

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.

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Horizons KOSPI 200 ETF (Stock Code: 2835)

Horizons S&P Emerging Asia Consumer ETF (Stock Code: 3054)

Horizons S&P Global Consumer Brands ETF (Stock Code: 3056)

Horizons S&P Asia ex JANZ Financials ETF (Stock Code: 3064)

Horizons S&P Asia ex JANZ IT ETF (Stock Code: 3066)

Horizons S&P Asia ex JANZ Industrials ETF (Stock Code: 3075)

Horizons S&P Asia ex JANZ Energy ETF (Stock Code: 3076)

Horizons S&P Asia ex JANZ Materials ETF (Stock Code: 3078)

Horizons MSCI China ETF (Stock Code: 3040)

Horizons Hang Seng High Dividend Yield ETF (Stock Code: 3110)

Horizons CSI 300 ETF (RMB Counter Stock Code: 83127; HKD Counter Stock Code: 3127)

the sub-funds (the "Sub-Funds") 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,

We, as the Manager of the Trust, hereby inform you that certain amendments to the prospectus of the Trust dated 19 September 2014 ("Prospectus") and to the product key facts statement of the Sub-Funds are made to reflect the following changes:

Change Applies to Horizons CSI 300 ETF Only

(A) Change in the CSI 300 Index Methodology

Reference is made to the First Addendum to the Prospectus of the Trust dated 5 November 2014, in which disclosure regarding the index methodology of the CSI 300 Index (the "Index"), the underlying index of the Horizons CSI 300 ETF, was updated. The Manager wishes to provide further information about the methodology change of the Index as follow:

China Securities Index Co., Ltd., the index provider of the Index, has announced a change in the methodology of the Index (the "Change"), which will take effect on 15 December 2014 (the "Effective Date"). From the Effective Date, stocks listed on the ChiNext of the Shenzhen Stock Exchange (the "SZSE") with a listing history of more than three years will be added to the index universe of the Index. The ChiNext of the SZSE is mainly for hi-tech companies.

As a result of the Change, the selection universe of the Index will, from the Effective Date, include all the A-Shares listed on the Shanghai Stock Exchange (the "SSE") (the Main Board) or the SZSE (the Main Board, the SME Board (Small and Medium Enterprise Board) and ChiNext) satisfying the following conditions:

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.

- (a)
- (i) a stock listed on the Main Board of the SSE or the Main Board or the SME Board of the SZSE (the "Non-ChiNext Stock") must have a listing history of more than three months unless the daily average total market value of the Stock since its initial listing is ranked within the top 30 of all Non-ChiNext Stocks; or
 - (ii) a stock listed on the ChiNext of the SZSE must have a listing history of more than three years; and
- (b) the stock is not designated for special treatment or potential delisting by any of the CSRC, the SSE or the SZSE as a result of continuous financial losses.

Since the selection criteria of the A-Shares constituents out of the above Index universe remain unchanged, the Manager does not expect a substantial change of the Index constituents following the Change. Moreover, the Manager has always had the ability to access to the ChiNext market. For the above reasons, the Change is not expected to either materially or adversely impact (i) Horizons CSI 300 ETF; 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 Index is available at

http://www.csindex.com.cn/sseportal_en/csiportal/zs/jbxx/report.do?code=000300&subdir=1.

Change Applies to Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons S&P Asia ex JANZ Financials ETF, Horizons S&P Asia ex JANZ IT ETF, Horizons S&P Asia ex JANZ Industrials ETF, Horizons S&P Asia ex JANZ Energy ETF and Horizons S&P Asia ex JANZ Materials ETF

(B) Cessation of Citigroup Global Markets Asia Limited to act as Market Maker

With effect from 8 December 2014, Citigroup Global Markets Asia Limited ceases to act as Market Maker of Horizons KOSPI 200 ETF, Horizons S&P Emerging Asia Consumer ETF, Horizons S&P Global Consumer Brands ETF, Horizons S&P Asia ex JANZ Financials ETF, Horizons S&P Asia ex JANZ IT ETF, Horizons S&P Asia ex JANZ Industrials ETF, Horizons S&P Asia ex JANZ Energy ETF and Horizons S&P Asia ex JANZ Materials ETF, following the acceptance of the application for surrendering its market maker permits for the eight afore-named Sub-Funds by the SEHK dated 14 November 2014 (the "Cessation").

Since there is other broker(s) being appointed to act as Market Maker(s) of the eight afore-named Sub-Funds, who facilitate the efficient trading of Units of those Sub-Funds by providing liquidity in the secondary market, the Cessation is not expected to either materially or adversely impact those Sub-Funds or investors.

The current list of Market Makers of the eight afore-named Sub-Funds is available on the Manager's website (<http://www.horizonsetfs.com.hk>²).

Changes Apply to the Sub-Funds

(C) Reduction of Transaction Levy

Under Section 3 of the Securities and Futures (Levy) (Amendment) Order 2014, the transaction levy payable by each of a seller and a buyer in respect of a transaction of securities (including the Units of the Index Funds) on the SEHK has been reduced from 0.003% to 0.0027% with effect from 1 November 2014.

² The website has not been reviewed by the SFC.

(D) Update of the 10 largest constituent stocks of the underlying indices of respective Sub-Funds

The 10 largest constituent stocks of the underlying indices of respective Sub-Funds have been updated to data as at 31 October 2014.

The Prospectus is amended by way of an addendum. The second addendum to the Prospectus and the updated product key facts statement of the Sub-Funds are now available 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).

Capitalised terms used in this notice shall have the same meaning as defined in the Prospectus.

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

27 November 2014