The Horizons Enhanced US Large Cap Equity Covered Call ETF (USCL) is a covered call ETF that gives investors lightly levered exposure to U.S. large-cap equities and uses a covered call strategy to help generate additional income on the portfolio.

Many of the U.S. large-cap companies offer some level of income through dividend yield. A covered call strategy is a way to potentially further increase that income stream through the use of covered calls that can generate a premium. With 1.25 times (1.25x) leverage, USCL can further magnify potential performance.

**INVESTMENT OBJECTIVE:**
USCL seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance the largecap market segment of the U.S. equity market; and (b) high monthly distributions of dividend and call option income. To generate income, USCL will be exposed to a dynamic covered call option writing program.

USCL will also employ leverage through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.
WHY CHOOSE USCL?

**Monthly Income**: It is anticipated that USCL will make distributions to its unitholders on a monthly basis.

**U.S. Large-Cap Exposure**: USCL provides enhanced exposure to the performance of the large-cap market segment of the U.S. equity market.

**The Covered Call Advantage + Leverage**: USCL’s Underlying ETF (Horizons US Large Cap Equity Covered Call ETF) uses a dynamic call writing approach, which seeks to generate income and reduce downside risk. USCL employs 1.25x leverage, which can potentially magnify performance, relative to the performance of the Underlying ETF (Horizons US Large Cap Equity Covered Call ETF).

**Call Premium Taxation**: Call premiums generated by USCL’s covered call strategy are taxed as capital gains, which is traditionally considered the most efficient form of investment taxation for investors.

USCL INVESTMENT STRATEGY:

The mechanics behind how USCL works are relatively simple. USCL invests in the Horizons US Large Cap Equity Covered Call ETF (the “Underlying ETF” or “USCC”). USCC seeks to provide: (a) exposure to the performance of the large-cap market segment of the U.S. equity market and (b) monthly U.S. dollar distributions of dividend and call option income. To mitigate downside risk and generate income, USCC will employ a dynamic covered call option writing program. USCL will invest entirely in USCC, and then use cash-borrowing to enhance the exposure to USCC by 1.25x. This use of light leverage could enhance the potential return profile generated relative to the Underlying ETF.

MAGNIFYING PERFORMANCE WITH LIGHT LEVERAGE

With USCL’s 1.25x leverage, exposure to the performance of the Underlying ETF, is magnified by 25% - resulting in potentially larger gains or losses relative to the Underlying ETF.
### FOUR WAYS TO OWN U.S. LARGE-CAP EQUITIES

<table>
<thead>
<tr>
<th>Fund Code</th>
<th>Description</th>
<th>Mgmt. Fee</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>HULC.U</td>
<td>Total Return Exposure to the Solactive US Large Cap Index (CA NTR)</td>
<td>0.08%</td>
<td></td>
</tr>
<tr>
<td>HXS.U</td>
<td>Total Return Exposure to the S&amp;P 500® Index. No anticipated distributions.</td>
<td>0.10%</td>
<td></td>
</tr>
<tr>
<td>USCC.U</td>
<td>Covered Call Exposure to the Solactive US Large Cap Index (CA NTR)</td>
<td>0.39%</td>
<td>Mgmt. Fee reduced from 0.65% to 0.39%, effective July 6, 2023</td>
</tr>
<tr>
<td>USCL</td>
<td>1.25x Covered Call Exposure to the Solactive US Large Cap Index (CA NTR)</td>
<td>0.39%</td>
<td></td>
</tr>
</tbody>
</table>

1 Management Fee plus applicable Sales Tax
2 Annual management fee reduced from 0.65% to 0.39%, effective July 6, 2023
Before making any investment decision, please consult your investment advisor or advisors. These investments may not be suitable to the circumstances of an investor. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies. Whether as a result of new information, future events or otherwise, unless required by applicable law.

Certain statements may constitute a forward-looking statement, including those identified by the expression “expect” and similar expressions (including grammatical variations thereof). The forward-looking statements are not historical facts but reflect the author’s current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking statements. These forward-looking statements are made as of the date hereof and the authors do not undertake to update any forward-looking statement that is contained herein, unless required by applicable law.

USCL is an alternative mutual fund within the meaning of NI 81-102, and is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of USCL’s net asset value in securities of a single issuer, the ability to borrow cash and to employ leverage. While these strategies will only be used in accordance with the applicable investment objectives and strategies of USCL, during certain market conditions they may accelerate the risk that an investment in Units of USCL decreases in value.

Effective June 24, 2022, the investment objectives of the Horizons US Large Cap Equity Covered Call ETF (“USCL.U, USCL”) (formerly Horizons Enhanced Income US Equity (USD) ETF (“HEA.U, HEA”)), were changed following receipt of the required unitholder and regulatory approvals. The new tickers began trading on the TSX on June 27, 2022. For more information, please refer to the disclosure documents of the ETFs at www.HorizonsETFs.com.

Horizons Total Return Index ETFs (“Horizons TRI ETFs”) are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver index returns in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant index in the same proportions as the index, most Horizons TRI ETFs use a synthetic structure that never buys the securities of an index directly. Instead, the ETF receives the total return of the index through entering into a Total Return Swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the index constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons TRI ETF receives the total return of the index (before fees), which is reflected in the ETF’s share price, and investors are not expected to receive any taxable distributions. Certain Horizons TRI ETFs (Horizons Nasdaq-100 ® Index ETF and Horizons US Large Cap Index ETF) use physical replication instead of a total return swap.

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. Certain statements may constitute a forward-looking statement, including those identified by the expression “expect” and similar expressions (including grammatical variations thereof).

“Standard & Poor’s®” and “S&P®” are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”) and “TSX®” is a registered trademark of the TSX Inc. (“TSX”). These marks have been licensed for use by Horizons ETFs Management (Canada) Inc. The ETF is not sponsored, endorsed, sold, or promoted by the S&P/TSX, or their affiliated companies and none of these parties make any representation, warranty, or condition regarding the advisability of buying, selling or holding units/shares of the ETF.

This communication is intended for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase exchange traded products (the “Horizons Exchange Traded Products”) managed by Horizons ETFs Management (Canada) Inc. and is not, and should not be construed as, investment, tax, legal or accounting advice, and should not be relied upon in that regard. Individual investors should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to making any changes to their investment strategies. These investments may not be suitable to the circumstances of an investor.

All comments, opinions and views expressed are generally based on information available as of the date of publication and should not be considered as advice to purchase or to sell mentioned securities. Before making any investment decision, please consult your investment advisor or advisors.