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CIRCULAR
April 4, 2013

**FINAL CONTRACT ADJUSTMENT
Horizons BetaPro NYMEX Natural Gaz Bear Plus ETF (HND)
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 BetaPro Management Inc. (“BetaPro”) will consolidate the units of Horizons BetaPro NYMEX Natural Gaz Bear Plus Fund (“HND Fund”). The reverse unit split on the basis of a 1 for 2 ratio will be effective at the opening of markets on April 5, 2013.

CDCC - adjustment details:

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

- **EFFECTIVE DATE:** April 5, 2013
- **OPTIONS SYMBOL:** HND will become HND1
- **NUMBER OF CONTRACTS:** Unchanged
- **NEW DELIVERABLE PER CONTRACT:** 50 Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF (HND)
- **MULTIPLIER:** 50
- **POSITION AND EXERCISE LIMITS** Position and exercise limits will remain unchanged at 75,000 contracts
- **STRIKE PRICES :** Strike Prices will double (See table below)

➤ **NEW CUSIP** : **44045G117**

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

The existing series of HND options class will be transferred to the HND1 options class representing the new deliverable. Actual series that do not have open interest will not be adjusted.

Horizons BetaPro NYMEX Natural Gas Bear plus ETF		
New Symbol	Actual Strike Prices	New Strike Prices
HND1	\$3.00	\$6.00
HND1	\$4.00	\$8.00
HND1	\$5.00	\$10.00
HND1	\$6.00	\$12.00
HND1	\$7.00	\$14.00

Numerical Example

For a member holding a long put strike \$4.00 position and considering that HND Fund's closing price on April 4, 2013 is \$3.00, the intrinsic value of the option prior to the adjustment is:

$$\begin{aligned} \text{Intrinsic Value} &= \$4.00 \times 100 - \$3.00 \times 100 \\ &= \$100 \end{aligned}$$

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

$$\begin{aligned} \text{Intrinsic Value} &= \text{New Strike Price} \times \text{New Multiplier} - \text{New Underlying Market Price} \times \text{New Deliverable} \\ &= \$8.00 \times 50 - \$6.00 \times 50 \\ &= \$100 \end{aligned}$$

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. Clearing members may contact the CDCC Operations Department.

Brian Gelfand
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