

HDOC



HORIZONS ETFs
by Mirae Asset

Horizons GX Telemedicine and Digital Health Index ETF

ETF Snapshot

Gain Exposure to Leading Global Companies for Integrated Digital Healthcare Systems

The global healthcare industry is not exempt from digital disruption. The advantage of being able to deliver healthcare engagement and diagnostics online may actually be positive. Digital healthcare could be revolutionary in allowing broader access to care while potentially reducing the overall cost as demand increases globally with aging populations in the developed world.

The global telemedicine market increased 35% from 2019 to 2020, exceeding \$55 billion. Forecasts suggest the market could reach nearly \$300 billion by 2028¹ as more healthcare providers seek to engage their patients virtually reducing the cost of more expensive in-person care, as well as potentially increasing the reach of crucial healthcare services globally.

HDOC 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 global, publicly listed companies generally engaged in the field of telemedicine and digital health, as well as applications thereof. Currently, HDOC seeks to replicate, directly or indirectly, the performance of the Solactive Telemedicine & Digital Health Index, net of expenses, by investing primarily in the Global X Telemedicine & Digital Health ETF (“EDOC”).

Name:

Horizons GX Telemedicine and Digital Health Index ETF

Launch Date:

December 2, 2021

Ticker:

HDOC

Management Fee:

0.60% (Plus applicable sales taxes.)

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Underlying Index:

Solactive Telemedicine & Digital Health Index

Bloomberg Index Ticker:

SOLEDOC

Currency Hedging:

USD exposure

Distributions:

Semi-Annually

Eligibility:

All registered and non-registered investment accounts

¹Grand View Research, Feb 2021.

The Need for Digital Healthcare

Telemedicine and Digital Health has received significant attention throughout the ongoing COVID-19 pandemic. With large swaths of the global population under stay-at-home orders, technology-based tools that facilitate remote communication with doctors and enable patient monitoring are critical.

Some healthcare providers report that telehealth visits, defined as consultations in which a patient connects with a doctor via voice or video chat, increased by as much as 175x since the pandemic began. Additionally, the strain the COVID-19 pandemic put on all aspects of the global healthcare system highlights broader opportunities to modernize healthcare by more effectively leveraging technology and digitization.

Despite the recent attention directed at this theme, the long-term paradigm shift in healthcare toward digitization is still in its early stages and is driven by several underlying factors.



Greater Access: Unequal access to health care across demographics and geographies highlights opportunities for technology to expand the industry's reach. To this point, 15.6M excess deaths occurred in low- and middle-income countries in 2016, 55% from inadequate care and 45% from non-utilization of health care².



Longer Lives: People are living longer, and populations are getting older. Life expectancy rates grew faster from 2000 to 2016 than in any period since the 1960s. And by 2100, 28% of the global population could be over the age of 60, compared to just 13% in 2017³. Older populations have greater healthcare needs and healthcare providers will need to innovate to treat those patients effectively and efficiently.



Greater Efficiency: Inefficiency in global health care systems result in sub-optimal outcomes for both health providers and patients. The OECD estimates that \$1.3 trillion, or 20% of annual health care expenditures in OECD countries comes from systemic inefficiencies that include administrative complexities, pricing failure, redundancies, and fraud.



A connected world: Increased connectivity makes the delivery of virtual health services possible. Today, there are 4.6 billion active internet users globally³.

These trends are driving significant opportunities in telemedicine and digital health – the market for these technologies reached an estimated \$175 billion in 2019 and is expected to grow to over \$657 billion by 2026³.

²Kruk et al., The Lancet, "Mortality due to low-quality health systems in the universal health coverage era," September 5, 2018.

³United Nations, 2019.

Horizons GX Telemedicine and Digital Health Index ETF

Key Features

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- Growing sub-sector with key technological, geographic and demographic accelerators
- Global exposure to digital health leaders disrupting traditional markets
- Canadian equity exposure to healthcare technology is limited – EDOC provides global exposure to this theme
- Growth in telemedicine due to COVID-19 has brought this theme to the investing forefront

The Solactive Telemedicine & Digital Health Index

The Solactive Telemedicine & Digital Health Index, the Underlying Index of HDOC, is designed to provide exposure to global, exchange-listed companies that are positioned to benefit from further advances in the field of telemedicine and digital health, as well as applications thereof (collectively, “Telemedicine & Digital Health Companies”), as defined by the Index Provider.

To be eligible for inclusion in the Underlying Index, a company is considered by the Index Provider to be a Telemedicine & Digital Health Company if it derives at least 50% of its revenue, operating income, or assets from telemedicine and/or digital health. Telemedicine & Digital Health Companies include those involved in the following business activities: (i) telemedicine, (ii) healthcare analytics, (iii) connected healthcare devices, and/or (iv) administrative digitization.

- Constituents issuers will be drawn from publicly listed companies in developed markets, South Korea and Taiwan. Additionally, ADRs of companies whose primary listing is in emerging markets may also be included
- Constituent Issuers may include small-, mid- and large-capitalization companies. In addition, a company must meet minimum trading, liquidity and market capitalization requirements to be considered for inclusion
- The Underlying Index is weighted according to a modified capitalization weighting methodology and is reconstituted and re-weighted semi-annually

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



Commissions, management fees and expenses all may be associated with an investment in Horizons GX Telemedicine and Digital Health Index 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.**

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