HORIZONS ETFs by Mirae Asset

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Horizons ETFs Launches Three New Total Return ETFs

Three new ETFs provide exposure to U.S. large-cap equities, the S&P/TSX Capped Composite, and high interest savings accounts, respectively

TORONTO – February 6, 2020 – Horizons ETFs Management (Canada) Inc. ("**Horizons ETFs**") is pleased to announce the launch of three new total return[1] ETFs ("**Total Return ETFs**"): the Horizons US Large Cap Index ETF ("**HULC**"), the Horizons S&P/TSX Capped Composite Index ETF ("**HXCN**") and the Horizons Cash Maximizer ETF ("**HSAV**"). Shares of these Total Return ETFs will begin trading today on the Toronto Stock Exchange ("**TSX**").

HULC, HXCN and HSAV join the Horizons ETFs family of Total Return ETFs which now offers exposure to 18 different benchmarks or asset classes. These ETFs can use either a total return swap or physical replication in order to deliver the total return of the underlying investment strategy with minimal tracking error (in the case of HULC and HXCN) and competitive management fees. Similar to other Horizons Total Return ETFs, HULC, HXCN and HSAV are not currently expected to pay any distributions to investors. The table below outlines the respective investment objectives of the new strategies and their management fees.

All of the Total Return ETFs are part of a single, multi-class corporate 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.

ETF Name and Ticker(s)	Investment Objective	Management Fee*
Horizons US Large Cap Index ETF (HULC and HULC.U:TSX)	HULC seeks to replicate, to the extent possible, the performance of the Solactive US Large Cap Index (CA NTR) (The "HULC Index"), net of expenses. The HULC Index is designed to measure the performance of the large-cap market segment of the U.S. equity market.	0.08%
Horizons S&P/TSX Capped Composite Index ETF (HXCN:TSX)	Horizons S&P/TSX Capped Composite Index ETF (HXCN) seeks to replicate, to the extent possible, the performance of the S&P/TSX Capped Composite Index (Total Return) (the "HXCN Index"), net of expenses. The HXCN Index is designed to measure the performance of the broad large-cap market segment of the Canadian equity market, with a capped weight of 10% on all constituent issuers.	0.05%
Horizons Cash Maximizer ETF (HSAV:TSX)	HSAV seeks to generate modest capital growth by investing primarily in high interest deposit accounts with Canadian banks. While any decision to pay dividends or other distributions is within the discretion of the Manager, HSAV is not currently expected to make any regular distributions.	0.18%

*Plus applicable sales taxes.

HXCN will use a synthetic, total return swap structure. Unlike traditional physically-replicated ETFs, HXCN will instead seek to receive the total return of the HXCN Index by entering into swap agreements with large Canadian financial institutions. Horizons ETFs does not currently expect HXCN to make regular distributions.

HULC and HSAV will seek to achieve their investment objectives by directly holding physical securities, cash and/or cash equivalents in their portfolio. This means that these ETFs will receive distributions and interest directly to their respective portfolios. However, in the view of Horizons ETFs, the benefits of the corporate class structure will allow Horizons ETFs to greatly reduce the potential for distributions to investors from these ETFs. For this reason, Horizons ETFs does not currently expect either HULC or HSAV to make regular distributions.

"These new ETF launches within our corporate class structure expand our total return investment offerings to these three popular new strategies: traditional U.S. large-cap equities, the S&P/TSX Capped Composite, and high interest savings accounts," said Steve Hawkins, President and CEO of Horizons ETFs. *"In each case, we are offering ETFs that have competitive fees relative to comparable passively-managed ETFs in the Canadian ETF market, with the added benefit of our unique total return structure."*

Horizons US Large Cap Index ETF (HULC)

HULC directly invests in a portfolio of the leading large-capitalization companies listed in the United States. HULC will receive the underlying dividends from the equity securities in the portfolio but it is currently not expected to distribute those dividends to its shareholders. The net value of those dividends are reinvested back into the HULC portfolio and will be reflected in the net asset value ("**NAV**") of the ETF. This is a key differentiating feature of HULC versus other large-cap U.S. equity index ETFs. HULC is also available to be traded in U.S. dollars through the ticker HULC.U.

*"We have had a lot of success raising assets in our Horizons S&P 500 Index ETF ("**HXS**"), but shareholders typically only hold that ETF in taxable accounts because the total cost of ownership, which includes a 0.30% swap fee, may not make as much economic or operational sense for registered accounts,"* said Mr. Hawkins. *"With a management fee of 0.08% and no swap fee, HULC has the potential to be more cost-effective and operationally efficient for all types of investment accounts, and will still offer the benefit of our unique total return structure for taxable accounts since it is not currently expected to pay any distributions."*

Horizons S&P/TSX Capped Composite Index ETF (HXCN)

HXCN offers investors synthetic exposure to the total return of the S&P/TSX Capped Composite Index, which is comprised of the 234 largest stocks listed on the Toronto Stock Exchange.

"With a management fee of 0.05%, HXCN will be priced in line with the other S&P/TSX Capped Composite Index ETFs listed in Canada," said Mr. Hawkins. *"HXCN will, however, have the*

added benefit of offering tax efficiency for taxable accounts since, like HULC, HXCN is not currently expected to pay any distributions."

The Horizons Cash Maximizer ETF (HSAV)

Amid market uncertainty, cash-holding ETFs have gained popularity in Canada with approximately $2 billion in net in-flows occurring in 2019[2]. With the introduction of HSAV, Horizons ETFs is improving on the existing cash-like ETF landscape by giving investors access to a total return strategy that is not currently expected to make distributions, despite its high interest savings mandate.

"Similar to other high interest savings ETFs, HSAV will invest in high interest savings accounts that are offered by the leading Canadian chartered banks for a competitive management fee," said Mr. Hawkins. *"However, HSAV offers a unique total return strategy which, unlike its direct competitor ETFs, isn't currently expected to pay out any interest distributions to shareholders."*

HULC, HXCN and HSAV have closed their initial offering of shares and will begin trading on the TSX when the market opens this morning.

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 $11.7 billion of assets under management and 94 ETFs listed on major Canadian stock exchanges.

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[1] Horizons Total Return ETFs ("Horizons Total Return ETFs") are generally index-tracking ETFs that use an innovative investment structure known as a Total Return Swap to deliver the returns of an underlying benchmark in a low-cost and tax-efficient manner. Unlike a physical replication ETF that typically purchases the securities found in the relevant benchmark in the same proportions as the benchmark, most Horizons Total Return ETFs use a synthetic structure that never buys the securities of a benchmark directly. Instead, the ETF receives the total return of the benchmark through 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 benchmark in exchange for the interest earned on the cash held by the ETF. Any distributions which are paid by the benchmark's constituents are reflected automatically in the net asset value (NAV) of the ETF. As a result, the Horizons Total Return ETF receives the total return of the benchmark (before fees), which is reflected in the ETF's share price, and investors are not expected to receive any taxable distributions. Certain Horizons Total Return ETFs use physical replication instead of a total return swap, which includes HULC. The Horizons Cash Maximizer ETF does not track a traditional benchmark but rather a compounding rate of interest paid on a cash deposit that can change over time.

[2] Source: Morningstar, as at November 31, 2019