Maximize the Savings Potential of U.S. Dollar accounts
Cash is an important asset class for practically any investment portfolio as it serves two important functions:

1) It can potentially reduce risk in the portfolio
2) It can be used for liquidity purposes; to fund expenses or, potentially, security acquisitions in a portfolio

The biggest challenge when holding cash is that interest rates offered by traditional liquid savings accounts can be quite low. While investors can potentially increase their yield by using savings vehicles like GICs or high interest savings accounts, these types of products typically have investment minimums or lock-up periods.

The Horizons USD Cash Maximizer ETF offers the best of both worlds, providing daily liquidity for cash holdings while offering an interest rate that is expected to be competitive with other high interest savings vehicles.

HSUV.U seeks to generate modest capital growth by investing primarily in high interest U.S. dollar deposit accounts with Canadian banks. While any decision to pay dividends or other distributions is within the discretion of the Manager, HSUV.U is not currently expected to make any regular distributions, although the value of any interest earned will be reflected in the net asset value ("NAV") of the ETF.

Key Features of HSUV.U:
- **Enhanced Savings Potential**: HSUV.U invests substantially all of its assets in high-interest U.S. dollar deposit accounts with one or more Canadian chartered banks, which provide a higher interest rate than a traditional savings account with no minimum holding periods
- **Daily Liquidity**: HSUV.U is an ETF, so it can be purchased or sold any time throughout the trading day. This is a key advantage versus other high interest savings vehicles, which typically have minimum holding periods or investment amounts
- **Tax Efficiency**: HSUV.U is not expected to make taxable distributions, which should enhance the after-tax performance of HSUV.U versus other cash savings vehicles
- **Continuous Reinvestment**: Net interest income from the high interest savings accounts are reflected in HSUV.U’s NAV daily

Although HSUV.U primarily invests in bank deposit accounts, HSUV.U is not covered by the Canada Deposit Insurance Corporation, Federal Deposit Insurance Corporation or any other government deposit insurer.

**Corporate Class: Tax Efficiency**
HSUV.U is a class of shares in a corporate class structure that allows the ETF to deliver its returns in a tax-efficient manner. With this structure, the ETF will receive interest income in U.S. dollars on its cash deposits and that value will be reflected in the daily NAV of the ETF. However, investors in HSUV.U are not expected to receive any taxable distributions from the ETF. This makes the ETF advantageous, particularly if its shares are held in a taxable account, where tax on interest income could potentially be in excess of 50%, depending on the marginal tax rate of the investor. With this ETF structure, investors can potentially defer incurring a tax liability until they sell the shares of the ETF, at which point they may realize a taxable gain.
Horizons USD Cash Maximizer ETF (HSUV.U)

Taxation on High Interest Savings Accounts
The following hypothetical example highlights the after-tax performance of holding HSUV.U versus a U.S. dollar high interest savings instrument offering the same yield of 0.25%. Both instruments are held for one year by an Ontario resident investor in the third-highest marginal tax bracket, who would have an income tax rate of 53.53% in 2023. It does not contemplate any tax liability associated with a sale of either vehicle. It is important to note that neither HSUV.U, nor any other Horizons ETFs, re-characterize investment income as capital gains.

Tax Implications for High Interests Savings Vehicle – Illustrative Example Only

<table>
<thead>
<tr>
<th></th>
<th>Traditional High Interests Savings Vehicle</th>
<th>HSUV.U</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Investment</td>
<td>$100,000.00</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Market Return (0%)</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest Income (0.25%)</td>
<td>$250.00</td>
<td>$250.00</td>
</tr>
<tr>
<td>Pre-Tax Portfolio Value</td>
<td>$100,250.00</td>
<td>$100,250.00</td>
</tr>
<tr>
<td>Taxes on Interest Income (53.53%)**</td>
<td>$133.82</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Tax Payable</td>
<td>$133.82</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total After-Tax Portfolio Value</td>
<td>$100,116.18</td>
<td>$100,250.00</td>
</tr>
<tr>
<td>Difference in Return</td>
<td>$133.82</td>
<td>0%</td>
</tr>
</tbody>
</table>

Return Lost to Tax on Distributions 0.13% 0%

FOR ILLUSTRATIVE PURPOSES ONLY. The above illustrative example highlights the expected after-tax performance benefits of holding HSUV.U versus another Canadian U.S. dollar denominated high interest savings vehicle and is held in a non-registered account, assuming both strategies earn/reflected a net 0.25% interest rate (in USD). This example does not take into account any fees or expenses of the ETFs, or any commissions, fees or expenses that would be associated with a purchase or sale of ETF units/shares. The example does not contemplate the sale of the ETF units/shares or any tax liability that would result. ** Both products would be hypothetically held for one year by an Ontario resident investor in the third-highest tax bracket, who would have a marginal tax rate of 53.53% in 2023. It also assumes no change in the market value of the Index constituents.

If HSUV.U experience a significant increase in total NAV, the Manager may, at its sole discretion and if determined to be in the best interests of shareholders, decide to suspend subscriptions for new ETF shares of the ETF if considered necessary or desirable in order to manage potential tax implications and/or to permit the ETF to achieve, or continue to achieve, its investment objective. During a period of suspended subscriptions, if any, investors should note that ETF shares of HSUV.U would be expected to trade at a premium or substantial premium to the NAV per ETF Share of HSUV.U. During such periods, investors are strongly discouraged from purchasing ETF shares of HSUV.U on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager’s website. A suspension of subscriptions, if any, will not affect the ability of existing Shareholders to sell their ETF Shares in the secondary market at a price reflective, or potentially higher than, the NAV per ETF Share.

On January 9, 2023, HSUV.U suspended new subscriptions after reaching approximately US$775 Million in assets. Please refer to the press release for more information.

To learn more, please visit www.HorizonsETFs.com/HSUV.U

Commissions, management fees and applicable sales taxes all may be associated with an investment in the Horizons USD Cash Maximizer ETF managed by Horizons ETFs Management (Canada) Inc. (”HSUV.U” or the “ETF”). The ETF is not guaranteed, its value changes frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. Please read the prospectus before investing.

HSUV.U uses bank deposit accounts and does not track a traditional benchmark but rather a compounding rate of interest paid on the cash deposits that can change over time. Any distributions which are received by HSUV.U are reflected automatically in the net asset value (NAV) of HSUV.U. As a result, the shareholders of HSUV.U are not expected to receive any taxable distributions.

The information contained herein reflects general tax rules only and does not constitute, and should not be construed as, tax advice. Investors situations may differ from those illustrated. Investors should consult with their tax advisors before making any investment decisions.