

# HBNK

## Horizons Equal Weight Banks Index ETF

### CANADA'S LOWEST-COST CANADIAN BANK ETF<sup>1</sup>

Canada's Big Six Banks have traditionally been a source of stable dividend income for investors in one of the country's largest sectors.

Horizons Equal Weight Banks Index ETF (HBNK) provides exposure to Canada's six largest banks; commonly referred to as the "Big Six". These include: Royal Bank of Canada (RBC), Toronto-Dominion Bank (TD), Bank of Nova Scotia (BNS), Bank of Montreal (BMO), Canadian Imperial Bank of Commerce (CIBC) and National Bank of Canada (National Bank).

### INVESTMENT OBJECTIVE:

HBNK seeks to replicate, to the extent reasonably possible and net of expenses, the performance of an index of equal-weighted equity securities of diversified Canadian banks currently, the Solactive Equal Weight Canada Banks Index (the "Underlying Index").

<sup>1</sup>Source: Morningstar as at October 31, 2023

<sup>2</sup>Annual management fee rebated by 0.09% to an effective management fee and management expense ratio (MER) of 0% until July 31, 2024

## ETF Snapshot

### FUND DETAILS

Name	Horizons Equal Weight Banks Index ETF
Inception Date	July 05, 2023
Management Fee	0.09% (Plus applicable Sales Tax) Rebated to 0.00% <sup>2</sup> until July 31, 2024
Underlying Index	Solactive Equal Weight Canada Banks Index
Bloomberg Ticker	HBNK CN EQUITY
Currency	CAD
Currency Hedging	No
Investment Manager	Horizons ETFs Management (Canada) Inc.
Distributions	Monthly, if any
Eligibility	All registered and non-registered investment accounts
DRIP Eligibility	Yes

### RISK RATING

Low	Low to Medium	Medium	Medium to High	High
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## WHY CHOOSE HBNK?



**Monthly Income:** It is anticipated that HBNK will make distributions to its unitholders on a monthly basis.



**Canadian Big Six Bank Exposure:** As one of Canada's largest economic sectors, the Canadian Big Six Banks have traditionally offered a stable bastion within the broader Canadian equity landscape and have outperformed the broader S&P/TSX Composite Index for the 10-year period from July 2012 to July 2023<sup>1</sup>.



**Consistent Dividend Growth:** The annualized growth rate of dividends for the big six Canadian banks was 9.99% for the 25-year period from July 1998 to July, 2023<sup>1</sup>.

## FIVE WAYS TO OWN THE BIG 6

ETF	Description	Mgmt. Fee	Strategy
<b>HEWB:</b>	Total Return Exposure to the Solactive Equal Weight Canada Banks Index. No anticipated distributions	0.25% <sup>1</sup>	Core
<b>HBNK:</b>	Exposure to the Solactive Equal Weight Canada Banks Index	0.09% <sup>1,3</sup>	Core
<b>BKCC:</b>	Covered Call Exposure to the Solactive Equal Weight Canada Banks Index	0.39% <sup>1,2</sup>	Covered Call Targeting Yield
<b>BNKL:</b>	1.25x Exposure to the Solactive Equal Weight Canada Banks Index	0.35% <sup>1</sup>	Lightly Levered Targeting Growth
<b>BKCL:</b>	1.25x Covered Call Exposure to the Solactive Equal Weight Canada Banks Index	0.65% <sup>1</sup>	Lightly Levered Covered Call Targeting Yield & Growth

<sup>1</sup> Management Fee plus applicable Sales Tax

<sup>2</sup> Annual management fee reduced from 0.65% to 0.39%, effective July 6, 2023

<sup>3</sup> Annual management fee rebated by 0.09% to an effective management fee and management expense ratio (MER) of 0% until July 31, 2024



# Horizons Equal Weight Banks Index ETF

To learn more, please visit [HorizonsETFs.com/HBNK](https://HorizonsETFs.com/HBNK)



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Horizons Total Return Index ETFs ("Horizons TRI ETFs") are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF's share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100<sup>®</sup> Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap.

BNKL and BKCL (or the "Enhanced ETFs") are alternative mutual funds within the meaning of NI 81-102, and are permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of the Enhanced ETF's net asset value in securities of a single issuer, the ability to borrow cash and to employ leverage. While these strategies will only be used in accordance with the applicable investment objectives and strategies of the Enhanced ETFs, during certain market conditions they may accelerate the risk that an investment in Units of such Enhanced ETF decreases in value.

Effective June 24, 2022, the investment objectives of the Horizons Equal Weight Canadian Bank Covered Call ETF ("BKCC") (formerly Horizons Enhanced Income Financials ETF ("HEF")), were changed following receipt of the required unitholder and regulatory approvals. The new tickers began trading on the TSX on June 27, 2022. For more information, please refer to the disclosure documents of the ETFs at [www.HorizonsETFs.com](https://www.HorizonsETFs.com).

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