



HORIZONS ETFs

HORIZONS MARIJUANA LIFE SCIENCES INDEX ETF (“HMMJ”)



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President and Co-CEO, Horizons ETFs Management (Canada) Inc.

Steven Hawkins is responsible for the day-to-day business and affairs of the firm and has over 30 years of experience in the investment industry. Mr. Hawkins has been with Horizons ETFs or its predecessors and affiliates since 2007.



HMMJ: THE WORLD'S FIRST MARIJUANA ETF

Investment Objective:

HMMJ seeks to replicate, to the extent possible, the performance of the North American Marijuana Index, net of expenses. The Index is designed to provide exposure to the performance of a basket of North American publicly listed companies with significant business activities in the marijuana industry.

Details:

- **Ticker:** TSX-listed as HMMJ, HMMJ.U¹
- **Management Fee*:** 0.75%
- **Currency:** Canadian Dollar (Foreign exposure is not hedged)
- **Eligibility:** All registered and non-registered investment accounts
- **Underlying Index:** The North American Marijuana Index
- **Bloomberg Ticker:** NAMMAR:IND
- **Rebalanced:** Quarterly

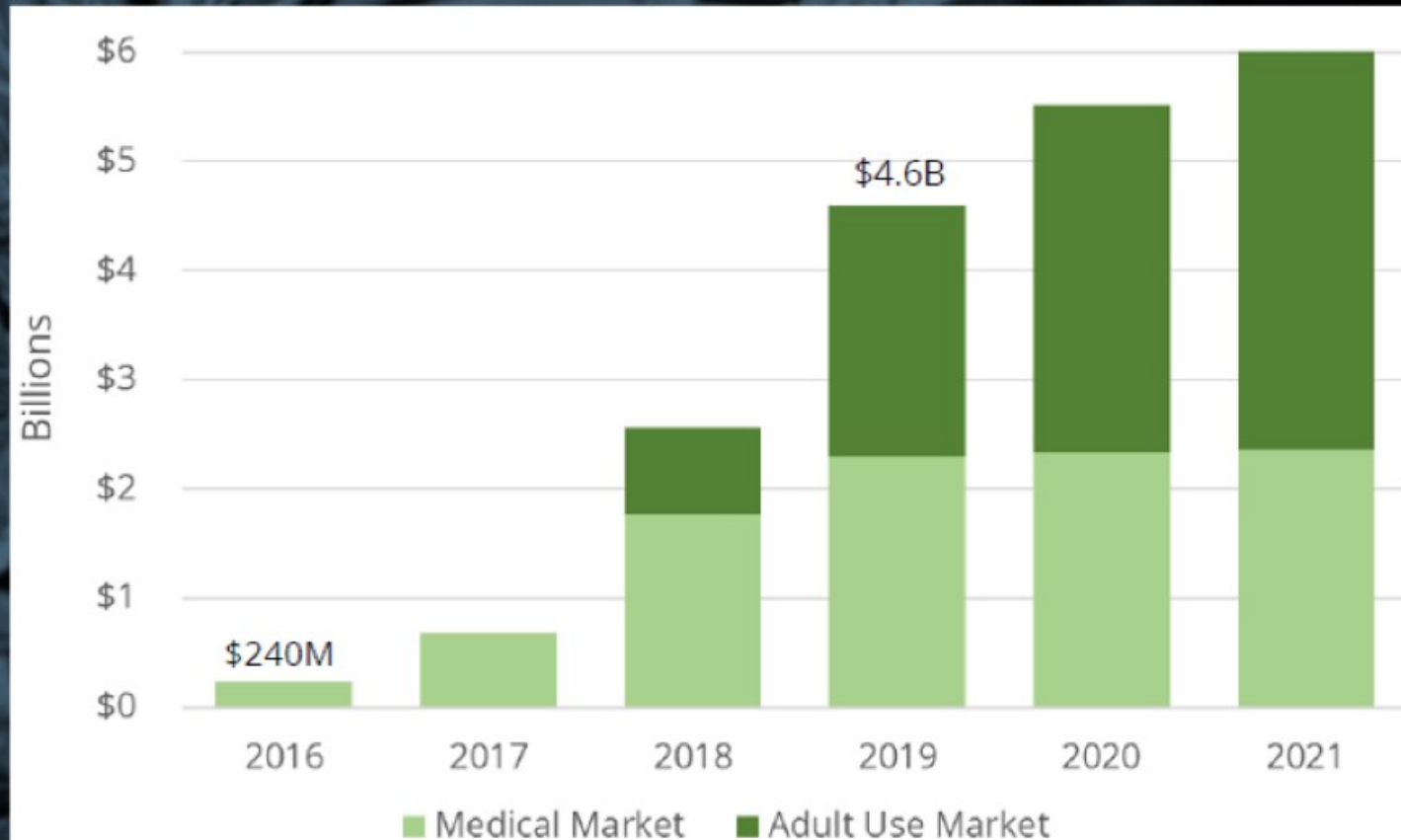


*Plus applicable taxes.
¹Trades in U.S. dollars.

MEDICAL MARIJUANA OPPORTUNITY

- The North American marijuana market posted USD \$6.7 billion in revenue in 2016, up 30% from the year before, according to ArcView Market Research, a leading publisher of cannabis market research
- In Canada, some analysts expect the marijuana market to increase exponentially over the next four years

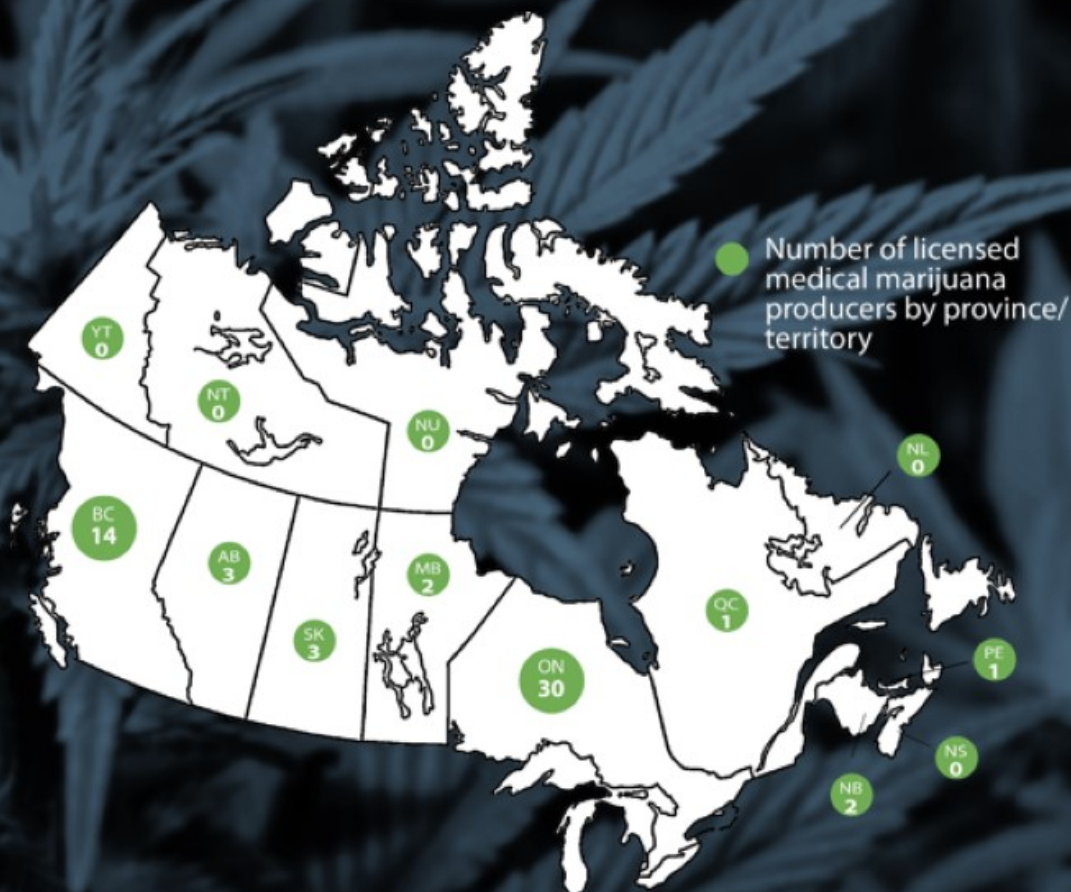
Growth Projections: Canadian Market



Source: PI Financial, MJIC.

ACCESS TO CANNABIS FOR MEDICAL PURPOSES REGULATIONS (“ACMPR”)

- ACMPR allows for a system of commercial operators that produce and sell quality controlled medical marijuana
- In-depth license application review process creates high barriers to entry
- 56 licensed companies¹
- Over 167,000 medical marijuana users across Canada²



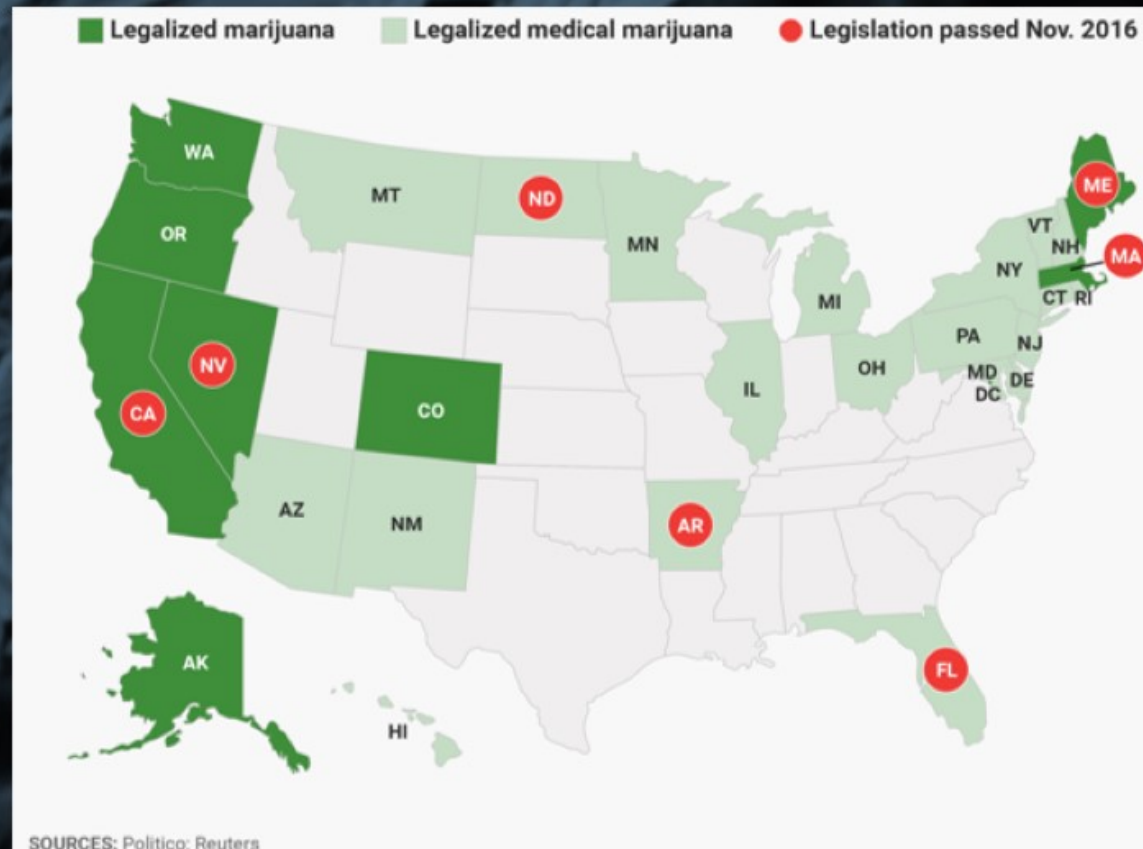
¹Source: Government of Canada, as at March 31, 2017.

²Source: Health Canada, as at December 31, 2016.

THE CANADIAN ADVANTAGE

- In the USA, cannabis use and possession is illegal under federal law
- U.S. State laws govern marijuana use, but subject to federal law – this creates uncertainty (The Cole Memo)
- No crossing borders or state lines (federal law)
- In Canada, the use of medical marijuana is legal and regulated by the federal government
- Canadian product must meet Health Canada standards and be consistently pharma grade
- Canadian Liberal Government made campaign promise to legalize recreational marijuana use, and on April 13, 2017, the government introduced legislation to legalize recreational marijuana in Canada, on or before July 1, 2018

States where Marijuana is Legalized





NORTH AMERICAN MARIJUANA INDEX

- Components are listed on North America's public equity markets with business activities that include biopharmaceuticals, medical manufacturing, distribution, bioproducts and other ancillary businesses to the marijuana industry
- Securities may be listed on the TSX, NYSE, NASDAQ or other North American junior exchanges that include (but are not limited to) the:
 - TSX Venture Exchange
 - Canadian National Stock Exchange
 - NASDAQ Capital Market



INDEX METHODOLOGY

- Market-cap weighted index
- Rebalanced quarterly to adapt to a dynamically changing market
- Securities will generally have a market capitalization of greater than CAD \$75 million
- Average daily trading value generally greater than \$250,000
- No issuer will represent more than 10% of the Index on each rebalance date

MARIJUANA STOCK PERFORMANCE*

Bloomberg Ticker	NAME	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	Since inception of NAMMAR**
NORTH AMERICAN MEDICAL MARIJUANA INDEX	NAMMAR INDEX	-9.52%	-11.46%						-24.76%
ABCANN GLOBAL CORP	ABCN CN EQUITY	-7.53%	-12.24%						
AURORA CANNABIS INC	ACB CN EQUITY	-7.43%	6.41%	-2.35%	8.26%	219.23%			-1.58%
APHRIA INC	APH CN EQUITY	-7.43%	14.12%	-9.26%	18.65%	131.78%			-9.67%
ARENA PHARMACEUTICALS INC	ARNA US EQUITY	-2.44%	78.31%	46.71%	63.24%	49.55%	-17.45%	-23.83%	52.50%
CANNIMED THERAPEUTICS INC	CMED CN EQUITY	-9.62%	6.82%	-22.63%	-12.56%				-23.58%
EMBLEM CORP	EMC CN EQUITY	-17.73%	-20.48%	-51.45%	-56.28%				-49.55%
EMERALD HEALTH THERAPEUTICS	EMH CN EQUITY	-10.69%	0.86%	-10.69%	-10.00%	216.22%			-12.03%
SUPREME PHARMACEUTICALS INC	FIRE CN EQUITY	-1.63%	-12.95%	-29.24%	-15.97%	86.15%			-28.40%
GW PHARMACEUTICALS -ADR	GWPH US EQUITY	-5.33%	7.31%	-15.19%	-5.31%	29.44%	4.96%		-18.50%
ICC INTERNATIONAL CANNABIS C	ICC CN EQUITY	-6.73%	-10.19%	8.99%	0.00%				15.48%
INVICTUS MD STRATEGIES CORP	IMH CN EQUITY	-14.49%	-12.59%	-34.81%	-16.90%				-32.57%
INSYS THERAPEUTICS INC	INSY US EQUITY	-20.24%	-37.82%	-28.37%	-0.65%	-35.95%	-19.71%		-24.28%
MEDRELEAF CORP	LEAF CN EQUITY	-2.26%							
MARICANN GROUP INC	MARI CN EQUITY	-28.24%	-30.29%						
CRONOS GROUP INC	MJN CN EQUITY	4.04%	0.43%	-22.92%	56.76%	404.35%			-30.95%
ORGANIGRAM HOLDINGS INC	OGI CN EQUITY	-8.75%	-10.61%	-12.40%	-24.48%	59.85%	-0.90%	45.18%	-13.78%
SCOTT'S MIRACLE-GRO CO	SMG US EQUITY	0.15%	10.99%	6.67%	1.72%	18.03%	21.42%	22.21%	6.01%
HYDROPOTHECARY CORP/THE	THCX CN EQUITY	-6.54%	-10.06%						
CANOPY GROWTH CORP	WEED CN EQUITY	-0.78%	20.27%	-24.52%	-1.97%	141.51%	53.65%		-24.32%
22ND CENTURY GROUP INC	XXII US EQUITY	25.71%	60.58%	129.17%	101.83%	115.69%	-10.32%	39.26%	136.56%
ZYNERBA PHARMACEUTICALS INC	ZYNE US EQUITY	-54.96%	-65.92%	-72.27%	-59.27%	-25.12%			-70.66%

The indicated rates of return are the historical annual compounded total returns, including reinvestment of all dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return shown in the table are not intended to reflect future values of the equity investments. **Please read the prospectus for more details.**

*Source: Bloomberg as at August 31, 2017.

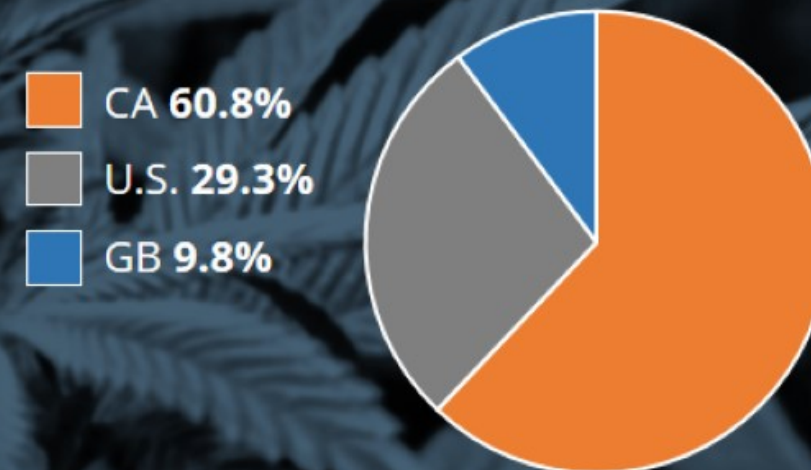
**Inception date of NAMMAR was March 3, 2017.



ETF HOLDINGS¹

Company Name	Ticker	ETF Weight
ARENA PHARMACEUTICALS INC.	ARNA	2.47%
GW PHARMACEUTICALS PLC.	GWPH	9.50%
INSYS THERAPEUTICS INC.	INSY	6.64%
SCOTTS MIRACLE-GRO CO/THE.	SMG	9.69%
22ND CENTURY GROUP INC.	XXII	2.66%
ZYNERBA PHARMACEUTICALS INC.	ZYNE	2.01%
CANNIMED THERAPEUTICS INC.	CMED	3.52%
EMBLEM CORP.	EMC	2.35%
HYDROPOTHECARY CORP.	THCX	1.89%
CRONOS GROUP INC.	MJN	5.95%
ABCANN GLOBAL CORP.	ABCN	1.65%
MEDRELEAF CORP.	LEAF	0.88%
SUPREME PHARMACEUTICALS INC.	FIRE	3.36%
ORGANIGRAM HOLDINGS INC.	OGI	4.34%
APHRIA INC.	APH	11.28%
AURORA CANNABIS INC.	ACB	11.64%
EMERALD HEALTH THERAPEUTICS	EMH	2.17%
CANOPY GROWTH CORP.	WEED	11.42%
ICC INTL CANNABIS CORP.	ICC	2.25%
MARICANN GROUP INC.	MARI	1.71%
INVICTUS MD STRATEGIES CORP.	IMH	1.80%

Composition by Countries



¹As at August 23, 2017.



LEGAL CONSTRAINTS

- HMMJ is a TMX-listed issuer and will comply with all rules and policies of the TSX
- HMMJ will not invest in any constituent issuers that are primarily focused on serving the medical or recreational marijuana market in the United States, or the recreational marijuana market in Canada, unless and until such time as it becomes legal
- HMMJ's investment strategy permits the ETF to invest in marijuana companies that derive some portion of their revenue, currently or in the future, from the medical and/or recreational cannabis industry in certain U.S. states where cannabis use has been legalized by state law, notwithstanding that the use, possession, sale, cultivation and transportation of cannabis remains illegal under U.S. federal law

COMPANY PROFILES: SCOTTS MIRACLE-GRO (SMG)

- The largest stock in the selection universe by market-cap
- SMG is a household lawn care and fertilizer company. The global family of Scotts Miracle-Gro brands provides consumers with a wide range of lawn care, garden and home protection products
- **Marijuana Strategy:** SMG has made substantial investments focused on hydroponics, soil, fertilizers, pesticides, growing systems and lights targeted for the marijuana sector. The company is currently in the midst of a planned \$500 million investment in hydroponics – a sector that benefits heavily from cannabis growers of all sizes

Scotts Miracle-Gro



COMPANY PROFILES: GW PHARMACEUTICALS [GWPH]

- GWPH is the global leader in developing cannabinoid-based medicines
- Its lead product candidate, Epidiolex® (cannabidiol) is in development to treat rare and catastrophic forms of childhood-onset epilepsy, potentially offering relief to patients for conditions that previously had few treatment options

Description of Business Strategy

- Secure regulatory approval and launch using lead product candidate Epidiolex in Dravet syndrome and LGS in the United States and around the world
- Expand the market opportunity for Epidiolex® within the field of epilepsy
- Develop additional product candidates within the field of epilepsy and pediatric neurology



COMPANY PROFILES: CANOPY GROWTH CORPORATION [WEED]

- The largest Canadian-listed stock in the Index, Canopy Growth is a publicly-traded Canadian corporation, with its head office located in Smiths Falls, Ontario
- Canopy Growth is in the business of producing and selling medical cannabis, primarily in the Canadian market and has five licenses to cultivate and sell cannabis under the ACMPR program
- Canopy Growth has also positioned itself to produce and sell cannabis in the recreational market in Canada through Tweed and potentially other brands, when legalized in the future





COMPANY PROFILES: APHRIA [APH]

- Ontario-based Aphria is licensed to produce and sell medical marijuana under the provisions of the ACMPR
- The company is focused on producing and selling medical marijuana and its derivatives through a two-pronged growth strategy, including both retail sales and wholesale channels
- Retail sales are primarily sold through Aphria's online store as well as telephone orders. Wholesale shipments are sold to other ACMPR licensed producers





COMPANY PROFILES: INSYS [INSY]

- Insys is a specialty pharmaceutical company that develops and commercializes innovative drugs
- Insys currently markets two products: Subsys[®], which is sublingual Fentanyl spray for breakthrough cancer pain, and a generic version of Dronabinol (THC) capsules
- In December 2011, launched Dronabinol SG Capsule, a generic equivalent to Marinol (dronabinol), an approved second-line treatment for chemotherapy-induced nausea and vomiting, or CINV, and anorexia associated with weight loss in patients with AIDS



insys
THERAPEUTICS, INC.

HMMJ NEW HOLDINGS



HORIZONS
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NEW HOLDINGS*



*New as at August 30, 2017..

A GROWTH OPPORTUNITY – BENEFITS OF HMMJ

- Diversified exposure
- Liquid access to both the cannabis sector and large and small-cap companies
- Strong exposure to Canadian marijuana producers
- Flexibility to include more companies as medical and recreational marijuana use is legalized in more regions





DISCLAIMER

Horizons ETFs is a member of Mirae Asset Global Investments. Commissions, management fees and applicable sales taxes all may be associated with an investment in the Horizons Marijuana Life Sciences Index ETF listed herein and managed by Horizons ETFs Management (Canada) Inc. (the “ETF”). Certain of the ETF’s investments are speculative in nature and may be subject to greater risk. 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.**

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, whether as a result of new information, future events or otherwise, unless required by applicable law.

