin**: Investors do not need a margin account to use BITI to take an inverse position on bitcoin.
- **Limited Risk vs Shorting Directly**: As a result of daily rebalancing, the risk associated with holding BITI on any given day is limited to the current value of your capital invested in the ETF. By contrast, an investor directly shorting bitcoin takes on risk that exceeds 100% of the initial investment.
- **Eligible for Non-Margin Accounts**: While you cannot directly hold bitcoin within a registered account, as an ETF, BITI can be held within an RRSP, RESP and TFSA.
- **ETF Liquidity**: BITI can be bought and sold on the Toronto Stock Exchange throughout the normal trading day, using a brokerage account.
- **Used as Hedge**: BITI could also be used by investors with long positions in Bitcoin to hedge out daily or short-term market risk on their holdings.

Important Risk Considerations

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.
**ETF Exposure:**

BITI does not directly invest in bitcoin — it provides exposure to the performance of bitcoin futures.

The Underlying Index that BITI provides up to -1x exposure to and seeks to replicate 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. GMT.

BITI’s notional exposure is based on the CME Bitcoin (USD) Futures contracts traded on the CME Futures Exchange, a U.S.-registered designated contract market (DCM) and derivatives clearing organization (DCO), under the ticker symbol BTC.

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.

**What are Inverse ETFs?**

Inverse ETFs are investments that deliver the opposite performance of their reference index, typically on a daily basis.

Inverse ETFs are similar to holding short positions to hedge against, or profit from, falling prices in an asset class. In the case of BITI, that asset class is bitcoin futures prices as reflected in the Underlying Index.

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*Before fees and expenses

**Example:** If the Underlying Index tracked by BITI was to decline by 1% during a single trading day, we would expect that BITI would deliver approximately a 1% return before any fees and associated expenses, assuming its notional exposure was set at -1%. BITI could be used as a potential hedging vehicle for investors looking to protect from potential losses on a long position in bitcoin, from short-term declines, or could be used as a speculative position to potentially profit from daily declines in the price of bitcoin futures.
BetaPro Inverse Bitcoin ETF (BITI)

Benefits of Inverse ETFs:

- No margin account required (no borrow/margin calls to worry about)
- Eligible for non-margin accounts such as RRSPs, RESPs and TFSAs
- Risk on any given day is limited to the current value of your capital invested (short-selling, on the other hand, is subject to potentially unlimited loss)
- Can reduce risk without having to sell corresponding existing investments and incur a capital gain/loss

To learn more, please visit [www.HorizonsETFs.com/ETF/BITI](http://www.HorizonsETFs.com/ETF/BITI)

Commissions, management fees and expenses all may be associated with an investment in The BetaPro Bitcoin ETF (the “ETF”) managed by Horizons ETFs Management (Canada) Inc. The ETF is not guaranteed, its values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. Please read the prospectus before investing.

The Horizons Exchange Traded Products include our BetaPro products (the “BetaPro Products”). The BetaPro Products are alternative mutual funds within the meaning of National Instrument 81-102 Investment Funds, and are permitted to use strategies generally prohibited by conventional mutual funds: the ability to invest more than 10% of their net asset value in securities of a single issuer, to employ leverage, and engage in short selling to a greater extent than is permitted in conventional mutual funds. While these strategies will only be used in accordance with the investment objectives and strategies of the BetaPro Products, during certain market conditions they may accelerate the risk that an investment in shares of a BetaPro Product decreases in value. The BetaPro Products consist of our Daily Bull and Daily Bear ETFs (“Leveraged and Inverse Leveraged ETFs”), Inverse ETFs (“Inverse ETFs”) and our BetaPro S&P 500 VIX Short-Term Futures™ ETF (the “VIX ETF”). Included in the Leveraged and Inverse Leveraged ETFs and the Inverse ETFs are the BetaPro Marijuana Companies 2x Daily Bull ETF (“HMJU”) and BetaPro Marijuana Companies Inverse ETF (“HMJI”), which track the North American MOC Marijuana Index (NTR) and North American MOC Marijuana Index (TR), respectively. The Leveraged and Inverse Leveraged ETFs and certain other BetaPro Products use leveraged investment techniques that can magnify gains and losses and may result in greater volatility of returns. These BetaPro Products are subject to leverage risk and may be subject to aggressive investment risk and price volatility risk, among other risks, which are described in their respective prospectuses. Each Leveraged and Inverse Leveraged ETF seeks a return, before fees and expenses, that is either up to, or equal to, either 200% or –200% of the performance of a specified underlying index, commodity futures index or benchmark (the “Target”) for a single day. Each Inverse ETF seeks a return that is –100% of the performance of its Target. Due to the compounding of daily returns a Leveraged and Inverse Leveraged ETF’s or Inverse ETF’s returns over periods other than one day will likely differ in amount and, particularly in the case of the Leveraged and Inverse Leveraged ETFs, possibly direction from the performance of their respective Target(s) for the same period. For certain Leveraged and Inverse Leveraged ETFs that seek up to 200% or up to or –200% leveraged exposure, the Manager anticipates, under normal market conditions, managing the leverage ratio as close to two times (200%) as practicable however, the Manager may, at its sole discretion, change the leverage ratio based on its assessment of the current market conditions and negotiations with the respective ETF’s counterparties at that time. Hedging costs charged to BetaPro Products reduce the value of the forward price payable to that ETF. Due to the high cost of borrowing the securities of marijuana companies in particular, the hedging costs charged to HMJI are expected to be material and are expected to materially reduce the returns of HMJI to unitholders and materially impair the ability of HMJI to meet its investment objectives. Currently, the manager expects the hedging costs to be charged to HMJI and borne by unitholders will be between 10.00% and 45.00% per annum of the aggregate notional exposure of HMJI’s forward documents. The hedging costs may increase above this range. The manager publishes on its website, the updated monthly fixed hedging cost for HMJI for the upcoming month as negotiated with the counterparty to the forward documents, based on the then current market conditions. The VIX ETF, which is a 1x ETF, as described in the prospectus, is a speculative investment tool that is not a conventional investment. The VIX ETF’s Target is highly volatile. As a result, the VIX ETF is not intended as a stand-alone long-term investment. Historically, the VIX ETF’s Target has tended to revert to a historical mean. As a result, the performance of the VIX ETF’s Target is expected to be negative over the longer term and neither the VIX ETF nor its Target is expected to have positive long-term performance. BetaPro Bitcoin ETF (“HBIT”), and BetaPro Inverse Bitcoin ETF (“BITI”), which are a 1x ETF, and an up to -1x ETF, respectively, as described in the prospectus, are speculative investment tools that are not conventional investments. Their Target, an index which replicates exposure to Bitcoin Futures and not the spot price of Bitcoin, is highly volatile. As a result, neither ETF is intended as a stand-alone investment. There are inherent risks associated with products linked to crypto-assets, including Bitcoin Futures. While Bitcoin Futures are traded on a regulated exchange and cleared by regulated central counterparties, direct or indirect exposure to the high level of risk of Bitcoin Futures will not be suitable for all types of investors. An investment in any of the BetaPro Products is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. Please read the full risk disclosure in the prospectus before investing. Investors should monitor their holdings in BetaPro Products and their performance at least as frequently as daily to ensure such investment(s) remain consistent with their investment strategies.