**Get Exposure to the Copper Producers Fueling Global Growth**

The Horizons Copper Producers Index ETF (“COPP”) is the first ETF in Canada to provide exclusive exposure to companies involved in copper ore mining.

Copper is an important metal to global expansion as it is integral to equipment manufacturing, infrastructure, vehicles and industrial purposes.

Currently, global consumption of copper is nearly 25 million metric tons a year. At a value of approximately $9,900 USD per ton of copper as at April 1, 2022, this puts the global copper consumption at an estimated value of $250 billion USD per year.

COPP seeks to replicate, to the extent possible and net of expenses, the performance of an index that is designed to provide exposure to the performance of companies active in copper ore mining that are listed on select North American stock exchanges. Currently, COPP seeks to replicate the performance of the Solactive North American Listed Copper Producers Index (the “Underlying Index”), net of expenses. COPP seeks to hedge any U.S. dollar portfolio exposure back to the Canadian dollar at all times.

**ETF Snapshot**

- **Name:** Horizons Copper Producers Index ETF
- **Launch Date:** May 17, 2022
- **Ticker:** COPP
- **Management Fee:** 0.65% (Plus applicable sales taxes.)
- **Investment Manager:** Horizons ETFs Management (Canada) Inc.
- **Underlying Index:** Solactive North American Listed Copper Producers Index
- **Bloomberg Index Ticker:** SOLNACP
- **Currency Hedged:** USD Exposure
- **Distributions:** Annually, if any
- **Eligibility:** All registered and non-registered investment accounts
Key Features:

- **Correlated to Copper:** COPP is designed to provide exposure to companies with significant exposure to copper production and the price of copper.

- **Growing Demand:** Exposure to a commodity that benefits from increased demand for electrical infrastructure expansion, which includes traditional urban infrastructure, as well as alternative energy and electric vehicles.

- **Enabling a Cleaner Future:** Copper is a key base metal used in renewable energy and electric vehicle production.

- **An Inflationary Sector:** Historically, copper has benefitted from rising commodity prices and global inflation³.

**Copper: Global Uses⁴**

From a historical perspective, copper has been one of the most important metals to human technological progress: it was copper, combined with tin, that formed the alloy bronze and allowed for our advancement from the Stone Age to the Bronze Age.

Today, copper remains a globally critical element in the manufacture of today’s technologies, from urban infrastructure to electronics manufacturing, and is particularly a vital input into electric auto-manufacturing and green energy expansion.

**Supply and Demand**

Since 1900, global copper consumption has increased 50-fold, from 500,000 tons to 25 million metric tons in 2020 – a compound annual growth rate of 3.4% per year⁵. In particular, Asia, the largest continental economy, is also the world’s largest consumer of copper, accounting for 74% of copper consumption globally⁶.

While demand for copper is expected to continue to grow, recent production limitations and falling copper exploration budgets⁷ could impact supply availability and potentially drive higher prices for the commodity.

From April 1, 2020, to April 1, 2022, the price of copper increased more than 110% from $2.19 to over $4.68 per pound⁸.
A Metal for Enabling a Cleaner Future
As a critical component of electrical infrastructure and equipment, copper has an important role in helping achieve a global low-carbon energy future.

Renewable energy systems, including wind, solar, and hydropower, require copper to generate and transmit electricity.

Copper is also critical for electric vehicles, which use up to four times more copper than combustion engine vehicles. The International Copper Association estimates that increasing the use of copper in vehicles and appliances could reduce carbon dioxide emissions by 1.25 gigatonnes, which is equivalent to removing half a billion cars off the road.

Copper is also 100% recyclable. It can be recycled without losing any of its properties, without any loss in performance. The majority of the copper produced since 1900 – approximately 690 million tons – is still in productive use.
The Solactive North American Listed Copper Producers Index
The Underlying Index is a modified market-cap weight index that is designed to optimize “upstream” exposure to the price of copper, through the ownership of equities. The Underlying Index should have a relatively high correlation to the price of physical copper, given the significant revenue generated from the copper-related business of the underlying constituents.

Companies included in the Underlying Index are classified as “Pure Play” or “Diversified,” where “Pure Play” companies are companies that have been listed as copper-ore mining companies in their industry classification, whereas “Diversified” are companies that have copper production as a significant business line, but potentially not their core business line.

Key Index Methodology Features

- Constituent Issuers will be drawn from North American, publicly listed companies, and may include small, mid, and large-capitalization companies
- May include securities of companies with North American listings, but which are not headquartered in North America, including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).
- Maximum weight of Pure-Play constituents is 10% and a maximum weight of a Diversified constituents is 5%
- Underlying Index weighted according to a modified capitalization weighting methodology and reconstituted and re-weighted semi-annually
Horizons Copper Producers Index ETF

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1 Refined Copper Usage Worldwide from 2010 to 2020 (in 1,000 metric tons), Statista, November 15, 2021
2 London Metal Exchange, as at April 1, 2022
3 More Precious Than Gold? Copper’s The Better Inflation Hedge, Bloomberg Intelligence, June 27, 2017
4 Copper Recycling, Copper Alliance, 2021
5 World Copper Factbook 2021, International Copper Study Group, 2021
6 Distribution of Refined Copper Usage Worldwide in 2020, by Region, Statista, November 2, 2021
7 CHART: Mining exploration spending to drop 29% this year, Mining.com, May 21, 2020
8 Copper Pricing, TradeService, as at April 1, 2022
9 Copper’s Role in Growing Electric Vehicle Production, Reuters, May 5, 2021
10 Copper’s Role in Sustainable Development, Copper Alliance, 2017
11 Copper Recycling, Copper Alliance, 2021

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