



HORIZONS ALPHAPRO GARTMAN FUND (HAG.UN)

Frequently Asked Questions

1. WHO IS DENNIS GARTMAN?

Since 1987, Mr. Gartman has provided recommendations on the global capital markets in the daily publication The Gartman Letter™, a highly regarded daily macro-economic and trading-oriented newsletter read by the professional investment community including leading global banks, brokerage firms, hedge funds, mutual funds and commodity trading companies. The Gartman Letter is written by Mr. Gartman with the assistance of associates Roy “Chip” Runyon and J. Cameron Robinett. The Gartman Letter provides commentary and investment recommendations on most financial markets, with particular emphasis on fixed income, foreign exchange, equity indices, precious metals, energy and agricultural commodities.

Mr. Gartman has over 34 years of experience as an investment professional. Between 1985 and 1987, Mr. Gartman ran the futures brokerage operations at Virginia National Bank. From 1977 to 1984, Mr. Gartman served as the Chief Financial Futures Analyst for A.G. Becker & Company in Chicago, Illinois. Mr. Gartman was an independent member of the Chicago Board of Trade until 1985 trading in Treasury Bond, Treasury Note and GNMA (Government National Mortgage Association) futures contracts. Before that, Mr. Gartman traded foreign exchange and money market instruments at the NCNB National Bank in Charlotte, North Carolina. Mr. Gartman started his career in the early 1970’s as an economist for Cotton, Inc. analyzing cotton supply and demand in the U.S. textile industry. Mr. Gartman has lectured on capital markets to central banks and finance ministries, and has taught classes for the Federal Reserve’s School for Bank Examiners on derivatives since the early 1990’s. Mr. Gartman delivers speeches on global economic and political concerns around the world. Mr. Gartman is a graduate of The University of Akron.

2. WHO IS ALPHAPRO MANAGEMENT INC. (“ALPHAPRO”)?

AlphaPro, the manager and the trustee of the Fund, is an innovative financial services company specializing in actively managed ETFs. AlphaPro is a subsidiary of BetaPro Management Inc. (“BetaPro”), Canada’s largest provider of leveraged and inverse leveraged ETFs. BetaPro managed over \$1.9 billion in assets in the BetaPro ETFs as at December 31, 2008. BetaPro is a subsidiary of Jovian Capital Corporation, a publicly-traded company listed on the TSX (TSX symbol – “JOV”).

3. HOW WILL THE HORIZONS ALPHAPRO GARTMAN FUND (THE “FUND”) BE MANAGED?

The Fund will be invested in an actively managed portfolio of investments that The Gartman Letter, L.C. (“Gartman”) believes will provide the greatest opportunity for consistent capital appreciation through all market and business cycles. Gartman will use a combination of fundamental, macro-economic and technical analyses to identify investment opportunities that will provide long and short exposure to multiple asset classes including global equities, commodities, fixed income and currencies. The Fund will invest in a variety of portfolio securities and instruments which may include, but are not limited to, equity securities, futures contracts and exchange traded funds (“ETFs”).

4. HOW WILL I KNOW WHAT THE FUND OWNS?

As soon as practicable following the end of each month, the Manager intends to publish on its website (www.hapetfs.com) a summary of the investment portfolio disclosing the top ten positions (long and short) held by the Fund expressed as an absolute percentage of the net assets of the Fund.

5. WHAT WILL THE FUND INVEST IN?

The Fund will invest in a variety of portfolio securities and instruments including equity securities, futures contracts and ETFs to provide the Fund with long and short exposure to multiple asset classes including global equities, commodities, fixed income and currencies. The Fund’s portfolio may from time to time also include a significant amount of cash and/or cash equivalents.

6. WHAT HAPPENS IF GARTMAN IS UNABLE TO CONTINUE TO PERFORM HIS DUTIES FOR THE FUND?

JovInvestment Management Inc. has been engaged as Investment Manager for the Fund. The Investment Manager has engaged Gartman as portfolio sub-advisor for the Fund. If for any reason Gartman is no longer able to perform its responsibilities as portfolio sub-advisor for the Fund, the Investment Manager may appoint a new portfolio sub-advisor in place of Gartman.



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7. WHAT ARE THE TERMS OF THE FUNDS CONVERSION INTO AN ETF?

If after September 30, 2009, the daily weighted average trading price (or, in the event there has been no trading on a particular day, the average of closing bid and ask prices) of the Class A units is greater than a discount of 2% of the NAV (Net Asset Value) per Class A unit for that day or exceeds their issue price of \$10.00 in each case for a period of 10 consecutive trading days, but in any event no later than March 31, 2010, there will be an automatic conversion of the Class A units and the Class F units of the Fund into Class E units of the ETF. For each Class A unit or Class F unit so converted, a holder will receive a number of Class E units equal to the NAV per unit of a Class A unit or Class F unit, respectively, as of the date upon which the conversion takes place, divided by the NAV per Class E unit as of such day rounded down to the nearest whole Class E unit.

8. WHAT ARE THE BENEFITS OF AN ETF STRUCTURE?

Conversion of the Fund into an ETF is expected to provide unitholders with a number of benefits, including potentially greater market liquidity, potentially more efficient trading as the market price of the Class E units is expected to be closer to the ETF's NAV and the potential ability to increase the asset base for the ETF as a result of the continuous offering of its units as an ETF.

9. CAN THE CLASS A OR F UNITS BE TRADED PRIOR TO CONVERSION TO AN ETF?

Yes, The TSX has conditionally approved the listing of the Class A units under the symbol (HAG.UN). The listing is subject to among other things fulfilling all of the requirements of the TSX and the closing of the offering. The Class F units will not be listed on a stock exchange but will be convertible into Class A units at anytime prior to the conversion. At the time of the conversion, the Class A units and the Class F units of the Fund will convert into Class E units of an ETF.

10. HOW OFTEN WILL THE MANAGER DISTRIBUTE TAXABLE CAPITAL GAINS/INCOME TO UNITHOLDERS OF THE FUND OR ETF?

The Fund, pre and post conversion, does not intend to pay regular distributions. To the extent that the Fund realizes net income and net capital gains in a year, the Fund intends to make payable to unitholders on or before December 31 of that year such portion thereof as is necessary to ensure that the Fund will not pay income tax.

11. WHAT IS THE PERFORMANCE FEE AND HOW IS IT PAID?

The Fund will pay to the Manager a performance fee equal to 20% of the amount by which the performance of the Fund at any date on which the fee is payable (i) exceeds the High Water Mark and (ii) outperforms the one (1) year Government of Canada Treasury Bill rate. The Performance Fee shall be calculated and accrued daily on each class of Units. . Fifty percent of the Performance Fee shall be paid in cash and fifty percent shall be paid in units of the Fund having an aggregate value equal to the Performance Fee that would otherwise be paid in cash.