

Horizons Enhanced Income International Equity ETF (HEJ)

ETF Snapshot

Name:

Horizons Enhanced Income International Equity ETF

Launch Date:

September 14, 2011

Ticker:

HEJ

Management Fee:¹

0.65%

Investment Manager:

Horizons ETFs Management (Canada) Inc.

Distribution Frequency:

Monthly

Eligibility:

All registered and non-registered investment accounts

DRIP Eligible:

Yes

Enhance Your International Income

Do you want your international equity portfolio to generate more tax-efficient income? An ETF that uses a covered call investment strategy may help.

The Horizons Enhanced Income International Equity ETF ("HEJ") gives investors exposure to an equally-weighted portfolio of large capitalization international, non-North American companies and then uses a covered call strategy to earn additional income on the portfolio.

Benefits of HEJ

- Exposure to some of the largest and most liquid international, non-North American companies
- Management team uses dynamic call writing approach, which seeks to maximize the profit on options and reduce the downside risk
- Options are written out-of-the-money in order to preserve more of the upside potential growth of the underlying stocks
- Institutional options pricing and trading capabilities
- Call premium taxed as capital gains

Enhanced Income, Lower Risk

For stock investors, using a covered call writing strategy can be an effective way to potentially mitigate downside risk in their portfolio and generate an attractive monthly income.

An investor who chooses to utilize a covered call strategy limits some of the upside potential of the stock portfolio in exchange for earning a higher income – in the form of call premium - earned on those stocks. Ideally, the price return of the stocks plus the harvested premium from the covered call strategy will be greater than the total return of a portfolio that holds the same allocation of stocks but does not write covered calls on them.

It is important to note that each of our Enhanced Income ETFs invests in stocks, which means if the value of the underlying stocks held by an ETF declines, the price value of that ETF would also be expected to decline.

A covered call ETF investor can expect to participate in some of the potential upside performance of the underlying stocks while earning an attractive monthly distribution from call option premium and dividends.

¹Plus applicable sales tax.



Horizons Enhanced Income International Equity ETF (HEJ)

How A Covered Call Strategy Can Typically Be Expected To Perform

Historically, during bear markets, range-bound markets and modest bull markets, covered call strategies have tended to generally outperform their underlying securities. During strong bull markets, where the underlying securities may rise through their strike prices on a frequent basis, covered call strategies have historically tended to lag. Even during these periods, investors would still have generally earned moderate capital appreciation, plus dividends and a call premium.



Investors should consider adding a Covered Call Strategy as part of their overall equity portfolio for diversification and added cash flow.

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



Horizons ETFs is a member of Mirae Asset Global Investments. Commissions, management fees and expenses all may be associated with an investment in Horizons Enhanced Income International Equity ETF managed by Horizons ETFs Management (Canada) Inc. (the "ETF"). 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.**