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CIRCULAR
April 12, 2012

FINAL CONTRACT ADJUSTMENT
Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (HNU)
Reverse Unit Split

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform you that Horizons ETFs Management (Canada) Inc. (“Horizons Canada”) will consolidate the units of Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (“HNU Fund”). The reverse unit split, on the basis of a 1 for 4 ratio, will be effective at the opening of markets on Friday, April 13, 2012.

Accounts holding a position in a regular option series (HNU) should refer to page 1-2 of this circular.

Accounts holding a position in an already adjusted option series (HNU2) should refer to page 3-4 of this circular.

Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (HNU)

This section describes the adjustment that will affect exclusively the regular HNU option series. **Accounts holding already adjusted option series (HNU2) should refer to page 3-4 of this circular.**

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 3(iii) of the Rules of CDCC, all the HNU Fund options will be adjusted as follows:

- **EFFECTIVE DATE :** **April 13, 2012**
- **OPTIONS SYMBOL :** **HNU will become HNU3**
- **NUMBER OF CONTRACTS :** **Unchanged**
- **NEW DELIVERABLE PER CONTRACT :** **25 shares of Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (HNU)**

- **MULTIPLIER :** **25**
- **POSITION AND EXERCISE LIMITS :** **Position and exercise limits will remain unchanged at 75,000 contracts**
- **STRIKE PRICES :** **Strike Prices will be multiplied by four**
- **NEW CUSIP :** **44045F143**

CDCC will not accept escrow receipts on these adjusted series.

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 consolidation and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of HNU options class will be transferred to the HNU3 options class representing the new deliverable. Actual series that do not have open interest will not be adjusted.

Horizons BetaPro NYMEX Natural Gas Bull plus ETF		
Symbol	Actual Strike Prices	New Strike Prices
HNU3	\$3.00	\$12.00
HNU3	\$4.00	\$16.00
HNU3	\$5.00	\$20.00
HNU3	\$6.00	\$24.00
HNU3	\$7.00	\$28.00
HNU3	\$8.00	\$32.00
HNU3	\$9.00	\$36.00
HNU3	\$10.00	\$40.00
HNU3	\$11.00	\$44.00
HNU3	\$12.00	\$48.00
HNU3	\$13.00	\$52.00

Numerical Example

For an account holding a long put strike \$4.00 position and considering that HNU Fund's closing price on April 12, 2012 is \$2.50, the intrinsic value of the option contract prior to the adjustment would be:

$$\text{Intrinsic Value} = \$4.00 \times 100 - \$2.50 \times 100 = \underline{\$150}$$

After the adjustment, the intrinsic value of the option would be:

$$\text{Intrinsic Value} = \text{Aggregate Strike Price} - \text{Aggregate Market Value (Deliverable)}$$

$$\text{Intrinsic Value} = \text{New Strike Price} \times \text{New Multiplier} - \text{New Underlying Market Price} \times \text{New Share Deliverable}$$

$$\text{Intrinsic Value} = \$16.00 \times 25 - \$10.00 \times 25 = \underline{\$150}$$

Already Adjusted - Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (HNU2)

This section describes the adjustment that will affect exclusively the adjusted HNU2 option series. **Accounts holding regular option series (HNU) should refer to page 1-2 of this circular.**

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Sections A-902 3(iii), A-902 5(iii) and A-902 5(iv) of the Rules of CDCC, all the HNU2 Fund options will be adjusted as follows:

- **EFFECTIVE DATE :** April 13, 2012
- **OPTIONS SYMBOL :** HNU2 will become HNU4
- **NUMBER OF CONTRACTS :** Unchanged
- **NEW DELIVERABLE PER CONTRACT :**
 - 6 shares of Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF (HNU)
 - A cash amount equivalent to the value of 0.25 share of HNU based on its post-consolidation closing price on Thursday, April 12, 2012.

***** PLEASE NOTE THAT THE CASH AMOUNT EQUIVALENT TO THE VALUE OF THE SHARE PORTION ELIMINATED (0.25 SHARE) WILL BE DETERMINED ON THURSDAY, APRIL 12, 2012 AND WILL REMAIN UNCHANGED AFTER THIS DATE. *****

***** A FOLLOW-UP CIRCULAR CONTAINING THE CASH AMOUNT WILL BE ISSUED ON OR SHORTLY AFTER THE EFFECTIVE DATE OF THIS CORPORATE EVENT *****

- **MULTIPLIER :** 6.25
- **POSITION AND EXERCISE LIMITS :** Effective April 13, 2012, position and exercise limits will be 4,687 contracts
- **STRIKE PRICES :** Strike Prices will be multiplied by four
- **NEW CUSIP :** NOTACUSIP (CASH included)

CDCC will not accept escrow receipts on these adjusted series. Only closing transactions will be permitted on these adjusted series.

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 consolidation and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of HNU2 options class will be transferred to the HNU4 options class representing the new deliverable. Actual series that do not have open interest will not be adjusted.

Horizons BetaPro NYMEX Natural Gas Bull plus ETF		
Symbol	Actual Strike Prices	New Strike Prices
HNU4	\$12.00	\$48.00
HNU4	\$16.00	\$64.00
HNU4	\$20.00	\$80.00
HNU4	\$28.00	\$112.00

Numerical Example

For an account holding a long put strike \$12.00 position and considering that HNU Fund's closing price on April 12, 2012 is \$2.50, the intrinsic value of the option contract prior to the adjustment would be:

$$\text{Intrinsic Value} = \$12.00 \times 25 - \$2.50 \times 25 = \underline{\$237.50}$$

After the adjustment, the adjusted closing price of HNU will be $\$2.50 \times 4 = 10.00\$$. Consequently, the cash amount equivalent to the value of 0.25 share would be $\$10.00 \times 0.25 = \2.50 . The intrinsic value of the option post adjustment would be:

$$\text{Intrinsic Value} = \text{Aggregate Strike Price} - \text{Aggregate Market Value (Deliverable)}$$

where

$$\text{Aggregate Strike Price} = \text{New Strike Price} \times \text{New Multiplier}$$

$$\text{Aggregate Market Value (Deliverable)} = (\text{New Underlying Mkt Price} \times \text{New Share Deliverable}) + \text{Cash Amount}$$

$$\text{Intrinsic Value} = \$48.00 \times 6.25 - ((\$10.00 \times 6 \text{ shares}) + \$2.50) = \underline{\$237.50}$$

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THESE OPTION CLASSES 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. Clearing members may contact the CDCC Member Services Department.

Brian Gelfand
Vice-President, Institutional Relations and Market Operations