

Horizons ETFs’ Sustainability Fund ETHI Achieves 16.95% Total Return in 1st Year

ETHI holds global large-cap companies with higher sustainability, social responsibility scores than peers

TORONTO – November, 4, 2019 – In its first year, Horizons Global Sustainability Leaders Index ETF (“**ETHI**”) attained a 16.95% total return, all while maintaining one of Canada’s most ambitious environmental and socially responsible portfolios of global, large-cap companies. Additionally, effective November 1, 2019, ETHI’s management fee has been reduced from 0.65% to 0.45%.

ETHI first started trading on November 1, 2018, and was Horizons ETFs’ first socially responsible investing (SRI) ETF. ETHI seeks to replicate, to the extent possible, the performance of the Nasdaq Future Global Sustainability Leaders Index (“**the Index**”), net of expenses. ETHI gives investors the opportunity to access a genuinely lower carbon footprint and SRI-screened passive global investment portfolio.

“Socially responsible investing is becoming increasingly more popular with investors as they seek to align their investment dollars with companies that are aligned with their social values essentially putting their money where their mouths are,” said Steve Hawkins, President and CEO of Horizons ETFs. *“A big criticism and myth of socially responsible investing is that investors would have to sacrifice returns if they invested in a portfolio that lets them feel good about how their money is used. ETHI clearly demonstrates that investors can both generate attractive returns and feel good about how they invest.”*

ETHI Performance

For the one-year and year-to-date periods ending October 31, 2019, ETHI returned 16.95% and 23.14%, respectively, both on a total return basis.

This is, in part, because the sectors that have done well from a performance basis over the last five years—predominantly technology stocks—have a lower carbon footprint. ETHI’s index tends to overweight the technology sectors relative to their weights in broader indices.

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	SIR
Horizons Global Sustainability Leaders Index ETF	4.37%	3.71%	6.28%	23.14%	16.95%	16.95%

Source: Bloomberg, as at October 31, 2019

The indicated rates of return are the historical annual compounded total returns including changes in per unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. The rates of

return shown in the table are not intended to reflect future values of the Horizons Exchange Traded Products or returns on investment in the Horizons Exchange Traded Products.

“The economic costs of climate change will be drastic—companies that aren’t prepared or working toward a better tomorrow could be a significant risk for investors to own,” said Mr. Hawkins. “ETHI’s portfolio of global, large-cap climate change leaders are the best situated to weather the storm, so to speak, while seeking to deliver strong returns and a better future.”

How it Works

ETHI provides exposure to 100 of the world's largest companies (by market capitalization) that have demonstrated a core commitment to environmentally sustainable business practices.

Using a rigorous methodology, the Index screens for qualifying equities based on the following factors:

1. Companies must not be engaged in activities considered inconsistent with SRI principles, including fossil fuel production, armaments, tobacco, gambling, animal cruelty and more.
2. Companies must either have a carbon impact at least 60% lower than their industry's average or be engaged in activities that can help reduce carbon use by other industries.
3. Companies must have at least one woman on their Board of Directors.
4. Companies are selected from developed markets and must meet market cap and liquidity requirements.

“We launched ETHI because we saw a gap in the Canadian market for a truly socially responsible ETF,” said Mr. Hawkins. “ETHI’s index goes further than traditional environmental, social governance (ESG) funds in Canada by taking a fully prohibitive stance against holding any fossil fuel producers and major emitters. In addition, the index’s other screening rigors mean that socially-conscious investors do not need to compromise on their values when choosing a strong portfolio.”

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

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has approximately \$10 billion of assets under management and 91 ETFs listed on major Canadian stock exchanges.

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