

MATERIAL CHANGE REPORT
(Section 11.2 of National Instrument 81-106)

ITEM 1. NAME AND ADDRESS OF ISSUER

The full name of the issuer is as follows, whose principal office is located at 55 University Avenue, Suite 800, Toronto, Ontario, M5J 2H7:

Horizons S&P/TSX 60™ Index ETF
Horizons Blockchain Technology & Hardware Index ETF
Horizons Enhanced Income Energy ETF
Horizons Seasonal Rotation ETF
(the “ETFs”)

ITEM 2. DATE OF MATERIAL CHANGE(S)

November 20, 2018.

ITEM 3. NEWS RELEASE

A Press Release was issued through Canada NewsWire’s Canadian Custom Disclosure Network on November 20, 2018, a copy of which is attached to this report as Schedule “A”.

ITEM 4. SUMMARY OF MATERIAL CHANGE(S)

On November 20, 2018, Horizons ETFs Management (Canada) Inc. (the “**Manager**”) announced changes to the risk ratings applicable to certain of its ETFs. The changes in risk ratings are effective immediately and detailed below:

| ETF | Ticker | Previous Risk Rating | New Risk Rating |
|---|---------------|-----------------------------|------------------------|
| Horizons S&P/TSX 60™ Index ETF | HXT | Medium | Low to Medium |
| Horizons Blockchain Technology & Hardware Index ETF | BKCH | High | Medium to High |
| Horizons Enhanced Income Energy ETF | HEE | High | Medium to High |
| Horizons Seasonal Rotation ETF | HAC | Medium | Low to Medium |

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE(S)

5.1 Full Description of Material Change

Please refer to the attached Press Release.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

ITEM 6. RELIANCE ON SUBSECTION 11.2(2) OR 11.3(3) NI 81-106

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Steven J. Hawkins, Chief Executive Officer and President of Horizons ETFs Management (Canada) Inc. is knowledgeable about the details of these material changes and this Report and may be reached at (416) 933-5745.

ITEM 9 DATE OF REPORT

November 28, 2018

SCHEDULE “A”



FOR IMMEDIATE RELEASE

Horizons ETFs Announces Changes to Risk Ratings for Certain ETFs

TORONTO – November 20, 2018 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”) has announced changes to the risk ratings applicable to certain of its ETFs. The changes in risk ratings are effective immediately and detailed in the table below:

| ETF | Ticker | Previous Risk Rating | New Risk Rating |
|---|---------------|-----------------------------|------------------------|
| Horizons S&P/TSX 60™ Index ETF | HXT | Medium | Low to Medium |
| Horizons Blockchain Technology & Hardware Index ETF | BKCH | High | Medium to High |
| Horizons Enhanced Income Energy ETF | HEE | High | Medium to High |
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The investment risk level of an ETF is determined in accordance with a standardized risk classification methodology, set out in National Instrument 81-102 *Investment Funds*, that is based on the historical volatility of the ETF, as measured by the 10-year standard deviation of the returns of the ETF. If an ETF has less than 10 years of performance history, the investment risk level of the ETF is calculated using the return history of the ETF, and, for the remainder of the 10 year period, the return history of a reference index that is expected to reasonably approximate the standard deviation of the ETF.

No changes have been made to the investment objectives or strategies of these ETFs as a result of the changes to the risk ratings. A summary of the risk rating classification methodology, investment objectives and strategies of an ETF can be found in the ETF’s most recently filed prospectus.

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has more than \$10.3 billion of assets under management and 85 ETFs listed on major Canadian stock exchanges. Horizons ETFs Management (Canada) Inc. is a member of the Mirae Asset Global Investments Group.

For investor inquiries:

Contact Horizons ETFs at 1-866-641-5739 (toll-free) or (416) 933-5745

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For media inquiries:

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*Horizons ETFs is a Member of Mirae Asset Global Investments. Commissions, management fees and expenses all may be associated with an investment in exchange traded products managed by Horizons ETFs Management (Canada) Inc. (the "Horizons Exchange Traded Products"). The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. **Please read the relevant prospectus before investing.***