



# HAMILTON ETFS

## AMENDMENT NO. 1 DATED OCTOBER 15, 2021 TO THE PROSPECTUS DATED JULY 8, 2021

for

### Hamilton Enhanced Canadian Bank ETF (formerly *Hamilton Canadian Bank 1.25x Leverage ETF*) ("HCAL" or the "ETF")

The prospectus dated July 8, 2021 (the "**Prospectus**") relating to the distribution of Units of the ETF, is hereby amended, and is to be read subject to the additional information set forth below.

Unless defined herein, all capitalized terms have the meanings ascribed to them in the Prospectus.

#### SUMMARY

Hamilton Capital Partners Inc. (the "**Manager**"), the manager of the ETF, is amending the Prospectus in order to reflect a change to the rebalancing methodology that the Index Provider has applied to the Solactive Canadian Bank Mean Reversion Index, the Index utilized to achieve the ETF's investment objective.

#### AMENDMENT TO THE PROSPECTUS

The following technical amendments are made to the Prospectus to reflect the change noted above:

1. The following paragraph, which is reflected at: (i) page (iii) of the Summary section of the Prospectus; and (ii) pages 17 and 18 of the Prospectus:

"The Solactive Canadian Bank Mean Reversion Index includes Canadian exchange listed securities in the diversified bank industry. Constituents are subject to minimum market capitalization and liquidity screens and are rebalanced monthly according to a rules-based re-weighting strategy. The constituent securities are the top six Canadian banks listed on the Toronto Stock Exchange or other recognized exchange in Canada by market capitalization. Currently, the constituents are Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank. The re-weighting strategy is based on the historical long-term mean-reversion tendencies of the sector. The Solactive Canadian Bank Mean Reversion Index's rules-based mean-reversion strategy rebalances the portfolio monthly (an "**HCAL Index Rebalance Date**") based on the percent difference between each Bank's stock price and its 50-day average price. On an HCAL Index Rebalance Date: (i) the three Banks with the lowest percentage difference between their current trading price and their 50-day average price are "over-weighted" at approximately 26.5% each of the Index; and (ii) the three Banks with the highest percentage difference between their current trading price and their 50-day average price are "under-weighted" at approximately 6.5% each of the Index. Such portfolio weightings are maintained until the next HCAL Index Rebalance Date, at which point the rebalancing process is repeated. Additional

information about the Solactive Canadian Bank Mean-Reversion Index and its constituent issuers can be found on Solactive AG's website, [www.solactive.com](http://www.solactive.com)."

is deleted in its entirety and replaced with the following:

"The Solactive Canadian Bank Mean Reversion Index includes Canadian exchange listed securities in the diversified bank industry. Constituents are subject to minimum market capitalization and liquidity screens and are rebalanced quarterly (or such other frequency as may be determined by the Index Provider from time to time) according to a rules-based re-weighting strategy. The constituent securities are the top six Canadian banks listed on the Toronto Stock Exchange or other recognized exchange in Canada by market capitalization. Currently, the constituents are Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank. The re-weighting strategy is based on the historical long-term mean-reversion tendencies of the sector. The Solactive Canadian Bank Mean Reversion Index's rules-based mean-reversion strategy rebalances the portfolio quarterly (or such other frequency as may be determined by the Index Provider from time to time) (an "**HCAL Index Rebalance Date**") based on the percent difference between each Bank's stock price and its 200-day average price (or such other measure as may be determined by the Index Provider from time to time) (the "**HCAL Average Price**"). On an HCAL Index Rebalance Date, the Index Provider determines: (i) the three Banks with the lowest percentage difference between their current trading price and the HCAL Average Price and such Banks will be "over-weighted" at approximately 26.5% each of the Index; and (ii) the three Banks with the highest percentage difference between their current trading price and the HCAL Average Price and such Banks will be "under-weighted" at approximately 6.5% each of the Index. Such portfolio weightings are maintained until the next HCAL Index Rebalance Date, at which point the rebalancing process is repeated. Additional information about the Solactive Canadian Bank Mean-Reversion Index and its constituent issuers can be found on Solactive AG's website, [www.solactive.com](http://www.solactive.com)."

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## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

**HAMILTON ENHANCED CANADIAN BANK ETF  
(THE “ETF”)**

**CERTIFICATE OF THE ETF, THE MANAGER AND PROMOTER**

Dated: October 15, 2021

The prospectus dated July 8, 2021 as amended by this amendment no. 1 dated October 15, 2021, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated July 8, 2021, as amended by this amendment no. 1 dated October 15, 2021, as required by the securities legislation of all of the provinces and territories of Canada.

**HAMILTON CAPITAL PARTNERS INC.,  
AS TRUSTEE, MANAGER AND PROMOTER OF THE ETF**

(signed) “Robert Wessel”  
Robert Wessel  
as Managing Partner  
(acting in the capacity of Chief Executive Officer)

(signed) “Derek Smith”  
Derek Smith  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF HAMILTON CAPITAL PARTNERS INC.**

(signed) “Jennifer Mersereau”  
Jennifer Mersereau  
Director

(signed) “Howard Atkinson”  
Howard Atkinson  
Director

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.*

## PROSPECTUS

Initial Public Offering and Continuous Offering

July 8, 2021



# HAMILTON ETFs

**Hamilton Enhanced Canadian Bank ETF**  
(formerly *Hamilton Canadian Bank 1.25x Leverage ETF*)  
("HCAL")

**Offering Class E Units**

**Hamilton Enhanced Multi-Sector Covered Call ETF**  
("HDIV")

**Offering Class E Units**

**Hamilton U.S. Financials Dividend Index ETF**  
("HUS")

**Offering CDN\$ Hedged Units and  
US\$ Unhedged Units**

This prospectus qualifies the distribution of Class E Units of HCAL and HDIV. This prospectus also qualifies the distribution of CDN\$ Hedged Units and US\$ Unhedged Units of HUS. CDN\$ Hedged Units and the Class E Units, are together referred to herein as "**CAD Units**". The US\$ Unhedged Units and CAD Units are together referred to herein as "**Units**".

HCAL, HDIV and HUS are collectively referred to herein as the "**ETFs**" and each an "**ETF**". The Manager (as defined below) may offer other exchange traded funds under separate prospectuses. The ETFs are exchange-traded mutual funds established under the laws of Ontario. HCAL and HDIV (together, the "**Alternative ETFs**") are also alternative mutual funds under applicable securities legislation.

There is no minimum number of Units of an ETF that may be issued. Each Unit of an ETF represents an equal, undivided interest in the portion of that ETF's assets. The Units of each ETF will be offered for sale at a price equal to the net asset value of such Units next determined following the receipt of a subscription order.

The base currency of each ETF is Canadian dollars. The US\$ Unhedged Units are denominated in U.S. dollars and the CAD Units are denominated in Canadian dollars. CAD Units of the ETFs are offered in Canadian dollars. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars. CDN\$ Hedged Units are similar to US\$ Unhedged Units of the same the ETF but are intended for investors who wish to purchase and redeem Units of an ETF in Canadian dollars and hedge against currency fluctuations between the Canadian and U.S. dollar.

The manager, portfolio adviser and trustee of the ETFs is Hamilton Capital Partners Inc. (“**Hamilton ETFs**”, the “**Manager**”, the “**Portfolio Adviser**” or the “**Trustee**”). See “Organization and Management Details of the ETFs” at page 48.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Units of HDIV and HUS (together the “**New ETFs**”). Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

## **Investment Objectives**

### *HCAL*

The investment objective of HCAL is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, variable-weight Canadian bank index. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Canadian Bank Mean Reversion Index (or any successor thereto).

HCAL will use leverage. The leverage may be created through the use of cash borrowings and shall not exceed the limits on the use of leverage described herein or as otherwise permitted under applicable securities legislation.

### *HDIV*

The investment objective of HDIV is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, equal-weighted, diversified by sector index of Canadian covered call exchange traded funds. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Multi-Sector Covered Call ETFs Index (or any successor thereto).

HDIV will use leverage in order to seek to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

### *HUS*

The investment objective of HUS is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, the performance of a rules-based, equal-weighted U.S. financials index. The ETF currently seeks to replicate the Solactive U.S. Financials Dividend Index (or any successor thereto).

See “Investment Objectives” at page 16.

The ETFs are subject to certain investment restrictions. See “Investment Restrictions” at page 22.

Subject, in the case of the New ETFs, to receiving all necessary approvals of the TSX, investors will be able to buy or sell Units of the ETFs on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying and/or selling Units of the ETFs. Unitholders may redeem Units of an ETF in any number for cash, subject to a redemption discount, or may redeem a prescribed number of Units (a “**PNU**”) of an ETF or a multiple PNU of the ETF for cash equal to the net asset value of that number of Units of the ETF, subject to any redemption charge. See “Exchange and Redemption of Units” at page 40.

Each ETF issues Units directly to the Designated Broker and Dealers (as each is hereinafter defined).

No Designated Broker, Dealer and/or Counterparty (as each is hereinafter defined) has been involved in the preparation of this prospectus nor has the Designated Broker, Dealer and/or Counterparty performed any review of the contents of this prospectus. The securities regulatory authorities (as hereinafter defined) have provided the ETFs with a decision exempting the ETFs from the requirement to include a certificate of an underwriter in the prospectus.

No Designated Broker, Dealer and/or Counterparty is an underwriter of the ETFs in connection with the distribution by the ETFs of their Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the ETFs, see “Risk Factors” at page 24.

Although the ETFs are mutual funds under Canadian securities legislation and each ETF is considered to be a separate mutual fund under such legislation, certain provisions of such legislation and the policies of the securities regulatory authorities applicable to conventional mutual funds and designed to protect investors who purchase securities of mutual funds, do not apply to the ETFs.

**In addition, each Alternative ETF is different from most other exchange-traded funds. Each Alternative ETF is an alternative mutual fund, within the meaning of National Instrument 81-102 *Investment Funds* (“NI 81-102”) and each is, therefore, permitted to use strategies generally prohibited for conventional mutual funds. Such strategies include the ability to invest more than 10% of their net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to employ leverage. While these strategies will only be used in accordance with the investment objectives and strategies of an Alternative ETF, during certain market conditions they may accelerate the risk that an investment in Units of an Alternative ETF decreases in value.**

**THESE BRIEF STATEMENTS DO NOT DISCLOSE ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS OF INVESTING IN THE ETFS. AN INVESTOR SHOULD CAREFULLY READ THIS PROSPECTUS, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THE ETFS AT PAGE 24, BEFORE INVESTING IN THE ETFS.**

Registrations and transfers of Units of an ETF are effected only through the book-entry only system administered by CDS Clearing and Depository Services Inc. Beneficial owners do not have the right to receive physical certificates evidencing their ownership.

Additional information about an ETF is, or will be, available in its most recently filed annual financial statements together with the accompanying independent auditors’ report, any interim financial statements of that ETF filed after these annual financial statements, its most recently filed annual and interim management reports of fund performance, and the most recently filed ETF facts of that ETF. These documents are, or will be, incorporated by reference into this prospectus which means that they will legally form part of this prospectus. For further details, see “Documents Incorporated by Reference” on page 63.

You can get a copy of these documents at your request, and at no cost, by calling the Manager at 416 941 9888 or from your dealer. These documents are also available, or will be available, on the Manager’s website at [www.hamiltonetfs.com](http://www.hamiltonetfs.com), or by contacting the Manager by e-mail at [etf@hamiltonetfs.com](mailto:etf@hamiltonetfs.com). These documents and other information about the ETFs are also available, or will be available, on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

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## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus or incorporated by reference in the prospectus. Capitalized terms not defined in this summary are defined in the Glossary.*

### **The ETFs**

The ETFs are exchange-traded mutual funds established under the laws of Ontario. HCAL and HDIV (together, the “**Alternative ETFs**”) are also alternative mutual funds under applicable securities legislation.

This prospectus qualifies the distribution of Class E Units of HCAL and HDIV. This prospectus also qualifies the distribution of CDN\$ Hedged Units and US\$ Unhedged Units of HUS. CDN\$ Hedged Units and the Class E Units, are together referred to herein as “**CAD Units**”. The US\$ Unhedged Units and CAD Units are together referred to herein as “**Units**”.

There is no minimum number of Units of an ETF that may be issued. Each Unit of an ETF represents an equal, undivided interest in the portion of that ETF’s assets.

The base currency of each ETF is Canadian dollars. The US\$ Unhedged Units are denominated in U.S. dollars and the CAD Units are denominated in Canadian dollars. CAD Units of the ETFs are offered in Canadian dollars. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars. CDN\$ Hedged Units are similar to US\$ Unhedged Units of the same the ETF but are intended for investors who wish to purchase and redeem Units of an ETF in Canadian dollars and hedge against currency fluctuations between the Canadian and U.S. dollar.

The Units of each ETF will be offered for sale at a price equal to the net asset value of such Units next determined following the receipt of a subscription order.

See “Overview of the Legal Structure of the ETF” at page 15.

### **Investment Objectives**

#### *HCAL*

The investment objective of HCAL is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, variable-weight Canadian bank index. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Canadian Bank Mean Reversion Index (or any successor thereto).

HCAL will use leverage. The leverage may be created through the use of cash borrowings and shall not exceed the limits on the use of leverage described herein or as otherwise permitted under applicable securities legislation.

#### *HDIV*

The investment objective of HDIV is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, equal-weighted, diversified by sector index of Canadian covered call exchange traded funds. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Multi-Sector Covered Call ETFs Index (or any successor thereto).

HDIV will use leverage in order to seek to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

### *HUS*

The investment objective of HUS is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, the performance of a rules-based, equal-weighted U.S. financials index. The ETF currently seeks to replicate the Solactive U.S. Financials Dividend Index (or any successor thereto).

See “Investment Objectives” at page 16 and “Investment Strategies” at page 16.

### **Risk Factors**

Investing in Units of an ETF can be speculative, can involve a high degree of risk and may only be suitable for persons who are able to assume the risk of losing their entire investment. Prospective investors should therefore consider the following risks, among others, before subscribing for Units of an ETF.

- Alternative Mutual Fund Risk – HCAL, HDIV
- Leverage Risk – HCAL, HDIV
- Aggressive Investment Technique Risk – HCAL, HDIV
- No Assurances on Achieving Investment Objective
- Market Risk
- Specific Issuer Risk
- Equity Risk
- Short Selling Risk
- Legal and Regulatory Risk
- Cyber Security Risk
- Derivatives Risk
- Corresponding Net Asset Value Risk
- Risk of Suspended Subscriptions – HCAL, HDIV
- Distributions Risk
- Designated Broker/Dealer Risk
- Reliance on Key Personnel
- Potential Conflicts of Interest
- Counterparty Risk
- Cease Trading of Securities Risk
- No Ownership Interest
- Exchange Risk
- Early Closing Risk
- Redemption Price
- Concentration Risk
- Reliance on Historical Data Risk
- Liquidity Risk
- Tax Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Fund of Funds Investment Risk
- Exchange-Traded Funds Risk
- Absence of an Active Market and Lack of Operating History
- No Guaranteed Return
- Volatile Market Risk
- Performance of Banks and Financial Institutions – HCAL, HUS

- Changes in the Regulatory and Competitive Environment in Financial Services Sector – HUS
- Foreign Stock Exchange Risk
- Foreign Markets Risk
- Currency Exposure Risk – HUS - US\$ Unhedged Units Only
- Currency Hedging Risk - HUS – CDN\$ Hedged Units Only
- Sampling Methodology Risk
- Risk of Error in Replicating or Tracking the Index
- Index Investment Strategy Risk
- Rebalancing and Adjustment Risk
- Calculation and Termination of the Index

See “Risk Factors” at page 24.

## Investment Strategies

### *HCAL*

HCAL will seek to achieve its investment objective by borrowing cash to invest in and hold a proportionate share of, or a sampling of the constituent securities of, the Solactive Canadian Bank Mean Reversion Index in order to track approximately 1.25x the performance of such Index. As an alternative to, or in conjunction with investing in and holding the constituent securities, HCAL may also invest in other securities, including Other Funds (as defined herein) to obtain exposure to the constituent securities of the Index in a manner that is consistent with HCAL’s investment objective. HCAL may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

The maximum aggregate exposure of the ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV.

The Solactive Canadian Bank Mean Reversion Index includes Canadian exchange listed securities in the diversified bank industry. Constituents are subject to minimum market capitalization and liquidity screens and are rebalanced monthly according to a rules-based re-weighting strategy. The constituent securities are the top six Canadian banks listed on the Toronto Stock Exchange or other recognized exchange in Canada by market capitalization. Currently, the constituents are Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank. The re-weighting strategy is based on the historical long-term mean-reversion tendencies of the sector. The Solactive Canadian Bank Mean Reversion Index’s rules-based mean-reversion strategy rebalances the portfolio monthly (an “**HCAL Index Rebalance Date**”) based on the percent difference between each Bank’s stock price and its 50-day average price. On an HCAL Index Rebalance Date: (i) the three Banks with the lowest percentage difference between their current trading price and their 50-day average price are “over-weighted” at approximately 26.5% each of the Index; and (ii) the three Banks with the highest percentage difference between their current trading price and their 50-day average price are “under-weighted” at approximately 6.5% each of the Index. Such portfolio weightings are maintained until the next HCAL Index Rebalance Date, at which point the rebalancing process is repeated. Additional information about the Solactive Canadian Bank Mean-Reversion Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

On a leveraged basis, the ETF may therefore invest up to approximately: (i) 33.3% of its NAV in a bank security that is over-weighted; and (ii) 8.3% of its NAV in a bank security that is underweighted.

In order to carry out the above noted investment strategy, the Manager, on behalf of the ETF, has obtained relief from the Canadian Securities Regulatory Authorities from the concentration restrictions in subsection 2.1(1.1) of NI 81-102, subject to the terms and conditions described therein. See “Concentration Risk” at page 29.

#### *HDIV*

HDIV will seek to achieve its investment objective by borrowing cash to invest in and hold a proportionate share of, or a sampling of the constituent securities of, the Solactive Multi-Sector Covered Call ETFs Index in order to track approximately 1.25x the performance of such Index. As an alternative to, or in conjunction with investing in and holding the constituent securities, HDIV may also invest in other securities, including Other Funds (as defined herein) to obtain exposure to the constituent securities of the Index in a manner that is consistent with HDIV’s investment objective. HDIV may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

The maximum aggregate exposure of the ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV.

The Solactive Multi-Sector Covered Call ETFs Index includes a selection of Canadian exchange listed sector-specific and broad market covered call exchange traded funds. Constituents are reviewed monthly and are rebalanced, at a minimum, semi-annually (an “**HDIV Rebalance Date**”). Currently, there are seven constituent issuers. Each security in the Solactive Multi-Sector Covered Call ETFs Index is allocated an equal weight rather than a market capitalization weight. On a leveraged basis, HDIV may therefore invest up to approximately 17.9% of its NAV in a constituent issuer on an HDIV Rebalance Date. On each HDIV Rebalance Date, the portfolio of HDIV will be rebalanced back to equal weights in accordance with the Index. Additional information about the Solactive Multi-Sector Covered Call ETFs Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

#### *HUS*

HUS will seek to achieve its investment objective by investing in and holding a proportionate share of, or a sampling of the constituent securities of, the Solactive U.S. Financials Dividend Index in order to track such Index’s performance. As an alternative to, or in conjunction with investing in and holding the constituent securities, HUS may also invest in other securities to obtain exposure to the constituent securities of the Index in a manner that is consistent with HUS’s investment objective. HUS may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

The Solactive U.S. Financials Dividend Index currently includes twenty-five U.S. exchange listed securities in the financial services sector. Constituents are selected and rebalanced semi-annually (an “**HUS Rebalance Date**”), subject to minimum dividend yield. Each security in the Solactive U.S. Financials Dividend Index is allocated an equal weight rather than a market capitalization weight. On each HUS Rebalance Date, the portfolio of HUS will be rebalanced back to equal weights in accordance with the Index. Additional information about the Solactive U.S. Financials Dividend Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

CDN\$ Hedged Units of HUS are denominated in Canadian dollars. US\$ Unhedged Units are denominated in U.S. dollars. Any U.S. dollar exposure of HUS that is attributable to US\$ Unhedged Units will not be hedged back to Canadian dollars. All or substantially all of the exposure of HUS attributable to CDN\$ Hedged Units may have to the U.S. dollar will be hedged back to the Canadian dollar. Hedging currency exposure to reduce the

impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders of CDN\$ Hedged Units. Accordingly, as a result of having different currency exposure, the NAV per Unit of each class of HUS may not be the same. The costs of any currency hedging will be borne by CDN\$ Hedged Units of HUS only.

Currency forward agreements, if any, will be entered into in compliance with NI 81-102 with financial institutions that have a “designated rating” as defined in NI 81-102.

See “Investment Strategies” at page 16.

#### **Leverage – Alternative ETFs**

As alternative mutual funds, each Alternative ETF may use leverage. In accordance with applicable securities regulation, leverage may be created by an alternative mutual fund through the use of cash borrowings, short sales and/or derivatives. Such securities regulations provide that an alternative mutual fund, such as an Alternative ETF, may borrow cash up to 50% of its NAV and may sell securities short, whereby the aggregate market value of the securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by an Alternative ETF is subject to an overall limit of 50% of its NAV. Each Alternative ETF currently anticipates achieving its investment objective and creating leverage through the use of borrowing. While each Alternative ETF does not currently anticipate selling securities short, if the Portfolio Adviser deems it appropriate, each Alternative ETF may do so in the future.

In addition, securities regulation provide that an alternative mutual fund’s aggregate gross exposure, to be calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of cash borrowing; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of specified derivatives positions excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

**Notwithstanding the foregoing and such permitted legislative limits, in accordance with its investment objective, the maximum aggregate exposure of an Alternative ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV. As noted, it is anticipated that such leverage will be created through the use of cash borrowings.**

The aggregate market exposure of all instruments held directly or indirectly by an Alternative ETF, calculated daily on a mark-to-market basis, can exceed the Alternative ETF’s net asset value, and can exceed the amount of cash and securities held as margin on deposit to support the derivatives trading activities of the Alternative ETF.

In order to ensure that a unitholder’s risk is limited to the capital invested, an Alternative ETF’s Leverage Ratio will be rebalanced in certain circumstances and when the Leverage Ratio breaches certain bands. Specifically, an Alternative ETF’s Leverage Ratio will be rebalanced back to 125% of the Alternative ETF’s NAV within two business days of the Alternative ETF’s Leverage Ratio moving 2% away from its target Leverage Ratio of 125% (i.e., if the Leverage Ratio is less than 123% or if the Leverage Ratio is greater than 127%).

#### **Offering**

In compliance with NI 81-102, a New ETF will not issue Units to the public until orders aggregating not less than \$500,000 have been received and accepted by the New ETF from investors other than Hamilton ETFs or its directors, officers, or securityholders.

Units of the ETFs are offered for sale on a continuous basis by this prospectus, and there is no minimum or maximum number of Units of an ETF that may be issued. CAD Units of the ETFs are offered in Canadian dollars. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars. The Units of the ETFs are offered for sale at a price equal to

the net asset value of such Units next determined following the receipt of a subscription order. See “Plan of Distribution” at page 60.

The TSX has conditionally approved the listing of the Units of the New ETFs. Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

See “Attributes of the Securities” at page 56.

**Brokerage  
Arrangements**

Subject to the prior written approval of the Manager, the Portfolio Adviser is authorized to establish, maintain, change and close brokerage accounts on behalf of each ETF.

**Special  
Considerations for  
Purchasers**

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of an ETF. In addition, each ETF may rely on exemptive relief from the securities regulatory authorities to permit a Unitholder of that ETF to acquire more than 20% of the Units of that ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation.

Market participants are permitted to sell Units of an ETF short and at any price without regard to the restrictions of the Universal Market Integrity Rules that generally prohibit selling securities short on the TSX unless the price is at or above the last sale price.

Other than as a result of any applicable exemptive relief obtained from the securities regulatory authorities, each ETF will comply with all applicable requirements of NI 81-102.

See “Attributes of the Securities - Description of the Securities Distributed” at page 56.

**Distributions and  
Automatic  
Reinvestment**

It is anticipated that the Alternative ETFs will make distributions on a monthly basis and HUS will make distributions on a quarterly basis. Such distributions will be paid in cash unless a Unitholder is participating in the Reinvestment Plan. Distributions on US\$ Unhedged Units will be paid in U.S. dollars.

Distributions are not fixed or guaranteed. The Manager may, in its complete discretion, change the frequency or expected amount of these distributions. Cash distributions consist primarily of income but may, at the Manager’s discretion, include capital gains and/or returns of capital.

The ETFs also expect to distribute sufficient net income (including net capital gains) so that no ETF will be liable for income tax in any given year. Additional distributions required to ensure an ETF is not liable for income tax, if any, are expected to be made annually at the end of each year where necessary. All such distributions will automatically be reinvested on behalf of each Unitholder in additional Units of the applicable ETF and then consolidated, so that the number of Units outstanding after the distribution is the same as the number of Units before the distribution.

See “Distribution Policy” at page 32.

**Distribution  
Reinvestment Plan**

At any time, Unitholders of an ETF may elect to participate in the Reinvestment Plan by contacting the CDS Participant(s) through which the Unitholder holds its Units. Under the Reinvestment Plan, monthly or quarterly cash distributions, as applicable, will be used to

acquire additional Units of the applicable ETF in the market or from treasury and will be credited to the account of the Unitholder through CDS.

See “Distribution Policy – Distribution Reinvestment Plan” on page 37.

### **Redemptions**

In addition to the ability to sell Units of an ETF on the TSX, Unitholders may: (a) redeem Units of that ETF in any number for cash at a redemption price per Unit equal to 95% of the closing price for Units of the ETF on the TSX on the effective day of the redemption, or (b) exchange a PNU or a multiple PNU of that ETF for Baskets of Securities and/or cash equal to the net asset value of that number of Units less any redemption charge. Holders of US\$ Unhedged Units will receive their redemption proceeds in U.S. dollars.

See “Exchange and Redemption of Units” at page 40.

### **Income Tax Considerations**

A Unitholder of an ETF will generally be required to include in computing the Unitholder’s income for a taxation year the amount of income (including any taxable capital gains) that is paid or becomes payable to the Unitholder by the ETF in that year (including such income that is reinvested in additional Units of the ETF).

A Unitholder of an ETF who disposes of a Unit of the ETF that is held as capital property, including on a redemption or otherwise, will realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the ETF which represents an amount that is otherwise required to be included in the Unitholder’s income), net of costs of disposition, exceed (or are less than) the adjusted cost base of the Unit of the ETF.

Pursuant to the Trust Declaration, an ETF may allocate and designate any income or capital gains realized by the ETF as a result of any disposition of property of the ETF undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. In addition, each ETF has the authority to distribute, allocate and designate any income or capital gains of the ETF to a Unitholder who has redeemed Units of the ETF during a year in an amount equal to the Unitholder’s share, at the time of redemption, of the ETF’s income and capital gains for the year or such other amount that is determined by the ETF to be reasonable. Any such allocations will reduce the redeeming Unitholder’s proceeds of disposition. Based on a proposed amendment to the Tax Act, if enacted as proposed, an ETF that is a mutual fund trust for tax purposes throughout the year would be prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming Unitholders and, commencing with its 2022 taxation year, would be limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming Unitholders. Accordingly, the amounts and taxable component of distributions to non-redeeming Unitholders of an ETF may be greater than would have been the case in the absence of such amendments.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units of an ETF by obtaining advice from his or her tax adviser.

See “Income Tax Considerations” at page 42.

### **Eligibility for Investment**

Units of an ETF will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan or a tax-free savings account, provided that the ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units of the ETF are listed on a “designated stock exchange” within the meaning of the Tax Act.

**Documents Incorporated by Reference** Additional information about each ETF is, or will be, available in the most recently filed annual and interim financial statements of that ETF and the most recently filed annual and interim management report of fund performance of that ETF. These documents are, or will be, incorporated by reference into this prospectus. Documents incorporated by reference into this prospectus legally form part of this prospectus just as if they were printed as part of this prospectus. These documents are, or will be, publicly available on the website of the ETFs at [www.hamiltonetfs.com](http://www.hamiltonetfs.com) and may be obtained upon request, at no cost, by calling 416 941 9888 or by contacting your dealer. These documents and other information about the ETFs are also, or will be, publicly available at [www.sedar.com](http://www.sedar.com). See “Documents Incorporated by Reference” at page 63.

**Termination** The ETFs do not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Trust Declaration. An Alternative ETF will not be wound up if the NAV per Unit falls below a certain level.

See “Termination of the ETF” at page 59.

### ***Organization and Management of the ETFs***

**The Manager, the Portfolio Adviser and Trustee** The Manager, Hamilton Capital Partners Inc., is a corporation incorporated under the laws of the Province of Ontario. The Manager is the manager, portfolio adviser and trustee of each ETF, and is responsible for providing or arranging for the provision of administrative and third party services required by the ETFs and makes and executes investment decisions on behalf of the ETFs.

The principal office of the Manager is located at 55 York Street, Suite 1202, Toronto, ON, M5J 1R7. The Manager is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland & Labrador; (ii) an exempt market dealer in Ontario; and (iii) a portfolio manager in Ontario. See “Organization and Management Details of the ETFs” at page 48.

**Administrator** Horizons ETFs Management (Canada) Inc. (“**Horizons**”), a corporation incorporated under the laws of Canada, has been retained by the Manager to provide assistance to the Manager in respect of certain aspects of the day-to-day administration of the ETFs. Horizons is independent of the Manager and is located in Toronto, Ontario. See “Organization and Management Details of the ETFs – Administrator” on page 53.

**Custodian** CIBC Mellon Trust is the custodian of the ETFs and is independent of the Manager. CIBC Mellon Trust provides custodial services to the ETFs. CIBC Mellon Trust is located in Toronto, Ontario. See “Organization and Management Details of the ETFs – Custodian” on page 53.

**Prime Broker** National Bank Financial Inc., through its National Bank Independent Network division, (“**NBF**”) will be providing to the ETFs prime brokerage services, including, in respect of the Alternative ETFs, margin facilities under a Custody and Securities Services Agreement. NBF is independent of the Manager. NBF will be providing margin lending to the Alternative ETFs to acquire additional equity securities. The National Bank Independent Network division of NBF is located in Toronto, Ontario. See “Organization and Management Details of the ETFs – Prime Broker” on page 53.

|                                     |  |
|-------------------------------------|--|
| <b>Auditors</b>                     | KPMG LLP is responsible for auditing the financial statements of the ETFs. The auditors are independent of the Manager. The office of KPMG LLP is located in Toronto, Ontario. See Organization and Management Details of the ETFs - Auditors on page 53.  |
| <b>Valuation Agent</b>              | CIBC Mellon Global has been retained to provide accounting and valuation services to the ETFs. CIBC Mellon Global is located in Toronto, Ontario. See “Organization and Management Details of the ETFs – Valuation Agent” on page 53.  |
| <b>Registrar and Transfer Agent</b> | TSX Trust Company is the registrar and transfer agent for the Units of the ETFs pursuant a registrar and transfer agency agreement entered into by the ETFs. TSX Trust Company is independent of the Manager. TSX Trust Company is located in Toronto, Ontario. See “Organization and Management Details of the ETFs – Registrar and Transfer Agent” on page 53. |
| <b>Promoter</b>                     | Hamilton ETFs is also the promoter of the ETFs. Hamilton ETFs took the initiative in founding and organizing the ETFs and is, accordingly, the promoter of the ETFs within the meaning of securities legislation of certain provinces and territories of Canada. See “Organization and Management Details of the ETFs – Promoter” on page 54.                    |
| <b>Securities Lending Agent</b>     | The Bank of New York Mellon will be the securities lending agent of the ETFs. The Bank of New York Mellon is located in New York City. See “Organization and Management Details of the ETFs – Securities Lending Agent” on page 54.  |

***Summary of Fees and Expenses***

The following table lists the fees and expenses payable by the ETFs, and the fees and expenses that Unitholders may have to pay if they invest in an ETF. Unitholders may have to pay some of these fees and expenses directly. Alternatively, an ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the ETF.

*Fees and Expenses Payable by the ETFs*

**Type of Charge                      Description**

**Management Fees**

The ETFs pay the following annual management fees to the Manager.

| <b>ETF</b> | <b>Class</b>        | <b>Management Fee</b>   |
|------------|---------------------|---|
| HCAL       | Class E Units       | 0.65% of the net asset value of the Class E Units of HCAL, together with Sales Tax      |
| HDIV       | Class E Units       | 0.65% of the net asset value of the Class E Units of HDIV, together with Sales Tax      |
| HUS        | CDN\$ Hedged Units  | 0.55% of the net asset value of the CDN\$ Hedged Units of HUS, together with Sales Tax  |
|            | US\$ Unhedged Units | 0.55% of the net asset value of the US\$ Unhedged Units of HUS, together with Sales Tax |

The Management Fees are calculated and accrued daily and payable monthly in arrears.

*Management Fee Distributions*

The Manager may, at its discretion, agree to charge a reduced fee as compared to the fee it would otherwise be entitled to receive from an ETF with respect to large investments in the ETF by Unitholders. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the ETF under administration and the expected amount of account activity. In such cases, an amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed to the applicable Unitholders as Management Fee Distributions.

See “Fees and Expenses” at page 22.

**Operating Expenses** Unless otherwise waived or reimbursed by the Manager, an ETF pays all of its operating expenses, including, but not limited to: the Management Fee; audit fees; trustee and custodial expenses; administration costs; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; listing and annual stock exchange fees; Index licensing fees; CDS fees; bank related fees and interest charges; extraordinary expenses; Unitholder reports and servicing costs; borrowing fees (as applicable); Registrar and Transfer Agent fees; costs associated with the IRC; income taxes; Sales Tax; brokerage expenses and commissions; and withholding taxes.

See “Fees and Expenses” at page 22.

**Expenses of the Issue** Apart from the initial organizational cost of an ETF, all expenses related to the issuance of Units of the ETF are borne by the ETF.

See “Fees and Expenses” at page 22.

*Fees and Expenses Payable Directly by Unitholders*

**Redemption and Creation Charges** The Manager may charge Unitholders of an ETF, at its discretion, a redemption charge of up to 0.25% of the redemption proceeds of the ETF. Cash subscriptions by Dealers or the Designated Broker may, at the sole discretion of the Manager, be subject to a creation charge of up to 0.25% of the value of the cash subscription order, payable to the ETF.

See “Exchange and Redemption of Units” at page 40.

## GLOSSARY

The following terms have the following meaning:

“**Acceptable ETF**” has the meaning ascribed to such term under the heading “Purchases of Units”;

“**Administration Agreement**” means the administration agreement dated January 15, 2016, as amended from time to time, between the Manager, in its capacity as manager and trustee of the ETFs, and Horizons;

“**Administrator**” means Horizons, in its capacity as administrator of each ETF pursuant to the Administration Agreement;

“**Alternative ETFs**” means HCAL and HDIV, and “**Alternative ETF**” means either one of them;

“**Bank Holiday**” means, any business day that deposit taking banks in the United States or Canada are not open for business;

“**Basket(s) of Securities**” means a group of shares or other securities, including, but not limited to, one or more exchange-traded funds or securities, as determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes;

“**CAD Units**” means, together, the Canadian dollar denominated Class E Units and CDN\$ Hedged Units of an ETF, as applicable;

“**Canadian securities legislation**” means the securities laws in force in the Provinces and Territories of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities in such jurisdictions;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDS Participant**” means a participant in CDS that holds security entitlements in Units on behalf of beneficial owners of those Units;

“**CIBC Mellon Global**” means CIBC Mellon Global Securities Services Company;

“**CIBC Mellon Trust**” means CIBC Mellon Trust Company;

“**CRA**” means the Canada Revenue Agency;

“**Custodial Standard of Care**” has the meaning ascribed to such term under the heading “Organization and Management Details of the ETFs - Custodian”;

“**Custodian**” means CIBC Mellon Trust, in its capacity as custodian of the ETFs pursuant to the Custodian Agreement;

“**Custodian Agreement**” means the master custodial services agreement dated December 21, 2015, as amended from time to time, between the Manager, in its capacity as manager and trustee of the ETFs and CIBC Mellon Trust;

“**Dealer**” means a registered dealer (that may or may not be the Designated Broker) that has entered into a Dealer Agreement with the Manager, on behalf of the ETFs, pursuant to which the Dealer may subscribe for Units of the ETFs as described under “Purchases of Units”;

“**Dealer Agreement**” means an agreement between the Manager, on behalf an ETF, and a Dealer;

“**Designated Broker**” means a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of an ETF pursuant to which the Designated Broker agrees to perform certain duties in relation to the ETF;

“**Designated Broker Agreement**” means an agreement between the Manager, on behalf of an ETF, and the Designated Broker;

“**distribution record date**” means a date determined by the Manager as a record date for the determination of Unitholders of an ETF entitled to receive a distribution from the ETF;

“**DPSP**” means a deferred profit sharing plan within the meaning of the Tax Act;

“**ETFs**” means, collectively, HCAL, HDIV and HUS and “**ETF**” means any one of them;

“**GST/HST**” means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder, as amended from time to time;

“**Hamilton ETFs**” means Hamilton Capital Partners Inc.;

“**HCAL**” means Hamilton Enhanced Canadian Bank ETF (formerly *Hamilton Canadian Bank 1.25x Leverage ETF*);

“**HDIV**” means Hamilton Enhanced Multi-Sector Covered Call ETF;

“**Holder**” has the meaning ascribed to such term under the heading “Income Tax Considerations”;

“**Horizons**” means Horizons ETFs Management (Canada) Inc.;

“**HUS**” means Hamilton U.S. Financials Dividend Index ETF;

“**IGA**” has the meaning ascribed to such term under the heading “Other Material Facts”;

“**Index**” or “**Indices**”, as the context requires refers to a benchmark or index, provided by the Index Provider, or a replacement or alternative benchmark or index that applies substantially similar criteria to those currently used by the Index Provider for the benchmark or index or a successor index that is comprised of or would be comprised of the same or similar constituent securities, which may be used by an ETF to achieve the ETF’s investment objective (currently, for: (i) HCAL, the Solactive Canadian Bank Mean Reversion Index; (ii) HDIV, the Solactive Multi-Sector Covered Call ETFs Index; and (iii) HUS, the Solactive U.S. Financials Dividend Index);

“**Index Provider**” means Solactive AG, the third-party provider of the Indices;

“**Indicated Yield**” is calculated as the most recently declared regular cash dividend or distribution, annualized, divided by the current stock price;

“**IRC**” means the independent review committee of the ETFs established pursuant to the requirements of NI 81-107;

“**Leverage Ratio**” means the aggregate underlying notional value of the securities and/or financial derivative positions as a ratio of the total assets held by an Alternative ETF;

“**License Agreement**” means the license agreement dated as of April 24, 2020, as amended by order schedules dated as of September 16, 2020 and July 1, 2021 respectively, entered into by Hamilton ETFs, on its own behalf and on behalf of the ETFs, with the Index Provider;

“**LRE**” means a loss restriction event within the meaning of the Tax Act;

“**Management Fee**” means the annual management fee paid by an ETF to the Manager, equal to a percentage of the net asset value of the applicable class of an ETF, calculated and accrued daily and payable monthly, in arrears;

“**Management Fee Distribution**”, as described under “Fees and Expenses”, means an amount equal to the difference between the Management Fee otherwise chargeable by the Manager and a reduced fee determined by the Manager, at its discretion, from time to time, and that is distributed quarterly in cash to Unitholders of an ETF who hold large investments in the ETF;

“**Manager**” means Hamilton ETFs, in its capacity as manager of the ETFs pursuant to the Trust Declaration;

“**net asset value**” or “**NAV**” means the net asset value of an ETF as calculated on each Valuation Day in accordance with the Trust Declaration;

“**New ETFs**” means HDIV and HUS, and “**New ETF**” means either one of them;

“**NI 81-102**” means National Instrument 81-102 *Investment Funds*, as amended from time to time;

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds*, as amended from time to time;

“**Other Fund**” has the meaning ascribed to such term under the heading “Investment Strategies - Investment in other Investment Funds”;

“**Payment Date**” has the meaning ascribed to such term under the heading “Distribution Policy”;

“**Plan**” has the meaning ascribed to such term under the heading “Income Tax Considerations – Status of the ETFs”;

“**Plan Agent**” means the plan agent for the Reinvestment Plan which is CIBC Mellon Trust;

“**Plan Participant**” has the meaning ascribed to such term under the heading “Distribution Policy – Distribution Reinvestment Plan”;

“**Plan Units**” has the meaning ascribed to such term under the heading “Distribution Policy – Distribution Reinvestment Plan”;

“**PNU**” in relation to Units of an ETF, means the prescribed number of Units of the ETF determined by the Manager from time to time, whereby a dealer or a Unitholder may subscribe for, and/or redeem Units of the ETF or for such other purposes as the Manager may determine;

“**Portfolio Adviser**” means Hamilton ETFs, in its capacity as portfolio adviser of the ETFs pursuant to the Trust Declaration;

“**Prime Broker**” refers to National Bank Financial Inc. or any successor;

“**Proxy Voting Policy**” has the meaning ascribed to such term under the heading “Proxy Voting Disclosure For Portfolio Securities Held”;

“**RDSP**” means a registered disability savings plan within the meaning of the Tax Act;

“**Registrar and Transfer Agent**” means TSX Trust Company;

“**Reinvestment Plan**” means the distribution reinvestment plan for the ETFs, as described under the heading “Distribution Policy – Distribution Reinvestment Plan”;

“**RESP**” means a registered education savings plan within the meaning of the Tax Act;

“**RRIF**” means a registered retirement income fund within the meaning of the Tax Act;

“**RRSP**” means a registered retirement savings plan within the meaning of the Tax Act;

“**Sales Tax**” means all applicable provincial and federal sales, use, value-added or goods and services taxes, including GST/HST;

“**securities regulatory authorities**” means the securities commission or similar regulatory authority in each of the Provinces and Territories of Canada that are responsible for administering the Canadian securities legislation in force in such jurisdictions;

“**SLAA**” has the meaning ascribed to such term under the heading “Organization and Management Details of the ETFs - Securities Lending Agent”;

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time;

“**Tax Amendment**” means a proposed amendment to the income tax laws of Canada publicly announced by the Minister of Finance (Canada) prior to the date hereof;

“**taxable capital gain**” has the meaning ascribed to such term under the heading “Income Tax Considerations - Taxation of Holders”;

“**TFSA**” means a tax-free savings account within the meaning of the Tax Act;

“**Trading Day**” for an ETF means a day on which: (i) a session of the TSX is held; (ii) the principal exchange for the securities held by the ETF is open for trading; and (iii) it is not a Bank Holiday;

“**Trust Declaration**” means the amended and restated master declaration of trust made as of July 8, 2021 as it may be further amended from time to time, by the Trustee;

“**Trustee**” means Hamilton ETFs, in its capacity as trustee of the ETFs pursuant to the Trust Declaration;

“**TSX**” means the Toronto Stock Exchange;

“**Unitholder**” means a holder of Units of an ETF;

“**Units**” means the CAD Units and the US\$ Unhedged Units of an ETF, as applicable, and “**Unit**” means one of them;

“**Valuation Day**” for an ETF means a day upon which a session of the TSX is held; and

“**Valuation Time**” in respect of an ETF means 4:00 p.m. (EST) on a Valuation Day.

## OVERVIEW OF THE LEGAL STRUCTURE OF ETFs

The ETFs are exchange-traded mutual funds established under the laws of Ontario. HCAL and HDIV (together, the “**Alternative ETFs**”) are also alternative mutual funds under applicable securities legislation. This prospectus qualifies the distribution of Class E Units of HCAL and HDIV. This prospectus also qualifies the distribution of CDN\$ Hedged Units and US\$ Unhedged Units of HUS. CDN\$ Hedged Units and the Class E Units, are together referred to herein as “**CAD Units**”. The US\$ Unhedged Units and CAD Units are together referred to herein as “**Units**”. A summary of the ETFs and Units offered hereunder is set out below.

| Name of ETF                                     | TSX Ticker Symbol |                     | Type                              |
|---|-------------------|---------------------|-----------------------------------|
|   | CAD Units         | US\$ Unhedged Units |                                   |
| Hamilton Enhanced Canadian Bank ETF             | HCAL              | N/A                 | Alternative mutual fund           |
| Hamilton Enhanced Multi-Sector Covered Call ETF | HDIV              | N/A                 | Alternative mutual fund           |
| Hamilton U.S. Financials Dividend Index ETF     | HUS               | HUS.U               | Conventional exchange-traded fund |

There is no minimum number of Units of an ETF that may be issued. Each Unit of an ETF represents an equal, undivided interest in the portion of that ETF’s assets.

The base currency of each ETF is Canadian dollars. The US\$ Unhedged Units are denominated in U.S. dollars and the CAD Units are denominated in Canadian dollars. CAD Units of the ETFs are offered in Canadian dollars. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars. CDN\$ Hedged Units are similar to US\$ Unhedged Units of the same the ETF but are intended for investors who wish to purchase and redeem Units of an ETF in Canadian dollars and hedge against currency fluctuations between the Canadian and U.S. dollar. The Units of each ETF will be offered for sale at a price equal to the net asset value of such Units next determined following the receipt of a subscription order.

The manager, portfolio adviser and trustee of the ETFs is Hamilton Capital Partners Inc. (“**Hamilton ETFs**”, the “**Manager**”, the “**Portfolio Adviser**” or the “**Trustee**”).

The ETFs were created pursuant to the Trust Declaration. The principal office of the Manager is located at 55 York Street, Suite 1202, Toronto, ON, M5J 1R7. As the Alternative ETFs are alternative mutual funds under the securities legislation of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the Alternative ETFs. In addition, HCAL may also rely on exemptive relief from other provisions of securities legislation otherwise applicable to conventional and mutual funds.

The TSX has conditionally approved the listing of the Units of the New ETFs. Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

## INVESTMENT OBJECTIVES

The fundamental investment objective of each ETF is set out below. The fundamental investment objective of an ETF may not be changed except with the approval of Unitholders of the ETF. See “Unitholder Matters” at page 57 for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

### HCAL

The investment objective of HCAL is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, variable-weight Canadian bank index. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Canadian Bank Mean Reversion Index (or any successor thereto).

HCAL will use leverage in order to seek to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

### HDIV

The investment objective of HDIV is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, a multiple of the performance of a rules-based, equal-weighted, diversified by sector index of Canadian covered call exchange traded funds. Specifically, the ETF seeks to replicate a 1.25 times multiple of the Solactive Multi-Sector Covered Call ETFs Index (or any successor thereto).

HDIV will use leverage in order to seek to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

### HUS

The investment objective of HUS is to replicate, to the extent reasonably possible and before the deduction of fees and expenses, the performance of a rules-based, equal-weighted U.S. financials index. The ETF currently seeks to replicate the Solactive U.S. Financials Dividend Index (or any successor thereto).

## ADDITIONAL INDEX INFORMATION

### *General*

As noted, each ETF will seek to track, to the extent possible and before the deduction of fees and expenses, the performance of an Index or, in the case of the Alternative ETFs, a multiple of the performance of an Index.

### *Rebalancing*

On an Index Rebalance Date (as defined below), an Index will be rebalanced or adjusted by adding securities to or subtracting securities from the Index. The specific portfolio weightings maintained by each Index are described under “Investment Strategies”, below.

In order to ensure that a Unitholder’s risk is limited to the capital invested, an Alternative ETF’s Leverage Ratio will be rebalanced in certain circumstances and when the Leverage Ratio breaches certain bands. Specifically, an Alternative ETF’s Leverage Ratio will be rebalanced back to 125% of the Alternative ETF’s NAV within two business days (a “**Leverage Rebalance Date**” and together with an Index Rebalance Date (as defined below), a “**Rebalance Date**”) of the Alternative ETF’s Leverage Ratio moving 2% away from its target Leverage Ratio of 125% (i.e., if the Leverage Ratio is less than 123% or if the Leverage Ratio is greater than 127%).

Following a Rebalance Date, an ETF will generally acquire and/or dispose of the appropriate number of securities in order to track the applicable Index (in the case of HUS) or the stated, approximate, multiple of the portfolio weighting of the applicable Index (in the case of an Alternative ETF). As a result: (i) Units of an ETF may be issued, or cash may be paid, in consideration for constituent securities making up the Index and to be acquired by the ETF, as determined by the Portfolio Adviser; and (ii) Units may be exchanged in consideration for those securities that the Portfolio Adviser determines should be sold by the ETF, or cash may be paid as determined by the Portfolio Adviser. Generally, such transactions may be implemented by a transfer of constituent securities to the ETF that the Portfolio Adviser determines should be acquired by the ETF or a transfer of those securities that the Portfolio Adviser determines should be sold by the ETF.

Outside of a Rebalance Date, any investments by an ETF (owing, for example, to subscriptions received in respect of Units of the ETF), if any, will be such that securities are acquired up to the same weights as such securities exist in the ETF's portfolio, based on their relative market values, at the time of such investment.

### *Use of the Indices*

Hamilton ETFs and each ETF are permitted to use the applicable Index pursuant to the License Agreement described below under "License Agreement". Hamilton ETFs and the ETFs do not accept responsibility for, or guarantee the accuracy and/or completeness of, the Indices or any data included in the Indices.

### *Change of the Indices*

Subject to any required Unitholder approval that may be required, Hamilton ETFs may change an Index to another index with substantially the same exposure to the asset class to which an ETF is currently exposed. If Hamilton ETFs changes an Index for an ETF, or any index replacing such Index, Hamilton ETFs will issue a press release identifying and providing a general description of the new Index.

## **INVESTMENT STRATEGIES**

### *Overview*

#### HCAL

HCAL will seek to achieve its investment objective by borrowing cash to invest in and hold a proportionate share of, or a sampling of the constituent securities of, the Solactive Canadian Bank Mean Reversion Index in order to track approximately 1.25x the performance of such Index. As an alternative to, or in conjunction with investing in and holding the constituent securities, HCAL may also invest in other securities, including Other Funds (as defined herein) to obtain exposure to the constituent securities of the Index in a manner that is consistent with HCAL's investment objective. HCAL may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

The maximum aggregate exposure of the ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV (see "Leverage" and "Rebalancing" for more details).

The Solactive Canadian Bank Mean Reversion Index includes Canadian exchange listed securities in the diversified bank industry. Constituents are subject to minimum market capitalization and liquidity screens and are rebalanced monthly according to a rules-based re-weighting strategy. The constituent securities are the top six Canadian banks listed on the Toronto Stock Exchange or other recognized exchange in Canada by market capitalization. Currently, the constituents are Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank. The re-weighting strategy is based on the historical long-term mean-reversion tendencies of the sector. The Solactive Canadian Bank Mean Reversion Index's rules-based mean-reversion strategy rebalances the portfolio monthly (an "HCAL Index Rebalance Date") based on the percent difference between each Bank's stock price and its 50-day average price. On an HCAL Index Rebalance Date: (i) the three Banks with the lowest percentage difference between their current trading price and their 50-day average price are "over-weighted" at approximately 26.5% each of the Index; and (ii) the three Banks with the highest percentage difference between their current trading price and their 50-day average price are

“under-weighted” at approximately 6.5% each of the Index. Such portfolio weightings are maintained until the next HCAL Index Rebalance Date, at which point the rebalancing process is repeated. Additional information about the Solactive Canadian Bank Mean-Reversion Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

On a leveraged basis, the ETF may therefore invest up to approximately: (i) 33.3% of its NAV in a bank security that is over-weighted; and (ii) 8.3% of its NAV in a bank security that is underweighted. As noted above, outside of a Rebalance Date, any investments by the ETF (owing, for example, to subscriptions received in respect of Units of the ETF), if any, will be such that securities are acquired up to the same weights as such securities exist in the ETF’s portfolio, based on their relative market values, at the time of such investment.

In order to carry out the above noted investment strategy, the Manager, on behalf of the ETF, has obtained relief from the Canadian Securities Regulatory Authorities from the concentration restrictions in subsection 2.1(1.1) of NI 81-102, subject to the terms and conditions described therein. See “Concentration Risk” at page 29.

#### *HDIV*

HDIV will seek to achieve its investment objective by borrowing cash to invest in and hold a proportionate share of, or a sampling of the constituent securities of, the Solactive Multi-Sector Covered Call ETFs Index in order to track approximately 1.25x the performance of such Index. As an alternative to, or in conjunction with investing in and holding the constituent securities, HDIV may also invest in other securities, including Other Funds (as defined herein) to obtain exposure to the constituent securities of the Index in a manner that is consistent with HDIV’s investment objective. HDIV may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

The maximum aggregate exposure of the ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV.

The Solactive Multi-Sector Covered Call ETFs Index includes a selection of Canadian exchange listed sector-specific and broad market covered call exchange traded funds. Constituents are reviewed monthly and are rebalanced, at a minimum, semi-annually (an “**HDIV Rebalance Date**”). Currently, there are seven constituent issuers. Each security in the Solactive Multi-Sector Covered Call ETFs Index is allocated an equal weight rather than a market capitalization weight. On a leveraged basis, HDIV may therefore invest up to approximately 17.9% of its NAV in a constituent issuer on an HDIV Rebalance Date. On each HDIV Rebalance Date, the portfolio of HDIV will be rebalanced back to equal weights in accordance with the Index. Additional information about the Solactive Multi-Sector Covered Call ETFs Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

#### *HUS*

HUS will seek to achieve its investment objective by investing in and holding a proportionate share of, or a sampling of the constituent securities of, the Solactive U.S. Financials Dividend Index in order to track such Index’s performance. As an alternative to, or in conjunction with investing in and holding the constituent securities, HUS may also invest in other securities to obtain exposure to the constituent securities of the Index in a manner that is consistent with HUS’s investment objective. HUS may also hold cash and cash equivalents or other money market instruments in order to meet its obligations. The Solactive U.S. Financials Dividend Index currently includes twenty-five U.S. exchange listed securities in the financial services sector. Constituents are selected and rebalanced semi-annually, (an “**HUS Rebalance Date**” and together with an HCAL Rebalance Date and an HDIV Rebalance Date, an “**Index Rebalance Date**”) subject to minimum dividend yield. Each security in the Solactive U.S. Financials Dividend Index is allocated an equal weight rather than a market capitalization weight. On each HUS Rebalance Date, the portfolio of HUS will be rebalanced back to equal weights in accordance with the Index. Additional information about the Solactive U.S. Financials Dividend Index and its constituent issuers can be found on Solactive AG’s website, [www.solactive.com](http://www.solactive.com).

CDN\$ Hedged Units of HUS are denominated in Canadian dollars. US\$ Unhedged Units are denominated in U.S. dollars. Any U.S. dollar exposure of HUS that is attributable to US\$ Unhedged Units will not be hedged back to Canadian dollars. All or substantially all of the exposure of HUS attributable to CDN\$ Hedged Units may have to the U.S. dollar will be hedged back to the Canadian dollar. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders of CDN\$ Hedged Units. Accordingly, as a result of having different currency exposure, the NAV per Unit of each class of HUS may not be the same. The costs of any currency hedging will be borne by CDN\$ Hedged Units of HUS only.

Currency forward agreements, if any, will be entered into in compliance with NI 81-102 with financial institutions that have a “designated rating” as defined in NI 81-102.

### ***General Investment Strategies***

The ETFs will invest in portfolios comprised of various securities and instruments which may include, but are not limited to, equity securities, equity related securities, futures contracts and exchange-traded funds. If market conditions require, the ETFs, in order to preserve capital, may seek to invest a substantial portion of its assets in cash and cash equivalents.

As soon as practicable following the end of each month, the Portfolio Adviser intends to publish on its website ([www.hamiltonetfs.com](http://www.hamiltonetfs.com)) a summary of the investment portfolio disclosing the top ten positions (long and short) held by each ETF expressed as an absolute percentage of the net assets of the ETF.

### ***Leverage – Alternative ETFs***

As alternative mutual funds, each Alternative ETF may use leverage. Leverage occurs when the Alternative ETF’s aggregate notional exposure to underlying assets is greater than the Alternative ETF’s net asset value. When the Alternative ETF makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Alternative ETF.

In accordance with applicable securities regulation, leverage may be created by an alternative mutual fund through the use of cash borrowings, short sales and/or derivatives. Such securities regulations provide that an alternative mutual fund, such as an Alternative ETF, may borrow cash up to 50% of its NAV and may sell securities short, whereby the aggregate market value of the securities sold short will be limited to 50% of its NAV. The combined use of short-selling and cash borrowing by an Alternative ETF is subject to an overall limit of 50% of its NAV. Each Alternative ETF currently anticipates achieving its investment objective and creating leverage through the use of borrowing. While an Alternative ETF does not currently anticipate selling securities short, if the Portfolio Adviser deems it appropriate, the Alternative ETF may do so in the future.

In addition, securities regulation provide that an alternative mutual fund’s aggregate gross exposure, to be calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of cash borrowing; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of specified derivatives positions excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

**Notwithstanding the foregoing and such permitted legislative limits, in accordance with its investment objective, the maximum aggregate exposure of an Alternative ETF to cash borrowing, short selling and specified derivatives will not exceed approximately 125% of its NAV. As noted, it is anticipated that such leverage will be created through the use of cash borrowings.**

The aggregate market exposure of all instruments held directly or indirectly by an Alternative ETF, calculated daily on a mark-to-market basis, can exceed the Alternative ETF’s net asset value, and can exceed the amount of cash and securities held as margin on deposit to support the derivatives trading activities of the Alternative ETF.

As noted, in order to ensure that a unitholder's risk is limited to the capital invested, an Alternative ETF's Leverage Ratio will be rebalanced in certain circumstances and when the Leverage Ratio breaches certain bands. Specifically, an Alternative ETF's Leverage Ratio will be rebalanced back to 125% of the Alternative ETF's NAV within two business days of the Alternative ETF's Leverage Ratio moving 2% away from its target Leverage Ratio of 125% (i.e., if the Leverage Ratio is less than 123% or if the Leverage Ratio is greater than 127%).

### *Securities Lending*

An ETF may enter into securities lending transactions, repurchase and reverse repurchase transactions, to the extent permitted by applicable securities laws, to earn additional income for the ETF.

Where an ETF engages in securities lending, it may lend securities to brokers, dealers and other financial institutions and other borrowers desiring to borrow securities provided that such securities lending qualifies as a "securities lending arrangement" for the purposes of the Tax Act. Securities lending allows an ETF to earn additional income to offset its costs. All additional income earned by an ETF through securities lending accrues to the ETF. In carrying out securities lending, the ETFs will engage a lending agent with experience and expertise in completing such transactions.

Under applicable securities legislation, the collateral from securities lending is required to have an aggregate value of not less than 102% of the value of the loaned securities. Any cash collateral acquired by an ETF is permitted to be invested only in securities permitted under NI 81-102 and that have a remaining term to maturity of no longer than 90 days.

### *Short Selling*

The ETFs may engage in short selling. Short selling (or "selling short") is an investment strategy whereby an ETF sells a security that it does not own on the basis that the Portfolio Adviser believes that the security is overvalued and that its market value will decline. The resulting trade creates a "short position" which will create a profit for the ETF if the market value of the security does, in fact, decline. A successful short strategy will allow an ETF to subsequently purchase the security (and thereby repay its "short position") at a price that is lower than the price the ETF received for selling the securities, thereby creating a profit for the ETF.

In periods of little or negative corporate earnings growth and/or extreme market valuations, and in other circumstances when it appears likely that the market price of a particular security will decrease, short selling provides an opportunity for an ETF to control volatility and possibly enhance performance. The Portfolio Adviser is of the view that the ETFs can benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would operate as a complement to an ETF's primary strategy of purchasing securities with the expectation that they will appreciate in market value.

There are risks associated with short selling. These risks are managed by adhering to certain stringent controls.

### *Investment in other Investment Funds*

In accordance with applicable securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding securities directly, the Portfolio Adviser may also invest in one or more other investment funds, including, but not limited to, other investment funds managed by the Manager (each, an "**Other Fund**"), provided that no management fees or incentive fees are payable by the ETF that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service. An ETF's allocation to investments in Other Funds, if any, will vary from time to time depending on the relative size

and liquidity of the Other Fund, and the ability of the Portfolio Adviser to identify appropriate Other Funds that are consistent with the ETF's investment objectives and strategies.

#### *Use of Derivative Instruments*

The Portfolio Adviser may use derivative instruments to reduce transaction costs and increase the liquidity and efficiency of trading. The Portfolio Adviser may, from time to time, use derivatives to hedge its exposure to equity securities.

The Portfolio Adviser may invest in or use derivative instruments, including futures contracts and forward contracts, provided that the use of such derivative instruments is in compliance with NI 81-102 (in the case of the Alternative ETFs, as such restrictions apply to alternative mutual funds) or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objective and strategy of the ETF.

#### *Sampling*

In order to achieve its investment objective, an ETF may invest in and hold a proportionate share of or a sampling of the constituent securities of the applicable Index to seek to track the performance of that Index or, in the case of an Alternative ETF, a multiple of the performance of that Index. As an alternative to or in conjunction with investing in and holding the constituent securities, each ETF may also invest in other securities to obtain exposure to the constituent securities of the applicable Index in a manner that is consistent with the investment objective of each ETF. An ETF may also hold cash and cash equivalents or other money market instruments in order to meet its obligations.

An ETF may, in certain circumstances and at the discretion of Hamilton ETFs, employ a sampling methodology. Under a sampling strategy, such ETF may not hold all of the constituent securities that are included in the applicable Index, but instead will hold a portfolio of securities selected by the Portfolio Adviser that closely matches the aggregate investment characteristics (e.g., market capitalization, industry sector, weightings, credit quality, yield and term to maturity) of the securities included in the applicable Index. It is expected that Hamilton ETFs may use this sampling methodology where it is difficult to acquire the necessary constituent securities of the applicable Index, where the asset levels of the ETF do not allow for the holding of all of the constituent securities or where Hamilton ETFs determines it is otherwise beneficial to the ETF to do so.

### **OVERVIEW OF THE SECTORS THAT THE ETFS INVEST IN**

Certain ETFs invest, or intend to invest in, specific sectors, commodities or financial instruments. A brief description of these specific sectors, commodities and financial instruments is provided below. Please also see "Investment Objectives", starting at page 16, and "Investment Strategies", starting at page 16, for additional information respecting the sectors applicable to an ETF.

#### HCAL

HCAL will invest a portfolio comprised of equity securities of the six largest Canadian banks. As of May 31, 2021, the average indicated dividend yield of the members of the six largest Canadian banks was 3.67%. Within the group, the individual companies' dividend or distribution yields vary.

#### HUS

HUS invests a portfolio of equity securities of the twenty-five largest U.S. financial services companies as determined by market-cap that have an indicated yield of 3.25% or greater at the time of selection for the index. As of May 31, 2021, the average indicated dividend yield of these companies was 4.58%. Within the group, the individual companies' dividend or distribution yields vary.

## INVESTMENT RESTRICTIONS

### *General*

The ETFs are subject to certain restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the ETFs are diversified and relatively liquid and to ensure the proper administration of the ETFs. The ETFs are managed in accordance with these restrictions and practices set out in NI 81-102. With respect to the Alternative ETFs, certain restrictions and practices that are applicable to conventional mutual funds are not applicable to the Alternative ETFs because each is an “alternative mutual fund” under NI 81-102.

The Alternative ETFs are managed in accordance with the restrictions and practices applicable to alternative mutual funds, except as otherwise permitted by exemptions obtained from the Canadian securities regulatory authorities. The term “alternative mutual fund” includes, among others, a mutual fund that has adopted fundamental investment objectives that permit it to use or invest in specified derivatives, to borrow cash or to engage in short selling in a manner that is not permitted by other mutual funds under NI 81-102.

The investment restrictions and practices applicable to an ETF which are contained in securities legislation, including NI 81-102, may not be deviated from without the prior consent of the Canadian securities regulatory authorities having jurisdiction over the ETF.

Unitholder approval is required in order to change the investment objective of an ETF. See “Unitholder Matters” at page 57 for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

### *Tax Related Investment Restrictions*

An ETF will not make an investment that would result in the ETF failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act. In addition, an ETF will not make or hold any investment in “taxable Canadian property” (as defined in the Tax Act without reference to paragraph (b) of such definition) if it would result in the ETF owning such taxable Canadian property having a fair market value greater than 10% of the fair market value of all of its property.

## FEES AND EXPENSES

### *Fees and Expenses Payable by the ETFs*

#### *Management Fees*

The ETFs pay the following annual management fees to the Manager:

| ETF  | Class               | Management Fee  |
|------|---------------------|---|
| HCAL | Class E Units       | 0.65% of the net asset value of the Class E Units of HCAL, together with Sales Tax      |
| HDIV | Class E Units       | 0.65% of the net asset value of the Class E Units of HDIV, together with Sales Tax      |
| HUS  | CDN\$ Hedged Units  | 0.55% of the net asset value of the CDN\$ Hedged Units of HUS, together with Sales Tax  |
|      | US\$ Unhedged Units | 0.55% of the net asset value of the US\$ Unhedged Units of HUS, together with Sales Tax |

The Management Fees are calculated and accrued daily and payable monthly in arrears.

### *Management Fee Distributions*

To encourage very large investments in an ETF and to ensure that the Management Fee is competitive for these investments, the Manager may at its discretion agree to charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the ETF with respect to investments in the ETF by Unitholders that hold, on average during any period specified by the Manager from time to time (currently a quarter), Units of the ETF having a minimum specified aggregate value. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the applicable ETF will be distributed quarterly in cash by the ETF to those Unitholders of the ETF as Management Fee Distributions.

The availability and amount of Management Fee Distributions with respect to Units of an ETF is determined by the Manager. Management Fee Distributions for an ETF are generally calculated and applied based on a Unitholder's average holdings of Units of the ETF over each applicable period as specified by the Manager from time to time. Management Fee Distributions are available only to beneficial owners of Units of an ETF and not to the holdings of Units of the ETF by dealers, brokers or other CDS Participants that hold Units of the ETF on behalf of beneficial owners. Management Fee Distributions are paid first out of net income of the ETF then out of capital gains of the ETF and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units of an ETF must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by an ETF generally will be borne by the Unitholders of the ETF receiving these distributions from the Manager.

### *Operating Expenses*

Unless otherwise waived or reimbursed by the Manager, an ETF pays all of its operating expenses, including, but not limited to: the Management Fee; audit fees; trustee and custodial expenses; administration costs; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; listing and annual stock exchange fees; Index licensing fees; CDS fees; bank related fees and interest charges; extraordinary expenses; Unitholder reports and servicing costs; borrowing fees (as applicable); Registrar and Transfer Agent fees; costs associated with the IRC; income taxes; Sales Tax; brokerage expenses and commissions; and withholding taxes.

### *Expenses of the Issue*

Apart from the initial organizational cost of an ETF, all expenses related to the issuance of Units of the ETF are borne by the ETF.

### ***Fees and Expenses Payable Directly by the Unitholders***

#### *Redemption and Creation Charges*

The Manager may charge Unitholders of an ETF, at its discretion, a redemption charge of up to 0.25% of the redemption proceeds of the ETF. Cash subscriptions by Dealers or the Designated Broker may, at the sole discretion of the Manager, be subject to a creation charge of up to 0.25% of the value of the cash subscription order, payable to the ETF.

## RISK FACTORS

An investment in Units of an ETF involves certain risks. In particular, an investment in Units of an ETF can be speculative, and can involve a high degree of risk and may only be suitable for persons who are able to assume the risk of losing their entire investment. Prospective investors should consider the following risks, among others, before subscribing for Units of an ETF.

### *General Risk Factors*

There are certain risk factors that are common to an investment in the ETFs, unless otherwise noted. These risks relate to the following factors:

### *Alternative Mutual Fund Risk – HCAL, HDIV*

Each Alternative ETF is an alternative mutual fund, which means that it uses investment strategies that are generally prohibited by other types of conventional mutual funds. As alternative mutual funds, and unlike a conventional mutual fund, each Alternative ETF has the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to employ leverage. While these strategies will only be used in accordance with the investment objectives and strategies of an Alternative ETF, during certain market conditions they may accelerate the risk that an investment in an Alternative ETF decreases in value.

### *Leverage Risk – HCAL, HDIV*

When an Alternative ETF makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Alternative ETF. Leverage occurs when an Alternative ETF's exposure to underlying assets is greater than the Alternative ETF's net asset value. It is an investment technique that can magnify gains and losses. Leverage should cause an Alternative ETF to lose more money in market environments adverse to its investment objective than an exchange traded fund that does not employ leverage. Using leverage involves special risks and should be considered to be speculative.

Leverage may increase volatility, may impair an Alternative ETF's liquidity and may cause an Alternative ETF to liquidate positions at unfavourable times. In accordance with applicable securities legislation, each Alternative ETF is subject to a gross aggregate exposure limit of 300% of its NAV which is calculated by adding together the market value of its short positions, the value of any outstanding cash borrowing and the aggregate notional value of its specified derivatives positions that are not entered into for hedging purposes. This leverage calculation must be determined on a daily basis. **However, and notwithstanding such permitted legislative limits, in accordance with their investment objectives, an Alternative ETF's aggregate leverage will not exceed approximately 125% of the Alternative ETF's NAV.**

### *Aggressive Investment Technique Risk - HCAL, HDIV*

An Alternative ETF may use investment techniques and financial instruments that can be considered aggressive. Such techniques may include the use of futures contracts, options on futures contracts, securities and indices, forward contracts and similar instruments. These strategies, particularly when used to create leverage, may expose the Alternative ETF to potentially dramatic changes (losses) in the value of the instruments and imperfect correlation between the value of the instruments and relevant security or index. An Alternative ETF's investment in financial instruments may involve a small investment relative to the amount of risk assumed.

The use of aggressive investment techniques also exposes an Alternative ETF to risks different from, or possibly greater than, the risks associated with investing directly in the securities comprising its Index, including:

- i. the risk that an instrument is temporarily mispriced;

- ii. credit, performance or documentation risk on the amount the Alternative ETF expects to receive from a counterparty;
- iii. the risk that securities prices, interest rates and currency markets will move adversely and the Alternative ETF will incur significant losses;
- iv. imperfect correlation between the price of the financial instruments and movements in the prices of the underlying securities;
- v. the risk that the cost of holding a financial instrument might exceed its total return; and
- vi. the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, both of which may make it difficult or impossible to adjust the Alternative ETF's position in a particular instrument when desired.

#### ***No Assurances on Achieving Investment Objective***

There is no assurance that an ETF will achieve its investment objective. The funds available for distributions to Unitholders will vary according to, among other things, the dividends and other distributions paid on the securities in the portfolios and the value of the securities comprising the portfolios of the ETFs.

#### ***Market Risk***

Each ETF is subject to market risks that will affect the value of its investments, including general economic and market conditions, as well as developments that impact specific economic sectors, industries or companies.

#### ***Specific Issuer Risk***

The value of securities will vary positively or negatively with developments within the specific companies or governments that issue such securities.

#### ***Equity Risk***

Equities such as common shares give the holder part ownership in a company. The value of equity securities change with the fortunes of the company that issued them. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk.

#### ***Short Selling Risk***

The ETFs may engage in short selling in accordance with the requirements of applicable securities laws. A "short sale" will occur when an ETF borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the ETF and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the ETF pays fees to the lender. If the value of the securities declines between the time that the ETF borrows the securities (and sells short) and the time it repurchases and returns the securities, the ETF makes a profit for the difference (less any fees the ETF is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the fees paid by the ETF and make a profit for the ETF, and securities sold short may instead appreciate in value. An ETF may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. Also, the lender from whom the ETF has borrowed securities may go bankrupt and the ETF may lose the collateral it has deposited with the lender.

If an ETF engages in short selling, the ETF will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained

and by limiting the amount of exposure for short sales. The ETF will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

Possible losses from short sales differ from losses that may be incurred from purchases of securities because losses from short sales may be unlimited, whereas losses from purchases are limited to the total amount invested. To deliver securities to a purchaser, an ETF must arrange through a broker to borrow the securities, and, as a result, the ETF becomes obligated to replace the securities borrowed at the market price at the time of replacement, whatever that price may be. A short sale therefore involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security between the date of the short sale and the date on which the ETF covers its short position. In addition, the borrowing of securities entails the payment of a borrowing fee (which may increase during the borrowing period) and the payment of any dividends or interest payable on the securities until they are replaced. If an ETF is engaged in short selling it is required to maintain cash cover for its short positions and other investments may need to be sold quickly (and at potentially unattractive prices) in order to maintain sufficient cash cover.

### ***Legal and Regulatory Risk***

Legal and regulatory changes may occur that may adversely affect the ETFs and which could make it more difficult, if not impossible, for the ETFs to operate or to achieve their investment objectives. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the ETFs and what can be done, if anything, to try to limit such impact.

For example, an ETF is generally required to pay GST/HST on any management fees and most of the other fees and expenses that it has to pay. There may be changes to the way that the GST/HST and provincial sales taxes apply to fees and expenses incurred by mutual funds such as the ETFs and there may be changes in the rates of such taxes, which, accordingly, may affect the costs borne by the ETFs and their Unitholders.

### ***Cyber Security Risk***

As the use of technology has become more prevalent in the course of business, the Manager and the ETFs have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Manager or the ETFs to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Manager or the ETFs to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Manager's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Manager's or the ETFs' third party service providers or issuers that an ETF invests in can also subject the Manager or the ETFs to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third party service providers.

### ***Derivatives Risk***

The use of derivatives does not guarantee that there will not be a loss or that there will be a gain. The following are some examples of the risks associated with the use of derivatives by an ETF:

- in the case of over-the-counter options and forward contracts, there is no guarantee that a market will exist for these investments when the ETF wants to close out its position; in the case of exchange-traded options and futures contracts, there may be a risk of a lack of liquidity when the ETF wants to close out its position;
- futures exchanges may impose daily trading limits on certain derivatives, which could prevent the ETF from closing out its position;

- if the other party to the derivative, in the case of over-the-counter transactions, is unable to fulfil its obligations, the ETF could experience a loss or fail to realize a gain;
- if an ETF has an open position in an options, futures or forward contract with a dealer who goes bankrupt, the ETF could experience a loss and, for an open futures contract, a loss of margin deposits with that dealer; and
- if a derivative is based on a market index and trading is halted on a substantial number of securities in the index, or if there is a change in the composition of the index, it could have an adverse effect on the derivative.

An ETF may use derivative instruments for hedging all or a portion of the value of the ETF's non-Canadian currency exposure (if any) back to the Canadian dollar. However, no hedging will occur in respect of US\$ Unhedged Units of an ETF.

### ***Corresponding Net Asset Value Risk***

The net asset value per Unit of an ETF will be based on the market value of the ETF's holdings. However, the trading price (including the closing trading price) of a Unit of an ETF on the TSX may be different from the actual net asset value of a Unit of the ETF. As a result, Dealers may be able to acquire a PNU of an ETF and Unitholders may be able to redeem a PNU of an ETF at a discount or a premium to the closing trading price per Unit of the ETF.

Such difference between the trading price of an ETF and its net asset value may be due, in large part, to supply and demand factors in the secondary trading market for Units of an ETF being similar, but not identical, to the same forces influencing the price of the underlying constituents of the ETF at any point in time.

Because Unitholders may acquire or redeem a PNU, the Manager expects that large discounts or premiums to the net asset value per Unit of the ETFs should not be sustainable.

### ***Risk of Suspended Subscriptions – HCAL, HDIV***

To meet its investment objective, an Alternative ETF borrows cash from the Prime Broker to purchase additional equity investments. If the Alternative ETF experiences a significant increase in total NAV, the Prime Broker may be unwilling to lend additional cash to the Alternative ETF and as a result, the Manager may, at its sole discretion and if determined to be in the best interests of unitholders, decide to suspend subscriptions for new Units if considered necessary or desirable in order to permit the Alternative ETF to achieve, or continue to achieve, its investment objectives. During a period of suspended subscriptions, if any, investors should note that Units of an Alternative ETF are expected to trade at a premium or substantial premium to the Alternative ETF's NAV. During such periods, investors are strongly discouraged from purchasing Units of an Alternative ETF on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager's website.

### ***Distributions Risk***

Distributions of income and gains by an ETF may be paid in Units of the ETF that may be automatically consolidated. Income or taxable capital gains distributed to a Unitholder in Units of an ETF are nevertheless required to be included in the Unitholder's income even though no cash will be distributed to fund any resulting tax payment.

### ***Designated Broker/Dealer Risk***

As each ETF will only issue Units directly to the Designated Broker and Dealers, in the event that the purchasing Designated Broker or a Dealer is unable to meet its settlement obligations, the resulting costs and losses incurred will be borne by the applicable ETF.

### ***Reliance on Key Personnel***

Unitholders will be dependent on the abilities of the Manager to effectively manage the ETFs and their portfolios in a manner consistent with their investment objectives, investment strategies and investment restrictions. The Manager will apply investment techniques and risk analyses in making investment decisions for the ETFs, but there can be no guarantee that these decisions will produce the desired results. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the ETFs will continue to be employed by the Manager.

### ***Potential Conflicts of Interest***

The Manager, its directors and officers and its affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which invest primarily in the securities held by an ETF. Although officers, directors and professional staff of the Manager will devote as much time to an ETF as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among an ETF, and the other funds managed by the Manager.

### ***Counterparty Risk***

An ETF will be subject to credit risk with respect to the amount the ETF expects to receive from counterparties to financial instruments entered into by the ETF or held by special purpose or structured vehicles. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the value of an investor's investment in Units of an ETF may decline. An ETF may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. An ETF may obtain only limited recovery or may obtain no recovery in such circumstances. All counterparties must meet the credit rating requirements of NI 81-102.

A Counterparty of the ETFs may also be adversely affected by regulatory or market changes which may make it difficult or impossible for the Counterparty to hedge its obligations to an ETF, which may adversely affect the ETF's ability to achieve its investment objective.

### ***Cease Trading of Securities Risk***

If the securities of an issuer included in the portfolio of an ETF are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the ETF may halt trading in its securities. Accordingly, securities of an ETF bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of an ETF are cease-traded by order of a securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the ETF may suspend the right to redeem securities for cash, subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the ETF may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

### ***No Ownership Interest***

An investment in Units of an ETF does not constitute an investment by Unitholders in the securities held by the ETF. Unitholders will not own the securities held by an ETF.

### ***Exchange Risk***

In the event that the TSX closes early or unexpectedly on a day that it is normally open for trading, Unitholders will be unable to purchase or sell Units on the TSX until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of Units may be suspended until the TSX reopens.

### ***Early Closing Risk***

Unanticipated early closings of a stock exchange on which securities held by an ETF are listed may result in that ETF being unable to sell or buy securities on that day. If the TSX closes early on a day when an ETF needs to execute a high volume of securities trades late in the trading day, the ETF may incur substantial trading losses.

### ***Redemption Price***

Unitholders will not know in advance of giving a notice of redemption the price at which the Units will be redeemed. In the period after a notice of redemption for Units of an ETF has been given and before the applicable redemption date, the net asset value per Unit of the ETF and therefore the redemption amount which will be payable to the Unitholder in respect of the Units being redeemed may change substantially due to market movements. Unitholders are not entitled to withdraw a request for redemption unless a suspension of redemptions has been declared. In various circumstances, the redemption of Units and the payment of redemption proceeds may be suspended.

### ***Concentration Risk***

An ETF from time to time may be concentrated to a significant degree in securities of issuers or underlying funds focused in a single country or category of banks or other financial services companies. If an ETF concentrates its investments in a single country or group of countries, or category of companies, the ETF faces more risks than if it were diversified broadly over numerous industries or sectors. Such industry-based risks, any of which may adversely affect the issuers in which an ETF invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect credit quality; loan growth; regulatory environment; political or world events; and increased competition or new product introductions that may affect the profitability or viability of companies within the financial services industry.

With respect to HCAL, the Manager has obtained relief from the Canadian Securities Regulatory Authorities from the concentration restrictions in subsection 2.1(1.1) of NI 81-102 so that HCAL may achieve its investment objective. As HCAL's investments will be particularly concentrated, it may be susceptible to loss due to adverse occurrences affecting Canadian banks. This may also lower the diversification of HCAL and may make the general risk of equity and fixed-income investments and the volatility of the NAV of HCAL relatively greater.

### ***Reliance on Historical Data Risk***

Past trends may not be repeated in the future. The accuracy of the historical data used by the Manager and those individuals who are principally responsible for providing administration and portfolio management services to the ETF for research and development, which is often provided by third parties, cannot be guaranteed by the Manager. The Manager only seeks to obtain such data from companies that they believe to be highly reliable and of high reputation.

### ***Liquidity Risk***

In certain circumstances, such as the disruption of the orderly markets for securities or financial instruments in which an ETF invests, the ETF may not be able to dispose of certain holdings quickly or at prices that represent fair market value.

### ***Tax Risk***

There can be no assurance that Canadian federal and provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects Unitholders.

It is anticipated that each ETF will qualify, or will be deemed to qualify, at all times as a “mutual fund trust” within the meaning of the Tax Act. If an ETF does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations as described under “Income Tax Considerations” would in some respects be materially different.

There can be no assurances that the CRA will agree with the tax treatment adopted by an ETF in filing its tax return (e.g., deduction of expenses, including interest expense, or recognition of income) and the CRA could reassess the ETF on a basis that results in tax being payable by the ETF or additional tax being paid by Unitholders.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. The ETF will not be subject to tax under these rules as long as the ETF complies with its investment restrictions in this regard. If the ETF is subject to tax under these rules, the after-tax return to Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

In determining its income for tax purposes, an ETF will treat option premiums received on the writing of covered call options and any gains or losses sustained on closing out such options as capital gains and capital losses in accordance with the CRA’s published administrative practice. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the CRA.

Certain ETFs intend to invest in global equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital to impose tax on income paid or credited to persons who are not resident in such countries. Accordingly, an ETF may be subject to foreign taxes on dividends or other income paid or credited to it or any gains realized on the disposition of such securities. Any foreign taxes incurred by the ETF will generally reduce the value of its portfolio. The ETF may designate its income from a foreign source in respect of a Unitholder and the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder’s proportionate share of foreign taxes paid by the ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder is subject to the detailed rules in the Tax Act. Unitholders are therefore advised to consult their own tax advisers in regard to foreign tax credits.

A Unitholder that is a registered plan, such as a trust governed by an RRSP, will not be entitled to a foreign tax credit under the Tax Act in respect of any foreign tax paid by the ETF and designated in respect of the registered plan. As a result, the after tax return from an investment in Units to a Unitholder that is a registered plan may be adversely affected.

The Tax Act contains “loss restriction event” (“LRE”) rules that could potentially apply to certain trusts including the ETFs. In general, a LRE occurs to an ETF if a person (or group of persons) acquires units of the ETF worth more than 50% of the fair market value of all the units of the ETF. If a LRE occurs (i) the ETF will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the ETF at such year-end will be distributed to Unitholders of the ETF, and (iii) the ETF will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, an ETF will be exempt from the application of the LRE rules in most circumstances provided that the ETF is, at all times since the end of the year it was created, an “investment fund” which requires the ETF to satisfy certain investment diversification rules.

Based on a proposed amendment to the Tax Act, if enacted as proposed, an ETF that is a mutual fund trust for tax purposes throughout the year would be prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming Unitholders and would be limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming Unitholders.

If such proposed amendments are enacted in their current form, the taxable component of distributions to non-redeeming Unitholders in an ETF may increase.

### ***Securities Lending, Repurchase and Reverse Repurchase Transaction Risk***

Each ETF is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, an ETF lends its portfolio securities through an authorized agent to another party (often called a “counterparty”) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the ETF sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the ETF buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase transactions:

- when entering into securities lending, repurchase and reverse repurchase transactions, the ETF is subject to the credit risk that the counterparty may default under the agreement and the ETF would be forced to make a claim in order to recover its investment;
- when recovering its investment on default, the ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the ETF; and
- similarly, the ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the ETF to the counterparty.

An ETF may engage in securities lending from time to time. When engaging in securities lending, an ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

### ***Fund of Funds Investment Risk***

The ETFs may invest in other exchange-traded funds, mutual funds, closed-end funds or public investment funds as part of its investment strategy in accordance with applicable securities laws. If an ETF invests in such underlying funds, its investment performance largely depends on the investment performance of the underlying funds in which it invests.

Additionally, if an underlying fund suspends redemptions, an ETF may be unable to accurately value part of its investment portfolio and may be unable to redeem its Units.

### ***Exchange-Traded Funds Risk***

An ETF may invest in other exchange-traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange-traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

### ***Absence of an Active Market and Lack of Operating History***

The New ETFs are newly organized investment trusts with no operating history. In addition, although an ETF may be listed, there can be no assurance that an active public market for the Units of an ETF will develop or be sustained.

### ***No Guaranteed Return***

There is no guarantee that an investment in an ETF will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting an ETF's investments. All prospective Unitholders should consider an investment in an ETF within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

### ***Volatile Market Risk***

The market prices of investments held by an ETF will go up or down. Such market prices, and how rapidly those prices change, will be impacted by general economic and market conditions. Investment markets can be volatile and prices of investments can change substantially due to a number of factors, including, but not limited to: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs; governmental policies; as well as national and international political and economic events. In addition, unexpected and unpredictable events such as war and occupation, a widespread health crisis or global pandemic, terrorism and related geopolitical risks, may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

For example, the spread of coronavirus disease (COVID-19) internationally has caused a disruption in normal commercial activities, a slowdown in the global economy and increased volatility in global financial markets. The impact of coronavirus disease (which may continue and last for an extended period), as well as other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. Emerging market countries, with less established medical and health care facilities, may be particularly impacted.

The ongoing impact of coronavirus disease, as well as other unexpected disruptive events, may cause market volatility and could have effects that cannot necessarily be foreseen at the present time. These events could also adversely affect an ETF's performance, the performance of the securities in which an ETF invests and may lead to losses on your investment in an ETF.

### ***Performance of Banks and Financial Institutions – HCAL, HUS***

An ETF's portfolio may be comprised primarily of securities issued by banks and other financial services institutions. Accordingly, the performance of such an ETF will be largely impacted by the performance of such financial institutions as well as the prices at which their securities trade in the market, all of which are in turn impacted by the global financial services sector and their respective countries' economic performance generally. Any adverse changes to the global financial services sector or economy would be expected to have an adverse impact on the portfolio securities and the return to the applicable ETF and its Unitholders.

### ***Changes in the Regulatory and Competitive Environment in Financial Services Sector - HUS***

The regulatory environment for the global financial services sector continues to evolve. There is the risk that changes in regulatory capital requirements could result in regulatory mandated capital raises, reduced dividends and share repurchase activity, restrictions on capital deployments, divestitures, and litigation charges. Other regulatory risks include charges from either litigation or regulatory fines for non-compliance of certain regulatory rules such as anti-money laundering and other compliance.

Other competitive and regulatory risks include changes in technology and regulations that negatively impact certain business activities, such as increased regulatory oversight, market structure, trading, payments processing, and other business activities related to the manufacturing and delivery of financial services products and services.

### ***Foreign Stock Exchange Risk***

Investments in foreign securities may involve risks not typically associated with investing in Canada. Foreign exchanges may be open on days when the ETFs do not price the Units and, therefore, the value of the securities in the portfolios of an ETF may change on days when investors will not be able to purchase or sell Units. Also, some foreign securities markets may be volatile, lack liquidity, or have higher transaction and custody costs than those of the TSX. Securities of some Canadian issuers are inter-listed on a Canadian and a foreign exchange and may be traded on days when the foreign exchange is open and the TSX is not. In those circumstances, changes in the value of the securities making up an ETF's portfolio will not be reflected in the value of the ETF and the spread or difference between the value of the securities in the ETF's portfolio and the market price of a Unit of that ETF on the TSX may increase. Also, in the event that the TSX is open on a day that a foreign exchange is closed, the spread or difference between the value of the securities in the ETF's portfolio and the market price of a Unit of that ETF on the TSX may increase.

### ***Foreign Markets Risk***

Participation in transactions by the ETFs may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of any rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market and application of such laws by courts or government authorities will not be changed in a manner which adversely affects an ETF, its Unitholders or distributions received by the ETF or by its Unitholders.

### ***Currency Exposure Risk – HUS - US\$ Unhedged Units Only***

As a portion of the portfolio of HUS will be invested in securities traded in currencies other than the Canadian dollar, the net asset value of HUS, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of U.S. dollars relative to the Canadian dollar. Several factors may affect the relative value between U.S. dollars and the Canadian dollar, including, but not limited to: debt level and trade deficit; inflation and interest rates; investors' expectations concerning inflation or interest rates; and global or regional political, economic or financial events and situations.

US\$ Unhedged Units will not be hedged and, accordingly, no assurance can be given that its portfolio will not be adversely impacted by changes in foreign exchange rates or other factors.

In addition, a redeeming holder of US\$ Unhedged Units will receive any cash amount to which the unitholder is entitled in connection with the redemption in U.S. dollars and will be exposed to the risk that the exchange rate between the U.S. dollar and any other currency in which the unitholder generally operates will result in a lesser or greater redemption amount than the unitholder would have received if the redemption amount had been calculated and delivered in another currency. In addition, because any cash redemption proceeds will be delivered in U.S. dollars, the redeeming unitholder may be required to open or maintain an account that can receive deposits of U.S. dollars.

### ***Currency Hedging Risk - HUS – CDN\$ Hedged Units Only***

CDN\$ Hedged Units of HUS will hedge all or substantially all of its direct U.S. dollar exposure by entering into currency forward contracts with financial institutions that have a "designated rating" as defined in NI 81-102. For regulatory and operational reasons, HUS may not be able to fully hedge such foreign exposure at all times. Although there is no assurance that these currency forward contracts will be effective, the Manager expects these currency forward contracts to be substantially effective. However, some deviations

from the returns of the applicable Index are expected to occur as a result of the costs, risks or other performance impacts of this currency hedging strategy.

The effectiveness of such currency hedging strategy will, in general, be affected by the volatility of HUS and the volatility of the Canadian dollar relative to U.S. dollars. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. The effectiveness of this currency hedging strategy may also be affected by any significant difference between the Canadian dollar and U.S. dollar interest rates.

The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and the risk that the use of hedges could result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

### ***Sampling Methodology Risk***

The ETFs may employ a sampling methodology or may hold an exchange traded fund that employs a sampling methodology. A sampling methodology involves seeking to replicate the performance of the applicable Index by holding a subset of the constituent securities or a portfolio of some or all of the constituent securities and other securities selected by the Portfolio Adviser such that the aggregate investment characteristics of the portfolio are reflective of the aggregate investment characteristics of, or a representative sample of, the applicable Index. It is possible that the use of a sampling methodology for some or all of the constituent securities may result in a greater deviation in performance relative to the applicable Index than a replication strategy in which only the constituent securities are held in the portfolio in approximately the same proportions as they are represented in the applicable Index.

### ***Risk of Error in Replicating or Tracking the Indices***

An ETF will not replicate exactly the performance (or proposed multiple performance in the case of an Alternative ETF) of its applicable Index because the total return generated by the Units will be reduced by the management fee payable to Hamilton ETFs and transaction costs incurred in adjusting the portfolio of securities held by the ETFs and other expenses of the ETFs, whereas such transaction costs and expenses are not included in the calculation of the Indices.

Also, deviations in the tracking of the Indices by the ETFs could occur for a variety of reasons, including as a result of certain Other Securities being included in the portfolio of securities held by the ETFs. If an ETF uses a sampling methodology, or certain other securities, to construct its portfolio holdings, then that ETF will tend to have greater tracking error to its applicable Index versus an index based exchange traded fund that invests in constituent securities in the same proportion as its respective index.

In the case of HDIV, if a constituent issuer is terminated between HDIV Rebalance Dates, HDIV will not be able to reweight its portfolio in-line with its applicable Index until the next HDIV Rebalance Date (owing to applicable concentration restriction requirement under applicable law), and hence will have greater tracking error.

It is also possible that, for a period of time, the ETFs may not fully replicate the performance (or proposed multiple performance in the case of an Alternative ETF) of the Indices due to extraordinary circumstances.

### ***Index Investment Strategy Risk***

The Index Provider has the right to adjust or to cease calculating an Index without regard to the particular interests of the ETFs or their Unitholders.

In addition, as the Portfolio Adviser will seek to replicate the performance (or proposed multiple performance in the case of an Alternative ETF) of the Index applicable to each ETF, in selecting securities for the ETFs, the Portfolio Adviser will not “actively manage” the ETFs by undertaking any fundamental analysis of the securities it invests in for the ETFs, nor will the Portfolio Adviser buy or sell securities for the ETFs based

on the Portfolio Adviser's market, financial or economic analysis. Because the Portfolio Adviser will not attempt to take defensive positions in declining markets, the adverse financial condition of an issuer represented in an Index will not necessarily result in the ETF ceasing to hold the issuer's securities, unless such securities are removed from the applicable Index.

### ***Rebalancing and Adjustment Risk***

Adjustments to baskets of securities held by the ETFs to reflect rebalancing of and adjustments to the Indices may depend on the ability of the Manager and the Designated Brokers to perform their respective obligations under the Designated Broker Agreement(s). If a Designated Broker fails to perform, an ETF may be required to sell or purchase, as the case may be, constituent securities of the applicable Index in the market. If this happens, the ETF would incur additional transaction costs and security mis-weights would cause the performance of the ETF to deviate more significantly from the performance (or proposed multiple performance in the case of an Alternative ETF) of the Indices than would otherwise be expected.

Adjustments to the Basket of Securities necessitated by a rebalancing event could affect the market for the constituent securities of the applicable Index, which in turn would affect the value of that Index. Similarly, subscriptions for Units by Designated Brokers and Authorized Dealers may impact the market for the constituent securities of the Index, as the Designated Broker or the Authorized Dealer seeks to buy or to borrow the constituent securities to constitute the Baskets of Securities to be delivered to the ETF as payment for the Units to be issued.

### ***Calculation and Termination of the Indices***

If the computer or other facilities of the Index Providers or the TSX malfunction for any reason, calculation of value of the Indices and the determination by the Manager of the Prescribed Number of Units and Baskets of Securities may be delayed and trading in Units may be suspended for a period of time.

In the event that an Index Provider ceases to calculate the applicable Index or the License Agreement is terminated, the Manager may terminate the relevant ETF in accordance with applicable law, change the investment objective of the ETF, seek to replicate an alternative index or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the ETF in the circumstances.

## **RISK RATINGS OF THE ETFs**

The investment risk level of an ETF is required to be determined in accordance with a standardized risk classification methodology set out in NI 81-102 that is based on the historical volatility of the ETF, as measured by the 10-year standard deviation of the returns of the ETF. Standard deviation is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the standard deviation of an ETF, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

As each ETF does not have a 10-year return history (and in the case of the New ETFs, each is new), the Manager calculates the investment risk level of each ETF using a reference index that is expected to reasonably approximate the standard deviation of the ETF. Once an ETF has 10 years of performance history, the methodology will calculate the standard deviation of the ETF using the return history of the ETF rather than that of the reference index. Each ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The following chart sets out a brief description of the reference index used for each ETF:

| ETF  | Reference Index   | Brief Description of Reference Index  |
|------|---|---|
| HCAL | Solactive Canadian Bank Mean Reversion Total Return Index | The Solactive Canadian Bank Mean Reversion Total Return Index is a variable-weight index of six largest Canadian-domiciled commercial banks.  |
| HDIV | S&P/TSX 60 Total Return Index                             | The S&P/TSX 60 is an index of the large-cap market segment of the Canadian equity market, structured to reflect the sector weights of the S&P/TSX Composite.                            |
| HUS  | S&P 500 Financials Total Return Index                     | The S&P 500 Financials Total Return Index comprises those companies included in the large-cap U.S. equity index, S&P 500, that are classified as members of the GICS financials sector. |

In certain instances, the methodology described above may produce an investment risk level for an ETF which the Manager believes may be too low and not indicative of the ETF's future volatility. As a result, in addition to using the standardized risk classification methodology described above, the Manager may increase the ETF's investment risk level if it determines that to be reasonable in the circumstances by taking into account other qualitative factors including, but not limited to, economic climate, portfolio management styles, sector concentration and types of investments made by the ETF.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of an ETF, as set out below, is reviewed annually and anytime it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk rating of each ETF is available on request, at no cost, by calling 416 941 9888. The risk ratings set forth below do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

Based on the foregoing, each ETF has been assigned a risk rating as follows.

| ETF  | Risk Rating    |
|------|----------------|
| HCAL | Medium to High |
| HDIV | Medium         |
| HUS  | Medium to High |

## DISTRIBUTION POLICY

### *General*

It is anticipated that the Alternative ETFs will make distributions on a monthly basis and HUS will make distributions on a quarterly basis. Such distributions will be paid in cash unless a Unitholder is participating in the Reinvestment Plan. Distributions on US\$ Unhedged Units will be paid in U.S. dollars.

Distributions are not fixed or guaranteed. The Manager may, in its complete discretion, change the frequency or expected amount of these distributions. Cash distributions consist primarily of income but may, at the Manager's discretion, include capital gains and/or returns of capital.

The ETFs expect to distribute sufficient net income (including net capital gains) so that no ETF will be liable for non-refundable ordinary income tax under the Tax Act in any given year. Additional distributions required to ensure an ETF is not liable for such income tax, if any, are expected to be made annually at the end of each year where necessary. All such distributions will automatically be reinvested on behalf of each Unitholder in additional Units of the applicable ETF at a price equal to the net asset value per Unit of the ETF on such day and the Units of the ETF will be immediately consolidated such that the number of outstanding Units of the ETF held by each Unitholder on such day following the distribution will equal the number of Units of the ETF held by the Unitholder prior to the distribution. In the case of a non-resident Unitholder if tax has to be withheld in respect of the distribution, the Unitholder's custodian may debit their account for any such required withholding tax. The tax treatment to Unitholders of the ETF of reinvested distributions is discussed under the heading "Income Tax Considerations".

### ***Distribution Reinvestment Plan***

At any time, Unitholders of an ETF may elect to participate in the Manager's distribution reinvestment plan (the "**Reinvestment Plan**") by contacting the CDS Participant(s) through which the Unitholder holds its Units. Under the Reinvestment Plan, monthly or quarterly cash distributions, as applicable, will be used to acquire additional Units of the applicable ETF (the "**Plan Units**") in the market or from treasury and will be credited to the account of the Unitholder (the "**Plan Participant**") through CDS.

Eligible Unitholders may elect to participate in, or withdraw from, the Reinvestment Plan by notifying CDS via the applicable CDS Participant(s) through which such Unitholder holds its Units of the Unitholder's intention to participate, or no longer participate, in the Reinvestment Plan. The CDS Participant must, on behalf of such Unitholder, provide a notice to CDS that the Unitholder wishes, or does not wish, to participate in the Reinvestment Plan by no later than 4:00 p.m. (Toronto time) at least two business days immediately prior to the applicable distribution record date in respect of the next expected distribution in which the Unitholder would be entitled to receive a distribution (reinvested or in cash, as the case may be). CDS shall, in turn, notify the Plan Agent no later than 5:00 p.m. (Toronto time) on the applicable distribution record date that such Unitholder does, or does not, wish to participate in the Reinvestment Plan.

### ***Fractional Units***

No fractional Plan Units will be issued under the Reinvestment Plan. Payment in cash for any remaining uninvested funds will be made in lieu of fractional Plan Units by the Plan Agent to CDS or CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the Plan Participant via the applicable CDS Participant(s).

### ***Amendments, Suspension or Termination of the Reinvestment Plan***

As indicated above, Plan Participants will be able to terminate their participation in the Reinvestment Plan as of a particular distribution record date by notifying their CDS Participant(s) sufficiently in advance of that distribution record date to allow such CDS Participant to notify CDS and for CDS to notify the Plan Agent by 4:00 p.m. (Toronto time) at least two business days immediately prior to that distribution record date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the Plan Participant exercising its rights to terminate participation in the Reinvestment Plan.

The Manager will be able to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants and the Plan Agent, subject to any required regulatory approval. Subject to the prior approval of the TSX, the Manager will also be able to amend, modify or suspend the Reinvestment Plan at any time, in its sole discretion, provided that it complies with certain requirements and gives notice of that amendment, modification or suspension to the Plan Participants and the Plan Agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the Reinvestment Plan. The Manager reserves the right to regulate and interpret the Reinvestment Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Reinvestment Plan.

#### *Other Provisions*

Participation in the Reinvestment Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than “Canadian partnerships” as defined in the Tax Act) are not eligible to participate in the Reinvestment Plan. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a Plan Participant shall notify its CDS Participant(s) and terminate participation in the Reinvestment Plan immediately.

The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. Annually, each Plan Participant will be mailed the information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the ETF to the Unitholder in the preceding taxation year.

### **PURCHASES OF UNITS**

#### ***Initial Investment in the ETF***

In compliance with NI 81-102, a New ETF will not issue Units to the public until orders aggregating not less than \$500,000 have been received and accepted by the New ETF from investors other than Hamilton ETFs or its directors, officers, or securityholders.

#### ***Continuous Distribution***

Units of the ETFs are offered for sale on a continuous basis by this prospectus and there is no minimum or maximum number of Units of the ETFs that may be issued. Each Unit of an ETF represents an equal, undivided interest in the portion of that ETF’s assets. The base currency of each ETF is Canadian dollars. The US\$ Unhedged Units are denominated in U.S. dollars and the CAD Units are denominated in Canadian dollars. CAD Units of the ETFs are offered in Canadian dollars. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars. CDN\$ Hedged Units are similar to US\$ Unhedged Units of the same the ETF but are intended for investors who wish to purchase and redeem Units of an ETF in Canadian dollars and hedge against currency fluctuations between the Canadian and U.S. dollar.

#### ***Issuance of Units of an ETF***

##### *To the Designated Broker and Dealers*

All orders to purchase Units directly from an ETF must be placed by the Designated Broker and/or Dealers. An ETF reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees are payable by an ETF to the Designated Broker or a Dealer in connection with the issuance of Units of the ETF. Subscriptions for US\$ Unhedged Units will only be accepted in U.S. dollars.

On any Trading Day, the Designated Broker or a Dealer may place a subscription order for the PNU or multiple PNU of an ETF. If a subscription order is received by an ETF by 2:00 p.m. (Toronto time) on a Trading Day, the ETF will issue to the Designated Broker or Dealer the number of Units of the ETF subscribed for generally on the first Trading Day after the date on which the subscription order is accepted, provided that payment for such Units has been received. The number of Units of an ETF issued is based on the net asset value per Unit of the ETF on the Trading Day on which the subscription is accepted by the Manager. Notwithstanding the foregoing, an ETF will issue to the Designated Broker or Dealer the number of Units of the ETF subscribed for no later second Trading Day after the date on which the subscription order was accepted, provided that payment for such Units has been received.

Unless the Manager otherwise agrees or the Trust Declaration otherwise provides, as payment for a PNU of an ETF, the Designated Broker or Dealer must deliver subscription proceeds consisting of a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the applicable PNU of the ETF next determined following the receipt of the subscription order. The Manager may, at its sole discretion, accept securities of any other exchange-traded fund (an “**Acceptable ETF**”) held to be acceptable by the Manager from time to time, so that the value of securities and/or cash delivered is equal to the net asset value of the PNU of the ETF next determined following the receipt of the subscription order. The value of the securities of an Acceptable ETF accepted by the Manager as subscription proceeds for a PNU of an ETF will be determined as at the close of business on the date the applicable subscription order is accepted.

The Manager may instead, in its complete discretion, accept subscription proceeds consisting of cash only in an amount equal to the net asset value of the applicable PNU of the ETF next determined following the receipt of the subscription order.

The Manager will publish the PNU for each ETF on its website, [www.hamiltonetfs.com](http://www.hamiltonetfs.com). The Manager may, at its discretion, increase or decrease the PNU of an ETF from time to time.

#### *To Unitholders as Reinvested Distributions*

Units of an ETF will be issued to Unitholders on the automatic reinvestment of all distributions in accordance with the distribution policy of the ETF. See “Distribution Policy” at page 32.

#### *To Unitholders pursuant to a Distribution Reinvestment Plan*

Unitholders that are Plan Participants in a Reinvestment Plan may make pre-authorized cash contributions under the Reinvestment Plan on a monthly or calendar quarterly basis. Plan Participants do not incur any brokerage commissions when acquiring Units of an ETF pursuant to a Reinvestment Plan. See “Distribution Policy – Distribution Reinvestment Plan” at page 37.

#### ***Buying and Selling Units of an ETF***

The TSX has conditionally approved the listing of the Units of the New ETFs. Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

Once an ETF is listed, investors will be able to trade Units of the ETF in the same way as other securities traded on the TSX, including by using market orders and limit orders. An investor may buy or sell Units of the ETF on the TSX only through a registered broker or dealer in the province or territory where the investor resides.

Investors may incur customary brokerage commissions when buying or selling Units of an ETF.

#### ***Special Considerations for Unitholders***

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of an ETF. In addition, each ETF may rely on exemptive relief from the securities regulatory authorities to permit a Unitholder of the ETF to acquire more than 20% of the Units of the ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation.

Other than as a result of any applicable exemptive relief obtained from the securities regulatory authorities, each ETF will comply with all applicable requirements of NI 81-102. See “Exemptions and Approvals” on page 62.

Market participants are permitted to sell Units of an ETF short and at any price without regard to the restrictions of the Universal Market Integrity Rules that generally prohibit selling securities short on the TSX unless the price is at or above the last sale price.

## **EXCHANGE AND REDEMPTION OF UNITS**

### ***Exchange of Units at Net Asset Value per Unit for Baskets of Securities and/or Cash***

Unitholders of an ETF may, at the discretion of the Manager, exchange the applicable PNU (or a whole multiple thereof) of the ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units of an ETF, a Unitholder must submit an exchange request in the form prescribed by the ETF from time to time to the Manager at its office by 9:30 a.m. on a Trading Day. The exchange price will be equal to the net asset value of each PNU tendered for exchange on the effective day of the exchange request, payable by delivery of a Basket of Securities (constituted as published at the close of the trade date on which the exchange request is received and acknowledged) and/or cash. The Units will be redeemed in the exchange. The Manager will also make available to the Designated Broker and Dealers the applicable PNU to redeem Units of an ETF on each Trading Day.

If an exchange request is not received by 9:30 a.m. on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective day of the exchange request.

If securities of any listed fund, leveraged exchange-traded fund or other issuers in which an ETF has invested are cease-traded at any time by order of a securities regulatory authority, the delivery of Baskets of Securities to a Unitholder, Dealer or the Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described below under “Exchange and Redemption of Units – Book-Entry Only System” on page 42, registration of interests in, and transfers of, Units of an ETF are made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units of the ETF. Beneficial owners of Units of an ETF should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

### ***Redemption of Units of an ETF for Cash***

On any Trading Day, Unitholders of an ETF may redeem: (i) Units of the ETF for cash at a redemption price per Unit equal to 95% of the closing price for Units of the ETF on the TSX on the effective day of the redemption; or (ii) less any applicable redemption charge determined by the Manager, in its sole discretion from time to time, a PNU or a multiple PNU of the ETF for cash equal to the net asset value of that number of Units. Holders of US\$ Unhedged Units will receive their redemption proceeds in U.S. dollars.

For an ETF, in order for a cash redemption to be effective on a Trading Day, a cash redemption request, in the form prescribed by the Manager from time to time, must be delivered to the Manager with respect to the ETF at its head office by 2:00 p.m. (Toronto time) on that day. If a cash redemption request is not received by 2:00 p.m. (Toronto time) on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will generally be made on the first Trading Day after the effective day of the redemption. Notwithstanding the foregoing, the ETF will make payment of the redemption price no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

As Unitholders of an ETF are expected to generally be able to sell their Units of the ETF at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions,

Unitholders of the ETF are advised to consult their brokers, dealers or investment advisers before redeeming such Units for cash unless they are redeeming a PNU of the ETF.

Investors that redeem their Units of an ETF prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of an ETF, the ETF will generally dispose of securities or other financial instruments.

### ***Suspension of Redemptions***

The Manager may suspend the redemption of Units of an ETF or payment of redemption proceeds of an ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the ETF; or (ii) with the prior permission of the securities regulatory authorities where required. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the ETFs, any declaration of suspension made by the Manager shall be conclusive.

### ***Costs Associated with Redemptions***

The Manager may charge to Unitholders of an ETF, at its discretion, a redemption charge of up to 0.25% of the redemption proceeds of the ETF.

### ***Creation Charge***

Cash subscriptions for Units of an ETF may, at the sole discretion of the Manager, be subject to a creation charge of up to 0.25% of the value of the cash subscription order, payable to the ETF.

### ***Allocations of Income and Capital Gains to Redeeming Unitholders***

Pursuant to the Trust Declaration, an ETF may allocate and designate any income or capital gains realized by the ETF as a result of any disposition of property of the ETF undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. In addition, each ETF has the authority to distribute, allocate and designate any income or capital gains of the ETF to a Unitholder who has redeemed Units during a year in an amount equal to the Unitholder's share, at the time of redemption, of the ETF's income and capital gains for the year or such other amount that is determined by the ETF to be reasonable. Any such allocations will reduce the redeeming Unitholder's proceeds of disposition. Based on a proposed amendment to the Tax Act, if enacted as proposed, an ETF that is a mutual fund trust for tax purposes throughout the year would be prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming Unitholders and, commencing with its 2022 taxation year, would be limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming Unitholders. Accordingly, the amounts and taxable component of distributions to non-redeeming Unitholders of an ETF may be greater than would have been the case in the absence of such amendments.

### ***Book-Entry Only System***

Registration of interests in, and transfers of, Units of an ETF are made only through the book-entry only system of CDS. Units of an ETF must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units of an ETF must be exercised through, and all payments or other property to which such owner is entitled are made or delivered by, CDS or the CDS Participant through which the owner holds such Units of the ETF. Upon buying Units of an ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units of an ETF means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither an ETF nor the Manager has any liability for: (i) records maintained by CDS relating to the beneficial interests in Units of the ETF or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units of an ETF to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An ETF has the option to terminate registration of Units of the ETF through the book-entry only system in which case certificates for Units of the ETF in fully registered form will be issued to beneficial owners of such Units or to their nominees.

### ***Short-Term Trading***

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the ETFs at this time as: (i) the ETFs are exchange-traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Units of the ETFs that do not occur on the secondary market involve the Designated Broker and Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose a redemption charge.

## **PRIOR SALES**

### **Trading Price and Volume**

The following chart provides the price ranges and volume of Units of HCAL traded on the TSX, since inception, and for the calendar periods indicated. As the New ETFs are newly created, such information is not yet available.

### ***HCAL***

| <b>Month</b>  | <b>Unit Price Range (CDN\$)</b> | <b>Volume of Units Traded</b> |
|---------------|---------------------------------|-------------------------------|
| October 2020  | \$15.28 - \$16.25               | 491,516                       |
| November 2020 | \$15.69 - \$18.94               | 774,991                       |
| December 2020 | \$18.09 - \$18.74               | 550,812                       |
| January 2021  | \$17.98 - \$18.93               | 626,896                       |
| February 2021 | \$18.20 - \$20.31               | 645,006                       |
| March 2021    | \$19.90 - \$21.57               | 943,854                       |
| April 2021    | \$21.26 - \$22.01               | 514,663                       |
| May 2021      | \$21.83- \$23.70                | 664,687                       |

## INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act that generally apply to the acquisition, holding and disposition of Units of an ETF by a Unitholder of the ETF who acquires Units of the ETF pursuant to this prospectus. This summary only applies to a prospective Unitholder of an ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length with the ETF within the meaning of the Tax Act and who holds Units of the ETF as capital property (a "Holder").

Generally, Units of an ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Assuming that the ETF is a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of that ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the assumption that each ETF will qualify at all times as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act and will not be a "specified investment flow-through" (SIFT) trust within the meaning of the Tax Act. For an ETF to qualify as a "mutual fund trust," it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of the ETF and the dispersal of ownership of its Units. **In the event an ETF were not to qualify as a mutual fund trust under the Tax Act at all times, the income tax consequences described below would, in some respects, be materially different.**

This summary also assumes that each ETF will comply with its investment restriction.

This summary is based on the current provisions of the Tax Act, the regulations thereunder and counsel's understanding of the current publicly available published administrative and assessing practices and policies of the CRA. This summary takes into account the Tax Amendments. This description does not take into account or anticipate changes in the law whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is also based on the assumptions that: (i) none of the issuers of securities held by an ETF will be a "foreign affiliate" (within the meaning of the Tax Act) of the ETF or any Unitholder; (ii) none of the securities held by an ETF will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; (iii) none of the securities held by an ETF will be an interest in a non-resident trust other than an "exempt foreign trust" as defined in section 94 of the Tax Act relating to non-resident trusts; (iv) none of the securities in the portfolio will be an offshore investment fund property (or an interest in a partnership that holds such property) that would require an ETF to include significant amounts in the ETF's income pursuant to section 94.1 of the Tax Act or an interest in a trust (or a partnership which holds such an interest) which would require the ETF to report significant amounts of income in connection with such interest pursuant to section 94.2 of the Tax Act; and (v) no ETF will enter into any arrangement where the result is a "dividend rental arrangement" for the purposes of the Tax Act.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of an ETF. This summary does not address the deductibility of interest on any funds borrowed by a Unitholder to purchase Units of an ETF. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of an ETF. Prospective investors should consult their own tax advisers with respect to the income tax consequences to them of an acquisition of Units of an ETF based on their particular circumstances, and review the tax related risk factors in this prospectus.**

### ***Status of the ETFs***

As noted above, this summary assumes that each ETF qualifies at all times as a “mutual fund trust” for purposes of the Tax Act.

Units of an ETF will be qualified investments under the Tax Act for a trust governed by a RRSP, a RRIF, a DPSP, a RDSP, a RESP or a TFSA (the “**Plans**” and each a “**Plan**”), provided the Units of the ETF are listed on a “designated stock exchange” (within the meaning of the Tax Act) or the ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act.

In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

### ***Taxation of the ETFs***

An ETF must pay tax on its net income (including net realized capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the year. An amount will be considered to be payable to a Unitholder of an ETF in a taxation year if it is paid to the Unitholder in that year by the ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Trust Declaration for the ETFs requires that sufficient amounts be paid or made payable each year so that neither ETF is liable for any income tax under Part I of the Tax Act.

In determining the income of an ETF, gains or losses realized upon transactions in securities undertaken by the ETF will constitute capital gains or capital losses of the ETF in the year realized unless the ETF is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the ETF has engaged in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that each ETF that holds “Canadian securities” (as defined in the Tax Act) will elect or has elected in accordance with the Tax Act to have each such security treated as capital property. Such election will ensure that gains or losses realized by the ETF on the disposition of Canadian securities are taxed as capital gains or capital losses.

Premiums received on covered call options written by an ETF that are not exercised prior to the end of a year will constitute capital gains of the ETF in the year received, unless such premiums are received by the ETF as income from a business of buying and selling securities or the ETF has engaged in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the ETFs will purchase their portfolio of securities with the objective of earning dividends and income thereon over the life of the ETF and will write covered call options with the objective of increasing the yield on the securities beyond the income received on such securities. Based on the foregoing and in accordance with the CRA’s published administrative practices, transactions undertaken by the ETFs in respect of securities comprising the portfolio and covered call options on such securities will be treated and reported by the ETFs as arising on capital account. Premiums received by the ETFs on covered call options that are subsequently exercised will be added in computing the proceeds of disposition to the ETFs of the securities disposed of by the ETF upon the exercise of such call options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the ETF in the previous year, such capital gain will be reversed.

The Manager has advised counsel that, generally, each ETF will include gains and deduct losses on income account, rather than as capital gains and capital losses, in connection with investments made through derivative transactions, except where such derivatives are not “derivative forward agreements” (as defined in the Tax Act), and are entered into in order to hedge and are sufficiently linked with securities that are held on capital account by the ETF. Gains or losses on derivatives will be recognized for tax purposes at the time they are realized by the ETF.

An ETF is required to include in its income for each taxation year all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

An ETF will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemption of its Units during the year.

In computing its income under the Tax Act, an ETF may deduct reasonable administrative and other expenses, including interest on borrowings, that are incurred to earn income from property or a business. An ETF may not deduct interest on borrowed funds that are used to fund redemptions of its Units.

Each ETF will be required to compute all amounts in Canadian dollars for purposes of the Tax Act.

Losses incurred by an ETF in a taxation year cannot be allocated to Unitholders of the ETF, but may be deducted by the ETF in future years in accordance with the Tax Act.

In certain situations, where an ETF disposes of property and would otherwise realize a capital loss, the loss will be deemed to be a “suspended loss”. This may occur if the ETF disposes of and acquires the same property (for example, units of an Other Fund) during the period that begins 30 days before and ends 30 days after the disposition of property and holds it at the end of that period.

An ETF may be liable to pay foreign withholding or other taxes in connection with investments in foreign securities.

If an ETF does not qualify as a mutual fund trust under the Tax Act throughout a taxation year, among other things, the ETF may be liable to pay an alternative minimum tax under the Tax Act. If the ETF is not a “mutual fund trust” it may be subject to the “mark-to-market” rules in the Tax Act if more than 50% of its Units are held by a “financial institution”.

### ***Taxation of Holders***

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the ETF for that particular taxation year, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder, including any Management Fee Distributions, (whether in cash or whether such amount is automatically reinvested in additional Units of the ETF). Such amounts are to be computed in Canadian dollars.

The non-taxable portion of an ETF’s net realized capital gains that are paid or become payable to a Holder in a taxation year will not be included in computing the Holder’s income for the year. Any other amount in excess of a Holder’s share of the net income of an ETF for a taxation year that is paid or becomes payable to the Holder in the year (i.e., returns of capital) will not generally be included in the Holder’s income for the year, but will reduce the adjusted cost base of the Holder’s Units of an ETF. To the extent that the adjusted cost base of a Unit of the ETF would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by an ETF, such portion of the net realized taxable capital gains of the ETF, and the taxable dividends received or deemed to be received by the ETF on shares of taxable Canadian corporations, as is paid or becomes payable to a Holder, if any, will effectively retain their character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply.

To the extent that an ETF designates its income from a foreign source and taxes it paid on that income to a foreign jurisdiction in respect of a Holder, the Holder will, for the purposes of computing its foreign tax

credits, be entitled to treat the Holder's proportionate share of foreign taxes paid by the ETF in respect of such income as foreign taxes paid by the Holder. The availability of foreign tax credits in respect of foreign source income designated to a Holder by an ETF is subject to the foreign tax credit rules under the Tax Act and the Holder's particular circumstances. Holders should consult their own tax advisors for information regarding their potential ability to claim foreign tax credits in respect of a particular taxation year.

Any loss of an ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

Under the Tax Act, an ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable an ETF to use, in a taxation year, losses from prior years without affecting the ability of the ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of an ETF, but not deducted by the ETF will not be included in the Holder's income. However, the adjusted cost base of a Holder's Units in the ETF will be reduced by such amount.

On the disposition or deemed disposition of a Unit of an ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the ETF which represents an amount that is otherwise required to be included in the Holder's income as described herein), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit of the ETF. For the purpose of determining the adjusted cost base of a Holder's Units of an ETF, when additional Units of the ETF are acquired by the Holder, the cost of the newly acquired Units of the ETF will be averaged with the adjusted cost base of all Units of the ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units of the ETF that have been issued on a distribution will generally be equal to the amount of the net income or capital gain distributed to the Holder of the ETF that has been distributed in the form of additional Units of the ETF. A consolidation of Units of an ETF following a distribution paid in the form of additional Units of the ETF will not be regarded as a disposition of Units of the ETF and will not affect the aggregate adjusted cost base to a Holder.

In the case of an exchange of Units for a Basket of Securities, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the ETF on the disposition of such distributed property. The cost to a Holder of any property received from the ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution.

Pursuant to the Trust Declaration, an ETF may allocate and designate any income or capital gains realized by the ETF as a result of any disposition of property of the ETF undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. In addition, each ETF has the authority to distribute, allocate and designate any income or capital gains of the ETF to a Unitholder who has redeemed Units of the ETF during a year in an amount equal to the Unitholder's share, at the time of redemption, of the ETF's income and capital gains for the year or such other amount that is determined by the ETF to be reasonable. Any such allocations will reduce the redeeming Unitholder's proceeds of disposition. Based on a proposed amendment to the Tax Act, if enacted as proposed, an ETF that is a mutual fund trust for tax purposes throughout the year would be prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming Unitholders and, commencing with its 2022 taxation year, would be limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming Unitholders.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of an ETF or designated by the ETF in respect of the Holder in a taxation year will be included in computing the Holder's income for that year and one-half of any capital loss realized by the Holder on the disposition of Units of an ETF in a taxation year may be deducted from taxable capital gains realized by the Holder or designated by the ETF in respect of the Holder in accordance with the detailed provisions of the Tax Act.

In certain situations where a Holder disposes of Units of an ETF and would otherwise realize a capital loss, the loss will be denied. This may occur if the Holder, the Holder's spouse or another person affiliated with the Holder (including a corporation controlled by the Holder) has acquired Units of the same ETF (which are considered to be "substituted property") within 30 days before or after the Holder disposed of the Holder's Units of the ETF. In these circumstances, the Holder's capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the Units of the ETF which are substituted property.

Amounts designated by an ETF to a Holder of the ETF as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units of the ETF may increase the Holder's liability for alternative minimum tax.

For Canadian tax reporting purposes, a Holder (including holders of US\$ Unhedged Units) must compute and report all dividends, capital gains and other amounts in respect of an investment in Units of an ETF in Canadian dollars.

### ***Taxation of Registered Plans***

Distributions received by a RRSP, RRIF, DPSP, TFSA, RDSP or RESP on Units of an ETF while the Units are a qualified investment for such plans will be exempt from income tax in the plan, as will capital gains realized by the plan on the disposition of such Units. Withdrawals from such plans (other than a TFSA and certain withdrawals from a RESP or RDSP) are generally subject to tax under the Tax Act.

If the Units are "prohibited investments" for the purposes of a TFSA, RRSP, RDSP, RESP or RRIF, a Unitholder who is a holder of a TFSA or RDSP, an annuitant of a RRSP or RRIF, or a subscriber of a RESP that holds Units will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a Unit of an ETF which does not deal at arm's length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of an ETF's outstanding Units by the holder, either alone or together with persons and partnerships with whom the holder does not deal at arm's length. In addition, the Units of an ETF will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act.

Unitholders are advised to consult their own tax advisers regarding the application of the "prohibited investment" rules in their particular circumstances.

### ***Exchange of Tax Information***

The Tax Act and the Canada-United States Enhanced Tax Information Exchange Agreement contain due diligence and reporting obligations in respect of "US reportable accounts" invested in funds such as the ETFs. However, as long as Units continue to be registered in the name of CDS, an ETF should not have any US reportable accounts and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Unitholders may be requested to provide information to their dealer to identify US persons holding Units. If a Unitholder is a US person (including a US citizen) or if a Unitholder does not provide the requested information and indicia of US status is identified, the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a registered plan. Under the terms of the Canada-United States Enhanced Tax Information Exchange Agreement, the CRA is required to provide such information to the US Internal Revenue Service on an annual basis.

In addition, the Tax Act requires "Canadian financial institutions" to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) that have agreed to bilateral information exchange with Canada ("Participating Jurisdictions") or by certain entities the "controlling persons" of which are resident in a Participating Jurisdiction and to report required information to the CRA. Such information will be exchanged by the CRA on a reciprocal, bilateral basis with the Participating Jurisdictions in which

the account holders or such controlling persons are resident. Under these rules, Unitholders are required to provide certain information regarding their investment in an ETF for the purpose of such information exchange, unless the investment is held within certain Plans.

***Tax Implications of an ETF's Distribution Policy***

The net asset value per Unit of an ETF will, in part, reflect any income and gains of the ETF that have accrued or been realized, but have not been made payable at the time Units of the ETF were acquired. Accordingly, a Holder of an ETF who acquires Units of the ETF, including on a reinvestment of distributions, may become taxable on the Holder's share of income and gains of the ETF that accrued before Units of the ETF were acquired.

**ORGANIZATION AND MANAGEMENT DETAILS OF THE ETFs**

***Manager of the ETFs***

The Manager, Hamilton Capital Partners Inc., is a corporation incorporated under the laws of the Province of Ontario. The Manager is the manager and trustee of the ETFs. The Manager is responsible for providing or arranging for the provision of administrative and third party services required by the ETFs. The principal office of the Manager is located at 55 York Street, Suite 1202, Toronto, ON, M5J 1R7.

The Manager is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland & Labrador; (ii) an exempt market dealer in Ontario; and (iii) a portfolio manager in Ontario.

***Officers and Directors of the Manager***

The name, municipality of residence, office and principal occupation of the executive officers and directors of the Manager are as follows:

| Name and Municipality of Residence  | Principal Occupation with the Manager   |
|-------------------------------------|---|
| ROBERT WESSEL Oakville, Ontario     | Director, Managing Partner, acting Chief Executive Officer and Ultimate Designated Person           |
| JENNIFER MERSEREAU Toronto, Ontario | Director and Partner  |
| DEREK SMITH Mississauga, Ontario    | Managing Director, Chief Financial Officer, acting Corporate Secretary and Chief Compliance Officer |
| HOWARD ATKINSON Toronto, Ontario    | Independent Director  |
| ROBERT BROOKS Toronto, Ontario      | Independent Director  |

Where a person has held multiple positions within a company, the above table sets out only the current or most recently held position or positions held at that company. Each director will hold his or her position until the next annual general meeting of the Manager at which time he/she may be re-elected. During the past five years, all of the directors and executive officers of the Manager have held the principal occupations noted opposite their respective names, or other occupations with their current employer. The exception is Howard Atkinson, who joined the Manager's board of directors effective December 7, 2016.

### ***Ownership of Securities of the Manager***

The percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the Manager in the Manager is 82%.

For a description of the compensation arrangements of the IRC of the ETFs, see “Independent Review Committee” at page 52.

### ***Duties and Services Provided by the Manager***

Pursuant to the Trust Declaration, the Manager has full authority and responsibility to manage and direct the business and affairs of the ETFs, to make all decisions regarding the business of the ETFs and to bind the ETFs. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the ETFs to do so.

The Manager is entitled to the Management Fee in consideration of the services it provides the ETFs. Such services include negotiating contracts with certain third party service providers, including, but not limited to, portfolio advisers, administrators, counterparties, custodians, registrars, transfer agents, the Designated Broker, Dealers, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the ETFs; maintaining accounting records for the ETFs; preparing the reports to Unitholders of the ETFs and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the ETFs; preparing financial statements, income tax returns and financial and accounting information as required by the ETFs; ensuring that Unitholders of the ETFs are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the ETFs comply with all other regulatory requirements including the continuous disclosure obligations of the ETFs under applicable securities laws; administering purchases, redemptions and other transactions in Units of the ETFs; arranging for any payments required upon termination of the ETFs; and dealing and communicating with Unitholders of the ETFs. The Manager provides office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the ETFs. The Manager also monitors the investment strategy of each ETF to ensure that each ETF complies with its investment objective, investment strategies and investment restrictions and practices.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders of the ETFs, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trust Declaration provides that the Manager will not be liable to an ETF or to any Unitholder of the ETF or any other person for any loss or damage relating to any matter regarding the ETF, including any loss or diminution of value of the assets of the ETF if it has satisfied its standard of care set forth above.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of an ETF from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the ETF as long as the person acted honestly and in good faith with a view to the best interests of the ETF.

The Manager may resign upon 90 days’ prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days’ written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager’s resignation. As noted above, as compensation for the management services it provides to each ETF, the Manager is entitled to receive a Management Fee from that ETF. See “Fees and Expenses” at page 22.

### ***Duties and Services Provided by the Portfolio Adviser***

The Portfolio Adviser acts as portfolio adviser of the ETFs and is responsible for implementing an ETF’s investment strategies pursuant to the Trust Declaration. Decisions as to the purchase and sale of securities

and as to the execution of all portfolio and other transactions will be made by the Portfolio Adviser. In the purchase and sale of securities for the ETF, the Portfolio Adviser will seek to obtain overall services and prompt execution of orders on favourable terms.

The Portfolio Adviser is required to act at all times on a basis that is fair and reasonable to each ETF, to act honestly and in good faith with a view to the best interests of the ETF and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent investment counsellor would exercise in comparable circumstances. The Portfolio Adviser shall not be liable in any way for any default, failure or defect in any of the securities of an ETF, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above.

Hamilton ETFs, as trustee and manager, may appoint a successor portfolio adviser to carry out the activities of the Portfolio Adviser at its discretion.

*Certain Officers and Directors of the Portfolio Adviser*

The name, municipalities of residence and position of the senior officers and directors of the Portfolio Adviser principally responsible for investment decisions on behalf of the ETFs are as follows:

| <b>Name and Municipality of Residence</b> | <b>Principal Occupation with the Portfolio Adviser</b> |
|---|--|
| ROBERT WESSEL Oakville, Ontario           | Director and Managing Partner                          |
| JENNIFER MERSEREAU Toronto, Ontario       | Director and Partner                                   |
| BABAK ASSADI Toronto, Ontario             | Managing Director, Portfolio Manager                   |
| ADITI THAPLIYAL Toronto, Ontario          | Managing Director, Portfolio Manager                   |

Where a person has held multiple positions within a company, the above table sets out only the current or most recently held position or positions held at that company. During the past five years, all of the persons noted above, apart from Aditi Thapliyal, have held the principal occupations noted opposite their respective names, or other occupations with their current employer. With respect to Ms. Aditi Thapliyal, she has been a portfolio manager with the Portfolio Adviser since February 2018. From 2014 - 2017, she was a global equity analyst at Sentry Investments.

***The Designated Broker***

The Manager, on behalf of each ETF, has entered into a Designated Broker Agreement with the Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to that ETF including, without limitation: (i) to subscribe for a sufficient number of Units of that ETF to satisfy the TSX's original listing requirements; (ii) to subscribe for Units of that ETF on an ongoing basis, and (iii) to post a liquid two way market for the trading of Units of that ETF on the TSX. Payment for Units of an ETF must be made by the Designated Broker, and Units of the ETF will be issued, by no later than the first Trading Day after the subscription notice has been delivered.

The Designated Broker may terminate a Designated Broker Agreement at any time by giving the Manager at least six months' prior written notice of such termination. The Manager may terminate a Designated Broker Agreement at any time, without prior notice, by sending a written notice of termination to the Designated Broker.

Units do not represent an interest or an obligation of the Designated Broker or Dealer or any affiliate thereof and a Unitholder of an ETF will not have any recourse against any such parties in respect of amounts payable by the ETF to such Designated Broker or Dealers.

### *Conflicts of Interest*

The Manager and its principals and affiliates (each an “**ETF Manager**”) do not devote their time exclusively to the management of the ETFs. The ETF Managers perform similar or different services for others and may sponsor or establish other investment funds (public and private) during the same period that they act on behalf of the ETFs. The ETF Managers therefore will have conflicts of interest in allocating management time, services and functions to the ETFs and the other persons for which they provide similar services.

The ETF Managers may trade and make investments for their own accounts, and such persons currently trade and manage and will continue to trade and manage accounts other than an ETF’s accounts utilizing trading and investment strategies which are the same as, or different from, the ones to be utilized in making investment decisions for the ETF. In addition, in proprietary trading and investment, the ETF Managers may take positions the same as, different than or opposite to those of an ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager will be aggregated for purposes of applying certain exchange position limits. As a result, an ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades. See “Risk Factors” at page 24.

The ETF Managers may at times have interests on behalf of their other clients that differ from the interests of the Unitholders of the ETFs.

In evaluating these conflicts of interest, potential investors should be aware that the ETF Managers have a responsibility to the Unitholders to exercise good faith and fairness in all dealings affecting the ETFs. In the event that a Unitholder of an ETF believes that one of the ETF Managers has violated its duty to such Unitholder, the Unitholder may seek relief for itself or on behalf of the ETF to recover damages from, or to require an accounting by, the applicable ETF Manager. Unitholders should be aware that the performance by an ETF Manager of its responsibilities to an ETF will be measured in accordance with: (i) the provisions of the agreement by which the ETF Manager has been appointed to its position with the ETF; and (ii) applicable laws.

One or more registered dealers acts or may act as the Designated Broker, a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in an ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of an ETF in the secondary market, may therefore have economic interests which differ from and may be adverse to those of Unitholders.

Any such registered dealer and its affiliates may, at present or in the future, engage in business with an ETF, the issuers of securities making up the investment portfolio of an ETF, or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The Designated Broker and Dealers do not act as underwriters of the ETFs in connection with the distribution by the ETFs of Units under this prospectus. Units do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof, and a Unitholder does not have any recourse against any such parties in respect of amounts payable by an ETF to such Designated Broker or Dealers. The securities regulatory authorities have provided the ETFs with a

decision exempting the ETFs from the requirement to include a certificate of any underwriter in the prospectus.

### ***Independent Review Committee***

NI 81-107 requires that all publicly offered investment funds, such as the ETFs, establish an IRC and that the Manager must refer all conflict of interest matters in respect of the ETFs for review or approval by the IRC. NI 81-107 also requires the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide the IRC with guidance and assistance in carrying out its functions and duties. According to NI 81-107, the IRC must be comprised of a minimum of three (3) independent members, and is subject to requirements to conduct regular assessments of its members and provide reports, at least annually, to an ETF and to its Unitholders in respect of those functions. The most recent report prepared by the IRC will be available on the Manager's website ([www.hamiltonetfs.com](http://www.hamiltonetfs.com)), or at a Unitholder's request at no cost, by contacting an ETF by email at [etf@hamiltonetfs.com](mailto:etf@hamiltonetfs.com).

Warren Law, Sue Fawcett and Geoff Salmon are the current members of the IRC.

The IRC:

- reviews and provides input on the Manager's written policies and procedures that deal with conflict of interest matters;
- reviews conflict of interest matters referred to it by the Manager and makes recommendations to the Manager regarding whether the Manager's proposed actions in connection with the conflict of interest matter achieves a fair and reasonable result for the ETFs;
- considers and, if deemed appropriate, approves the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and
- performs such other duties as may be required of the IRC under applicable securities laws.

The ETFs compensate the IRC members for their participation on the IRC through member fees and, if applicable, meeting fees. Sue Fawcett and Geoff Salmon receive \$2,500 per year in member fees, while Warren Law, as chairperson of the IRC, receives \$3,000 per year. The IRC's secretariat receives \$5,000 per year for administrative services. An additional fee of \$2,000 per meeting is charged by the IRC for each IRC meeting in excess of two per year. The total fees payable in respect of the IRC by a particular ETF is calculated by dividing the total net assets of the particular ETF by the total net assets of all of the mutual funds of the Manager for which the IRC is responsible and then multiplying the resulting value by the total dollar value due to the IRC member by the ETF for that particular period.

### ***The Trustee***

Hamilton ETFs is also the trustee of the ETFs pursuant to the Trust Declaration. The Trustee may resign and be discharged from all further duties under the Trust Declaration upon 90 days' prior written notice to the Manager or upon such lesser notice as the Manager may accept. The Manager shall make every effort to select and appoint a successor trustee prior to the effective date of the Trustee's resignation. If the Manager fails to appoint a successor trustee within 90 days after notice is given or a vacancy occurs, the Manager shall call a meeting of Unitholders of the ETFs within 60 days thereafter for the purpose of appointing a successor trustee. If there is no manager, five Unitholders of an ETF may call a meeting of Unitholders of the ETF within 31 days after notice is given or a vacancy occurs for the purpose of appointing a successor trustee. In each case, if, upon the expiry of a further 30 days, neither the Manager nor the Unitholders of an ETF have appointed a successor trustee, the ETF shall be terminated and the property of the ETF shall be distributed in accordance with the terms of the Trust Declaration.

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the ETFs, and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trust Declaration provides that the Trustee will not be

liable in carrying out its duties under the Trust Declaration as long as the Trustee has adhered to its standard of care set out above. In addition, the Trust Declaration contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee does not receive any fees from the ETFs but is reimbursed for all expenses and liabilities that it properly incurs in carrying out activities on behalf of the ETFs.

***Administrator***

Horizons, at its principal offices in Toronto, Ontario, is the Administrator. The Administrator has been retained by the Manager to provide assistance to the Manager in respect of certain aspects of the day-to-day administration of the ETFs.

***Custodian***

CIBC Mellon Trust is the custodian of the assets of the ETFs pursuant to the Custodian Agreement. The Custodian is located in Toronto, Ontario and is independent of the Manager. Pursuant to the Custodian Agreement, the Custodian is required to exercise its duties with the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or, if higher, the degree of care, diligence and skill that the Custodian uses in respect of its own property of a similar nature in its custody (the “**Custodial Standard of Care**”). Under the Custodian Agreement, the Manager shall pay the Custodian’s fees at such rate as determined by the parties from time to time and shall reimburse the Custodian for all reasonable expenses and disbursements incurred in the performance of its duties under the Custodian Agreement. The Custodian may have recourse against the assets of the ETF if the Manager fails to pay such fees and expenses. The ETF shall indemnify the Custodian for any loss, damage, or expense it incurs in connection with the Custodian Agreement, except to the extent caused by a breach of the Custodial Standard of Care. A party may terminate the Custodian Agreement on at least 90 days’ written notice or immediately in the event of certain bankruptcy events in respect of another party. The Custodian shall have no responsibility or liability for the actions or inactions of any sub-custodian appointed at the request of the Manager and which is not part of the Custodians’ normal network of sub-custodians.

***Prime Broker***

National Bank Financial Inc., through its National Bank Independent Network division (“**NBF**”), at its principal offices in Toronto, Ontario, is the prime broker. The Manager, on behalf of the Alternative ETFs, has entered into a Custody and Securities Services Agreement with NBF, in its capacity as custodian and prime broker. The Custody and Securities Services Agreement acts as a margin agreement in connection with the Alternative ETFs’ cash borrowing. The Custody and Securities Services Agreement may be terminated at any time at the option of either party upon ninety business days’ prior notice to the other party.

***Auditors***

KPMG LLP is the independent auditor of the ETFs. The office of the Auditors is located at 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5.

***Valuation Agent***

The Manager has retained CIBC Mellon Global, to provide accounting and valuation services in respect of the ETFs pursuant to a valuation services agreement. CIBC Mellon Global is located in Toronto, Ontario.

***Registrar and Transfer Agent***

TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the ETFs pursuant to registrar and transfer agency agreements. TSX Trust Company is independent of the Manager.

***Promoter***

The Manager took the initiative in founding and organizing the ETFs and is accordingly the promoter of the ETFs within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the ETFs, receives compensation from the ETFs. See “Fees and Expenses” at page 22.

***Securities Lending Agent***

The Bank of New York Mellon will be the securities lending agent of the ETFs pursuant to a securities lending agency agreement (the “SLAA”). The Bank of New York Mellon is located in New York City, New York. The SLAA requires that the collateral delivered in connection with a securities loan have an aggregate value of not less than 102% of the value of the loaned securities (or, if higher, the percentage of the aggregate market value of loaned securities in accordance with prevailing market practice). Subject to certain exceptions, the SLAA requires The Bank of New York Mellon to indemnify the ETFs against any loss suffered directly by the ETFs as a result of a securities loan effected by The Bank of New York Mellon. A party to the SLAA may terminate the SLAA upon 5 business days’ notice, or immediately upon an event of default by the other party.

**CALCULATION OF NET ASSET VALUE**

The net asset value per Unit of an ETF is computed by adding up the cash, securities and other assets of the ETF, less the liabilities and dividing the value of the net assets of the ETF by the total number of Units of the ETF that are outstanding. The net asset value per Unit of an ETF so determined is adjusted to the nearest cent per Unit and remains in effect until the time as at which the next determination of the net asset value per Unit of the ETF is made. The net asset value per Unit of an ETF is calculated on each Valuation Day.

The net asset value per Unit of the US\$ Unhedged Units will also be calculated and published in U.S. dollars based on prevailing market rates as determined by the Manager. Such market rates may be executable exchange rates provided by one or more Canadian chartered banks, or exchange rates provided by recognized sources such as Bloomberg or Reuters.

Typically, the net asset value per Unit of an ETF is calculated at its applicable Valuation Time. The net asset value per Unit of an ETF may be determined at an earlier Valuation Time if the TSX and/or the principal exchange for the securities held by the ETF closes earlier on that Valuation Day.

***Valuation Policies and Procedures of the ETFs***

The Manager uses the following valuation procedures in determining an ETF’s “**net asset value**” and “**net asset value per Unit**” on each Valuation Day:

1. The value of any cash on hand, on deposit or on call, bills and notes and accounts receivable, prepaid expenses, cash dividends to be received and interest accrued and not yet received, is deemed to be the face amount thereof, unless the Manager determines that any such deposit, call loan, bill, note or account receivable is not worth the face amount thereof, in which event the value thereof will be deemed to be such value as the Manager determines, on such basis and in such manner as may be approved by the board of directors of the Manager to be the reasonable value thereof.
2. The value of any security, commodity or interest therein which is listed or dealt in upon a stock exchange is determined by:
  - (a) in the case of securities which were traded on that Valuation Day, the price of such securities as determined at the applicable Valuation Time(s); and
  - (b) in the case of securities not traded on that Valuation Day, a price estimated to be the true value thereof by the Manager on such basis and in such manner as may be approved of by

the board of directors of the Manager, such price being between the closing asked and bid prices for the securities or interest therein as reported by any report in common use or authorized as official by a stock exchange.

3. Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants are valued at the current market value thereof. Where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from any revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of such instrument. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at the current market value. The value of a future contract or a swap or forward contract is the gain or loss with respect thereto that would be realized if, on that Valuation Day, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts and forward contracts is reflected as an account receivable and margin consisting of assets other than cash are noted as held as margin.
4. In the case of any security or property for which no price quotations are available as provided above, the value thereof is determined from time to time by the Manager, where applicable, in accordance with the principles described in paragraph 2(b) above, except that the Manager may use, for the purpose of determining the sale price or the asked and bid price of such security or interest, any public quotations in common use which may be available, or where such principles are not applicable, in such manner as may be approved of by the board of directors of the Manager.
5. The liabilities of an ETF include:
  - all bills, notes and accounts payable of which the ETF is an obligor;
  - all brokerage expenses of the ETF;
  - all Management Fees of the ETF;
  - all contractual obligations of the ETF for the payment of money or property, including the amount of any unpaid distribution credited to Unitholders of the ETF on or before that Valuation Day;
  - all allowances of the ETF authorized or approved by the Manager for taxes (if any) or contingencies; and
  - all other liabilities of the ETF of whatsoever kind and nature.
6. Each transaction of purchase or sale of a portfolio asset effected by the ETF shall be reflected by no later than the next time that the net asset value of the ETF and the net asset value per Unit of the ETF is calculated.
7. In calculating the net asset value of an ETF, the ETF generally values its investments based on the market value of its investments at the time the net asset value of the ETF is calculated. If no market value is available for an investment of the ETF or if the Manager determines that such value is inappropriate in the circumstances (i.e., when the value of an investment of the ETF has been materially changed by effects occurring after the market closes), the Manager will value such investments using methods that have generally been adopted by the marketplace. Fair valuing the investments of an ETF may be appropriate if: (i) market quotations do not accurately reflect the fair value of an investment; (ii) an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded; (iii) a trading halt closes an exchange or market early; or (iv) other events result in an exchange or market delaying its normal close. The risk in fair valuing an investment of an ETF is that the value of the investment

may be higher or lower than the price that the ETF may be able to realize if the investment had to be sold.

8. In determining the net asset value of an ETF, Units of the ETF subscribed for will be deemed to be outstanding and an asset of the ETF as of the time a subscription for such Units is received, accepted and valued by the Manager. Units of an ETF that are being redeemed will only be deemed to be outstanding until (and not after) the close of business on the day on which such Units of the ETF are redeemed and the redemption proceeds thereafter, until paid, will be a liability of the ETF.
9. For the purposes of financial statement reporting, an ETF is required to calculate net assets in accordance with International Financial Reporting Standards and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

### ***Reporting of Net Asset Value***

Persons or companies that wish to be provided with the most recent net asset value per Unit of an ETF may call the Manager at 416 941 9888, or check the Manager's website at [www.hamiltonetfs.com](http://www.hamiltonetfs.com).

## **ATTRIBUTES OF THE SECURITIES**

### ***Description of the Securities Distributed***

Each ETF is authorized to issue an unlimited number of redeemable, transferable Units pursuant to this prospectus, each of which represents an equal, undivided interest in the net assets of that ETF.

The TSX has conditionally approved the listing of the Units of the New ETFs. Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of Units of a trust are not, as beneficiaries, liable for any, default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. Each ETF is a reporting issuer under the *Securities Act* (Ontario) and each ETF is governed by the laws of Ontario by virtue of the provisions of the Trust Declaration.

Each Unit of an ETF entitles the owner to one vote at meetings of Unitholders of the ETF. Each Unit of an ETF is entitled to participate equally with all other Units of the ETF with respect to all payments made to Unitholders of the ETF, other than Management Fee Distributions, whether by way of income or capital distributions and, on liquidation, to participate equally in the net assets of the ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of the ETF. All Units are fully paid, when issued, in accordance with the terms of the Trust Declaration. Unitholders of an ETF are entitled to require the ETF to redeem their Units of the ETF as outlined under the heading "Exchange and Redemption of Units" at page 40.

### ***Redemptions of Units for Cash***

On any Trading Day, Unitholders may redeem Units for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption. Holders of US\$ Unhedged Units will receive their redemption proceeds in U.S. dollars. See "Exchange and Redemption of Units" at page 40.

### ***Modification of Terms***

Any amendment to the Trust Declaration that creates a new class of Units of an ETF will not require notice to existing Unitholders of the ETF unless such amendment in some way affects the existing Unitholders'

rights or the value of their investment. An amendment such as the re-designation of a class of an ETF, or the termination of a class of the ETF, which has an effect on a Unitholder's holdings will only become effective after 30 days' notice to Unitholders of the applicable classes of the ETF.

All other rights attached to the Units of an ETF may only be modified, amended or varied in accordance with the terms of the Trust Declaration. See "Unitholder Matters – Amendments to the Trust Declaration" at page 58.

## UNITHOLDER MATTERS

### *Meetings of Unitholders*

Meetings of Unitholders of an ETF will be held if called by the Manager or upon the written request to the Manager of Unitholders of the ETF holding not less than 25% of the then outstanding Units of the ETF.

### *Matters Requiring Unitholder Approval*

NI 81-102 requires a meeting of Unitholders of an ETF to be called to approve certain changes as follows:

- (i) the basis of the calculation of a fee or expense that is charged to the ETF or its Unitholders is changed in a way that could result in an increase in charges to the ETF or to its Unitholders, except where:
  - (A) the ETF is at arm's length with the person or company charging the fee; and
  - (B) the Unitholders have received at least 60 days' notice before the effective date of the change;
- (ii) a fee or expense, to be charged to an ETF or directly to its Unitholders by the ETF or the Manager in connection with the holding of Units of the ETF that could result in an increase in charges to the ETF or its Unitholders, is introduced, except where:
  - (A) the ETF is at arm's length with the person or company charging the fee; and
  - (B) the Unitholders have received at least 60 days' notice before the effective date of the change;
- (iii) the Manager is changed, unless the new manager of the ETF is an affiliate of the Manager;
- (iv) the fundamental investment objective of the ETF is changed;
- (v) the ETF decreases the frequency of the calculation of its net asset value per Unit;
- (vi) the ETF undertakes a reorganization with, or transfers its assets to, another issuer, if the ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the ETF becoming securityholders in the other issuer, unless:
  - (A) the IRC of the ETF has approved the change in accordance with NI 81-107;
  - (B) the ETF is being reorganized with, or its assets are being transferred to, another investment fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;
  - (C) the Unitholders have received at least 60 days' notice before the effective date of the change; and

- (D) the transaction complies with certain other requirements of applicable securities legislation;
- (vii) the ETF undertakes a reorganization with, or acquires assets from, another issuer, if the ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other issuer becoming Unitholders of the ETF, and the transaction would be a material change to the ETF;
- (viii) the ETF implements a restructuring into a non-redeemable investment fund or a restructuring into an issuer that is not an investment fund; or
- (ix) any matter which is required by the constitutive documents of the ETF; by the laws applicable to the ETF or by any agreement to be submitted to a vote of the Unitholders of the ETF.

In addition, the auditors of an ETF may not be changed unless:

- (i) the IRC of the ETF has approved the change; and
- (ii) Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders of an ETF will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders of the ETF, duly called on at least 21 days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

***Amendments to the Trust Declaration***

If a Unitholder meeting is required to amend a provision of the Trust Declaration, no change proposed at a meeting of Unitholders of an ETF shall take effect until the Manager has obtained the prior approval of not less than a majority of the votes cast at a meeting of Unitholders of the ETF or, if separate class meetings are required, at meetings of each class of Unitholders of the ETF.

Subject to any longer notice requirements imposed under securities legislation, the Trustee is entitled to amend the Trust Declaration by giving not less than 30 days' notice to Unitholders of each ETF affected by the proposed amendment in circumstances where:

- (a) the securities legislation requires that written notice be given to Unitholders of that ETF before the change takes effect; or
- (b) the change would not be prohibited by the securities legislation; and
- (c) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the Unitholders of that ETF, so that it is equitable to give Unitholders of that ETF advance notice of the proposed change.

All Unitholders of an ETF are bound by an amendment affecting the ETF from the effective date of the amendment.

The Trustee may amend the Trust Declaration, without the approval of or prior notice to any Unitholders of an ETF, if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of Unitholders of the ETF or that the proposed amendment is necessary to:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the ETF or the distribution of Units of the ETF;

- (b) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Declaration and any provisions of any applicable laws, regulations or policies affecting the ETF, the Trustee or its agents;
- (c) make any change or correction in the Trust Declaration which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- (d) facilitate the administration of the ETF as a mutual trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the ETF or its Unitholders; or
- (e) for the purposes of protecting the Unitholders of the ETF.

### ***Reporting to Unitholders***

The Manager, on behalf of each ETF and in accordance with applicable laws, furnishes to each Unitholder of that ETF, unaudited semi-annual financial statements and an interim management report of fund performance for that ETF within 60 days of the end of each semi-annual period and audited annual financial statements and an annual management report of fund performance for that ETF within 90 days of the end of each financial year. Both the semi-annual and the annual financial statements of each ETF contain a statement of net assets, a statement of operations, a statement of changes in net assets, a statement of cashflows and a statement of investment portfolio. The semi-annual and the annual financial statements of each ETF also disclose the minimum and maximum levels of leverage experienced by that ETF in the period covered by such statements, together with a brief explanation of how that ETF used leverage and the significance of the minimum and maximum levels of leverage to that ETF.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns in connection with their investment in Units is also distributed to them within 90 days after the end of each financial year of the ETFs. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Unitholder's Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how designations made by the ETF to a Unitholder affect the Unitholder's tax position.

The net asset value per Unit of each ETF is determined by the Manager on each Valuation Day and is usually published daily in the financial press.

### **TERMINATION OF THE ETFs**

Subject to complying with applicable securities law, the Manager may terminate an ETF at its discretion. In accordance with the terms of the Trust Declaration and applicable securities law, Unitholders will be provided 60 days' advance written notice of the termination. An Alternative ETF will not be wound up if the NAV per Unit falls below a certain level.

If an ETF is terminated, the Trustee is empowered to take all steps necessary to effect the termination of the ETF. Prior to terminating an ETF, the Trustee may discharge all of the liabilities of the ETF and distribute the net assets of the ETF to the Unitholders of the ETF.

Upon termination of an ETF, each Unitholder of the ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the ETF: (i) payment for that Unitholder's Units at the net asset value per Unit for that class of Units of the ETF determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that are owing to or otherwise attributable to such Unitholder's Units that have not otherwise been paid to such Unitholder; less (iii) any applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Unitholder and drawn on the ETF's bankers and may be

mailed by ordinary post to such Unitholder's last address appearing in the registers of Unitholders of that ETF or may be delivered by such other means of delivery acceptable to both the Manager and such Unitholder.

### ***Procedure on Termination***

The Trustee shall be entitled to retain out of any assets of an ETF, at the date of termination of the ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee to be due or to become due in connection with or arising out of the termination of the ETF and the distribution of its assets to the Unitholders of the ETF. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

### **PLAN OF DISTRIBUTION**

Units of an ETF are offered for sale on a continuous basis by this prospectus and there is no minimum or maximum number of Units of the ETF that may be issued. The Units of an ETF are offered for sale at a price equal to the net asset value of such Units next determined following the receipt of a subscription order. The base currency of the ETFs is Canadian dollars. The US\$ Unhedged Units are denominated in U.S. dollars and the CAD Units are denominated in Canadian dollars.

The TSX has conditionally approved the listing of the Units of the New ETFs. Listing of a New ETF is subject to the New ETF fulfilling all of the requirements of the TSX on or before July 5, 2022. Units of HCAL are currently listed and trading on the TSX.

### **BROKERAGE ARRANGEMENTS**

Subject to the prior written approval of the Manager, the Portfolio Adviser is authorized to establish, maintain, change and close brokerage accounts on behalf of the ETF. The Portfolio Adviser uses a number of clearing brokers to transact trades in futures contracts on behalf of the ETF. Once such brokerage accounts are established, the Portfolio Adviser is authorized to negotiate commissions and fees to be paid on such brokerage transactions, subject to a continuing obligation to seek and obtain the best price, execution and overall terms.

### **RELATIONSHIP BETWEEN THE ETFs AND DEALERS**

The Manager, on behalf of an ETF, may enter into various Dealer Agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units of the ETF as described under "Purchases of Units" at page 38.

A Dealer Agreement may be terminated by the registered dealer at any time by notice to Hamilton ETFs, provided that, except in certain conditions, no such termination will be permitted after the registered dealer has subscribed for Units of an ETF and such subscription has been accepted by Hamilton ETFs. No Designated Broker or Dealer has been involved in the preparation of this prospectus, nor has it performed any review of the contents of this prospectus. The Designated Broker and Dealers do not act as underwriters of the ETFs in connection with the distribution of Units under this prospectus.

### **PRINCIPAL HOLDERS OF UNITS OF THE ETFs**

CDS & Co., the nominee of CDS, is the registered owner of the Units of the ETFs, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a designated broker, an ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of an ETF.

## PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The proxies associated with the portfolio securities held by ETFs will be voted by the Portfolio Adviser in accordance with the Portfolio Adviser's proxy voting policy (the "**Proxy Voting Policy**"). The Portfolio Adviser is responsible for completing and executing all corporate actions including the voting of proxies on behalf of the ETFs. The Portfolio Adviser will generally support the management of companies in which they invest, and will accord proper weight to the positions of a company's board of directors. Therefore, in most circumstances, votes will be cast in accordance with the recommendations of the company's board of directors.

The Portfolio Adviser is responsible for maintaining records of all proxies voted.

While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which the ETFs may be presented. For non-routine matters, in the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Portfolio Adviser will evaluate the issue on a case by case basis and cast the ETF's vote in a manner that, in the Portfolio Adviser's view, will maximize the value of the ETF's investment.

Any conflicts of interests which may arise in connection with the voting of proxies must be reported immediately to the Portfolio Adviser's chief compliance officer and the Manager's chief compliance officer, and if necessary, referred to the IRC. The Proxy Voting Policy includes procedures intended to ensure that proxies associated with portfolio securities of the ETF are received and voted by the Portfolio Adviser on behalf of the ETF in accordance with the Proxy Voting Policy. Proxies must be voted in a timely manner and in the best interests of clients.

The Proxy Voting Policy is available on request, at no cost, by calling the Manager at 416 941 9888 or emailing the Manager at [etf@hamiltonetfs.com](mailto:etf@hamiltonetfs.com).

An ETF's proxy voting record for the annual period from July 1 to June 30 is available free of charge to any investor of the ETF upon request at any time after August 31 following the end of that annual period. An ETF's proxy voting record is also available on the Manager's website, [www.hamiltonetfs.com](http://www.hamiltonetfs.com).

## MATERIAL CONTRACTS

The only contracts material to the ETFs are the following:

- (a) *Trust Declaration* - for additional disclosure related to the Trust Declaration, including relevant termination provisions and other key terms of the agreement, see "Organization and Management Details of the ETFs – The Trustee" on page 52, "Attributes of Securities – Modification of Terms" on page 56, and "Unitholder Matters – Amendments to the Trust Declaration" on page 58;
- (b) *Custodian Agreement* - for additional disclosure related to the Custodian Agreement, including relevant termination provisions and other key terms of the agreement, see "Organization and Management Details of the ETFs – Custodian" on page 53; and
- (c) *License Agreement* - for additional disclosure related to the License Agreement, including relevant termination provisions and other key terms of the agreement, see "License Agreement" below.

Copies of these agreements may be examined at the head office of the ETFs, 55 York Street, Suite 1202, Toronto, ON, M5J 1R7, during normal business hours.

## LICENSE AGREEMENT

### *Terms of the License Agreement*

Hamilton ETFs has entered into the License Agreement pursuant to which Solactive AG grants to Hamilton ETFs and the ETFs a license, subject to the terms and conditions of the License Agreement, to use each Index as a basis for the operation of the ETFs, and to use Solactive AG's trademarks in connection with an Index and the ETFs. The term of the License Agreement is indefinite. Each of Hamilton ETFs and Solactive AG may terminate the License Agreement on a prescribed notice period. The License Agreement also provides other circumstances where a party would be entitled to terminate the License Agreement. If the License Agreement is terminated for any reason, Hamilton ETFs will no longer be able to base an ETF on the applicable Index.

### *Trademark Information and Index Provider Disclaimer*

The ETF is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or any trade mark(s) associated with the Index or the prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Hamilton ETFs, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the ETF. Neither publication of the Index by Solactive AG nor the licensing of the Index or any trade mark(s) associated with the Index for the purpose of use in connection with the ETF constitutes a recommendation by Solactive AG to invest capital in said ETF nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the ETF.

## LEGAL AND ADMINISTRATIVE PROCEEDINGS

The ETFs are not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the ETFs.

## EXPERTS

KPMG LLP, the auditors of the ETFs, has consented to the use of their reports dated: (i) March 24, 2021 in respect of HCAL; and (ii) July 8, 2021 in respect of the New ETFs. KPMG LLP has confirmed that they are independent with respect to the ETF within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

## EXEMPTIONS AND APPROVALS

An ETF may rely on exemptive relief from the Canadian Securities Regulatory Authorities to:

- (a) permit a Unitholder to acquire more than 20% of the Units of the ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (b) relieve the ETF from the requirement that the prospectus of the ETF include an underwriter's certificate; and
- (c) in respect of HCAL, to permit HCAL to purchase certain securities such that, subject to the terms and conditions of such relief, immediately after the transaction, more than 20% of HCAL's net assets would be invested in the securities of one issuer for the purposes of determining compliance with the concentration restriction in subsection 2.1(1.1) of NI 81-102.

## OTHER MATERIAL FACTS

### *International Information Reporting*

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the “IGA”) and related Canadian legislation in the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding Plans, as defined above under “Income Tax Considerations – Status of the ETFs”), to the CRA. The CRA is expected to provide the information to the U.S. Internal Revenue Service.

### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information about an ETF is, or will be, available in the following documents:

- (a) the most recently filed comparative annual financial statements of the ETF, together with the accompanying report of the auditor;
- (b) any interim financial statements of the ETF filed after the most recently filed annual financial statements of the ETF;
- (c) the most recently filed annual management report of fund performance of the ETF;
- (d) any interim management report of fund performance of the ETF filed after the most recently filed annual management report of fund performance of the ETF; and
- (e) the most recently ETF facts of the ETF.

These documents are, or will be, incorporated by reference into this prospectus, which means that they will legally form part of this document just as if they were printed as part of this document. You will be able to obtain a copy of these documents, at your request, and at no cost, by calling 416 941 9888 or by contacting your dealer. These documents will be available on the ETFs’ website at [www.hamiltonetfs.com](http://www.hamiltonetfs.com). These documents and other information about the ETFs will also be available on the Internet at [www.sedar.com](http://www.sedar.com).

In addition to the documents listed above, any documents of the type described above that are filed on behalf of an ETF after the date of this prospectus and before the termination of the distribution of the ETF are deemed to be incorporated by reference into this prospectus.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Hamilton Capital Partners Inc.

Re: Hamilton Enhanced Multi-Sector Covered Call ETF  
Hamilton U.S. Financials Dividend Index ETF  
(together the "ETFs and each an "ETF")

### *Opinion*

We have audited the financial statements of the ETFs, which comprise the statements of financial position as at July 8, 2021 and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "**financial statements**").

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the ETFs as at July 8, 2021 in accordance with International Financial Reporting Standards (IFRS) for such financial statement.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statement" section of our auditors' report.

We are independent of the ETFs in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing an ETF's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing an ETF's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an ETF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on an ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause an ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*"KPMG LLP"*

Chartered Professional Accountants, Licensed Public Accountants

July 8, 2021  
Toronto, Canada

**HAMILTON ENHANCED MULTI-SECTOR COVERED CALL ETF**

Statement of Financial Position

July 8, 2021

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|   |       |
|---|-------|
| <b>Assets</b>   |       |
| Cash  | \$ 16 |
| <hr/>   |       |
| Total Assets  | \$ 16 |
| <hr/>   |       |
| Net assets attributable to holders of redeemable Units:                 |       |
| Authorized:   |       |
| Unlimited Units   |       |
| without par value issued and fully paid                                 |       |
| <hr/>   |       |
| Total net assets attributable to holders of redeemable Units            | \$ 16 |
| <hr/>   |       |
| Issued and fully paid Units   | 1     |
| <hr/>   |       |
| Net assets attributable to holders of redeemable Units per Class E Unit | \$ 16 |

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See accompanying notes to statement of financial position.

Approved on behalf of the Board of Directors of  
Hamilton Capital Partners Inc., as the Manager and  
Trustee of Hamilton Enhanced Multi-Sector Covered Call ETF

(signed) "*Robert Wessel*"

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Robert Wessel, Director

(signed) "*Jennifer Mersereau*"

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Jennifer Mersereau, Director

**HAMILTON U.S. FINANCIALS DIVIDEND INDEX ETF**

Statement of Financial Position

July 8, 2021

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| <b>Assets</b>  |       |
|--|-------|
| Cash   | \$ 32 |
| <hr/>  |       |
| Total Assets   | \$ 32 |
| <hr/>  |       |
| Net assets attributable to holders of redeemable Units:      |       |
| Authorized:  |       |
| Unlimited Units  |       |
| without par value issued and fully paid                      |       |
| <hr/>  |       |
| Total net assets attributable to holders of redeemable Units | \$ 32 |
| <hr/>  |       |
| Issued and fully paid units:                                 |       |
| CDN\$ Hedged Units   | 1     |
| US\$ Unhedged Units  | 1     |
| <hr/>  |       |
| Net assets attributable to holders of redeemable Units:      |       |
| CDN\$ Hedged Units   | \$ 16 |
| US\$ Unhedged Units  | \$ 16 |

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See accompanying notes to statement of financial position.

Approved on behalf of the Board of Directors of  
Hamilton Capital Partners Inc., as the Manager and  
Trustee of Hamilton U.S. Financials Dividend Index ETF

(signed) "*Robert Wessel*"

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Robert Wessel, Director

(signed) "*Jennifer Mersereau*"

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Jennifer Mersereau, Director

## HAMILTON ENHANCED MULTI-SECTOR COVERED CALL ETF

### HAMILTON U.S. FINANCIALS DIVIDEND INDEX ETF Notes to the Financial Statements

July 8, 2021

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#### 1. Establishment of the ETFs and authorized Units:

The following exchange-traded funds were established on July 8, 2021 in accordance with an amended and restated master declaration of trust dated July 8, 2021.

Hamilton Enhanced Multi-Sector Covered Call ETF (“HDIV”)  
Hamilton U.S. Financials Dividend Index ETF (“HUS”)  
(the “ETFs” and each an “ETF”)

The address of the ETFs’ registered office is:  
55 York Street, Suite 1202  
Toronto, ON M5J 1R7

(a) *Legal structure:*

Hamilton Capital Partners Inc. (the “Manager” or the “Trustee”) is the manager and trustee of the ETFs.

Each ETF is an unincorporated open-ended mutual fund trust. HDIV is an alternative mutual fund under applicable securities legislation. Each ETF is established under the laws of the Province of Ontario by the amended master declaration of trust described above.

The units of the ETFs authorized for issuance are as follows:

- Class E Units of HDIV
- CDN\$ Hedged Units and US\$ Unhedged Units of HUS

(b) *Statement of compliance:*

The financial statement of each ETF as at July 8, 2021 has been prepared in accordance with International Financial Reporting Standards for such financial statement.

The financial statements were authorized for issue by the board of directors of the Manager on July 8, 2021

(c) *Basis of presentation:*

The financial statement of each ETF is expressed in Canadian dollars.

(d) *Net assets attributable to holders of redeemable Units:*

Units of each ETF are redeemable at the option of the holder in accordance with the provisions laid out in its prospectus. If the unitholder holds a prescribed number of units of an ETF, and if accepted by the Manager, the units of the ETF will be redeemed on the valuation day based on the net asset value of the units of the ETF on that valuation day. In accordance with IAS 32 – Financial Instruments: Presentation, the units of each ETF are classified as financial liabilities as there is a requirement to distribute net income and capital gains earned by the ETFs.

(e) *Issue of Units:*

A total of: (i) 1 Class E Unit of Hamilton Enhanced Multi-Sector Covered Call ETF; and (ii) 1 CDN\$ Hedged Unit and 1 US\$ Unhedged Units of Hamilton U.S. Financials Dividend Index ETF; were issued for cash on July 8, 2021 to the Manager.

(f) *Unitholder transactions:*

The value at which units of an ETF are issued or redeemed is determined by dividing the net asset value of the class by the total number of units outstanding of that class on the valuation date. Amounts received on the issuance of units of an ETF and amounts paid on the redemption of units are included in the statement of changes in financial position.

**2. Management of the ETFs**

*Management fees:*

Each class of an ETF will pay the Manager an annual management fee (the “Management Fee”) equal to a percentage of the net asset value of that class of the ETF, together with Sales Tax, as detailed below, calculated and accrued daily and payable monthly. The Manager is responsible for the payment of the fees of the Portfolio Adviser. The Management Fees of each ETF are as follows:

| ETF  | Class               | Management Fee  |
|------|---------------------|---|
| HDIV | Class E Units       | 0.65% of the net asset value of the Class E Units of HDIV, together with Sales Tax      |
| HUS  | CDN\$ Hedged Units  | 0.55% of the net asset value of the CDN\$ Hedged Units of HUS, together with Sales Tax  |
|      | US\$ Unhedged Units | 0.55% of the net asset value of the US\$ Unhedged Units of HUS, together with Sales Tax |

The Manager may reduce the Management Fees that it is entitled to charge to an ETF. Such a reduction or waiver will be dependent upon a number of factors, including the amount invested, the total assets of the ETF under administration and the expected amount of account activity.

**CERTIFICATE OF HAMILTON ENHANCED CANADIAN BANK ETF, HAMILTON  
ENHANCED MULTI-SECTOR COVERED CALL ETF AND HAMILTON U.S. FINANCIALS  
DIVIDEND INDEX ETF (COLLECTIVELY, THE “ETFs”), THE MANAGER AND PROMOTER**

Dated: July 8, 2021

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all the Provinces and Territories of Canada.

**HAMILTON CAPITAL PARTNERS INC.,  
AS TRUSTEE, MANAGER AND PROMOTER OF THE ETFs**

(signed) “Robert Wessel”

Robert Wessel  
as Managing Partner  
(acting in the capacity of Chief  
Executive Officer)

(signed) “Derek Smith”

Derek Smith  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS  
HAMILTON CAPITAL PARTNERS INC.**

(signed) “Jennifer Mersereau”

Jennifer Mersereau  
Director

(signed) “Howard Atkinson”

Howard Atkinson  
Director