

Horizons Active Preferred Share ETF Surpasses \$1 Billion in Assets

The first truly active ETF in Canada to reach this milestone

TORONTO - February 1, 2017 - Horizons ETFs Management (Canada) Inc. and its affiliate, AlphaPro Management Inc. (collectively “**Horizons ETFs**”), are pleased to announce that the assets under management (AUM) for the Horizons Active Preferred Share ETF (“**HPR**”) now exceed \$1 billion. This makes HPR Canada’s first truly active ETF to surpass the \$1 billion AUM threshold.

As its name suggests, HPR is an actively managed ETF that seeks to provide dividend income while preserving capital by investing primarily in preferred shares of Canadian companies.

“In September 2016, Horizons ETFs celebrated an important milestone when our family of actively managed ETFs surpassed \$3 billion in AUM. Now we have our first ETF from this family to surpass the important \$1 billion in AUM threshold,” said Steven Hawkins, President and Co-CEO of Horizons ETFs. *“HPR has been an important ETF for us, consistently supporting our belief that true, discretionary active management used within an ETF structure works, particularly in an asset class with less than optimal market efficiency, like preferred shares.”*

HPR is sub-advised by Fiera Capital Corporation (“**Fiera Capital**”). Fiera Capital’s AUM is estimated to be more than \$116 billion as at December 31, 2016, more than half of which is in fixed income. The HPR portfolio is managed within Fiera Capital by the integrated fixed income team, which includes Nicolas Normandeau, Vice-President and Portfolio Manager, lead manager for HPR.

“We are proud to be working with Horizons ETFs and to contribute to the growth of Canada’s first fully discretionary and actively managed preferred share ETF,” said Nicolas Normandeau. *“Our investment approach is to deliver true-alpha to our clients and HPR represents a great vehicle for us to demonstrate how we strive to deliver asset growth and superior returns in variable market environments.”*

The Canadian preferred share market, which is greater than \$60 billion in capitalization, has nearly 75% of its issues in rate-reset preferred shares. Rate-resets generate a coupon that is typically a combination of the yield of a Canadian five-year bond, plus a defined spread. As a result, the Canadian preferred share market, in aggregate, has historically been highly correlated to interest rates. In 2015, preferred shares declined in value due to lowering interest rates but they subsequently staged a strong price comeback during the recent period of rising rates.

Unlike with index-tracking strategies, the portfolio management team can be selective in the types of issuers the ETF holds and can adjust its exposure to different sectors and product structures – such as rate-resets and perpetual preferred shares – to potentially generate better risk-adjusted returns compared to index strategies.

“The benefits of preferred share investing are well-understood; they provide, on average, higher yields than Canadian corporate bonds which are taxed as Canadian eligible dividends. They are a tax-efficient way to generate an attractive yield for an income portfolio,” said Mr. Hawkins. *“What’s not as well*

understood are some of the product structures within the preferred share market and the different types of yield features, liquidity and covenants associated with different issuers. This is really where an expert portfolio management team like Fiera Capital can add a lot of value for investors.”

The benefits of an active strategy in the less-liquid and complex preferred share market has attracted significant investment interest. In fact, HPR was Horizons ETFs’ best-selling offering in 2016, representing about \$360 million in net sales. Fiera Capital currently sub-advises more than \$2 billion in active fixed income AUM for Horizons ETFs and HPR is the largest of those ETF solutions.

“In a low interest rate environment, investors are looking for robust income solutions. HPR is a milestone and a testament to the attractiveness of the income line-up that Fiera Capital sub-advises for Horizons ETFs,” said François Bourdon, Chief Investment Solutions Officer and Vice-President, Asset Allocation and Fixed Income, at Fiera Capital.

About Fiera Capital (www.FieraCapital.com)

Fiera Capital is a leading North American independent asset management firm with more than CAD \$116 billion in assets under management as at December 31, 2016, reported on a preliminary basis. The Firm provides institutional, retail and private wealth clients with access to full-service integrated money management solutions across traditional and alternative asset classes. Clients and their portfolios derive benefit from Fiera Capital's depth of expertise, diversified offerings and outstanding service. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange. Additional information about Fiera Capital is available on SEDAR at www.sedar.com.

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. and its affiliate AlphaPro Management Inc. are innovative financial services companies offering the Horizons ETFs family of exchange traded funds. The Horizons ETFs family includes a broadly diversified range of investment tools with solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has more than \$6.9 billion of assets under management. With 77 ETFs listed on the Toronto Stock Exchange, the Horizons ETFs family makes up one of the largest families of ETFs in Canada. Horizons ETFs Management (Canada) Inc. and AlphaPro Management Inc. are members of the Mirae Asset Global Investments Group.

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