

The following information is prepared for the convenience of Canadian Derivatives Clearing Corporation (CDCC) members and Bourse de Montréal Inc. (the Bourse) approved participants. This document is an unofficial summary of certain terms of the aforementioned adjustment. CDCC and the Bourse accept no responsibility for the accuracy or completeness of the summary. CDCC members and Bourse approved participants must ensure they have reviewed the documentation published by the Issuers involved in this corporate action.



NOTICE TO MEMBERS

No. 2020 - 054

April 28, 2020

FINAL CONTRACT ADJUSTMENT BetaPro Crude Oil 2x Daily Bull ETF (HOU & HOU1) Reverse Split, Name and CUSIP Change

The Bourse and CDCC wish to inform you that “BetaPro Crude Oil 2x Daily Bull ETF” (TSX: “HOU”) will consolidate its Common Shares and change name to “BetaPro Crude Oil Daily Bull ETF”

The reverse split on the basis of a one-for-twenty ratio will be effective at the opening of the markets on April 29, 2020.

The company will start trading under the new name and CUSIP on the Toronto Stock Exchange at the opening of business on April 29, 2020.

CDCC - Adjustment Details - HOU:

Pursuant to the Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all HOU options will be adjusted as follows:

- **EFFECTIVE DATE:** April 29, 2020
- **OPTIONS SYMBOL:** HOU will become HOU2
- **NUMBER OF CONTRACTS:** Unchanged
- **MULTIPLIER:** 5
- **NEW DELIVERABLE PER CONTRACT:** 5 common shares of BetaPro Crude Oil Daily Bull ETF (HOU)
- **STRIKE PRICES:** Strike Prices will be multiplied by twenty

- **NEW CUSIP :** 08663Q 10 3
- **POSITION AND EXERCISE LIMITS:** Position and exercise limits will change to 25,000 contracts

CDCC will not adjust any outstanding escrow receipts.

The Bourse - Adjustment Details - HOU:

It is important to note that on the effective date mentioned above, all open orders on this option class **will not be automatically modified** to reflect the reverse split and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of HOU options class will be transferred to the HOU2 options class representing the new deliverable.

BetaPro Crude Oil Daily Bull ETF		
Symbol	Actual Strike Prices	New Strike Prices
HOU2	\$1.00	\$20.00
HOU2	\$1.50	\$30.00
HOU2	\$2.00	\$40.00
HOU2	\$2.50	\$50.00
HOU2	\$3.00	\$60.00
HOU2	\$4.00	\$80.00
HOU2	\$5.00	\$100.00
HOU2	\$6.00	\$120.00
HOU2	\$7.00	\$140.00
HOU2	\$8.00	\$160.00
HOU2	\$9.00	\$180.00
HOU2	\$10.00	\$200.00
HOU2	\$11.00	\$220.00

Please note that only closing transactions will be permitted on the adjusted class. Actual series that do not have open interest will not be adjusted.

CDCC - Adjustment Details - HOU1:

Pursuant to the Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all HOU1 options will be adjusted as follows:

- **EFFECTIVE DATE:** April 29, 2020
- **OPTIONS SYMBOL:** HOU1 will become HOU3

Numerical Example - HOU1 (HOU3)

For a member holding a long put strike \$10.00 position and considering that HOU closing price on

April 27, 2020 is \$0.68, the intrinsic value of the option prior to the adjustment is:

$$\text{Intrinsic Value} = \$10.00 \times 10 - \$0.68 \times 10$$

$$= \$93.20$$

After the adjustment, the intrinsic value of the option will be:

$$\text{Intrinsic Value} = \text{Strike Price} \times \text{Multiplier} - \text{New Underlying Price} \times \text{New Deliverable}$$

$$= \$10.00 \times 10 - \$13.60 \times (10/20)$$

$$= \$93.20$$

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Corporate Operations Department.

Anne Fiddes
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