

## Horizons ETFs Completes Corporate Class Reorganization of Total Return Index ETFs

**TORONTO – December 2, 2019** – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”) announced today that it has completed the reorganization (the “**Reorganization**”) of fifteen exchange-traded funds (the “**Reorganized ETFs**”) listed in the table below into Horizons ETF Corp., a multi-class corporate fund structure managed by Horizons ETFs, as approved by unitholders of the ETFs at special meetings held last month. The Reorganization was effected after the close of business on November 29, 2019.

The Reorganized ETFs are the Horizons ETFs’ Total Return Index suite of ETFs (“**TRI ETFs**”) – a unique to Canada ETF structure that offers investors tax-efficient exposure to 13 different indices and asset classes.

*"With the completion of this second phase of our corporate class reorganization, we expect our Total Return Index ETFs to provide meaningfully better after-tax returns than traditional, physically-replicated ETF strategies, for taxable Canadian investors,"* said Steve Hawkins, President and CEO of Horizons ETFs. *"The corporate class reorganization was specifically designed and proposed to unitholders for the purpose of maintaining the structural advantages that the ETFs have enjoyed since inception as trusts, which include low tracking error, tax-efficiency for taxable accounts, and competitive fees."*

The following Reorganized ETFs will begin trading on the TSX as separate corporate classes of ETF shares of Horizons ETF Corp., effective today:

<b>REORGANIZATION INTO CORPORATE CLASS EFFECTIVE NOVEMBER 29, 2019</b>	
<b>ETF Name</b>	<b>Ticker</b>
Horizons S&P/TSX 60™ Index ETF	HXT
Horizons S&P 500® Index ETF	HXS
Horizons S&P 500 CAD Hedged Index ETF	HSH
Horizons S&P/TSX Capped Energy Index ETF	HXE
Horizons S&P/TSX Capped Financials Index ETF	HXF
Horizons Cdn Select Universe Bond ETF	HBB
Horizons NASDAQ-100® Index ETF	HXQ
Horizons EURO STOXX 50® Index ETF	HXX
Horizons Cdn High Dividend Index ETF	HXH
Horizons US 7-10 Year Treasury Bond ETF	HTB
Horizons US 7-10 Year Treasury Bond CAD Hedged ETF	HTH

<b>REORGANIZATION INTO CORPORATE CLASS EFFECTIVE NOVEMBER 29, 2019</b>	
<b>ETF Name</b>	<b>Ticker</b>
Horizons Laddered Canadian Preferred Share Index ETF	HLPR
Horizons Intl Developed Markets Equity Index ETF	HXDM
Horizons Equal Weight Canada REIT Index ETF	HCRE
Horizons Equal Weight Canada Banks Index ETF	HEWB

These TRI ETFs currently use a synthetic replication process known as a total return swap in order to deliver the total return of the applicable index.

Unlike a physically-replicated ETF that typically purchases the securities found in the relevant index in the same proportions as the index, the cash portion of the TRI ETF is put into an interest-earning cash account. The TRI ETF then provides the investor with the total return of the index by entering into a total return swap agreement with one or more counterparties, typically large financial institutions, which will provide the ETF with the total return of the index in exchange for the interest earned on the cash held by the ETF plus any applicable swap fees and hedging costs.

#### **About the Corporate Class**

All of the TRI ETFs have merged into a single multi-class corporate fund structure, which permits the ETFs to improve operational efficiency, aggregate all future gains and losses on both the income and capital accounts, and substantially reduce the likelihood of distributions.

*“All of these ETFs use our unique in Canada synthetic replication process and have maintained the same tickers and investment objectives. These ETFs simply use a new corporate class structure to preserve all the advantages of the Total Return Index strategy.”* said Mr. Hawkins. *“We’ve built up a large unitholder base for these ETFs over the last ten years, and we appreciate their patience as we have completed this transition. Our family of Total Return Index ETFs will continue to be, in our view, the best way for taxable Canadian investors to get exposure to these popular index strategies.”*

As previously announced on November 28, 2019, Horizons ETFs completed a similar corporate class reorganization in respect of the 29 ETFs from Horizons ETFs’ BetaPro and Commodity suites of ETFs, after the close of business on November 27, 2019 (the **“Previous Reorganization”**).

The Reorganization and the Previous Reorganization are not expected to be taxable events for Canadian resident unitholders of the affected ETFs, provided that unitholders with ETF units in taxable accounts make a joint election with Horizons ETF Corp. under Section 85 of the *Income Tax Act* (Canada) for the exchange of their trust units into the corresponding class of ETF Shares of Horizons ETF Corp., to occur on a tax-deferred basis. Horizons ETFs has established a process to provide assistance to unitholders in taking the necessary steps to file the joint election, which is available free of charge. Additional information of the Section 85 election can be found here: <https://www.horizonsetfs.com/section-85-election>



**FOR IMMEDIATE RELEASE**

**About Horizons ETFs Management (Canada) Inc. ([www.HorizonsETFs.com](http://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.

**For investor inquiries:**

Contact Horizons ETFs at 1-866-641-5739 (toll-free) or (416) 933-5745  
[info@horizonsetfs.com](mailto:info@horizonsetfs.com)

**For media inquiries:**

Contact Jonathan McGuire  
External Communications Manager  
Horizons ETFs Management (Canada) Inc.  
(416) 640-2956  
[jmcguire@horizonsetfs.com](mailto:jmcguire@horizonsetfs.com)

*Commissions, management fees and expenses all may be associated with an investment in exchange traded products (the "Horizons Exchange Traded Products") managed by Horizons ETFs Management (Canada) Inc. The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. **Please read the relevant prospectus before investing.***

Certain statements may constitute a forward looking statement, including those identified by the expressions "anticipate", "estimate" or "expect" and similar expressions (including grammatical variations thereof) to the extent they relate to the ETFs or Horizons ETFs. The forward-looking statements are not historical facts but reflect the ETFs, the ETF's managers or Horizons ETFs current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These and other factors should be considered carefully and readers should not place undue reliance on the ETFs' forward looking statements. These forward-looking statements are made as of the date hereof and the ETFs do not undertake to update any forward-looking statement that is contained herein, whether as a result of new information, future events or otherwise, unless required by applicable law.