



BY ELECTRONIC MAIL: legal@neostockexchange.com, marketregulation@osc.gov.on.ca

October 23, 2020

Valerie Lockerbie Head of Legal and Regulatory
Neo Exchange Inc.
155 University Avenue, Suite 400
Toronto, ON
M5H 3B7

and

Market Regulation Branch Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON
M5H 3S8

Dear Sir/Madames:

RE: NEO EXCHANGE REQUEST FOR COMMENTS ON PROPOSED SIGNIFICANT CHANGE TO THE TREATMENT OF WEIGHTED CLOSING PRICE ELIGIBLE SECURITIES

We appreciate the opportunity to provide comments.

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. Horizons ETFs is the fourth largest ETF issuer by AUM in Canada. Horizons ETFs manages approximately \$14.9 billion of assets under management and has 93 ETFs listed on major Canadian stock exchanges.

We are generally very supportive of NEO's proposal to publish a print of the weighted closing price for NEO listed ETFs.

The existing framework for the setting of ETF closing prices does not always reflect the accurate valuation of an ETF. Because ETFs are not stocks and their true value is derived from their underlying holdings, price discovery for these vehicles works differently. For example, a stale last sale price for a thinly traded ETF is not meaningful but currently this can set an erroneous closing price. This can create meaningful investor confusion for ETFs, which we as an issuer have worked hard to dispel. The importance of closing prices as a reference point for investors and their use to make investment decisions highlights the significance of this issue. It is also important to note that it's these potentially erroneous closing prices that are used by IIROC members for, among other things, their client's statements.



HORIZONS ETFs
by Mirae Asset

Yours very truly,

HORIZONS ETFs MANAGEMENT (CANADA) INC.

Kevin Beatson
COO

CC. Steve Hawkins, President & CEO