

Horizons Pipelines & Energy Services Index ETF (HOG)

ETF Snapshot

Name:[†]

Horizons Pipelines & Energy Services Index ETF

Launch Date:

July 15, 2014

Ticker:

HOG

Management Fee:¹

0.55%

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Underlying Index:

Solactive Pipelines & Energy Services Index

Bloomberg Index Ticker:

SOFCOGR

Distribution Frequency:

Quarterly

Eligibility:

All registered and non-registered investment accounts

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 the 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 GDP². 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

¹Plus applicable sales taxes.

[†]Previously named Horizons Canadian Midstream Oil & Gas Index ETF until February 26, 2020.

²Source: *Energy and the Economy*; Government of Canada, May 27, 2019.



Horizons Pipelines & Energy Services Index ETF (HOG)

Top Holdings as at the last rebalance on December 31, 2019

ALTAGAS LTD	MULLEN GROUP LTD COM
ENBRIDGE INC	PARKLAND FUEL CORP
ENERFLEX LTD	PEMBINA PIPELINE CORP
GIBSON ENERGY INC	SHAWCOR LTD
INTER PIPELINE LTD	TC ENERGY CORP
KEYERA CORP	TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD

To learn more, please visit www.HorizonsETFs.com/HOG



HORIZONS ETFs
by Mirae Asset

Commissions, management fees and applicable sales taxes all may be associated with an investment in the Horizons Pipelines & Energy Services 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.**

The financial instrument is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade name or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the financial instrument. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade name for the purpose of use in connection with the financial instrument constitutes a recommendation by Solactive AG to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in this financial instrument.