

Horizons Natural Gas ETF (HUN)

ETF Snapshot

Name:

Horizons Natural Gas ETF

Launch Date:

June 25, 2009

Ticker:

HUN

Management Fee:¹

0.75%

Investment Manager:

Horizons ETFs Management
(Canada) Inc.

Underlying Index:

Solactive Natural Gas Winter MD
Rolling Futures Index ER

Bloomberg Index Ticker:

SOLCNGF1

Currency Hedging:

Yes

Eligibility:

All registered and non-registered
investment accounts

¹Plus applicable sales taxes.

Natural Gas Investing Redefined

The Horizons Natural Gas ETF ("HUN") seeks to provide investors exposure to the performance of the Solactive Natural Gas Winter MD Rolling Futures Index ER (the "Index").

Investors often buy the shortest-term futures contract (typically the near-month or one-month futures contract) because that is the contract most closely correlated to the spot- price of natural gas. By investing in shorter-dated contracts investors are required to roll into the next month's contract if they want to avoid physical delivery. However, there is usually a cost associated with rolling into the next month's contract that, depending on market factors, could substantially erode the long-term performance of investing in natural gas. This is what is referred to as a "negative roll yield".

HUN's unique methodology is designed to provide the best possible exposure to the commodity. This is done by providing exposure to the Index in the winter months (January) contract of each year, which is often the most liquid, to eliminate the monthly futures contract roll which often creates negative roll yield. Because the Natural Gas market is most often in a state of contango (upward sloping curve), the process of providing investors exposure to the near-month contract 12 times per year creates a constantly changing underlying investment which can prevent the ETF from accurately tracking the commodity. HUN invests only in the January contract, and does its underlying exposure roll once per year, every November.

Why Invest in Natural Gas?

For those investors who are bullish on Natural Gas, the most accurate way to invest in the commodity is to invest in the futures contracts for that commodity. Attempting to get exposure to Natural Gas through investing in natural-gas-focused companies exposes investors to external factors such as corporate/labour instability, unpredictable governments in gas-producing countries and interest rates, among other factors.

By gaining exposure to the Solactive Natural Gas Winter MD Rolling Futures Index ER, you get exposure to the price of natural gas without the accompanying equity risk.

Key Features of HUN:

- Single long exposure to the global benchmark price of natural gas
- One contract roll per year in November to the next January delivery month contract which reduces the negative roll yield caused by a monthly roll
- Currency hedged to the Canadian dollar, providing pure exposure to the commodity
- Intraday Liquidity



HORIZONS ETFs
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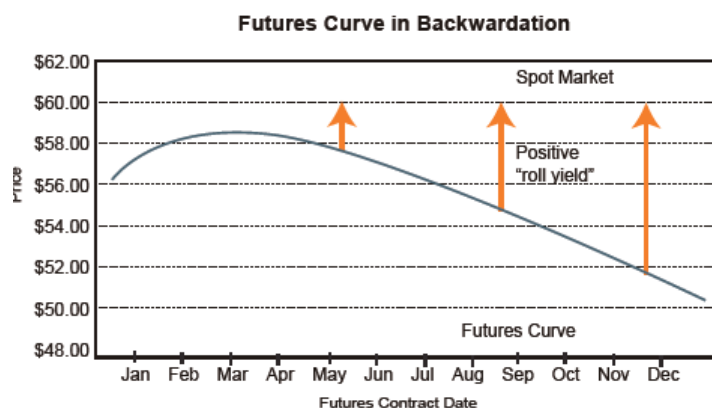
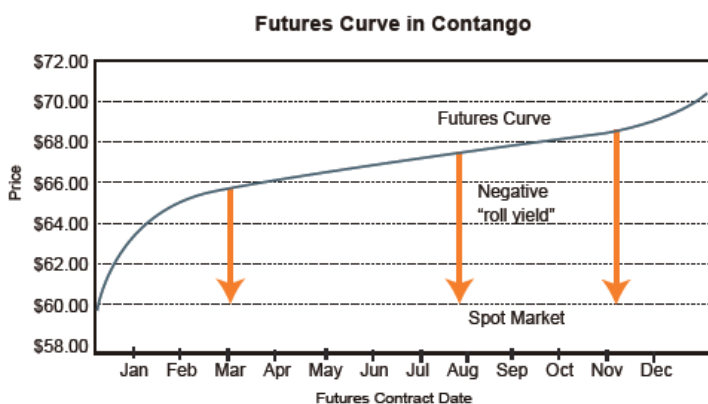
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What are the implications of contango and backwardation?

Contango is when the futures price is above the expected future spot price. The value of the futures contracts will decrease as they converge with the spot price. In order for a futures trade to be profitable during a period of contango, the spot price will have to rise higher than value of the futures contract.

Normal backwardation is when the futures price is below the expected future spot price. The value of the futures prices will increase as they converge with the spot price. In backwardation, a futures trade will be profitable as long as the value of the spot price remains higher than the value of the futures contract.



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



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