

IMPORTANT

If you are in any doubt about the contents of this notice, you should consult your stockbroker, bank manager, solicitor, accountant and other financial adviser for independent financial advice.

The Stock Exchange of Hong Kong Limited, the Hong Kong Exchanges and Clearing Limited, the Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

Horizons MSCI China ETF (Stock Code: 3040)

the sub-fund (the "Sub-Fund") of Horizons Exchange Traded Funds Series (the "Trust")

(A Hong Kong unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)¹

Notice to Unitholders

Dear Unitholders,

MSCI China Index Methodology Change

We, as the Manager of the Trust, hereby inform you that MSCI Inc., the index provider of the MSCI China Index (the "**Index**"), the underlying index of the Sub-Fund, has announced that they will enhance the coverage of the MSCI Global Investable Market Indexes ("**MSCI GIMI**") by considering companies traded outside of the country of classification (i.e., "**foreign listed companies**") as eligible for inclusion in the MSCI GIMI. Foreign listed companies would be eligible for the Index where they would represent a material proportion of the index market capitalization. The Index is constructed based on the MSCI GIMI methodology targeting free float-market capitalization coverage of 85%. More specifically, as part of the November 2015 Semi-Annual Index Review, foreign listed companies will become eligible for inclusion in the Index.

As a result of the change, the equity universe of the Index used for the November 2015 Semi-Annual Index Review will comprise H-shares, Red chips and P chips listed on The Stock Exchange of Hong Kong Limited, B-shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and foreign listed companies (such as companies listed in NASDAQ, New York Stock Exchange and Singapore Stock Exchange).

The selection criteria of the constituents out of the above equity universe of the Index remain unchanged. The change is not expected to adversely impact (i) the objective or operations of the Sub-Fund in tracking the Index; and (ii) the acceptability of the Index under the Code on Unit Trusts and Mutual Funds issued by the SFC. The revised index methodology of the MSCI Global Investable Market Indexes, based on which the Index is constructed, is available at

https://www.msci.com/eqb/methodology/meth_docs/MSCI_Jun2015_GIMIMethodology.pdf

The Prospectus of the Trust dated 19 September 2014 will be amended to reflect the Change and published on the Manager's website (<http://www.horizonsetfs.com.hk>²) and Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk) as soon as reasonably practicable.

Capitalised terms used in this notice shall have the same meaning as defined in the Prospectus of the Trust dated 19 September 2014.

¹ SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

² The website has not been reviewed by the SFC.

If you have any questions concerning the above, please contact us at (852) 2295 1500 during office hours.

The Manager accepts responsibility for the accuracy of the contents of this notice.

Mirae Asset Global Investments (Hong Kong) Limited

30 October 2015