



**CDCC will not adjust any outstanding escrow receipts.**

**The Bourse - adjustment details:**

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the reverse split and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of HED options class will be transferred to the HED1 options class representing the new deliverable. Actual series that do not have open interest will not be adjusted.

<b>Horizons BetaPro S&amp;P/TSX Capped Energy Bear Plus ETF</b>		
<b>Symbol</b>	<b>Actual Strike Prices</b>	<b>New Strike Prices</b>
HED1	\$3.00	\$12.00
HED1	\$4.00	\$16.00
HED1	\$5.00	\$20.00
HED1	\$6.00	\$24.00
HED1	\$7.00	\$28.00

Numerical Example

**For a member holding a long put strike \$4.00 position and considering that HED Fund's closing price on June 16, 2014 is \$2.07, the intrinsic value of the option prior to the adjustment is:**

$$\begin{aligned} \text{Intrinsic Value} &= \$4.00 \times 100 - \$2.07 \times 100 \\ &= \$193 \end{aligned}$$

**After the adjustment, the intrinsic value of the option will be:**

$$\begin{aligned} \text{Intrinsic Value} &= \text{New Strike Price} \times \text{New Multiplier} - \text{New Underlying Market Price} \times \text{New Deliverable} \\ &= \$16.00 \times 25 - \$8.28 \times 25 \\ &= \$193 \end{aligned}$$

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC clearing members may contact the **Corporate Operations Department**.

Claude Cyr  
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