Get Exposure to Leading Canadian Pipelines and Energy Services Companies

The Horizons Pipelines & Energy Services Index ETF (“HOG”) is the first Canadian-listed ETF focused exclusively on providing exposure to midstream oil and gas companies, which are represented by pipeline and energy services companies.

HOG seeks to replicate, to the extent possible, the performance of the Solactive Pipelines & Energy Services Index (the “Index”), net of expenses. The Index is designed to provide exposure to equity securities of certain Canadian oil and gas companies in the midstream sector.

Pipelines and Energy Services Companies

The Canadian oil and gas midstream sector includes the securities of companies involved in the transportation, storage and wholesale marketing of crude oil, natural gas and other refined petroleum products (collectively, the midstream sector). The vast majority of these companies manage pipelines and move petroleum products from upstream exploration production sites to downstream refineries and various refined product distributors.

A Historically Less Volatile Way To Invest In Canadian Energy

The energy sector is an important part of the Canadian economy, making up about 11% of the country’s GDP\(^1\). However, investing directly in companies involved in energy exploration, production and refining of crude oil and natural gas can be risky, since oil and natural gas prices heavily influence the valuations of energy production companies. While influenced by energy prices, pipelines historically have lower volatility than energy production companies, since they receive locked-in pricing to transport energy products.

Features of Pipeline Investing

- Potentially attractive dividend yields
- Typically lower correlation to negative price movements in crude oil and natural gas
- Historically lower volatility than the broader energy sector since service costs are commonly fixed
- Expectation of revenue stream for security holders due to reduced capital expenditures

Solactive Pipelines & Energy Services Index

In order for a stock to be included in the Index, constituents must meet the following criteria:

1. Have significant business operations in the Canadian midstream industry
2. Be listed on the TSX
3. Have a market capitalization of at least $50 million
4. Have average daily traded value of at least $250,000 in the last three months

\(^1\)Plus applicable sales taxes.
\(^2\)Previously named Horizons Canadian Midstream Oil & Gas Index ETF until February 26, 2020.
Top Holdings as at the last rebalance on December 31, 2019

<table>
<thead>
<tr>
<th>Top Holdings</th>
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<tbody>
<tr>
<td>ALTAGAS LTD</td>
<td>MULLEN GROUP LTD COM</td>
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<tr>
<td>ENBRIDGE INC</td>
<td>PARKLAND FUEL CORP</td>
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<tr>
<td>ENERFLEX LTD</td>
<td>PEMBINA PIPELINE CORP</td>
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<tr>
<td>GIBSON ENERGY INC</td>
<td>SHAWCOR LTD</td>
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<tr>
<td>INTER PIPELINE LTD</td>
<td>TC ENERGY CORP</td>
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<tr>
<td>KEYERA CORP</td>
<td>TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD</td>
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To learn more, please visit [www.HorizonsETFs.com/HOG](http://www.HorizonsETFs.com/HOG)